

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION  
COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on January 4, 1989, at 10:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Eddy McClure

Announcements/Discussion:

HEARING ON SB9

Presentation and Opening Statement by Sponsor:

Senator Harp was asked to present SB9, which he sponsored. Senator Harp reported that SB9 is an act to submit to the qualified electors of Montana an amendment to Article III, Section 5, of the Montana Constitution to increase the percentage of petition signers required to suspend (he emphasized "suspend") the operation of a referendum.

List of Testifying Proponents and What Group they Represent:

None.

List of Testifying Opponents and What Group They Represent:

None.

Testimony:

Senator Harp indicated that revenue is not keeping up with spending, and there is an imbalance in the system in that we are not able to meet our obligations as far as appropriations. Senator Harp suggested that we often hear the pros and cons of raising revenues to match spending, but we don't see that on the appropriations side. Senator Harp reported that, after the last session, two groups approached him indicating their intent to exercise their rights to suspend revenue measures.

Senator Harp explained that SB9 would require 30% rather than 15% to suspend an act, either by the people or by the legislative body. He cited his greatest fear as the idea that revenues based on projected income, such as sales tax, income tax, property tax, etc. can be suspended six months later. Senator Harp indicated that the only thing that can not be suspended is an appropriation bill.

Questions From Committee Members:

Q. Senator Bengtson asked how many times has it happened where 50% of the electorate has stopped a referendum from going into effect.

A. Senator Harp responded that, to date, none. However, he indicated it is his intention to make the legislative body responsible in being able to institute a tax reform, but not see it suspended so easily with the 15%. Senator Harp also indicated he did not intend to disallow the public the opportunity to suspend an act but, rather, make it more difficult, and make them really look at it.

Q. Senator Rapp-Svrcek asked how Senator Harp came up with the 30% figure.

A. Senator Harp responded that he researched the 1889 Constitution and, although the 15% was in there, Senator Harp indicated it was an arbitrary figure, and he was not able to ascertain whether or not it was a model piece of legislation.

Q. Senator Hofman asked if the concern was that, if it looks as if a sales tax would pass, people will run out and get all of these signatures, and if Senator Harp anticipated it would take a very little amount of time.

A. Senator Harp responded yes, not only on a sales tax but also income tax; both areas of taxation. Senator Harp reiterated that his fear was that revenues will be anticipated which will never be received, but the appropriations can not be stopped; the spending can not be suspended. Only other acts for spending can be suspended. Senator Harp suggested we need to spend more time on how we spend dollars than on how we raise dollars.

Q. Senator Hofman indicated that the people have had this protection since 1889, and it has never been used. He asked why Senator Harp is so fearful now. Senator Hofman also questioned removal of the people's ability to control government in the way that the Constitution is set up. Senator Hofman indicated he disagreed with Senator Harp's reasoning.

A. Senator Harp responded that the provision is still intact, but that SB9 only seeks to make it a little more difficult, not take anything away. The ability of the public to be involved with legislative acts through the referendum process or through the initiative process will remain strong.

Q. Senator Vaughn asked if what Senator Harp was saying was that if people disagree with what the Legislature does, Senator Harp wants to make sure that at least 30% of the people really disagree, rather than a minority.

A. Senator Harp responded that we all get elected by a majority, and why should a small segment of the population "hold the sausage".

Closing by Sponsor:

None.

DISPOSITION OF SB9

Discussion:

Chairman Farrell asked that the Committee take Executive Action on SB9.

Senator Vaughn moved to adopt SB9.

Senator Bengtson asked if there was any advantage to having this Bill out of Committee. She indicated she would prefer to wait longer than a day or two in order to assess the value of putting this out for a vote. Chairman Farrell responded that the Committee on State Administration would have approximately 120 bills to deal with in 45 days. He indicated the Committee could postpone Executive Action on SB9 for a couple of days, unless the Committee voted to table the bill. In a substitute motion, Senator Bengtson moved to table SB9.

Senator Abrams asked if the motion included a designated period of time. Senator Bengtson responded that she had no specific length of time in mind, but that she was not ready to take action on SB9 today.

