

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION**

Call to Order: By Senator Eleanor Vaughn, on January 5, 1993, at 10:00 a.m.

ROLL CALL

Members Present:

Sen. Eleanor Vaughn, Chair (D)
Sen. Jeff Weldon, Vice Chair (D)
Sen. Jim Burnett (R)
Sen. Harry Fritz (D)
Sen. John Hertel (R)
Sen. Bob Hockett (D)
Sen. Bob Pipinich (D)
Sen. Bernie Swift (R)
Sen. Henry McClernan (D)
Sen. Larry Tveit (R)

Members Excused: None.

Members Absent: None.

Staff Present: David Niss, Legislative Council
Deborah Stanton, Committee Secretary

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

Announcements/Discussion: Chair Vaughn introduced the committee members and staff and explained the rules of the committee. David Niss handed out and explained the Senate Rules, Chapter 7, Nominations from the Governor. (Exhibit #1) David Niss also announced that Linda King would be available to give a presentation to the committee on the status of the retirements systems at a future date.

Committee Business Summary:

Hearing: SB 2, SB 36
Executive Action: SB 2, SB 36

HEARING ON SB 36Opening Statement by Sponsor:

Sen. Gage, Senate District 5, stated SB 36 would revise the law to reflect the loss of a congressional district. This bill was drafted at the request of the Legislative Council and will allow a board to make the geographic determination in appointing members in most cases. The only determination made is in Section 9 dealing with the Reapportionment Commission. The Council felt geographic representation was needed but the appointment would not come up again until the year 2000.

Proponents' Testimony:

Wayne Buchanan from the Board of Public Education asked for clarification of the bill. He asked if the Board of Public Education appointments would have to come from the four districts as described in Section 9 of the bill. Currently, one board member is from District #1, two from District #2, four from District #3 and no board members from District #4.

Greg Petesch from the Legislative Council stated the reason the bill is before the committee is the Council noticed something needed to be done with several provisions of the law with reference to Congressional Districts. They felt it would be expeditious for the Legislature to deal with all the issues in one bill rather than having each bring a separate issue before the Committee. He stated the districts do apply to the Board of Public Education, the Board of Regents and the Reapportionment Commission. The Council determined those should have geographic representation from throughout the state, however, the geographic representation requirements only apply to future appointments. These Districts were drawn by the staff of the Reapportionment Commission to be contiguous regions that do not break county lines, as near as possible to equal populations. Four regions were chosen because of the number of members on the Reapportionment Commission. It is recommended those districts be revised each time as part of the reapportionment process for future appointments. The Legislative Council has no opinion concerning geographic representation for other boards.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Sen. Pipinich asked why there was no representation from District #4 at the present time. Sen. Gage explained they were taken from the two Congressional Districts.

Sen. Fritz asked if boards that wanted geographic representation would have to come forward with specific bills to get those guidelines into law. Mr. Petesch explained the boards have been made aware of this bill and if they wanted geographic representation that they come with amendments and the Council would not oppose those amendments.

Closing by Sponsor:

Sen. Gage said the Boards have been contacted and none have felt the need to include geographic representation.

EXECUTIVE ACTION ON SB 36

Motion: Sen. Pipinich moved SB 36 DO PASS.

Discussion: None.

Vote: Motion that SB 36 DO PASS CARRIED UNANIMOUSLY.

HEARING ON SB 2**Opening Statement by Sponsor:**

Sen. Fritz, Senate District 28, Missoula, introduced SB 2 for the Montana Historical Society. The bill would establish a permanent acquisition trust within the Montana Historical Society. The trust is supported by private donations and is invested by the Board of Investments. The Historical Society would use the interest to purchase historical items and material. The bill would codify the way the Historical Society has been operating for the past 12 or 13 years and is necessitated by an audit stipulation which states the Historical Society violates the provision that non-appropriated monies have to be spent before general fund monies.

Proponents' Testimony:

Brian Cockhill, Director of the Montana Historical Society stated the bill has two purposes: 1) to relieve the Historical Society from the audit finding done in 1991; and 2) to establish a law providing for nonexpendable acquisition trust funds. The acquisitions trust has existed since 1980 as a result of an audit exception in 1979. One of the recommendations in the audit was

that the stock certificates that were put in the vault after they were donated were turned over to the Board of Investments and set up a trust at that point. The trust was augmented on that basis since then with the interest being expended on things necessary to exhibit. The importance of this bill is the fact that the Legislature has never addressed the need for acquisitions for the Society with two exceptions. The exceptions were made by specific bills for the purchase of Russell materials. There has never been any acquisitions money in the budget. This is an alternative to asking the Legislature for various acquisition purchases. The Legislature does not meet often enough to help the Society with purchases. If something comes on the market for only thirty days and the Legislature is not in session the Society does not have the authority to expend the money to make the purchase. The Historical Society needs to continue to acquire artifacts and collectibles. The bill has been reviewed by the Legislative Auditors and the Office of Budget and Program Planning and they are in agreement with the Historical Society.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Sen. Tveit asked Mr. Cockhill if donations of \$500 or more were received, the Board of Investments would have jurisdiction to invest the principal and the interest would be expended for acquisition. Mr. Cockhill told the Committee that was correct.

Sen. Swift asked Mr. Cockhill about donations under \$500. Mr. Cockhill stated that money would be put into the donations account which supports the education office, which does the tour coordinating and the school groups.

Sen. McClernan asked Mr. Cockhill if there would be any circumstances where general fund money would go into this account. Mr. Cockhill told the Committee it would not.

David Niss asked about the spending authority. Because of the fund type established, the fiduciary fund category nonexpendable trust fund type, that type of fund is statutorily appropriated so that checks can be written continuously on it and do not need a separate statuatorial appropriation or biennial appropriation or budget amendment. Mr. Cockhill stated the expenditures from six trusts are on that basis, they are not appropriated dollars. That is the desirable aspect of those trusts. The Society can purchase something without waiting for an appropriation.

Closing by Sponsor:

Sen. Fritz said SB 2 would provide the Historical Society with a way to continue to acquire necessary material; and it assures the potential donors they are not substituting for the general fund in providing for the operations of the Society. Their donations will be used for the proper purposes.

EXECUTIVE ACTION ON SB 2

Motion: Sen. Pipinich moved SB 2 DO PASS.

Discussion: None.

Vote: Motion that SB 36 DO PASS CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 11:30 a.m.



SENATOR ELEANOR VAUGHN, Chair



DEBORAH STANTON, Secretary

EV/ds

ROLL CALL

SENATE COMMITTEE STATE ADMINISTRATION

DATE 1-5-92

NAME	PRESENT	ABSENT	EXCUSED
Sen. Eleanor Vaughn	✓		
Sen. Jeff Weldon	✓		
Sen. Jim Burnett	✓		
Sen. Harry Fritz	✓		
Sen. John Hertel	✓		
Sen. Bob Hockett	✓		
Sen. Henry McClernan	✓		
Sen. Bob Pipinich	✓		
Sen. Bernie Swift	✓		
Sen. Larry Tveit	✓		
David Niss	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 5, 1993

MR. PRESIDENT:

We, your committee on State Administration having had under consideration Senate Bill No. 2 (first reading copy -- white), respectfully report that Senate Bill No. 2 do pass.

Signed: Eleanor Vaughn
Eleanor Vaughn, Chair

ADD
DD Amd. Coord.
Sec. of Senate

021318SC.San

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 5, 1993

MR. PRESIDENT:

We, your committee on State Administration having had under consideration 36 (first reading copy -- white), respectfully report that 36 do pass.

Signed: *Eleanor Vaughn*
Eleanor Vaughn, Chair

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Amd. Coord.
Sec. of Senate

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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 5, 1993

MR. PRESIDENT:

We, your committee on State Administration having had under consideration Senate Bill No. 36 (first reading copy -- white), respectfully report that Senate Bill No. 36 do pass.

Signed: *Eleanor Vaughn*
Eleanor Vaughn, Chair

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Amd. Coord.
Sec. of Senate

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Exhibit No. 1 was not transmitted with the minutes. (See Senate Resolution No. 1 from the 53rd Legislative Session.)

DATE 1/5/93

SENATE COMMITTEE ON State Administration

BILLS BEING HEARD TODAY: SB 2 - SB 36

Name	Representing	Bill No.	Check One	
			Support	Oppose
Queen Woodhill	MHS	SB 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Matthew Gray	Transit Mt. - Dept of Trans	SB 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sharon McCabe	MHS	SB 2	<input type="checkbox"/>	<input type="checkbox"/>
Gloria Sherman	MT Cultural Advisory	SB 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joe Kerwin	SOS	SB 36	<input type="checkbox"/>	<input type="checkbox"/>
DAN WHITE	SO S	SB 2	<input type="checkbox"/>	<input type="checkbox"/>
Greg Pefesa	Leg. Council	SB 36	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY