

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN RICHARD SIMPKINS**, on March 15, 1995,
at 8:00 A.M.

ROLL CALL

Members Present:

Rep. Richard D. Simpkins, Chairman (R)
Rep. Matt Denny, Vice Chairman (Majority) (R)
Rep. Dore Schwinden, Vice Chairman (Minority) (D)
Rep. Matt Brainard (R)
Rep. Patrick G. Galvin (D)
Rep. Dick Green (R)
Rep. Antoinette R. Hagener (D)
Rep. Harriet Hayne (R)
Rep. Sam Kitzenberg (R)
Rep. Bonnie Martinez (R)
Rep. Gay Ann Masolo (R)
Rep. William Rehbein, Jr. (R)
Rep. George Heavy Runner (D)
Rep. Susan L. Smith (R)
Rep. Carolyn M. Squires (D)
Rep. Jay Stovall (R)
Rep. Lila V. Taylor (R)
Rep. Joe Tropila (D)

Members Excused: NONE

Members Absent: NONE

Staff Present: Sheri Heffelfinger, Legislative Council
Christen Vincent, Committee Secretary

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

Committee Business Summary:

Hearing: SB 345, HB 593
Executive Action:

{Tape: 1; Side: A.}

HEARING ON SB 345Opening Statement by Sponsor:

SEN. CHUCK SWYSGOOD, SD 16, stated this bill had come out of the Governor's Task Force to Renew State Government. The majority of what the bill does is stated in the first three pages and the rest of the bill is rewording current statutes. Twenty five administrative and management positions will be eliminated if this bill were to pass. It would increase efficiency. It would decentralize government and create the Department of Public Health and Human Services. The transfer of youth correction would improve efficiency. He hoped the committee would look favorably upon the bill.

Proponents' Testimony:

REP. LOREN SOFT, HD 12, stated this consolidates a lot of functions into one department. He offered an amendment to the bill. **EXHIBIT 1**. He stated there needed to be some language clean up. There are concerns about corrections and he hoped the committee would give that their strong consideration. He stated he had been working with kids for 32 years and there was one thing clear; there are no clear lines. Despite the character the community facility may be the last chance to educate children. They need to change the way they think. It is possible they haven't provided the environment for this. He stated there are five things they need to do. The first was to provide community protection. The second was to make people account for their actions. Another was to learn new and appropriate life skills. Another was restitution or community projects. The final was successful reintegration with the community. He stated they need to pull all of these together. There needs to be public mental health services. There is proof that what they do works. It is cost efficient and effective. They shouldn't lump juveniles and adults together. There would be a good possibility that they would be "lost in the shuffle". He shared letters he had received. He urged the committee to give serious consideration when they took executive action on the bill.

Peter Blouke, Department of SRS, stated this is the cornerstone for meeting their promise to the people. There is a two step process. The first step is to move things to a local level. The second is to pull together at state level before they can decentralize government. He stated this is the most efficient and effective way to do this. This was not put together quickly and he hoped the committee wouldn't be quick in their decision. He urged a do pass recommendation from the committee.

Bill Furrer, Department of Correction, Human Services, spoke in favor of the bill.

Hank Hudson, Department of Family Services, Director, stated they needed to focus on coordination, efficiency, and engage everyone

in redesigning human services. There needs to be flexibility and time. There is a simulation of activities; infrastructure, management and public safety. He stated there is a difference between the youth and an adult and he believed they should remain separate. He urged the committee's support of the bill.

{Tape: 1; Side: B.}

Kathy McGowen stated the mental health centers support this bill. She served on the Governors Task Force Committee. She stated she didn't think youth corrections belong with adults. This should be turned over to the local communities. The system now works as well as it probably will ever work. This is not the answer to everything. They have to want it to work. This does not reflect dissatisfaction with current agencies. She hoped the committee would give the bill a do pass recommendation.

Sharon Haff, Montana Catholic Conference, stated they needed to keep integrating. She hoped the committee would look favorably upon the bill.

Candy Wimmer, Youth Justice Council, stated two years ago there was an audit done to look at the youth corrections. They were trying to put together the pieces. She stated she opposed juvenile correction when 1.) adults and juveniles receive combined resources. She stated there is a risk that funds would go to the adults and the children would get lost in the system. 2.) when other states are able to combine and work at the whim of the person in charge. 3.) when youth are dealt with within the families.

David Hennion, submitted EXHIBIT 2.

Mary Ellerd, MJPOA, spoke in favor of the bill.

Mary Allen, Montana Areas of Agencies On Aging Association, spoke in favor of the bill.

Opponents' Testimony:

none

Informational Testimony:

none

Questions From Committee Members and Responses:

REP. GALVIN asked if the cost would be falling or rising for taxpayers.

Mr. Blouke stated there would be real saving throughout the years because of the organization. It is not the intent to shift the cost of this to the local level.

REP. REHBEIN asked if they choose to adopt the amendment, what would the effect be.

Mr. Blouke stated he didn't think the bill stands or falls on that issue.

Mr. Hudson stated this bill wouldn't sink or swim on that issue. It is part of the correction they would like to collaborate to make sure they don't fall through the cracks.

REP. REHBEIN asked will this lessen FTE's if the amendments were adopted.

Mr. Hudson stated there would be a reduction due to efficiency but he didn't think the amendment would change the fiscal savings.

REP. REHBEIN asked what fell on the amendment.

Mr. Hudson replied the support of the Governor.

{Tape: 2; Side: A.}

REP. STOVALL asked if it would be good policy to make this transition.

Mr. Day stated if the correction division could be consolidated it would be easy in terms of government.

REP. BRAINARD asked if the juveniles get proper funding or resources.

Mr. Day stated it is along functional lines. He sees the reverse. There needs to be more emphasis on correction. He stated he did have some statistics but they weren't complete.

CHAIRMAN SIMPKINS asked what was thought of the relationship between them and the new department.

Mr. Day stated they would deal with all programs. They would transfer individuals back and forth.

CHAIRMAN SIMPKINS asked when dealing with policy, where is there a problem.

REP. SOFT stated there is a problem in moving the juveniles into the corrections department.

REP. SQUIRES asked if public health would be staying or would it be combined.

Mr. Blouke stated health functions would be combined into the new department.

REP. SQUIRES asked how many would be displaced.

Mr. Blouke stated there would be 25 people displaced. He had a gut feeling that most are interested in leaving or retiring. The change would be difficult.

REP. HEAVY RUNNER asked how they would discuss this within the staff.

Mr. Blouke stated the process would be for reform.

REP. KITZENBERG stated with more prisoners there is less room. He asked who was going to pay for this.

Mr. Fulbright stated they wouldn't be stealing from one to offset the other.

REP. STOVALL asked with more local ideas what mechanism they would use to do this.

Mr. Blouke stated they would have to wait for the exact structure.

Closing by Sponsor:

{Tape: 2; Side: B.}

SEN. SWYSGOOD stated the effective date for this bill would be next year. He was opposed to REP. SOFT'S amendments. He stated it is not the departments fault. There is a difference between juvenile and adult corrections, but there are more similarities than differences. He stated there was an attempt to make this happen overnight and that would have taken more people out of this. He urged the committee's support of the bill.

HEARING ON HB 593

Opening Statement by Sponsor:

REP. MATT DENNY, HD 63, stated this bill would change the PSC members from five to three. This is a non-partisan bill. He submitted and explained the amendments proposed. EXHIBITS 3,4. This would add stability and save money.

Proponents' Testimony:

REP. LARRY GRINDE, HD 94, stated they decided to go through all facets of government and none of the industries have anything to do with this bill. They want to try and make government more efficient and other states have three members and are doing well.

They will see savings to Montana. In 1913 the PSC was put together. In 1974 it was changed to a five-member committee. He believed they could do more with less. This is an attempt to streamline government. He hoped that politics could be left out of it.

Jack Haffey, Montana Power Company, stated there is no significant or substantial change with this bill. This is a nonpartisan bill. The real question deals with substantial policy and they should consider whether these members should be appointed. They need to look at the characteristics against the backdrop. Each committee has a statewide view. There is no undue bias. They are elected, not appointed here. He submitted amendments and handouts and then summarized the amendments. **EXHIBITS 5,6.**

{Tape: 3; Side: A.}

Joan Manderville, Montana Telephone Association, stated cooperatives are not regulated. It is appropriated that these people are elected non-partisanly.

Dan Walker, U.S. West, stated they were in support of the bill and they thought the amendments improved the bill.

Opponents' Testimony:

Dave Ditzel stated the they had decided not to reduce the size of legislature. For the same reasons he didn't want to reduce the number of PSC members. He thought the amendment was self serving. He agreed with the nonpartisan issue. He urged them to keep the public in the Public Service Commission.

Gerald Mueller, submitted **EXHIBIT 7.**

Nancy McCaffree, submitted **EXHIBIT 8.**

Gordon Morris, Executive Director of MACO, Montana Association of Counties, spoke against the bill.

Bob Rowe submitted **EXHIBIT 9.**

Jim Jensen spoke against the bill.

{Tape: 3; Side: B.}

Dan Obeg submitted **EXHIBIT 10.**

Brad Martin, Montana Democratic Party, spoke against the bill.

Ted Lang, Montana Northern Plains Resource Council, spoke against the bill.

Dave Fischer spoke against the bill.

John Alke, Montana Dakota Public Utilities Co., spoke against the bill.

Kate Foss, Montana Low Income Coalition, spoke against the bill.

J.V. Bennett, MONTpirg, spoke against the bill.

Sheena Wilson, Montana Farmers Union, was opposed to the bill.

Michael Strand, Montana Telemarketing, submitted EXHIBIT 11.

Ed Kapus was opposed to the bill.

Don Judge, AFL-CIO, was opposed to the bill.

Jim Morton, Montana Resource Council, was opposed to the bill.

Leon Stault spoke against the bill.

Rick Van Aken was opposed to the bill.

Clark Sprang spoke against the bill.

Informational Testimony:

none

Questions From Committee Members and Responses:

REP. TROPILA asked how many people were in each district.

REP. DENNY stated there were 260,000 people.

REP. REHBEIN asked if there would be a conflict of interest.

Mr. Martin believed this should also play a part.

REP. SCHWINDEN asked if this was an appropriations bill.

REP. GRINDE stated he wasn't sure whether this was a revenue bill or an appropriations bill.

REP. SCHWINDEN asked if there would be a need to bend the rules for this bill.

REP. GRINDE said there would be no need to bend the rules.

REP. GREEN asked for elaborations between co-ops and public utilities.

REP. GRINDE stated the PSC doesn't regulate co-ops. He didn't see how this would hurt the rural areas.

REP. GREEN asked what would be the fiscal impact of this bill.

REP. GRINDE stated there will be a fiscal note, and there would be savings because of decreasing the size.

REP. SQUIRES asked for a response to REP. GREEN's question about co-ops.

Mr. Alke stated they are limited to MDU.

REP. SQUIRES stated if these people are allowed to complete their terms they would not be saving anything. She didn't see this as an appropriations or a revenue bill.

REP. GRINDE stated they would start over in the next election cycle.

REP. HEAVY RUNNER asked when the bill was introduced.

REP. DENNY stated it was introduced on Saturday.

REP. HEAVY RUNNER asked if there was any correlation with SB 284.

REP. DENNY said no.

REP. TAYLOR asked how much these people would have to travel.

Ms. McCaffree said they would try to centralize the hearings so the people would all have to travel about the same distance.

REP. SCHWINDEN asked if this had come before the Task Force.

REP. GRINDE stated they had looked at the PSC and he didn't know about the board.

REP. SCHWINDEN asked if this was wearing the GOP name and if they had public hearings.

REP. GRINDE said no.

REP. SCHWINDEN asked if they had looked at the findings.

REP. GRINDE stated no.

REP. TROPILA asked who would benefit from the savings.

REP. GRINDE stated the rate payer would benefit.

REP. TROPILA asked what the other 27 states do.

REP. DENNY stated there were 23 states that have the term of 6 years as well as 10 others which have varied terms.

REP. KITZENBERG asked how the rates compare with others.

Ms. McCaffree stated she didn't know.

REP. HEAVY RUNNER asked how the eastern side would fare with the bunched up western side of the state.

REP. DENNY stated they would try for balance.

CHAIRMAN SIMPKINS stated the only non-partisan part of government is the judicial. Anyone can ask for the backing of a party.

Closing by Sponsor:

REP. DENNY closed by saying that this bill was a good idea and this would change nothing about power.

ADJOURNMENT

Adjournment: 11:15 a.m.


RICHARD SIMPKINS, Chairman

CHRISTEN VINCENT, Secretary

RS/cdv

ADJOURNMENT

Adjournment: 11:15 a.m.



RICHARD SIMKINS, Chairman



CHRISTEN VINCENT, Secretary

RS/cdv

HOUSE OF REPRESENTATIVES

State Administration

ROLL CALL

DATE March 15, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dick Simpkin, Chairman	✓		
Rep. Matt Denny, Vice Chairman, Majority	✓		
Rep. Dore Schwinden, Vice Chair, Minority	✓		
Rep. Matt Brainard	✓		
Rep. Pat Galvin	✓		
Rep. Dick Green	✓		
Rep. Toni Hagener	✓		
Rep. Harriet Hayne	✓		
Rep. George Heavy Runner	✓		
Rep. Sam Kitzenberg	✓		
Rep. Bonnie Martinez	✓		
Rep. Gay Ann Masolo	✓		
Rep. Bill Rehbein	✓		
Rep. Susan Smith	✓		
Rep. Jay Stovall	✓		
Rep. Carolyn Squires	✓		
Rep. Lila Taylor	✓		
Rep. Joe Tropila	✓		

SB 345: AT A GLANCE

OLD STRUCTURE	NEW STRUCTURE
<p>Dept. of Social and Rehabilitation Services (SRS) <i>(absorbed by DPHHS)</i></p> <ul style="list-style-type: none"> → Child support enforcement → Developmental disabilities → Family assistance → Medicaid reimbursement → Rehabilitation → Visual services → Board of Social and Rehabilitation Appeals (BSRA) <p>Dept. of Family Services (DFS) <i>(absorbed by DPHHS)</i></p> <ul style="list-style-type: none"> → Child and adult protective services → Coordinating and planning for services to children → Provide for funding and placement of youth in need of supervision or youth committed to the department → Juvenile corrections (to Dept. of Corrections) <p>Dept. of Health and Environmental Sciences (DHES)</p> <p><u>Public health functions:</u> <i>(absorbed by DPHHS)</i></p> <ul style="list-style-type: none"> → preventive health services → family, maternal, and child health programs (WIC, family planning, etc.) → statewide health planning → food and consumer safety → record and statistics (births, deaths, etc.) → certificate of need program → health facility regulation and licensing (nursing homes, etc.) <p>→ Board of Health and Environmental Sciences (BHES)</p> <p><u>Human service functions:</u> <i>(absorbed by DPHHS)</i></p> <ul style="list-style-type: none"> → Institutional and residential care for developmentally disabled → Mental health services → Chemical dependency services → Veteran's long-term nursing care <p><u>Environmental science functions:</u> <i>(left in DES)</i></p> <ul style="list-style-type: none"> → Air quality division → Environmental remediation division → Waste management division → Water quality division → Petroleum tank release compensation board <p>Dept. of Corrections and Human Services (DCHS)</p> <ul style="list-style-type: none"> → Adult corrections → Alcohol and drug abuse division → Mental health division 	<p>Dept. of Public Health and Human Services (DPHHS) <i>(Dept. of Public Health in SB 245 absorbed by DPHHS)</i></p> <ul style="list-style-type: none"> → all functions of SRS <p>* BSRA renamed the Board of Public Assistance</p> <p>→ all functions of DFS (except juvenile corrections is moved to Dept. of Corrections)</p> <p>→ public health functions of DHES</p> <p>* BHES functions transferred to the Director of the new Dept. of Public Health and Human Services</p> <p>→ human service function of DHES and DCHS</p> <p>Department of Environmental Sciences <i>(absorbed into the Dept. of Environmental Quality under SB 234)</i></p> <p>Department of Corrections</p> <ul style="list-style-type: none"> → loses substance abuse and mental health → gains juvenile corrections from DCHS



Mental Health Association of Montana

An Affiliate of the National Mental Health Association

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EXHIBIT 2
DATE 3-15-95

Testimony of David Hemion
House State Administration Committee - SB 345
March 15, 1995

On behalf of the 1,200 members of the Mental Health Association of Montana, we support the re-organization proposal to create the Department of Health and Human Services.

The Mental Health Association has long advocated transferring management of Montana's public mental health system from the Department of Corrections to a human services department. Prior to this time, the only action that has been taken was to change the name of the Department of Corrections to include Human Services. It is still a department which has punishment of criminals as its primary mission. This is a remnant of those dark days when mental illnesses were viewed with the same disdain as criminality. We welcome and applaud the proposal to bring all mental health functions into one agency and predict this will result in a strengthened system of public mental health.

We oppose, however, the proposal to transfer Youth Corrections to the Department of Corrections.

The borderline between youth criminal behavior and youth mental illness is often very narrow. Separating treatment and rehabilitation for youth into two components will be a set-back. Few states operate with this proposed model and most who have tried it have rejected it.

Placing Youth Corrections into the Department of Corrections will relegate it to a secondary function of the department. Its budget and management will not be the priority. The management philosophy of adult corrections will dominate and the opportunity for rehabilitation of young offenders will be diminished.

We ask you to approve SB 345, but to amend the bill to retain Youth Corrections within the new human services agency.



A Non-Profit Education & Advocacy Organization

Working for Montana's Mental Health and Victory over Mental Illness

A National Voluntary Health Agency

Amendments to House Bill No. 593
First Reading Copy

EXHIBIT 3
DATE 3-15-95

Requested by Representative Denny
For the Committee on

Prepared by Greg Petesch
March 15, 1995

1. Title, line 5.
Following: "MEMBERS;"
Insert: "EXTENDING TERMS FROM 4 YEARS TO 6 YEARS;"

2. Title, line 8.
Strike: "69-1-224"
Insert: "69-1-403"

3. Page 2, line 12 through page 3, line 20.
Strike: section 4 in its entirety
Insert: "Section 4. Section 69-1-403, MCA, is amended to read:
"69-1-403. Determination and collection of fee. (1) The fee provided for in 69-1-402 to be paid by regulated companies must be determined in the manner set forth in 69-1-224 for determining the consumer counsel fee, except that gross revenues from sales to other regulated companies for resale, as calculated by the public service commission, must be excluded from the determination of the total gross operating revenue pursuant to 69-1-224.

(2) The department of revenue shall give notice by mail to each regulated company of the percentage determined pursuant to 69-1-224 and this section to be applied to gross operating revenues reported under 69-1-223, excluding gross revenues from sales to other regulated companies for resale.

(3) The fee provided for in 69-1-402 may be computed and collected in the manner provided in 69-1-225 through 69-1-227. The fee calculated under this section in August 1997 must take into account the provisions of 69-1-103.

(4) All fees paid by a regulated company pursuant to this section are immediately recoverable by the regulated company in its rates and charges. Within 30 days after the issuance by the department of revenue of the notice required by 69-1-224(1), the public service commission shall by separate order authorize each regulated company to fully recover in its rates and charges, on an annual basis, the fees levied by this part."

23 States with 3 member, 6 year commissions:

EXHIBIT 34
DATE 3-16-95

State	Method	FTE	Entities	Pop
Arizona	E	241	418	1312
Arkansas	GS	114	193	2424
Hawaii	GS	24	46	391
Idaho	GS	57	6221	1099
Iowa	GS	74	470	2814
Maine	GL	69	345	1239
Michigan	GS	206	97	9478
New Hampshire	GC	55	209	1125
New Jersey	GS	388	198	7879
New Mexico	GS	50	363	1616
North Dakota	E	51	207	635
Oklahoma	E	428	160	3231
Rhode Island	GS	38	21	1000
South Dakota	E	24	155	715
Tennessee	E	281	180	5099
Texas	GS	227	2028	18031
Utah	GS	17	63	1860
Vermont	GS	14	109	576
Virginia	L	592	210	6491
Washington	GS	238	275	5255
West Virginia	GS	230	915	1820
Wisconsin	GS	185	1409	5038
Wyoming	GS	30	2119	470
Montana	E	45	232	839

E=Elected, GS=Governor/Senate, GC=Governer/Cabinet, GL=Governor/Legislature, L=Legislature

Sources: National Association of Regulatory Utility Commissioners, "Compilation of Utility Regulatory Policy, 1993-1994" and Council of State Governments, Table 7.39, State Public Utility Commissions, "Book of the States, 1994-1995"

EFFECTS OF PROPOSED AMENDMENTS

TO

HOUSE BILL 593

COMMITTEE 5
 DATE 3-15-95

- **Composition of public service commission would change from three elected members to three appointed members, all of whom must be qualified electors of the state.**

- **Governor would appoint commissioners, subject to consent of the senate.**

- **Not more than two members of the commission could be members of the same political party.**

- **All commissioners would complete their current terms, with transition to six-year staggered terms for appointed commissioners.**

AMENDMENTS TO HOUSE BILL NO. 593
Introduced Bill

Requested by The Montana Power Company

EXHIBIT 6

DATE 3-15-95

March 15, 1995

1. Page 1, line 4.

Following: "ENTITLED:"

Strike: title in its entirety

Insert: "AN ACT TO REDUCE THE PUBLIC SERVICE COMMISSION FROM FIVE ELECTED MEMBERS TO THREE APPOINTED MEMBERS; IMPLEMENTING THE APPOINTMENT OF THE REVISED COMMISSION TO STAGGERED TERMS; IMPLEMENTING THE FUNDING FOR THE REVISED COMMISSION; AMENDING SECTIONS 69-1-103, 69-1-105, 69-1-106, 69-1-107 AND 69-1-224, MCA; AND REPEALING 69-1-104, MCA."

2. Page 1, line 14.

Following: "the"

Strike: "district from which they are elected, with each such member elected from a separate district of the"

3. Page 1, line 15.

Following: "state."

Insert: " The members of the commission shall be appointed by the governor with the consent of the senate. Not more than two appointed members of the commission may, at the time of appointment or thereafter during their respective terms, be members of the same political party."

4. Page 1, line 17 through page 2, line 3.

Strike: section 2 in its entirety

5. Page 2, line 5.

Following: "Section"

Strike: "3"

Insert: "2"

6. Page 2, line 6.

Following: "section"

Strike: "5"

Insert: "6"

7. Page 2, line 7.

Following: "Said"

Strike: "The commissioners when elected ~~will~~ shall qualify at the time and in the manner provided by law for other state officers and shall take office on the first Monday of January, next after their election."

8. Page 2, line 10.
Following: "is"
Strike: "elected and qualified"
Insert: "appointed and takes office"

9. Page 2, line 10.
Following: line 10
Insert: "Section 3. Section 69-1-106, MCA, is amended to read as follows:

69-1-106. Vacancies. Any vacancy occurring in the commission shall be filled by appointment by the governor, subject to the consent of the senate. If the senate is adjourned, the appointment is subject to the consent of the senate when the senate is next in session. An appointment to fill a vacancy is for the unexpired term of the member replaced. ~~Such appointee shall hold office until the next general election and until his successor is elected and qualified. At the biennial election following the occurrence of any vacancy in the commission, there shall be elected one member to fill out the unexpired term for which such vacancy exists.~~

Section 4. Section 69-1-107, MCA, is amended to read as follows:

69-1-107. Chairman of commission. A chairman shall be selected by the commission from its membership at the first meeting of each odd-numbered calendar year after a general election."

10. Page 2, line 12.
Following: "Section"
Strike: "4"
Insert: "5"

11. Page 3, line 22.
Following: "Section"
Strike: "5"
Insert: "6"

12. Page 3, line 22.
Following: "member"
Insert: "appointed"

13. Page 3, line 22.
Following: "terms,"
Strike: remainder of section 5
Insert: "all elected members of the commission whose terms have not expired on the effective date of this act shall continue in office until the end of their respective terms. One successor shall be appointed to replace the next three elected commissioners whose terms expire on or before January 1, 1997."

The term of this appointee shall expire four years after appointment. Two successors shall be appointed to replace the fourth and fifth elected commissioners whose terms expire on or before January 1, 1999. The term of one of these appointees shall expire four years after appointment, and the term of the other shall expire six years after appointment. Upon the expiration of the terms of the three commissioners first to be appointed as herein provided, each succeeding commissioner shall be appointed and hold office for the term of six years."

14. Page 3, line 28 through line 29.
Strike: section 6 in its entirety

15. Page 4, line 7.

Following: "467"

Strike: "is changed from '8 or more years in a 16-year period' to '12 or more years in a 24-year period'."

Insert: ", as it relates to public service commission members, is void."

hb593.amd

Testimony of Gerald Mueller On House Bill 593 Before the House Administration Committee, March 15, 1995

STATE 7
DATE 3-15-95

Mr. Chairman, members of the Committee, my name is Gerald Mueller. I live at 7165 Old Grant Creek Road in Missoula. I appear this morning not as a lobbyist, but as a citizen on behalf of myself and my wife, Carol Mitchell. We urge this Committee to defeat HB 593 because it would reduce the number of Public Service Commissioners from five to three.

Reducing the number of Commissioners would save no tax dollars. It would have no discernable effect on my utility bills. It would, however, significantly reduce the assistance which Commissioners provide to small business and residential customers who have problems with their utility service.

My wife and I have had significant problems with our telephone and water utilities.

Telephone Service Problems:

- Last July, telephone service to our home was interrupted on a Thursday morning. When I called the US West service repair number, I was told that no repairperson would be available until the following Monday morning. Apparently adequate service from US West included being without telephone service for at least four days!
- Earlier last Spring my wife opened a new office for her mediation business in Missoula. She made an appointment to have telephone service installed with US West about a month in advance of the date she would move into her new office. She reconfirmed the appointment about a week before and was assured that service would be installed during the morning of the agreed on date. When the date arrived, she waited all morning and into the afternoon, but no US West service person appeared. She called US West, but the person in the US West "service" center, did not know when the promised telephone installation would occur. My wife gave up waiting about midafternoon and left the office. After she left, the service person arrived and in my wife's absence installed the telephones incorrectly.
- Some weeks after the installation problems, my wife's business telephone line was "slammed", that is, her designated long-distance carrier was changed without her knowledge or consent. About a month went by before she learned of this "service" by receiving what apparently was an erroneous telephone bill. Her previous long-distance carrier was TRI Touch America, a Montana company. When she called US West to restore her TRI service, US West said they had never heard of TRI and did not know how to reconnect her. TRI had to contact US West before the service could be resumed.

Water Service Problems:

- During February 1993, I and all other Grant Creek Water Works customers lost water service for three days.
- In January 1994, Grant Creek Water Works filed for a 100% rate increase, after filing for bankruptcy.

The relevancy of these problems to HB 593, is that in each case I was able to discuss them directly with my Public Service Commissioner, Bob Rowe, and in each case he spent time personally attempting to remedy them. In addition to contacting US West directly with my wife and my service problems, Commissioner Rowe is heading a customer service project for the 14-state US West Regional Oversight Committee. This latter effort is particularly significant, because US West service problems are not limited to Montana, but exist throughout the states in

HB593
15 March 1995
State Administration
Room 312-3 8:00 a.m.

Testimony by: Nancy McCaffree, Chair
Public Service Commission

EXHIBIT

8

DATE

3-15-95

Mr. Chairman, Members of the Committee

Commissioner Anderson is out of town as President of the National Association of Regulatory Utility Commissioners. He has asked me to convey to you that he is opposed to House Bill 593.

The Public Service Commission provides the balance between what public utilities want and what the ratepayer should pay. What we need to remember is that the companies we regulate are monopolies and the people are captive customers and have no choice but to use their service. When using the word "people" I am including individuals and families as well as schools, small business, big business, hospitals --- anyone who must use the service of a utility.

I would like to make a statement as Commissioner of District 2, Southeast Montana, which encompasses eleven counties. Each time we undergo any kind of government reorganization, whether it's redistricting for legislative seats or in a bill like this one, one group consistently comes up a loser. And that group is the people living in about half the state of Montana -- our rural areas. This time around it's the people in proposed District 1--it's 28 COUNTIES!! That's an area larger than most states!!

If this bill is adopted I am very sure that rural areas simply cannot receive the attention they do now. Each of you representing a rural constituency should be concerned about this.

Now, I'd like to speak as Chair of the Commission. HB593 is a scenario where less government is not better government. This bill would dramatically reduce citizens' access to their government. It would not necessarily improve government and would produce very little savings. The difference between the salary and benefits for three commissioners as opposed to five is quite small. The Public Service Commission is funded by a small tax on regulated utilities. This tax is adjusted annually. The Commission has prudently lived within its budget. Any "savings" from the change to a three member commission would have little effect on the rate of the PSC tax. Commission staff figures the difference reduce the tax about .000064%.

With two less Commissioners, the Commission staff may well have to be increased. For example, a Commissioner takes complaints from constituents and works to solve that problem. We often work with communities on utility-related projects. Commissioners act as hearings officers - in other states, hearings officers make more than a Montana Commissioner. Commissioners conduct research, work on specific projects and committees and do work which is performed by staff in other states.

We feel the three-member commission proposal is introduced late in the session. Other proposals for executive agency reorganization were developed through an open process involving the Governor's Task Force to Renew Government. Proposals to consolidate elected offices are generally being referred for a popular vote. The only PSC-related proposal offered by the Task Force was to eliminate the PSC's limited jurisdiction over municipal water and sewer rates (HB 289). We were happy to participate in those discussions and have testified for acceptance of the bill which came out of the Task Force.

How public utilities should be regulated was a significant subject of public debate from 1913 until 1975. The public saw the then existing three-person commission as ineffective and under the control the utilities it regulated. In 1975, the Legislature created a five-person commission, elected by party, and representing a designated district. This Legislature, committed to improving accountability to the citizens, should reconsider abolishing this system in the closing weeks of the legislative assembly.

As District 2 Commissioner, I have one suggestion -- if you do pass this bill out of Committee, and a sincerely hope you don't, District One -- because of its size and the difficulty running a campaign in a district this huge - should have the original six-year term.

Thank you for your time and attention.

TESTIMONY IN OPPOSITION TO HOUSE BILL 593
BOB ROWE

EXHIBIT 9
DATE 3-15-95

A. LITTLE SAVINGS IN REDUCING SIZE OF COMMISSION

HB 593 would dramatically reduce citizens' access to their government, but would neither improve government nor produce real savings. The difference between salary and benefits for three commissioners as opposed to five is small.

Commissioners now perform many tasks. If there were two less Commissioners, the PSC would have to hire additional staff. For example, commissioners do customer complaint resolution, work with communities on utility-related projects, act as hearings officers, participate in specific projects and committees, and conduct research. Montana Commissioners do work which in other states is performed by staff.

The Public Service Commission is funded by a small tax on regulated utilities. This tax is adjusted annually, and is deposited in a special revenue account. Reducing the number of commissioners would produce no general fund savings, and no savings at all in the current biennium. The Commission has prudently lived within its budget, and has accepted a number of significant reductions for the coming biennium. Any "savings" from the change to a three member commission would have virtually no effect on the rate of the PSC tax.¹

B. NOT ENOUGH TIME TO EVALUATE HB 593

The three-member commission proposal is introduced late in the session, without prior public debate, after transmittal as a "revenue" bill.

Other proposals for executive agency reorganization were developed through an open process involving the Governor's Task Force to Renew Government. Proposals to consolidate elected offices are generally being referred for a popular vote. The only PSC-related proposal offered by the Task Force was to eliminate the PSC's limited jurisdiction over municipal water and sewer rate increases (HB 289).

How public utilities should be regulated was a significant subject of public debate from 1913 until 1975. The public perceive the then-existing three-person commission as ineffective and under the control of the utilities it regulated. (Lopach, Malone) In 1975, the Legislature created a five-person commission, running by party, and elected by district. This Legislature, committed to improving accountability to the citizens, should reconsider abolishing this system in the closing weeks of the legislative session.

¹The current tax rate is .0023. Assuming a \$50,000 savings in fiscal year 1995, the tax rate would be reduced by .000064.

C. HB 593 FIXES NO PROBLEM

The Legislature, regulated industries, the Commission, and especially customers have an interest in continually improving regulation. The Commission has made use of collaboratives, incentives, competition where possible, and alternative forms of regulation. The Commission has strived to balance the interests of the utilities and their ratepayers.

The outcomes of the current system benefit customers and are fair to utilities:

- * Although Montana is a huge, rural state (making utility service sometimes more costly to provide, per customer), rates for most services are stable, increase at or below the Consumer Price Index, and are far below national averages.
- * Particularly for a rural state, service levels are generally good. Where service is deficient, the Commission has moved strongly to obtain improvements.
- * Levels of investment are generally appropriate. Montana will be the first state served by U S West to have fully-digital service, including rural areas. Residents of Lincoln County are now beginning to receive dramatically increased levels of service, including elimination of multi-party lines and installation of digital switches. \$2.5 million of those investments will never be charged to Lincoln county customers. Investment by other utilities also generally appears appropriate. The Commission has successfully supported investment in rural areas, and remains committed to this priority.
- * Electric Least Cost Planning is smoothing the excess capacity/capacity deficiency cycle, improving utility planning, and reducing risk for customers and utilities alike.
- * Utilities consistently receive an opportunity to earn a fair rate of return. Bond ratings are generally adequate ("investment grade") without being so high as to reflect exorbitant returns.
- * Complaints from customers about rate increases and from utilities about inadequate rate increases indicate a reasonable balance of interests. (If the PSC did not receive complaints, it would not be doing its job.)
- * Public confidence in the current structure appears high, particularly in comparison to some other states or to previous experience in Montana.

D. FIVE COMMISSIONERS BETTER THAN THREE.

- * Five commissioners do work directly. For example, few other state commissioners serve as their own hearings officers.
- * Five commissioners remain in close contact with citizens and communities.
- * Reducing the number to three would create huge districts and reduce public access to and confidence in the Commission.
- * Rural areas will be harmed. Large districts would make it less likely that rural issues receive the attention they do now.
- * Five commissioners are better able to specialize and develop expertise. Deciding traditional rate cases is challenging enough. Regulation of utility industries requires mastery of important technical and policy questions, often involving how to introduce effective competition into industries which have long been thought of as natural monopolies, while continuing to protect core customers and rural areas.
- * Five is widely recognized as the optimal size for utility commission decision-making. Seven member commissions are too large. Members of three-person commissions are unable to consult individually without violating open meetings requirements. Two members of a five-person commission may exchange information about a case or work together on an issue without "making a decision" for the full commission. This is a serious concern in many states, and has led to exceptions from open meetings requirements for utility commissions.

E. PARTISAN ELECTIONS BETTER THAN NON-PARTISAN

- * Effective candidates of both parties are elected to the PSC. Members of both parties work together well on the PSC.
- * Partisan elections increase the visibility of races, making it easier for voters to focus on issues.
- * Fundraising is more difficult without access to party contributors. There would be a greater risk of dependence on utility contributions or other narrow support. Because this would undermine public confidence, it would be in neither the utilities' nor the customers' interest.
- * Both parties provide candidates important organizational support.

Testimony of Danny Oberg
Commissioner - District #1
Montana Public Service Commission

EXHIBIT 10
DATE 3-15-95

When I see a bill that has 52 sponsors on it of the majority party it tells me two things: The first, of course, is that I am in deep trouble. The second is that there is a serious problem that a lot of legislators want to see corrected.

When I first came to the legislature nearly 20 years ago I was fortunate enough to be taken under the wings of the Dean of the Lobbyists at the time. He had lobbied for over 40 years and he gave me this advice about successful legislating.

1. Don't fix something that isn't broke.
2. If it's broke don't make it worse.
3. If it's broke don't put a bandaid on it and call it fixed.

HB 593 is presumably the result of GOP dissatisfaction over the present Commission and its decisions. **You obviously believe the Commission is broke and needs to be fixed. I don't suspect there is much that I can do to convince you otherwise.** However, before I leave I'm going to give it my best shot to try and convince you the repair job proposed in this bill doesn't fix anything and may, in fact, make things worse.

I think there is a genuine belief reflected in this bill that the Commission is not balanced. When 52 legislators put their name on a bill it is more than politics. Some day I'd like to have the opportunity to talk to you about that issue of balance but today is not the day. What I do want to talk with you about is whether this bill restores balance and does what I think the sponsors and cosponsors want.

It is my contention that this bill will not do what the GOP wants done. In fact, I believe it creates a situation where extremists will be elected. Commissioners elected under the process may be from the far left or the far right but I don't believe they will be the mainstream middle of the roaders that you hope for.

You are all politicians and you know what it takes to be elected in this day and age. It takes organization, money and a message. I would submit to you by retaining an electoral process, but not allowing candidates to run under a Democratic or Republican label you have stripped PSC candidates of the organization and access to money needed to get elected. **As a result PSC candidates will either come from the extremist groups at either end of the political spectrum or become beholden to them for the contributions and volunteers it takes to get elected.**

Admittedly, I have a personal stake in the outcome of this bill. However, regulation has been the heart of half my adult life. I have a stake in the institution and I want good balanced regulation as much as anyone..

Will HB 593 be a significant improvement in public policy and result in better regulation over the long run?

From 12 years of experience, I believe that 4 factors determine the quality of regulation:

- 1) The statutory framework.
The enabling statutes determine the discretion the PSC has in making decisions.
- 2) Quality of Regulators.
The Commissioners are the bottom line.
- 3) Professionalism of staff and adequate funding.
- 4) Flow of information from the regulated utility to the Commission and other interests.

HB 593 seeks to improve regulation by addressing only one element of the above. I have to give the benefit of the doubt to the GOP that they are proposing this are not to get even with the present Democrats, but out of a genuine desire to improve the quality of regulation.

Selection of Commissioners

How Commissioners are chosen is not a new debate. While I have identified it as only one element in the determination of regulation outcomes, it is admittedly an important issue. I have had experience in county government, the Legislature and the PSC, and I believe on all levels of government the person or persons making decisions affect the outcome. Ours may be a government of laws and not of men, but the results of regulation rests with the men and women who compose it. I don't apologize for that, because if I didn't believe I made a difference as an individual, I wouldn't have gone through the hell to get elected again.

Whether one is a consumer advocate or an industry executive, I think all must agree that the selection of Commissioners is a critical element in the final results of regulation.

That importance has been recognized for years. The debate over Commissioner selection is generally over the merits of elected Commissioners vs. appointed Commissioners. In HB 593, the debate around the selection process has been limited to reducing the **number** of Commissioners and whether Commissioners should be elected on a **partisan** ticket or not.

Evidently the sponsor decided that the possibility of appointed Commissioners has been ruled out. Therefore, I will limit my comments to the proposed change in the electoral process.

The Goal of Commissioner Selection

The Montana Public Service Commission is charged with regulating Montana's major businesses. The decisions made by Commissioners have profound effects on these businesses and the customers they serve. Regulation has grown increasingly complex and conflictive over the last decade or so. My experience has allowed me to pass through several trends. Restructuring of the natural gas and telephone industries were huge issues, but they took a back seat to policy making as Congress appears ready to rewrite telephone laws. The electric industry is on the verge of a radical transformation. Whether in immediate rate cases or long term effects, consumers have a huge stake in Commission decisions, as most certainly do the regulated companies.

Given these stakes, I believe the goal of the Commission selection process should be to produce Commissioners who are policy makers, who are independent of the regulated utilities, governor and the consuming public, **while still being responsible to each**. To me, it is a fundamental responsibility of the Commissioners to be *responsible* while still being *responsive*. I think that is a paraphrase of the more traditional description of regulation as a balancing act between the consumers and the companies.

While it is easy to say utilities just want more money, I believe most utility managers have a more fair viewpoint of the Commission selection process. I believe they want a selection process which results in detached, timely, and consistent regulatory decisions which enable them to provide quality service and reasonable returns to their shareholders.

Consumer's are generally more interested in their own personal bottom line - reasonably priced utility service. In the last few years, consumer groups with a more narrow focus on low income or environmental issues have become increasingly important in seeking accountability from Commissioners. It now appears the industrial customers and job development folks are coming into play.

If one accepts my premise that these factors -- accountability, responsibility and responsiveness -- are key indicators of quality regulation, one has to ask if HB 593 contributes to those goals or not.

To determine whether HB 593 represents significant reform and improvement over the present PSC electoral process in Montana, I will review some of the frequent criticisms I hear about elected Commissioners.

On the Firing Line: Elected Commissioners

The professional literature I have reviewed over the years and my experience interacting with the industry and Commissioners in other states has resulted in this list of perceived shortcomings of election of Commissioners:

- a) Competency .
On average, elected Commissioners may not have the education and professional qualifications that might be expected of appointed Commissioners. (Having not finished high school, I am most sensitive to this criticism. On the other hand, I will defend my record against any of those who have served, who on paper have superior qualifications!)
- b) Elections trivialize issues.
Commissioners must run on politically popular issues rather than real substance.
- c) Elections produce Commissioners who strive to curry favor from the electorate in rate decisions.
- d) Electing Commissioners encourages extremism from Commissioners who posture for support for election. That extremism may be to the left with the consumer interests or to the right with the utility interests.
- e) Elected Commissioners may feel pressure to pursue short-term consumer interests (lower rates now!) at the expense of important long-term issues like financial integrity of the utility. Conversely, elected Commissioners may grant rates that are unwarranted when consumers are complacent.

Does HB 593 solve any of these problems?

If HB 593 is real reform, it should be an improvement over the present system of electing Commissioners. As I look at the five factors I have outlined, it does not cure any of the perceived short-comings generally identified with elected Commissions. In fact, as I will explain later, I believe the new system will worsen rather than improve regulation.

The "reform" reminds me of the phenomenon seen in the marital cases. A woman dumps a man because he is a drinker, a wife beater, etc. swearing to never again get involved with such a person. Yet all too frequently she will remarry the same type of man.

Like the divorcee who only changes the name, but does not improve her lot, I believe HB 593 simply trades in one set of flaws in return for a new group of Commissioners, without significantly improving the selection process.

If the Legislature seeks to change the regulatory outcomes of the present Commission, it is my belief that it will not happen.

In my opinion, this legislation will not result in improvements to the Commissioner selection process.. It may worsen rather than improve regulation.

The "Reforms" in HB 593

As I read HB 593, it contains two major reforms:

- 1) Reducing the number of Commissioners to 3, with new districts being formed;
- 2) Revising the electoral process from partisan elections to nonpartisan.

To judge HB 593, one must consider if these changes result in better regulation. ***Does it make regulation more accountable, responsive and responsible?***

I will address each of these in turn.

The Number of Commissioners

During a time when downsizing of government must be considered, I understand the visibility and desirability of such a reduction. I am the last one to minimize the importance of this issue. But the perceptual benefits of reducing government officials balance the actual dollar savings vs. the reduced ability to serve constituents. With a

two million dollar annual regulatory budget, the cost savings of eliminating two Commissions is almost minuscule.

Montana is a big state and reducing the number of Commissioners is not without significant impacts.

Reducing the state to three Commissioners results in huge districts. District 1 will be composed of 28 counties - half of the state in land area to cover 1/3 of the population. Over time it is likely that the 27 rural counties will lose representation as Yellowstone County dominates. The costs of running even a minimal election campaign in this much territory is daunting. I believe this huge territory will be a significant deterrent to attracting qualified candidates to run for the PSC.

Once elected, constituents will infrequently see their Commissioners who will rarely travel in the course of their duties. Commissioners will naturally tend to be most responsive to the population center of their district.

Nonpartisan Elections

While extremely seductive, the idea of having candidates run on a nonpartisan ticket must be carefully analyzed for its real-world effects.

Are setting rates a partisan issue? My experience has shown me that the significant policy splits in the Commission over the years have not been between the two parties, but intraparty squabbling. Commissioners Mercer and Ellis often voted with the majority as the Commission worked toward building consensus in its decision making process. My conclusion is that political affiliation has not had a significant role in the actual running of the PSC.

However, I think switching to a nonpartisan ballot could have significant impacts deteriorating regulatory decisions.

Running a PSC race is a difficult task. While the office is important, it is virtually impossible to raise funds or develop an independent campaign for a PSC race. Candidates of both parties have had to rely on the political parties for funds, organization and volunteers. **There is no natural constituency for PSC races. That is a critical difference between the PSC and judicial elections.** In judicial races elected on a nonpartisan basis, candidates can look to the legal profession for help, support and funds. Newspaper reports over the years have repeatedly told the story of how judges are dependent for 80% or more of their funding from members of the bar.

In a nonpartisan ballot, Commissioners will be left to their own limited resources to launch a campaign. They will not have access to lists for potential donors or be able to coattail on the efforts of their political parties.

It is this situation that I personally believe leads to the biggest threat to Commissioners who are accountable, responsible and responsive to the many stakeholders, yet independent enough to produce decisions in the public interest.

With no natural constituency, no political party organization to work with, huge districts to run in and the inability to attract campaign funds, I believe this well intended reform will result in PSC candidates (who are forced to) doing one of the following:

- 1) Look to the regulated industries for financial support. This will threaten Commissioner independence and public confidence.
- 2) Become captive to narrow political organizations such as Mont-Cel or the Christian Right for political support leading to Commissioners increasing obligations to narrow special interests rather than the broader interests of the Democrat or Republican Party umbrellas.
- 3) With no campaign funding and huge districts, candidates for the PSC are more likely to resort to demagoguery to attract media attention to create name recognition so important on election day.

No matter how well intended, I believe that the nonpartisan election of Commissioners is more likely to produce Commissioners obligated to special interest groups and be more political than the present system.

Non partisan elections for districts this large, with no natural constituency, is a Utopian ideal and ignores real world realities.

Summary

HB 593 represents no significant improvement in the present system of selecting Commissioners. It may very well represent a serious deterioration of quality regulation. It does not create balance. If you believe the Commission is broke this bill is putting a bandaid on a broken process and calling it fixed. The cost savings are relatively small. It misses the mark for being real reform and should be rejected by both consumers and industry advocates.

It misses the mark for being real reform.

EXHIBIT 11

DATE 3-15-85

TESTIMONY

Presented To: House State Administration Committee

Witness: Michael Strand, Executive Vice-President and
General Counsel, Montana Independent
Telecommunications Systems, Inc.

Mr. Chairman, Members of the Committee:

1. I represent 5 independent telecommunications companies serving rural Montanans across the state.
2. Some of my members are regulated by the Public Service Commission while others, being cooperatives, are not.
3. Of those members that are regulated, most are new companies, formed last year to operate telephone exchanges acquired from U S WEST.
4. For this reason, my membership has just begun to become acquainted with the Public Service Commission in its current form.
5. Since we lack experience with the Commission, we cannot support the changes in its structure proposed by HB593 because we cannot adequately assess the impact of those changes on our membership.
6. We are concerned that, given the very complex nature of many of the issues that face the Commission, the elimination of two seats may come at the expense of poor decision-making as two points-of-view are removed from the deliberative process.
7. We are further concerned that poor decision-making may cost industry and ratepayers far more in the long run than might be saved by government through the elimination of two seats.
8. For these reasons, we respectfully oppose HB593.

EXHIBIT 12
DATE 3-15-95

MONTANA ADVOCACY PROGRAM, Inc.

316 North Park, Room 211
P.O. Box 1680
Helena, Montana 59624

(406)444-3889
1-800-245-4743
(VOICE - TDD)
Fax #: (406)444-0261

February 15, 1995

Representative Dick Simpkins
House State Administration Committee
State Capitol
Helena, Montana 59620

Re: SB 345

Mr. Chair and Members of the Committee:

For the record, my name is Andree Larose and I am a staff attorney for the Montana Advocacy Program. Montana Advocacy Program is a non-profit organization which advocates the rights of individuals with disabilities. We are here to testify, neither in support of or in opposition to SB 345, but to offer some observations and input regarding the reorganization of state government.

