

MINUTES

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

Call to Order: By Vice-Chairman Sam Hofman on April 10, 1989,  
at 10:00 a.m., Room 331, Capitol.

ROLL CALL

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

Members Excused: Senator Esther Bengtson, Senator William  
E. Farrell

Members Absent: None

Staff Present: Eddy McClure

HEARING ON HB 325

Presentation and Opening Statement by Sponsor:

Representative Bob Marks stated that HB325 will clarify and expand the duties of the Department of Administration regarding allocation of space for state agencies. He explained that the bill came to mind, for him, during the interim of last session, when the House needed more space. He reported they asked the Department of Administration for some assistance in finding space in the Capitol for around five FTEs, and the response, at that time, was that they could not find any space, anywhere. He noted that caused him some concern, because the administration and the legislature had cut the number of FTEs in the Capitol complex, and the bureaus and departments, from previous sessions, and there should have been some space available. He further reported that he went to the Legislative Audit Committee, that he thought it might be appropriate for them to conduct a study to see what had happened in that regard, and they came up with a report, which came out earlier this year, called "Space Utilization and Records Management", noting the records are combined into the study, as well as space utilization. He indicated their recommendation, which is on page 12 of that report, is that the legislature revise the property management statutes

concerning the Department of Administration's responsibilities, in order to establish a uniform space allocation system.

Representative Marks stated that some of the other things which concern him, from experience in the Helena area, especially, is that they have seen a number of other properties in Helena occupied by state agencies, and there has been concern on his part, and on the part of other people, that maybe there is other space available within the property the state has control of, whether it be owned or leased: He indicated they think that, before new properties are acquired, there should be a really good scrutiny of the space they have, and the needs, to see if there is not a lot more space and, subsequently, lower costs to the state, than they actually need.

He stated that HB325 gives the responsibility to the Department of Administration, noting he thinks it was implicit before, and makes it explicit that the department will be in charge of space in the Capitol, and around the state. He indicated that, as far as other concerns around the state, it is already in the statute that, if an agency in Miles City, for example, needs to find some more space for themselves, they should check with the department, adding that this makes it a little more clear.

Representative Marks stated that he thinks, if this bill were to pass, and all of the departments are required to go through the Department of Administration for space needs and, if a space study should be done by the department, he thinks it would really help in consolidating their space needs for the state.

List of Testifying Proponents and What Group they Represent:

None.

List of Testifying Opponents and What Group They Represent:

None.

Questions From Committee Members:

Q. Senator Rapp-Svrcek asked Representative Marks if there have been any proponents to this bill, at all, through the process.

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- A. Representative Marks responded no, but indicated that, in the House, it was almost unanimous, if not unanimous. He noted that this was sent to House Appropriations, that it had an FTE fiscal note on it, and the Rules Committee decided it did meet the requirements for transmittal.
- Q. Senator Rapp-Svrcek further asked why they are exempting law enforcement services and the Department of Motor Vehicles from this requirement.
- A. Representative Marks responded that was an amendment placed on the bill in the House committee, because those people appeared, and indicated they did not think they wanted the Department of Administration involved in those particular concerns. He added that he did not object to that, and the committee put it on, noting they have some peculiar needs they felt were outside the scope of this bill, and he did not have any quarrel with that.
- Q. Senator Anderson indicated that one of the big concerns is not altogether here in Helena, that it is state-wide, regarding leasing, and that it is of value to have someone who can have access to what the leases are, in the whole state.
- A. Representative Marks responded that is right, at least as important as what goes on in Helena, and maybe more important, noting the stuff around Helena is visible, and receives scrutiny. He indicated he thinks the department can perform a real service to the other agencies, and also a real service to the government.
- Q. Senator Rasmussen asked Mr. Deane Blanton to describe how he thinks his department is going to proceed on this.
- A. Mr. Blanton responded that, at this point, the role they have in the assignment and approval of leases is an after-the-fact situation. He reported that the agency actually goes out and looks at the space, and find their own space. He indicated the difference would be that, if this bill is passed, should an agency request the department to provide additional space, they would go out and make a determination of the utilization of their current space, number one, to determine if they really need more space. He further indicated that, assuming they did need additional space, a person would go to whatever part of the state that might be, and physically locate space for the agency and, as he would interpret carrying out what this bill says, the department would

then actually be involved in the negotiation of that lease, prior to leases coming in to be signed. He added that it really would increase the work they do now, considerably, but that, in the long run, he believes the FTE and travel expense money would probably be saved several times over, in the future.

