

MINUTES

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

Call to Order: By Chairman William E. Farrell, on January 17, 1989, at 10:00 a.m.

ROLL CALL

Members Present: Chairman William E. Farrell
Senator Hubert Abrams
Senator John Anderson, Jr.
Senator Esther Bengtson
Senator Ethel Harding
Senator Sam Hofman
Senator Paul Rapp-Svrcek
Senator Tom Rasmussen
Senator Eleanor Vaughn

Members Excused: None

Members Absent: None

Staff Present: Eddy McClure

Announcements:

Chairman Farrell announced that the hearing on SB109 was cancelled.

HEARING ON SB 110

Presentation and Opening Statement by Sponsor:

Senator Judy Jacobsen pointed out that this is the second bill she has brought before this committee that will save the state money. She noted that the bill is being introduced at the request of the Department of Administration, and the purpose is to remove the language that requires state agencies to send documentation supporting claims that are processed. She indicated that this will be done electronically through the computers and that there was a pre-audit system in the 1960's that was removed quite some time ago. Senator Jacobsen further indicated that, although the Legislative Fiscal Analyst's office felt this could present a problem if they need information quickly, they did not feel they should oppose the legislation.

List of Testifying Proponents and What Group they Represent:

Karen Munro, Acting Administrator, Accounting Division,
Department of Administration
Carolyn Doering, Management Services, Department of Commerce
Jack Noble, Deputy Commissioner, Management and Fiscal
Affairs, Montana University System
John Skufca, Administrator, Centralized Services Division,
Department of Livestock

Testimony:

Ms. Munro's testimony is attached at Exhibit 1.

Ms. Doering reported that, during fiscal 1988, the Commerce Department sent approximately 15,000 documents to the Department of Administration. Assuming each of those documents have 2 pages of back-up material, she noted that equates to 45,000 pieces of paper being transmitted. Ms. Doering indicated the Department of Commerce supports SB110.

Mr. Noble reported that the Montana University System supports SB110.

Mr. Skufca reported the Department of Livestock supports SB110.

Questions From Committee Members:

- Q. Senator Harding asked how this accounting process is done.
- A. Ms. Munro responded that each agency has a personal computer or terminal that will be connected to the main frame computer, and they will be able key on the PC or terminal directly into the Accounting Division.
- Q. Senator Harding further asked if other departments get the information out of the computer.
- A. Ms. Munro responded that is not correct. Individual agencies would be using the PC to key information in; the information is transferred directly to the main frame computer and processed in the Accounting Division. Presently, hard copy documents are submitted to the department and then have to be key punched. Under this bill, the agencies would key punch the information into the computer.
- Q. Chairman Farrell asked Senator Jacobsen if line 10, page 2 reads correctly, or if something is missing.

- A. Senator Jacobsen indicated the wording was probably correct. The intent of the language is to indicate that, rather than have the Department of Administration handle all these claims, they will stay in the separate departments.
- Q. Chairman Farrell asked if the wording would be better if it said "support claims sent to the department".

Ms. Munro asked if she may be allowed to clarify this question. She indicated that documents submitted electronically are called "claims". This is referring to sending a claim electronically to the department to process; an electronic transmission of claims.

Closing by Sponsor:

Senator Jacobsen indicated this bill came through the Legislative Auditor's office, and she thinks it makes sense as well as saves money.

DISPOSITION OF SB 110

Recommendation and Vote:

Senator Bengtson moved that SB 110 do pass.

Motion passed by the committee that SB110 do pass.

OTHER BUSINESS

Chairman Farrell indicated he would entertain a motion regarding SB82.

SB82 Discussion:

Senator Bengtson stated she understood the sponsor wished to do some work on this bill. Chairman Farrell responded that they could not come to an agreement, and the sponsor requested that the committee proceed with the bill in a normal fashion.

Senator Bengtson moved that SB 82 do pass. She noted that this bill does not involve general fund money, that this person is paid out of their own fund. She indicated she questions the Department of Administration's statement that exceptions can be granted in that she did not think they need to go through the hassle to allow them to do this. She further stated she feels there is something wrong with the pay plan, as far as hiring some of those higher level people, if they can not recruit.

Senator Harding indicated that she agrees with Senator Bengtson in that, if the lowest paid person in a similar position in surrounding states is \$11,000 higher than the present salary we can pay, there must be something wrong with our pay plan. She further stated she would vote in favor of this bill.

Senator Rapp-Svrcek reminded the committee that the Department of Administration indicated they have the flexibility, and seemed amenable to increasing the range of this position to well within recruiting levels; as high as \$36,000. He noted it was his understanding that this is within the range that they were looking at, anyway, and he thought the argument about creating all the exceptions, and what it does to other departments who are under the general fund, is worth considering. He indicated that perhaps the pay plan needs to be changed, but this bill does not do that.

Senator Anderson stated that, since there are no general funds involved, the bill has some merit and is favored by the people who are directly involved. Senator Anderson referred to Senator Rapp-Svrcek's statement about the 28% flexibility, and indicated that is something to think about, but he restated that, because no general fund money is involved, the bill has merit.

Senator Rasmussen stated the point that was made is that this is what tore the pay plan apart before. The agencies that were funded with federal dollars, or something other than general fund, were higher than the others. He indicated, if we do this, we are starting the same thing that tore everything apart back in the 70's before the new pay plan. He pointed out they can go up to \$36,500 with an exception, and it sounds like the Department of Administration was amenable to granting an exception. Senator Rasmussen stated that he thinks we all agree this needs to be raised, but that does give it a pretty good jump if they have to recruit. He noted that he would vote against this bill for those reasons.

Senator Bengtson asked what process is involved in asking for an exception, and if it is lengthy. Chairman Farrell responded they have asked for an exemption in this case, but were denied. They do not have a problem at the moment, but the problem is they are not sure the person currently in that position is going to stay, and they can not recruit at the bottom level. The exemption they are asking for, to go up to the \$36,000, is what the person is making now. This is still \$6,000 or \$7,000 less than what surrounding states are offering for the same position. Chairman Farrell agreed that this is what tore the pay plan apart in the 70's. He indicated that it is the committee's option to determine this, but suggested perhaps the full Senate should have the question

put to them as to whether they want to start making exemptions to the pay plan.

Senator Vaughn asked, if they seem to have trouble getting the exemptions they need, although she can see the precedent we are starting, how can we keep good people in these positions. Senator Rasmussen indicated he does not know when they asked for the exemption, since they have not had a need to fill that position for a while. He presumed they could give a good argument, based on the facts presented to the committee, for granting the exemption. Senator Abrams stated that, since they are spending their own money, they should be allowed to decide how to spend it.

Recommendation and Vote:

Motion passed by the committee that SB82 do pass, with Senator Hofman, Senator Rapp-Svrcek and Senator Rasmussen opposed.

SB 86 Discussion:

Senator Bengtson moved that SB86 do not pass.

Senator Harding offered a substitute motion that SB86 do pass. She indicated there was good testimony on both sides of this bill, but she has always thought it was a good idea to purge every 2 years. She previously met with opposition from the clerk and recorders across the state, but now finds that the clerk and recorders are beginning to think this is a good thing. She noted they would rather do this work every 2 years, and purge those people that have died, or have moved. Senator Harding agreed those few people who vote just in a presidential election would have to re-register, but she believes it is a good bill and would give us a chance to clean up the records.

Senator Vaughn indicated this would help those people having a bond election. The fact that people are encouraged to vote just in presidential elections is a mistake, and it is their responsibility and opportunity to get out and vote in all elections. If people get the idea they have to vote in every general election, they would do it rather than having to re-register. Senator Vaughn stated that she does not think that, with the way they are able to handle the purging and the re-registration, it will create nearly the problem that it did in past years.

