

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By DICK SIMPKINS, CHAIRMAN, on January 5, 1993,
at 8:04 a.m.

ROLL CALL

Members Present:

Rep. Dick Simpkins, Chairman (R)
Rep. Wilbur Spring, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Rep. Pat Galvin (D)
Rep. Bob Gervais (D)
Rep. Harriet Hayne (R)
Rep. Gary Mason (R)
Rep. Brad Molnar (R)
Rep. Bill Rehbein (R)
Rep. Sheila Rice (D)
Rep. Sam Rose (R)
Rep. Dore Schwinden (D)
Rep. Carolyn Squires (D)
Rep. Jay Stovall (R)
Rep. Norm Wallin (R)

Members Excused: Rep. Ervin Davis, Vice Chairman

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Council
Dorothy Poulsen, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 20, HB 22, HB 54, HB 60
Executive Action: HB 22, HB 54 (postponed), HB 60

Announcements/Discussion:

CHAIRMAN SIMPKINS distributed an informational booklet, The State Factor, to committee members published by the American Legislative Exchange Council. He pointed out that the booklet expressed a conservative viewpoint and invited members to bring in other materials to distribute through the Chairman.

HEARING ON HB 20Opening Statement by Sponsor:

REP. RED MENAHAN, House District 67, Anaconda, introduced House Bill 20, by request of the Legislative Council, to abolish the Capitol Building and Planning Committee and to reassign its functions.

Proponents' Testimony:

Greg Petesch, Director, Legal Services Division of the Legislative Council, stated that the Legislature has not funded the Capitol Building and Planning Committee. House Bill 20 will assign the Committee's functions to agencies that will perform the functions: the Legislative Council and the Department of Administration. The Committee's function is mainly advisory and consulting on the allocation of space and master-planning for the Capitol building. In HB 20, the duties of the Committee have been split between the Legislative Council and the Department of Administration. The Legislative Council would advise the Department of Administration, which would have responsibility for maintenance of the buildings and the creation of the master plan. The primary interest of the Council is that the issue be addressed by either eliminating the Capitol Building and Planning Committee or ensuring that it is funded. This bill does not add any fiscal responsibility to the Council and could easily be handled within the current budget and Council's schedule.

Deborah Fulton, Administrator of General Services Division, Department of Administration, provided written testimony and proposed an amendment to have the Montana Historical Society care for the permanent art work. EXHIBITS 1, 2

Brian Cockhill, Director of the Montana Historical Society, stated that the Historical Society is willing to accept the responsibilities as outlined in the amendments. The Historical Society has essentially had the responsibility for the Capitol building's art since at least the 1970's and therefore supports the amendments.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

REP. GALVIN asked Greg Petesch whether the Legislative Council would fund the changes or whether HB 20 would require extra funding. Mr. Petesch stated that the requirements of the bill could be handled within the current budget.

REP. MOLNAR asked REP. MENAHAN about the deletion of "he considers" on Line 16 of Page 8 (section 9) referring to the number of copies of reports kept by the Legislative Council. REP. MOLNAR asked who would decide the number of copies of a report that would be kept by the Legislative Council. REP. MENAHAN referred the question to Mr. Petesch who explained that the deletion was in response to keeping bills gender neutral and that the number of copies retained would be dependent on the demand for copies.

Closing by Sponsor:

REP. MENAHAN closed.

HEARING ON HB 22

Opening Statement by Sponsor:

REP. MENAHAN, House District 67, Anaconda, introduced HB 22 to generally revise the laws concerning the Montana Commission on Uniform State Laws and deferred to Greg Petesch for further explanation of the bill.

Proponents' Testimony:

Greg Petesch, Director, Legal Services Division of the Legislative Council, stated that the primary effect of HB 22 is to transfer from the Governor to the Legislative Council the authority for appointing members to the Montana Uniform Law Commission. He then provided background on the Montana Uniform Law Commission.

The National Conference of Commissioners on Uniform State Laws (NCCUSL) is a national organization of people who are interested in promoting uniformity in state laws. The State of Montana is the leading adopter of uniform acts; Montana holds the distinction of having been a member of the 100-year-old organization for the entire history of Montana statehood.

The previous Administration decided that the governor would no longer fund Montana's Uniform Law Commission through the governor's office. Joe Mazurek, former President of the Senate, was also a uniform law commissioner. He amended the Legislative Council's budget to include funding for the Uniform Law Commission; that action was approved by the entire 1991 Legislature.

Mr. Petesch stated that since it is probably in violation of the separation of powers to have the appointing authority in one branch and the funding and approving authority for expenses in another branch of state government, the Legislative Council determined that some change in the appointment authority was in order. The Legislative Council discussed the matter with Governor-elect Racicot who expressed no interest in appointing

the commissioners. Since the purpose of the Legislative Council is to draft, introduce, and enact uniform legislation, it seemed appropriate for a legislative entity to be responsible for choosing the commissioners. The Legislative Council, as the funding authority, decided they should also have the appointing authority.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

REP. ROSE asked Greg Petesch about the selection process for life members (p. 1, lines 20-24 of HB 22). Mr. Petesch explained that the national organization has rules for the selection of life members based on years of service and that Montana has two life members: Robert Sullivan, former Dean of the Law School, and Alec Bluett from Great Falls. HB 22 merely recognizes the life membership provisions in statute.

REP. SCHWINDEN asked Mr. Petesch whether under HB 22 the appointments would require the governor's concurrence or senate confirmation. Mr. Petesch responded "no" to both inquiries.

REP. RICE asked REP. MENAHAN to describe for the newcomer's on the committee the structure of the Legislative Council. REP. MENAHAN explained that the Legislative Council has eight members, Republican and Democratic, who discuss non-partisan issues related to the operation of the legislature. The Legislative Council and its staff are an arm of the legislature, and the Council's function is to assist legislators. The Council meets every three to four months, as necessary, to consider interim issues.

REP. SIMPKINS asked REP. MENAHAN whether it was accurate to describe the Legislative Council as the legislature's continuous review board for current laws to describe errors, conflicts, inconsistencies, etc. REP. MENAHAN agreed with the description and asked Mr. Petesch to elaborate. Mr. Petesch explained that one of his functions as code commissioner was to review laws for inconsistencies, etc. The non-substantive changes to Montana's codes are contained in a code commissioner bill, which will be heard by Senate Judiciary; substantive matters which require changes in policy are brought to the legislature in individual bills to focus on specific issues.

Closing by Sponsor:

REP. MENAHAN closed by pointing out that HB 22 does not require any funding beyond paying for a commissioner's expenses only even though being a commissioner involves a significant commitment of time. Additionally, having uniform laws does save the State of Montana money.

HEARING ON HB 54Opening Statement by Sponsor:

REP. DAVID EWER, House District 45, Helena, introduced HB 54 to eliminate the requirement that a town, city, or county notify the Board of Investments when it sells bonds. REP. EWER stated that in his position as administrator of the loan program for the State Board of Investments, he receives notices of the sale of bonds from local governments. Since the Board of Investments does not invest in non-taxable bonds, he throws away the notices. He has sponsored HB 54 to eliminate the requirement of notices to the Board of Investments when bonds are sold by local governments.

Proponents' Testimony:

REP. MARJ FISHER, House District 3, Whitefish, supported the bill, stating that as a stockbroker she could confirm that the State Board of Investments does not buy tax-free bonds and therefore does not benefit from receipt of the notices.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. EWER closed.

HEARING ON HB 60Opening Statement by Sponsor:

REP. PETERSON, House District 1, Eureka, sponsored HB 60 by request of the Department of Administration to clarify the central mailing authority of the Department, particularly the purchase of mail equipment by various agencies.

Proponents' Testimony:

Deborah Fulton, Administrator of General Services Division, Department of Administration, provided written testimony in support of HB 60. She stated that the department has requested this legislation to ensure that the state's mail is processed in the most effective manner possible. Current practice of the department is to "market" the benefits of the centralized mail program to state agencies by performing cost analysis and comparison for the agencies. Through HB 60, the department will have the authority to review and approve the purchase of new mail equipment for agencies thereby ensuring the most cost-effective

and efficient mailing process for agencies. House Bill 60 does not, however, require state agencies to use central mail.

EXHIBIT 3

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses: None.

Closing by Sponsor:

REP. PETERSON stated that this was one more step in becoming more efficient in using the system and urged passage of the bill.

EXECUTIVE ACTION ON HB 60

Motion: REP. HAYNE MOVED HB 60 DO PASS.

Discussion:

REP. GALVIN asked REP. SIMPKINS for an explanation of centralized mail. REP. SIMPKINS referred the question to Deborah Fulton who explained that the Department of Administration has 13 employees whose function it is to collect, process, weigh, presort, and buy postage for the mail from various agencies. The agencies are then billed by the Department of Administration. Centralized mail saves money because it can presort the large volume of mail and thus qualify for postal discounts.

REP. SQUIRES asked Ms. Fulton whether this bill would lead to privatization of the mailing activity, or whether it lessened the criteria or made privatization more likely. Ms. Fulton responded that this change would not affect the possibility of privatization. She currently has a proposal from a private entity, not generated by the Department of Administration, that she is analyzing to determine whether or not this function should be privatized. House Bill 60, however, does not affect that determination.

REP. RICE responded to REP. SQUIRES' concern by stating that the bill gives the Department of Administration the authority to review mail equipment purchases by various agencies. It does not require agencies to use centralized mail.

REP. WALLIN inquired whether the Department of Administration delivered the mail to the U.S. Post Office. Ms. Fulton responded that they do deliver the mail to the post office.

REP. SPRING stated that he supports this bill because it is a prime example of an attempt to streamline government and reduce costs.

Vote: HB 60 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON HB 54

Motion: REP. WALLIN MOVED HB 54 DO PASS.

Discussion:

REP. ROSE asked whether HB 54 would result in less protection for local governments against junk bonds. REP. RICE responded that the bill deals with the sale rather than purchase of bonds.

REP. BARNHART asked that action be postponed until she could check with her own local governments for their input.

REP. SIMPKINS stated that action on HB 54 would be postponed.

EXECUTIVE ACTION ON HB 20

Discussion:

Sheri Heffelfinger asked that action be postponed until she has time to review the amendment proposed by the Department of Administration. EXHIBIT 2

REP. SIMPKINS postponed action.

EXECUTIVE ACTION ON HB 22

Motion: REP. GERVAIS MOVED HB 22 DO PASS.

Discussion:

Sheri Heffelfinger clarified that Section 5 repeals the section of the law which dictates the organization and meetings of the Commission on Uniform State Laws.

REP. WALLIN asked why the governor had no interest in making the appointments to the Commission. REP. SIMPKINS responded that his interpretation was that since the Legislative Council funds the Commission, the governor's having the appointment authority sets up a conflict of constitutional authority pertaining to the separation of powers. House Bill 22 would resolve the conflict by having the funding and appointment authority within the same branch of government.

REP. WALLIN suggested that perhaps the governor did not feel that this function was important and therefore it would be better to have a bill that the state no longer belong to the organization.

REP. SQUIRES responded no additional funding was required. She

suggested that the governor does not have concern with the Commission because the governor's office does not have a legislative role whereas the Legislative Council, as lawmakers, are concerned about uniform law.

REP. GALVIN asked for a clarification on the meaning of a life member.

REP. SQUIRES responded that the national organization has criteria for life member based on 20 years of experience on the commission.

Vote: HB 22 DO PASS. Motion carried unanimously.

ADJOURNMENT

Adjournment: 9:15 a.m.



DICK SIMPKINS, Chair



DOROTHY POULSEN, Secretary

DS/DP

HOUSE OF REPRESENTATIVES
STATE ADMINISTRATION

COMMITTEE

ROLL CALL

DATE

1/5/93

NAME	PRESENT	ABSENT	EXCUSED
REP. DICK SIMPKINS, CHAIR	✓		
REP. WILBUR SPRING, VICE CHAIR	✓		
REP. ERVIN DAVIS, VICE CHAIR			✓
REP. BEVERLY BARNHART	✓		
REP. PAT GALVIN	✓		
REP. BOB GERVAIS	✓		
REP. HARRIET HAYNE	✓		
REP. GARY MASON	✓		
REP. BRAD MOLNAR	✓		
REP. BILL REHBEIN	✓		
REP. SHEILA RICE	✓		
REP. SAM ROSE	✓		
REP. DORE SCHWINDEN	✓		
REP. CAROLYN SQUIRES	✓		
REP. JAY STOVALL	✓		
REP. NORM WALLIN	✓		

Proxy left
w/ Rep. Squires

HOUSE STANDING COMMITTEE REPORT

January 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report
that House Bill 22 (first reading copy -- white) do pass.

Signed: _____
Dick Simpkins, Chair

HOUSE STANDING COMMITTEE REPORT

January 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report
that House Bill 60 (first reading copy -- white) do pass.

Signed: *Dick Simpkins*
Dick Simpkins, Chair

GENERAL SERVICES DIVISION
TESTIMONY ON HB ~~60~~ 20
JANUARY 5, 1993

The Department of Administration supports HB 60 as a viable mechanism for determining changes and improvements in the Capitol Building. Currently, there is no effective authority for us to communicate with when issues arise.

We do offer one amendment, however. This amendment does two things, but both for the same reason. It assigns responsibility for preservation and protection of the art in the Capitol Building to the Montana Historical Society, and it directs the Legislative Council to consult with the Society on the permanent placement of works of art in the building. The reason for these suggested changes is to eliminate duplication of effort.

In the amendment, (3) assigns responsibility for the art work to the Montana Historical Society. Current statute does not assign responsibility. The Department of Administration has been involved with the art by default, but any actions taken relative to improving the works has also involved the Historical Society.

For example, last summer the Russell Mural in the House was damaged and required repair. General Services filed the insurance claim and the historical society hired the restoration artist. This process was awkward, but manageable. Unfortunately, when the artist completed the work, he filed a report, but General Services expected an invoice and did not pay for the work. The artist contacted the society, the society contacted GSD, and then he finally got paid.

(4) addresses further duplication of effort when anything is placed on permanent display in the building. Both the statute and Rep. Menahan's bill require that the Department of Administration be consulted on permanent placement of art in the building. We always contact historic preservation before any installations occur. We have great taste at General Services, but our knowledge of historic preservation is rather limited!

We believe that the Historical Society, with their mission and expertise is the appropriate agency to see that these works of art are preserved and protected. This amendment makes the process more efficient, and ensures that the valuable art in this building will be protected.

I have spoken with the historical society regarding this amendment and they are here to present their viewpoint on the changes. (They have indicated they support the amendment but were not able to attend this meeting.)

EXHIBIT 1
DATE 1/5/93
HB 20

Proposed Amendment to HB20:

Section 3.

On page 5, line 7, strike "...~~complex~~ and the actual placement of busts, statues, memorials, or art displays of a permanent nature within public areas of the capitol complex. ~~No such~~ An item may not be permanently displayed unless authorized by the legislature."

To page 5, line 12 add:

(3) The montana historical society will protect and preserve the permanent art work in the capitol building. The society shall request funding for periodic inspection, maintenance and repairs of the works from the trust fund established in section 15-35-108 (2)(j).

(4) The legislative council shall consult with and advise the montana historical society on the actual placement of busts, statues, memorials or art displays of a permanent nature within public areas of the capitol building. An item may not be permanently displayed unless authorized by the legislature.

On page 5, line 12, renumber (3) to (5)

EXHIBIT 2
DATE 1/5/93
HB 20

DRAFT

TESTIMONY
GENERAL SERVICES DIVISION

TITLE: "An act clarifying the requirement that the department of administration must approve the purchase of mail equipment in the capitol area; amending section 2-17-302, MCA; and providing an immediate effective date."

The department has requested this legislation to ensure that the state's mail is processed in the most effective manner possible. Current practice is to "market" the benefits of the mail program by performing cost analysis and comparison for agencies. When cost savings are demonstrated, agencies generally agree to process their mail through Central Mail. We also review and approve the purchase of new mail equipment, but our authority to do so is not clearly stated in statute.

A typical cost analysis might include the following information:

	Agency Processes	Central Mail Processes
Total Postage	\$8,785.02	\$7,672.922
Total Wages	\$ 523.16	\$ 0.00
Equipment Maintenance	\$ 4.82	\$ 0.00
Mail Costs	\$9,313.00	\$7,672.922
6% Overhead	\$ 0.00	\$ 460.375
Total Costs	\$9,313.00	\$ 8,133.297
Savings for 10 day Period		\$ 1,179.703
X 26 Periods		\$ 30,672.27

These types of savings are realized by those agencies which do not have sufficient volumes of mail to qualify for the presort discounts offered by the USPS. When these agencies centralize their mail services, they receive app. a net 10% discount on their outgoing mail, and no longer need to purchase equipment and maintenance contracts.

Agencies which can presort their mail, may not currently benefit from centralizing this function. They do still benefit from the equipment approval review. When these agencies request new equipment, a cost/benefit analysis is performed. The particular equipment requested is reviewed for appropriateness, and either approval is granted, or an alternate piece of equipment is suggested.

For example, one agency requested approval for the purchase of an electronic scale. The scale the salesperson had specified was priced at around \$3,200. This particular scale had a number of features which the agency did not need, and we were able to specify

EXHIBIT 3
DATE 1/5/93
HB 60

a different model for bidding which saved the agency \$1,200.

Recent United States Postal Service automation requirements have changed the nature of the efficiencies which can be obtained by centralizing mail processing. The high cost of the new technology requires large volumes of mail to achieve cost efficiency. It is more essential than ever that each purchase be analyzed for the good of the whole, rather than just in the context of the benefit to one agency.

It is possible that a large agency could purchase their own mail processing equipment and save slightly more money in the short term than they could by using the equipment at Central Mail. The net result might be, however, that the overall cost to the state would be increased if central mail's existing equipment has the capacity to process the extra volume at no extra cost, and the new equipment the agency purchased results in the state having excess mail processing capacity. This would increase the overall cost of processing the state's mail.

This legislation will not force agencies to utilize central mail, but it will result in the state receiving the greatest economies possible in the processing of outgoing mail.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

STATE Administration COMMITTEE BILL NO. HB 54

DATE 1/5/93 SPONSOR(S) D. Ewer

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Naynor Charles Fitch	H B 54	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO.

20

DATE

1/5/93

SPONSOR(S)

R. Menahan

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Debra Fulton	Dept of Admin	X	
Leroy Refesa	Leg. Council		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

STATE ADMINISTRATION COMMITTEE BILL NO. HB60
DATE 1/5/93 SPONSOR(S) M.L. Peterson

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Debra Julton	Dept of adm	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

STATE ADMINISTRATION

COMMITTEE

BILL NO.

22

DATE

1/5/93

SPONSOR(S)

R. Menalvan

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Greg Petersen</u>	<u>Leg. Council</u>		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.