- Q. Senator Rasmussen stated it does, really, rather dramatically impact Mr. Blanton's department.
- A. Mr. Blanton responded yes, sir.
- Q. Senator Rasmussen asked if, right now, the Superintendent of Public Instruction needed more space, would they go out and just rent more space.
- A. Mr. Blanton responded, basically, yes.
- Q. Senator Rasmussen asked Mr. Blanton if he thinks one FTE can do this.
- A. Mr. Blanton responded that he believes so.
- Q. Senator Rasmussen asked how often does all this happen, and if they might go for three months, when this FTE would have nothing to do, because no one wants to move.
- A. Mr. Blanton responded no, that he does not think that would be the case. He indicated space is a constant concern, even the space they manage here in Helena. He reported that very seldom does a week go by in which they do not have to deal with some kind of space concern and, because this would cover all space, state-wide, state owned as well as leased space, he believes this person is going to be very busy, and will probably need some help from the staff they already have.
- Q. Senator Rapp-Svrcek, if the Attorney General or the Secretary of State, or the Superintendent of Public Instruction, comes to the Department of Administration and says they need more space, and the Department of Administration says that, based on their studies, they do not need more space, how will they resolve any conflicts which might arise.
- A. Representative Marks responded he would have to make a pretty good case for the idea that they need some space. He then reported he is on the subcommittee of Appropriations, which deals with the Department of Public Instruc-

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tion for budgeting, and, during the hearing, Superintendent Keenan and Mr. Groepper came in and asked for some additional money to be appropriated, in the event they could get some space together somewhere, because it is their desire, as it was Superintendent Argenbright's, to get all of their agencies in one house, so to speak, noting he fully concurs that would be a good idea. He then indicated they had contacted the person who has the old Placer Hotel, where the Overland Express is now, and demonstrated that, if they could negotiate some sort of arrangement, they thought there would be sufficient space for all those people in their department to be combined into one house, which would be positive, for them. He pointed out that, in so doing, even if that was a good idea, it would create some vacancies which Mr. Blanton would have to deal with, because some of the space they would vacate is space owned by the state, some is leased by the state or the department, and the lease contracts may not be able to be terminated, so there could be some vacant space out there. He indicated they would, in effect, be paying for some space twice, and that all of those things have to be pretty carefully worked out so that, when a move is made like that, positive as it might be, they also have to look at the other end of it. He indicated Ms. Keenan and Mr. Groepper were frustrated by that, noting it turned out that the Placer Hotel did not turn out to be a good deal because of all sorts of problems, including bankruptcies, and other things, but that, since that time, they have looked at some other options where they could, perhaps, with new construction, both get into something like that. He indicated he thinks they asked the Finance Committee for some consideration on that, and did not get the money.

Representative Marks further indicated that is the kind of thing he thinks the department could be helpful in and, in the event an agency, such as OPI, would tell the department they are looking to try to consolidate their agencies, the department, in their consideration, could look at a couple of small agencies which could move, allowing other space to be expanded so that Superintendent Keenan could occupy all that, noting those sorts of things could be real positive. He added that he thinks Mr. Blanton would be very modest in saying that they would recover their costs, several times, and he thinks it would be many, many times that they would recover their costs from the additional staff load.

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- Q. Senator Rapp-Svrcek indicated it sounds like a great idea, and that he is not disputing the benefits they would gain, but noted that he is concerned, if it came down to a turf battle between the Department of Administration, and someone else, who would resolve it.
- A. Representative Marks responded the legislature. He indicated that is a positive answer, that he thinks the legislature solves turf battles all the time. He noted that he would guess, if there was a fight between the Governor and the AG, if that ever happened, or whoever the party was who felt they were getting the short end, they would come back to the legislature and probably change this law. He noted it would be done, if it was capricious, and he thinks that is part of the checks and balances, that he fully would expect that to happen, if they were not dealt with fairly.

Representative Marks indicated he feels the taxpayer has not been dealt with fairly, all the time, and that the department has been reactive rather than proactive, noting he feels this turns that around, and makes it proactive.

- Q. Senator Vaughn asked Mr. Blanton if there is now an inventory of all the space used by state agencies, and the number of FTEs in this space and, if not, if this would be something that would be set up, an inventory of all the space available for the state, that they are using now, through lease, owned, or whatever.
- A. Mr. Blanton responded that is one of the functions that would have to be done, that the complete information does not exist, now.
- Q. Senator Hofman indicated that, periodically, a survey is taken of this, and asked Mr. Blanton if his department did this, previously.
- A. Mr. Blanton responded yes, that they did in the Helena area. He indicated they would sent out a written survey, asking the agencies to respond with their space needs for the coming biennium, noting that is very small, compared to what the function would be, in this bill.

Closing by Sponsor:

Representative Marks stated that he thinks there has been a pretty good discussion of what HB325 will accomplish, and that

he thinks the study the Legislative Auditor did in this biennium served to show that this inventory thing is really important to get them together. He indicated the Legislative Auditor did a check on that, noting they could not go through the whole works because it would be too big of a job, but they did enough to show that more work needs to be done. He cited the example that, in their report, they reviewed the FTE levels, and found that, overall, FTE levels for all agencies have dropped from 14,266 in fiscal year 1981-82, to 13,817 in the past biennium, for a 3.2% decrease. He noted that, at the same time, in Helena, particularly, the state has picked up additional space. He reported that Family Services moved into space in downtown Helena, that they took people out of several agencies, mostly SRS, but, when they moved out, the space at SRS evaporated and, somehow, there was not any space left available, after all those people left, or not much of it, in any case. He indicated that, at the same time, Workers Comp rented the bottom floor, about 10,000 feet, in the Arcade Building, and they are only occupying about 25% of that, right now. He added that they have leased the rest of it out to the Department of Health, and some is unoccupied. He noted that, while there was an overall reduction in FTEs, it seems like they are still expanding space rentals, or space control, that it seems like some better planning might have kept that from happening, and they may have been able to assist, or require the agencies to be a little more straight-forward in their planning of space needs.

He noted he feels that has been pretty well discussed, and indicated he hopes the committee will see fit to pass this bill.

Senator Rasmussen asked Representative Marks to get the number of FTEs for him. Representative Marks gave Senator Rasmussen the report.

Vice-Chairman Hofman announced the hearing on HB325 as closed.

#### DISPOSITION OF HB 325

##### Discussion:

Senator Rapp-Svrcek offered a motion that HB325 be concurred in.

Recommendation and Vote:

Motion passed by the committee that HB325 be concurred in.

ADJOURNMENT

Adjournment At: 10:25 a.m.

*Sam Hofman by William E. Fark*  
SAM HOFMAN, Vice-Chairman

SH/mhu  
HB325.410



ROLL CALL

STATE ADMINISTRATION COMMITTEE

51ST LEGISLATIVE SESSION

DATE: April 10, 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	✓		

SENATE STANDING COMMITTEE REPORT

April 10, 1989

MR. PRESIDENT:

We, your committee on State Administration, having had under consideration HB 325 (third reading copy -- blue), respectfully report that HB 325 be concurred in.

Sponsor: Marks (Rasmussen)

BE CONCURRED IN

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

4-10-89  
1.00

**VISITORS' REGISTER**

**STATE ADMINISTRATION COMMITTEE**

DATE: April 10, 1989

NAME	REPRESENTING	BILL #	Support	Oppose
Deane Dantor	D/A	HB 325	+	
Rep Bob Neumann		1)	✓	

**PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY**