

MINUTES

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

Call to Order: By Chairman William E. Farrell, on March 20, 1989,
at 9:00 a.m., Room 331, Capitol.

ROLL CALL

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

Members Excused: Senator Esther Bengtson

Members Absent: None

Staff Present: Eddy McClure

HB 387

Discussion:

Chairman Farrell informed the committee that the sponsor has
requested HB387 be returned to committee and placed on the table.
Senator Rasmussen offered a motion that HB387 be tabled.

Recommendation and Vote:

Motion passed by the committee that HB387 be tabled.

GOVERNOR'S APPOINTMENTS

Discussion:

Chairman Farrell asked Senator Rasmussen to report on the Board of
Pardons.

Senator Rasmussen reminded the committee that he spoke on Mr.
Burgess' appointment last week. He then indicated that he got a
very good report on Mr. Ian Elliot, who is semi-retired, noting
that he is a Democrat. Senator Rasmussen reported that Mr. Anthony
Marra, who is a reappointment, seems to have a rather low-profile

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in Havre. He indicated Mr. Marra is a retired parole officer, and that he got good reports on him. Senator Rasmussen recommended these appointments be confirmed.

Chairman Farrell then asked Senator Rapp-Svrcek to report on the Highway Commission.

Senator Rapp-Svrcek reported that Mr. Dan Huestis of Great Falls has been a contractor for some time, and is the past president of both the Montana and the National Association of General Contractors, adding that the information he received is that Mr. Huestis is a straight shooter, and received strong recommendation. Senator Rapp-Svrcek then reported that Mr. Dennis Shea was a Democratic Representative from the Butte area, in the 1950's, and was a lobbyist for the Anaconda Company for some time following that. He indicated that Senator Lynch gave Mr. Shea a good recommendation, and spoke highly of him. Senator Anderson reported that he has known Mr. Shea for many, many years.

Senator Rapp-Svrcek indicated the information he received regarding Mr. Tom Conroy was of a different nature. He noted Mr. Conroy is a former Republican legislator. Senator Rasmussen stated Mr. Conroy was a Democrat, and Chairman Farrell concurred. Senator Rapp-Svrcek commented that he must have switched, and Chairman Farrell indicated that he switched to Republican, and ran against Senator Yellowtail. Senator Anderson reported he served with Mr. Conroy in 1975.

Senator Rapp-Svrcek reported that Mr. Conroy and his wife have a contracting company and, because his wife is Native American, they get preference, although he runs the company. Senator Rapp-Svrcek then reported that, several years ago, they bid a contract for highway fencing, which called for a certain gauge wire on the fence, but they ran the whole fence with substandard wire. He indicated that, when the Highway Department told them to install the right kind of wire, Mr. Conroy raised Holy hell, and that he went to the Governor, and said he did not want to do that. Senator Rapp-Svrcek noted that the Governor stood pat, and Mr. Conroy had to take the wire down, and install the new wire. Senator Rapp-Svrcek quoted the person he talked to as saying Mr. Conroy is a shady operator, adding that he does not know the man, and is just a messenger. Senator Rapp-Svrcek asked Chairman Farrell if he could pass Mr. Conroy's appointment on, without a recommendation.

Senator Anderson reported he knows Mr. Conroy well, indicating that he is a very determined man, a former legislator, and he is not aware that Mr. Conroy is underhanded or irresponsible. Senator Rapp-Svrcek indicated he would recommend the whole slate, noting he is sure the Highway Commission is important to the people who

build highways but, in the grand scheme of things, he does not see it as being all that important. Senator Anderson asked how many are on the Highway Commission and, upon hearing there are five, he indicated that one person is not going to run the show.

Senator Hofman asked Senator Rasmussen what he thinks about this, noting he served with Mr. Conroy, and knows him. Senator Rasmussen responded that he has not seen him in decades, and does not have a feeling about it, other than, politically, he was a maverick Democrat, noting that has nothing to do with this. He indicated Mr. Conroy is forceful in what he believes in, which is fine, adding that, regarding his integrity, he does not know. Senator Hofman reported a senator told him he thought Mr. Conroy was an excellent nominee. Chairman Farrell reported that Senator Bengtson also served with him, who indicated he is a loose arrow, and noted that he switched to Republican, and got beaten. Chairman Farrell further stated that his personal opinion is that, surely the Governor knows about the controversy, but they can not find anything, and he has not been convicted of anything.

Senator Hofman offered a motion that the appointments to the Board of Pardons and the Highway Commission be concurred in.

Recommendation and Vote:

Motion passed by the committee that the appointments to the Board of Pardons and the Highway Commission be concurred in.

HB 148

Discussion:

Chairman Farrell announced that Senator Bengtson left her vote with him on this bill. Senator Harding reported that she and Senator Bengtson have some amendments on this bill, and asked Ms. McClure to explain them.

Ms. McClure reported the first amendment, on page 5, is to take out that the commission's research director is the local government center in Bozeman, striking to the end of line 7, to provide that the primary research arm is the Montana University System. She indicated that, because subsection (2) is being struck, the (1) on line 16, following "finances", is struck. Ms. McClure then indicated the amendments numbered 3, 4, and 5 are to take out everything about local government and state government, to provide that the advisory commission may get appropriations or grants from

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the federal government or any private source. She then explained they are striking subsection (2), in its entirety.

Ms. McClure reported that there are some funds and accounts, in state government, in which private and federal funds are deposited, noting it will still have to be appropriated, and that they need to keep 17-7-502, because a statutory appropriation is required to get the funds out. She indicated the last amendment provides a termination date and that, rather than terminating Section 8, regarding finances, they took out the references to state government, and the whole act will terminate July 1, 1991.

Senator Harding offered a motion that the amendments to HB148 be adopted. Senator Rasmussen asked Senator Harding what she means by the last amendment regarding termination. He further asked what is the purpose of that amendment, and if she wants the whole thing to self-destruct in two years. Senator Harding responded that is right. She indicated she had originally asked that there not be any local or state money involved and, based on this committee's determination that they can not guarantee any of these funds, they will have to come back in two years. She added that, if there is more money out there, they could do the same thing, again. Senator Harding noted this is a safeguard, that this will have to be looked at again, in two years. Ms. McClure noted the original suggestion was that Section 8, regarding the funding, terminate, which would say they could not get money from anywhere and, rather than do that, they took all the state and local government money out of it. Chairman Farrell asked if they have to have private funds to get a matching grant from the federal government. Ms. McClure responded that it will be federal funds, and they will be allowed to appropriate out just that, noting it is earmarked for them.

Senator Harding asked Ms. McClure if this affects the whole bill, or if it affects just those funds they are talking about. Ms. McClure responded the termination affects the whole act. Senator Rasmussen asked, if no action is taken in two years, will this commission cease to exist. Senator Harding responded that is right. Ms. McClure indicated they will look at this in two years and, if they have not raised any money, or have not been able to do what the legislature thinks they should have been able to do, they will have to be approved, again, or they will just die. Senator Vaughn noted it was said they could use any kind of assistance from MACO or the League of Cities and Towns, and asked if, in taking out all the government sources, that would be exempt, noting tax money supports MACO and the League of Cities and Towns. She further asked, if they amend it this way, will that mean they can not use in-kind services from MACO or the League of Cities and Towns.

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Mr. Gordon Morris responded that the amendments would not bar MACO and the League from providing in-kind services. He indicated that is due, primarily, to the fact that, once they collect dues, pointing out that dues constitute approximately 48% of the total revenue for their association, it ceases to be identified in terms of taxpayer money, adding that they are a non-profit association.

Senator Hofman pointed out that the title indicates "intergovernmental relations", and asked Mr. Morris if that is restricted to in-state governmental relations, strictly, or if they go outside, to other states, and if there is some inter-play. Mr. Morris responded that, based upon the model they are looking at, by way of ACIRs in other states, they are talking about within the State of Montana, and the various intergovernmental units within Montana, noting that would include the municipalities, cities, towns and counties, solely within the state.

Senator Rapp-Svrcek read Section 8, regarding finances, "is authorized to apply for, contract for, and receive and expend for its purposes any appropriation or grants from the state of Montana, local government subdivisions, the federal government," and asked if the amendment will end the sentence there. Ms. McClure responded no, that, after "from", the remainder of line 19, through the word "subdivisions," on line 20, will be struck, so that all that will be left will be federal government and private sources. Senator Rapp-Svrcek then asked if that precludes this commission from coming to the legislature for an appropriation from the general fund. Ms. McClure responded yes, and also from going to local governments. Senator Rasmussen stated he thinks the amendments are fine, and makes the bill better.

Recommendation and Vote:

Motion passed by the committee that the amendments to HB148 be adopted.

Discussion:

Senator Harding offered a motion that HB148, as amended, be concurred in. She reported that, even with the amendments, she has been approached by a lot of people indicating that another bureau is being created. She further indicated that, even though they have removed any state and local government funding, and are not forcing anything on state and local government, she was provided with a document indicating all these boards have been abandoned. Senator Harding then asked what a quasi-board is. Ms. McClure asked Senator Harding if she is referring to a quasi-judicial board. Senator Harding responded that is correct, and Ms. McClure explained that a quasi-judicial board has the authority to take

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action, noting most boards are quasi-judicial, that they have administrative hearings, and make determinations, or quasi-judicial rulings regarding their membership. Senator Harding asked if this board would not do that. Ms. McClure responded that is her understanding, noting they are not licensing people, or disciplining. Senator Harding indicated that part of the objections she received is that this is not a quasi-judicial board, and they would serve no real purpose. She noted that she thinks the amendments have taken care of her concerns, which were that it would take state and local government monies, and that she thought it could not hurt anything to set up this board, and see if it did anything to help, adding that she would hope it might have some input into local government.

Senator Rasmussen stated he would speak against the motion. He indicated he and Senator Rapp-Svrcek had a lengthy discussion on this bill, and noted that Senator Bengtson spoke eloquently against the bill last week. He stated that Section 5 has a very lofty and idealistic format of what this is going to accomplish but, referring to Senator Bengtson's comment that they all serve on commissions, he indicated they sit around and talk, but nothing ever happens. He then referred to Senator Harding's comment that there may be no harm in setting this up, with these amendments, and indicated that, once a framework is set up, even though it doesn't take money the first time, after it is set up, they may lose their federal funding and, since they have a constituency built up, they come back and want general fund money, next time. Senator Rasmussen stated that he does not know if that will happen here, but pointed out that is the history of many things, and indicated that, despite the good purposes and ideals, he is afraid there will not be that much accomplished, that there will be a new bureaucracy, and it will throw open the future.

Senator Rapp-Svrcek asked which of the committee members are in favor of the bill. Senator Abrams stated that he was opposed to this, but that he thinks the amendments have locked it in. He indicated it is an advisory commission, it is subject to federal grants and local dollars, and that the appropriations process has been protected. He pointed out they have two years to show their metal, and that it will be up to the next legislative body to see if they have accomplished something. He noted, as far as there being no teeth, and it being just an advisory commission, that is true, and there is some merit to that. Senator Rapp-Svrcek indicated that, at the risk of receiving the committee's wrath, noting he got back to about 16 phone calls on this bill, not having heard it, he would like to ask that action be delayed one more day so that he might be able to call those people.

Senator Hofman pointed out that a lot of things were brought out

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in the hearing on HB148, and have some bearing on this, but have not been brought out today. He reported that Mr. Weaver testified they have a grant from Kellogg, for \$406,000, to implement this, and get it off the ground. He indicated that, in addition, they have other companies who have more or less said they will provide further grant money, adding that they are anticipating funding for about four years, which will allow them to hold their meetings, and do the things they will do. He reported that they pretty much promised they would probably be able to get more grant money from companies such as the Sunshine Mining Company, which is what they were basing this on, and that they really did not mind that the language referring to funding from state and local government was amended out. He stated he was very much for these amendments, if they could operate on that basis, and do some good. He indicated they testified they could study the jail program, noting there is a problem there, and he thought, at that time, if this group could do something in that way, he would be very much in favor of it. Senator Hofman then reported he has been hammered, as much as the rest of the committee, and he has some reservations about it, that he has some questions about whether this would be a good bill, or not.

Senator Vaughn reported that part of the argument was that the League of Cities and Towns, and MACO, have appeared in the local government committee, almost every day, to try to change local government. She pointed out that they felt a study of this kind might be able to get to the meat of a lot of that, that it may help to alleviate some of that, and get some idea of what they need, and what they might be able to do for themselves. She noted that a study was done, in the 70's, and resulted in HB122, which was not acceptable, and that this would be similar to that.

Senator Abrams pointed out that, in the hearing, the Montana Association of County Commissioners, the League of Cities and Towns, and Carrol Krause were in favor of this. He stated that, in his opinion, he must agree with them, noting one of his better sources of information on a lot of this legislation comes from the county commissioners. Senator Rasmussen stated that, if it was constitutional language that they would never get any state appropriation money, he would be very happy with that. He indicated it is as close as the next legislature, before that changes, and noted that, just because it says, now, there is no state money, that can change very quickly, adding that he does not feel very safe, on that point, just because this bill says there is no state money. He indicated that, once the constituency gets in place, and goes to work on the lobbying, if they need money, they will look to the general fund.

Senator Rapp-Svrcek again asked if there is any possibility of

delaying action on this bill one more day. He stated that, if the committee votes on it today, he will have to vote no, but that he would be doing it blindly, and does not like doing it that way. He noted that, on the surface, it sounds great, but he needs to call some people. Chairman Farrell indicated he would leave his vote, as he will be out of town, if the committee wants to wait one more day. Senator Hofman stated he would have no objection. Senator Anderson indicated he thinks Senator Rapp-Svrcek is entitled to that. Senator Harding withdrew her motion that HB148, as amended, be concurred in.

ADJOURNMENT

Adjournment At: 10:00 a.m.


WILLIAM E. FARRELL, Chairman

WEF/mhu
EXACTION.320

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: March 20, 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	✓		

Amendments to House Bill No. 148
Third Reading Copy

For the Senate Committee on State Administration

Prepared by Eddy McClure
March 17, 1989

1. Page 5, lines 4 through 7.

Following: "SYSTEM."

Strike: remainder of lines 4 through 7

2. Page 5, line 16.

Following: "Finances."

Strike: "(1)"

3. Page 5, lines 19 and 20.

Following: "from"

Strike: remainder of line 19 through "subdivisions," on line 20

4. Page 5, line 21.

Following: "government"

Strike: ", "

Following: "any"

Strike: "other public or"

5. Page 5, line 24 through page 6, line 1.

Strike: subsection (2) in its entirety

6. Page 7.

Following: line 20

Insert: "NEW SECTION. Section 10. Termination. [This act]
terminates July 1, 1991."

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman William E. Farrell, on March 28, 1989,
at 10:00 a.m., Room 331, Capitol.

ROLL CALL

Members Present: Senator Hubert Abrams, Senator John Anderson,
Jr., Senator Esther Bengtson, Senator William
E. Farrell, Senator Sam Hofman, Senator Tom
Rasmussen, Senator Eleanor Vaughn

Members Excused: Senator Ethel Harding, Senator Paul Rapp-Svrcek

Members Absent: None

Staff Present: Eddy McClure

HB 148

Discussion:

Senator Rasmussen indicated he would like to know where they are
at, noting the bill has been amended. Ms. McClure responded that
every reference to state and local government has been stricken,
so that all financing is through federal and private sources. She
added that subsection (2) was stricken, in its entirety and a
termination date of July 1, 1991 was inserted into the bill.

Senator Bengtson offered a motion that HB148 be tabled. Because
the vote was unclear, Chairman Farrell called for a roll call vote.

Recommendation and Vote:

Motion passed by the committee, by roll call vote, that HB148 be
tabled, with Senators Anderson, Bengtson, Farrell and Rasmussen in
favor, and Senators Abrams, Hofman and Vaughn opposed.

ADJOURNMENT

Adjournment At: 10:10 a.m.

William E. Farrell

WILLIAM E. FARRELL, Chairman

WEF/mhu
EXACTION.328

ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: March 28, 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	✓		

ROLL CALL VOTE

STATE ADMINISTRATION COMMITTEE
51ST LEGISLATIVE SESSION

DATE: 3/28/89

BILL NO. HB148

TIME: 10:05

NAME	YES	NO
HUBERT ABRAMS		✓
JOHN ANDERSON, JR.	✓	
ESTHER BENGTON	✓	
WILLIAM E. FARRELL	✓	
ETHEL HARDING		
SAM HOFMAN		✓
PAUL RAPP-SVRCEK		
TOM RASMUSSEN	✓	
ELEANOR VAUGHN		✓
	4	3

Secretary _____

Chairman _____

Motion: TO TABLE HB148 - passed