Senator Bengtson stated she speaks in opposition. She indicated she thinks the testimony given by the League of Women Voters, the Low Income people, and others, holds more weight. Senator Bengtson noted the process of getting something done is slow, and this is so that people get used

to a new idea, and is meant to gender support. She further indicated she thinks this would be confusing. Although, in time, people will know they have to vote or they will be purged, they know now that if they do not vote in a presidential election they will have to re-register. Senator Bengtson indicated this would be treating voting as punitive, and she doesn't like the idea. Although she realizes it is a problem that schools have to get 30% or 60%, and they want things to move quickly and efficiently, Senator Bengtson stated those things just don't work like that. Nothing works like that. Getting a law passed doesn't work like that. She noted that this bill is an effort to streamline it and be efficient, but she does not know if it serves the people.

Senator Rapp-Svrcek asked Senator Vaughn if it is her intention to submit a bill to change the percentages on the school boards. Senator Vaughn responded that she understands the bill has been presented, but the feeling is that this has been done in many sessions, has never met with favor, and has had opposition every time it has been tried. She stated there is quite a bit of opposition from the people because they feel this is leverage to control some of their expenses, since you no longer have to be a taxpayer to vote in those elections. She noted it does give them the leverage to control how many people have to get out and vote to raise those expenses for everyone. Senator Vaughn indicated she is not sponsoring a bill to change the percentages.

Senator Abrams indicated he contacted most of the clerk and recorders in his area and, without exception, they are in favor. They have found the only reason people vote is because they are on the list.

Chairman Farrell asked Senator Vaughn if all the counties have a computer system. Senator Vaughn responded that she talked with Mike Cooney about that, and he said that most of them who did not have computers were contracting with someone who has. Chairman Farrell asked if any of them have a system where they have to go through hand by hand to purge the lists. Senator Vaughn responded they can use a computer system to erase the log, and put a notice in the paper that the voters have been cancelled if they did not vote in the last general election. She noted the registration has been made easier with the mail-in registration cards; they don't have to go before a Notary and don't have to go into the office. The card is mailed to them.

Chairman Farrell asked if, before the 1972 Constitution, the lists were purged every 2 years, and how did that work. Senator Vaughn indicated it was difficult in those days because it was done by hand. She indicated, because of the computers and the new systems, many of the clerks she has

talked to can not see any problem in doing this, and feel it would eliminate an extra load on their office, with the number of people they have to send out the notices to that are not there. Chairman Farrell then asked if this would reduce the Clerk and Recorder's mailing costs. Senator Vaughn responded that, in any election, mailings have to go to every registered elector on the list. Mailings to people who have moved or are deceased go to a dead letter office, and this is an expense, very time consuming to get them mailed, and a printing expense. This would cut down on the printing and mailing costs.

Senator Rasmussen stated he is speaking against the do pass motion. He indicated he can understand the support from the clerk and recorders, and he doesn't blame them because it makes their job simpler, if we look at it from that narrow perspective. Senator Rasmussen indicated that, in a democracy, we want to encourage voting and what has made our country strong is that people are involved in the process. He stated he thinks this would curtail voting, as has been testified to. The price of trying to get more people to vote is maybe having a little more work in the clerk and recorders office.

Senator Hofman stated he is in support of the bill, although he does not necessarily like it. He indicated he thinks that people are going to vote in the off-presidential years, more than they do now, if they know their name will be purged if they don't vote. He further indicated he does not think we will lose that many people, but that we will gain some.

Senator Anderson commented that, in his experience, many voters think that the presidential election is the only important vote there is. He indicated this may have some merit in encouraging people to become more interested and vote on other things beside the presidential election. Senator Vaughn stated the off-year elections are the grass-roots elections, when all of the local officers, half of the Senate and all of the House members are up for election. She asked why shouldn't people be made to believe it is just as important to vote at that time, and they should be encouraged and held responsible to vote for those people, not just in the presidential election.