Senator Vaughn asked if Senator Bengtson could, while in Taxation Committee, get a feeling for this if there is to be a sales tax passed, as to whether they would initiate this particular option. Senator Vaughn further asked if the Committee should wait until that time to act on SB9. Senator Bengtson responded yes. She further indicated that to be threatened with 15% of the people to stop action on what the Legislature does is unfair.

Senator Rasmussen indicated he would speak against the tabling motion, but that he had no problem with waiting a few days. He further indicated he would like to see the motion voted down, but added that he would support a motion to hold action for a few days.

Chairman Farrell indicated he would hold off action for a couple of days, but reiterated that the Committee has a tremendous work load and things have to get out of Committee as quickly as possible. Senator Bengtson restated her concerns regarding taking Executive Action immediately on SB9, but withdrew her motion to table SB9. Senator Harding also withdrew her motion to adopt SB9. Chairman Farrell indicated that, as a courtesy to Senator Bengtson, Executive Action on SB9 will be postponed. Senator Rasmussen asked if a date should be set to take Executive Action on SB9.

Chairman Farrell suggested Executive Action be taken no later than Monday, January 9, 1989, and that only two bills are scheduled for hearing on that date. He also indicated that Executive Action should be taken on any non-controversial bills heard between now and then in an effort to move bills out of committee as rapidly as possible.

Amendments and Votes:

None.

Recommendation and Vote:

Motion to adopt SB9 withdrawn. Substitute motion to table SB9 withdrawn. Executive Action on SB9 to be postponed until Monday, January 9, 1989.

HEARING ON GOVERNOR'S APPOINTMENTS

Chairman Farrell announced that some of the individuals appointed by the Governor are in attendance, and he introduced Mike Micone, Department of Labor and Industry, Errol Galt, Fish and Game Commission, Lorents Grosfield, Board of Natural Resources and Conservation, and Dr. Sidney Pratt, Board of Health and Environmental Sciences. Chairman Farrell indicated Executive Action will not be taken until Friday, in order to allow the Committee a couple of days to look the appointments over. In addition, Chairman Farrell announced that a representative of the Governor's office will be in attendance at this meeting, but had not arrived yet.

Senator Bengtson asked if there was a list of questions that are typically asked of nominees. Chairman Farrell responded that there never has been, and the Committee members usually develop their own questions. Senator Bengtson indicated there

should be certain historical things that a nominee should measure up to, and Chairman Farrell responded that these are left up to the Governor.

Senator Hofman asked if it was fair to ask those nominees in attendance to tell the Committee why they are qualified for their appointments. Chairman Farrell responded that he would prefer it not be opened up to the public. Senator Bengtson indicated she would like to hear from the nominees, and asked that they be allowed to say whatever they wish in their own behalf. Senator Hofman concurred that he would like to hear from the nominees, but indicated it was not his intent to "put them on the spot".

Presentation and Opening Statement by Sponsor:

None.

List of Testifying Proponents and What Group they Represent:

None.

List of Testifying Opponents and What Group They Represent:

None.

Testimony:

Chairman Farrell then introduced Dr. Sidney Pratt. Dr. Pratt gave a brief summary of his career in private practice and public service since coming to Montana in 1939. He reported that he was with the Department of Health at the time the Medicare program began, and that he developed a continuing education system for health professionals.

Senator Bengtson asked if questions could be asked of the nominees at this time. Chairman Farrell agreed, but stated he would prefer questions be held until the Executive Action hearing.

Chairman Farrell introduced Mike Micone. Mr. Micone opened by stating that he would prefer to have questions asked, openly, at this time. Mr. Micone indicated he was born and raised in Montana, and went on to summarize his career in public service, and private business. He indicated he had worked with both labor and industry, and has a good working relationship with both aspects, as well as a knowledge of government. Mr. Micone then indicated he would leave it up to the Governor as to whether or not he is qualified for the appointment.

Chairman Farrell introduced Errol Galt. Mr. Galt explained he has had experience with landowners, sportsmen, outfitters,

as well as governmental agencies. He indicated that, as Chairman of the Fish and Game Commission, he would do his best to solve problems, not create them, and he would work very hard to maintain recreational facilities throughout the State for all Montanans. Mr. Galt indicated that, like Mr. Micone, he would be open to any questions.

Chairman Farrell introduced Lorents Grosfield. Mr. Grosfield reported that he was born and raised in Montana, and has been a cattle rancher in Sweetgrass County. He was the Conservation District Supervisor for approximately 10 years, and has been involved in the State Conservation District Association, as well as serving as the Water Resources Committee Chairman for 7 years. He indicated he is quite familiar with the Department of Natural Resources, and has been active in water issues. Mr. Grosfield also indicated he would welcome any questions.

Chairman Farrell then introduced the Governor's Liaison, Bob Ellerd, and indicated Committee members who wish to ask questions or obtain further information on the appointees can contact Mr. Ellerd.

Chairman Farrell then asked Senator Story to introduce Leon Houglum, Department of Family Services. Chairman Farrell invited Mr. Houglum to make an opening statement to the Committee.

Mr. Houglum indicated he is looking forward with a great deal of excitement and anticipation to the job. He further indicated he has been involved with the people of SRS for the past 10 1/2 years, and he has always found them to be dedicated and professional, and also caring and compassionate. Mr. Houglum stated he understood the programs that they work with are not always easy, but he is looking forward to working with them to solve some of those problems. The hard economic times bring pressure on the family, and the emphasis is to keep the family together, and do it within the communities. By doing that, it is tough on those people working directly with those families. Mr. Houglum stated he is looking forward to helping them with the people who need help, and to being an advocate in that office.

Mr. Ellerd invited the Committee members interested in visiting with the appointees to contact him.

#### Questions From Committee Members:

Q. Senator Bengtson asked all of the appointees in attendance a general question regarding present policies. Specifically, Senator Bengtson mentioned Certificate of Need for the Department of Health, stream access for sportsmen for the Fish and Game Commission, and all the policies that have been put

in place such as the Department of Natural Resources and the water issue. Senator Bengtson asked those appointees present, regarding the policies that have been put in place in this administration, what are the feelings of the appointees toward them, and would they want to continue on with those, or did they have any changes in mind. Senator Bengtson directed the question in particular on the Certificate of Need to Dr. Pratt.

A. Dr. Pratt responded that, in theory, the Certificate of Need is a fine program that was originally started to cut the cost of health care construction. However, Dr. Pratt indicated that it has not always worked out that way, and the big problem with CON is the local tug-of-war between hospital A and hospital B. Dr. Pratt reiterated that he has no problems with CON, and he would vote for it.

Q. Senator Bengtson further asked Dr. Pratt if he had a specific direction he would like to take the Department of Health on regulations.

A. Dr. Pratt responded that he is satisfied with the regulations as they exist, but would have to take each one at a time. He mentioned the WIC program, stating it was the most highly regulated Federal agency there is, Federal budgetary agency, but we have nothing to say about that. That comes directly from the Department of Agriculture. The child nutrition program is also highly regulated by the Department of Agriculture. He indicated he did have a strong feeling for the handicapped children program, and went on to explain to the Committee some of the problems being experienced by that program.

Q. Senator Bengtson asked Dr. Pratt if there were any specific policy changes he had in mind.

A. Dr. Pratt responded that he certainly intends to keep on at this time.

Closing by Sponsor:

None.

DISPOSITION OF GOVERNOR'S APPOINTMENTS

Discussion:

Senator Bengtson indicated she would like to hear from Mr. Galt and Mr. Grosfield regarding policy changes. Chairman Farrell requested that Senator Bengtson take the next few days to interview the appointees and report back to the Committee on Friday, January 6, 1989.

Recommendation and Vote:

That the Committee take Executive Action on the Governor's Appointments on Friday, January 6, 1989.

ADJOURNMENT

Adjournment At: 10:45 a.m.

  
WILLIAM E. FARRELL, Chairman

WEF/mhu

SB9GVAPT.104



SENATE STATE ADMIN.

EXHIBIT NO. 1

DATE 1/4/89

BILL NO. \_\_\_\_\_

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: January 4, 1989

NAME	PRESENT	ABSENT	EXCUSED
HUBERT ABRAMS	✓		
JOHN ANDERSON, JR.	✓		
ESTHER BENGTON	✓		
WILLIAM E. FARRELL	✓		
ETHEL HARDING	✓		
SAM HOFMAN	✓		
PAUL RAPP-SVRCEK	✓		
TOM RASMUSSEN	✓		
ELEANOR VAUGHN	✓		