Chairman Farrell asked for a roll-call vote on SB86.

Recommendation and Vote:

Motion passed by the committee, by roll-call vote indicating 6 for and 3 against, that SB86 do pass.

SB88 Discussion:

Senator Rasmussen moved that SB88 do pass. He indicated that, although it is a hassle to have to deal with these licensing questions, he does not see how it is fair that these people have to pay \$6,500 to come to the Legislature, when every other citizen can come to the Legislature for nothing.

Senator Harding indicated she understands what Senator Rasmussen is talking about, but she still remembers that, 2 years ago when this bill was passed, there was good argument in favor of it. She noted that Senator Hager suggested the fee could be reduced to make this more palatable, although he did not offer an amendment. Senator Harding indicated that, if this was such a good thing 2 years ago, she is concerned that now it is not a good thing. She noted the purpose of the bill was to eliminate everyone wanting to be licensed.

Senator Rapp-Svrcek stated that the provisions of the present law that call for an examination of the licensing procedure concerning these various groups has merit, but the strongest argument is that we are requiring a group or groups of people to pay \$6,500 before they know whether or not they will have the same access to the Legislature that everyone else has for nothing. He indicated this is a very powerful argument, and he feels we would be disenfranchising those people. Senator Rapp-Svrcek suggested that removing the fee, but keeping the up-front audit in place, would be the way to go.

Senator Bengtson stated that there were questions when this bill went through the Legislature last time, but they were not aware of the fee that was going to be applied. That was not in the bill, but came about afterwards. Chairman Farrell indicated it came about through Audit Committee action. There was discussion regarding the amendment which established the amount of the fee. Senator Bengtson noted she understands there are 14 or so different groups that want to be licensed, so there is not a lot of people wanting to be licensed.

Senator Abrams asked Chairman Farrell if there are any moves to try and compromise between the 2 bills. Chairman Farrell responded there is another bill in the Legislature to revise the sunrise proposal, perhaps to eliminate the fee, but he did not know what all they are trying to do. He indicated it was his understanding the bill is attempting to revise the structure that we have now. Senator Rasmussen indicated he has not heard of this bill; that no one has mentioned it to him. Senator Abrams indicated, that being the case, he would propose a substitute motion to table SB88.

Senator Bengtson suggested asking Senator Hager to be a party to a compromise on either this bill or the other bill, if

there is one. Chairman Farrell indicated he would appreciate the opportunity to confirm that such a bill is being proposed, because he is not absolutely certain. Senator Vaughn reported she has had phone calls from dieticians and other people who are very concerned that this bill should stay, because it has just been initiated and has not had a chance to be tested, although they did see a problem with the \$6,500 fee. Senator Rasmussen indicated he would be amenable to withholding action, and he would withdraw his motion until further information on the other bill is available. Senator Abrams indicated he is also in agreement, and would withdraw his motion to table the bill.

ADJOURNMENT

Adjournment At: 10:55 a.m.


WILLIAM E. FARRELL, Chairman

WEF/mhu
SB110.117

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE:

January 17, 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	✓		

STANDING COMMITTEE REPORT

January 17, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration SB 110 (first reading copy -- white), respectfully report that SB 110 do pass.

DO PASS

Signed: Parrell
William E. Parrell, Chairman

STANDING COMMITTEE REPORT

January 17, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration SB 86 (first reading copy -- white), respectfully report that SB 86 do pass.

DO PASS

Signed: William E. Farrell
William E. Farrell, Chairman

SENATE STATE ADMIN.

EXHIBIT NO. 1

DATE 1/12/89

BILL NO. SB 110

SB 110

DEPARTMENT OF ADMINISTRATION'S TESTIMONY

This legislation is being introduced at the request of the Department of Administration. Its purpose is to remove language that requires State agencies to send us documentation supporting claims they process in the Statewide Budgeting and Accounting System (SBAS). Under this proposed legislation, the documentation to backup agencies' accounting transactions will be located at the respective agencies, rather than at both the agency and at the Department of Administration.

For the past two years the Department of Administration, at the request of the Data Processing Advisory Council, has been working on a new system that allows agencies to enter information into SBAS electronically. We call the new system On-line Entry and Edit (OEE). This new system has been up and running since January.

The new on-line system has a number of advantages over the old method of paying the State's obligations. One of its advantages is the near elimination of paper flow between State agencies and the Accounting Division. Under the old system, agencies would send the Accounting Division a SBAS claim form with the transaction information on it. The supporting documentation required by 17-8-201 and 17-8-202 was attached to the SBAS form. Under the new OEE system, agencies no longer send us input forms to record their transactions in SBAS; but without this legislation, they will still be required to send us the supporting documentation.

We estimate this legislation will have an annual statewide savings of nearly \$40,000. The savings will result from a reduction in photocopy costs, records storage costs, wages and benefits for the Accounting Division's file clerk and mailing expenses incurred by State agencies located outside of Helena.

KAREN MUNRO, Acting Administrator
Accounting Division
Department of Administration

EXHIBIT NO. 2

DATE 1/17/89

STATE ADMINISTRATION COMMITTEE

BILL NO. SB110

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

DATE:

Karen Murro

1/17/89

Address:

Dept of Admin

Phone:

Representing whom?

Appearing on which proposal?

SB110

Do you:

SUPPORT?

AMEND?

OPPOSE?

Comments:

See exhibit #,

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

SENATE STATE ADMIN.

EXHIBIT NO. 3

DATE 1/17/89

STATE ADMINISTRATION COMMITTEE

BILL NO. SB110

WITNESS STATEMENT

To be filled out by a person testifying or a person who would not like to stand up and speak but wants their testimony entered into the record.

NAME:

DATE:

JACK NOBLE

1/17/89

Address:

HELENA

Phone:

444 6570

Representing whom?

MONTANA UNIVERSITY SYSTEM

Appearing on which proposal?

SB 110

Do you: SUPPORT? AMEND? OPPOSE?

Comments:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

DATE: 17 Jun 89

NAME	REPRESENTING	BILL #	Support	Oppose
<i>Margaret Davis</i>	<i>WVAF</i>			
<i>Mary Reynolds</i>	<i>OCA</i>	<i>110</i>		
<i>Karen MUMO</i>	<i>Dept. of Admin</i>	<i>110</i>	<input checked="" type="checkbox"/>	
<i>Teresa Timm</i>	<i>Dept. of Admin.</i>	<i>110</i>	<input checked="" type="checkbox"/>	
<i>JACK NOBLE</i>	<i>UNIVERSITY SYSTEM</i>	<i>110</i>	<input checked="" type="checkbox"/>	
<i>Carolyn Doering</i>	<i>Commerce</i>	<i>110</i>	<input checked="" type="checkbox"/>	
<i>John Ahfer</i>	<i>Livestock</i>	<i>110</i>	<input checked="" type="checkbox"/>	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE
51ST LEGISLATIVE SESSION

DATE 1/17/89
BILL NO. SB86

DATE: January 17, 1989 BILL NO. SB86 TIME: 11:45 AM

NAME	YES	NO
HUBERT ABRAMS	✓	
JOHN ANDERSON, JR.	✓	
ESTHER BENGTON		✓
WILLIAM E. FARRELL	✓	
ETHEL HARDING	✓	
SAM HOFMAN	✓	
PAUL RAPP-SVRCEK		✓
TOM RASMUSSEN		✓
ELEANOR VAUGHN	✓	
	6	3

Mary Upchurch
Secretary

William E. Farrell
Chairman

Motion: That SB86 DO PASS