1. We are somewhat fearful of the mega-agency that would result under the proposed re-organization. We are concerned that an agency which is so big will lose some of the "human touch." On the other hand, we do think the consolidation of human services is needed, at least to a greater extent than currently occurs.
2. At an absolute minimum, we urge you to move mental health services from the Department of Corrections and Human Services. Corrections and mental health services should not continue in the same department, as the two systems require an entirely different background, experience and mindset. The department is often headed by someone with a corrections background; it is a disservice to people with mental illness to continue to have their needs and interests determined by the Department of Corrections and Human Services.
3. For the same reasons, we urge you to move developmental disabilities services to the department of Social and Rehabilitation Services. Under the current system, SRS provides community services for persons with developmental disabilities; DCHS provides institutional services for persons with developmental disabilities. We think the reasons that might exist for keeping all "institutions" in the same department, both correctional or disability treatment oriented, are far outweighed by the advantages of separating those two types of institutions and integrating disability services into a more human services focused agency. Often when we attempt to move an individual with a developmental disability who is inappropriately institutionalized into community services, we encounter finger-pointing between DCHS and SRS over whose responsibility it is to see that the individual's need for services in the least restrictive

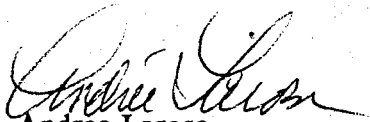
environment is met. An integration of community and institutional developmental disabilities services would hopefully eliminate this shifting of responsibility and allow for a more coordinated, efficient management of funds to meet the needs of the clients on a continuum of care.

4. We are very hesitant to support the folding of the Department of Family Services into a giant Department of Health and Human Services. In our experience, there have been advantages to having one department focus on the needs of children and families; DFS is an agency with a heart and with dedicated, caring staff. We would hate to see the agency dismantled just as it is coming into its own under the excellent leadership of Director Hank Hudson.

5. Finally, we urge that the management of juvenile facilities, Pine Hills and Mountain View, remain under the responsibility of the Department of Family Services or, if the Department of Health and Human Services is created, under that agency. The reasons for shifting youth corrections from the Department of Institutions (now DCHS) to DFS were good ones. It is the exception, not the rule, that youth in the corrections system have emotional needs which require some type of treatment and many are abused or neglected children. We firmly believe that youth corrections should remain affiliated with other youth services.

Thank you for your time.

Sincerely,



Andree Larose
Staff Attorney

MONTANA

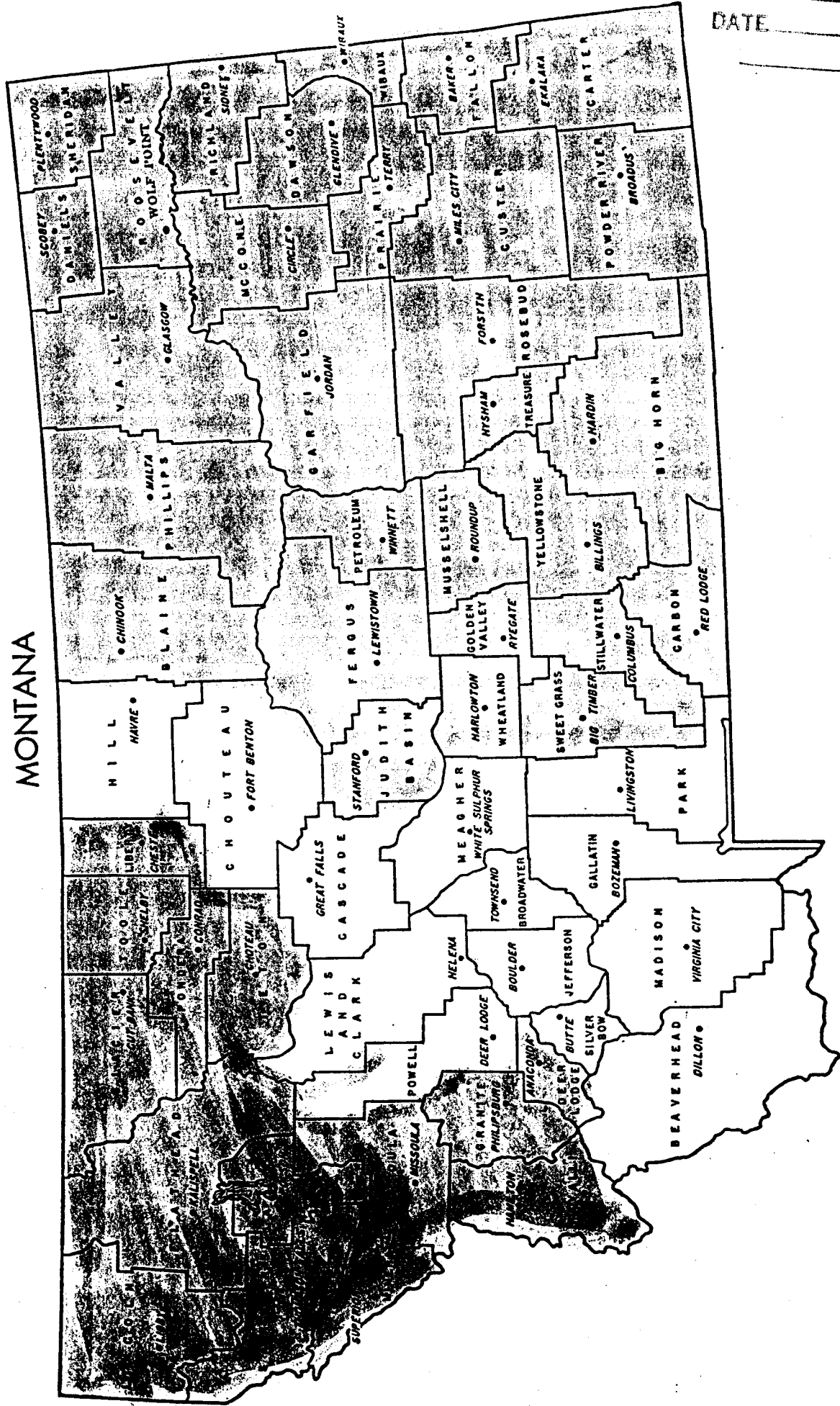


EXHIBIT _____
DATE _____

Proposed Districts - PSC - HB 593

HOUSE OF REPRESENTATIVES
54TH LEGISLATURE

State Administration COMMITTEE

WITNESS STATEMENT

Please Print

NAME James D. Jensen BILL NO. HR 593

ADDRESS Box 1184 Helena 59624 DATE 3-15-95

WHOM DO YOU REPRESENT? METC

SUPPORT _____ OPPOSE X AMEND _____

COMMENTS: _____

HOUSE OF REPRESENTATIVES
54TH LEGISLATURE

State Administration COMMITTEE

WITNESS STATEMENT

Please Print

NAME Rick Van Aken BILL NO. HB 593

ADDRESS 1920 5th Ave N. DATE 3/15/95

WHOM DO YOU REPRESENT? Gy. Falls Montana Eagles Action

SUPPORT _____ OPPOSE X AMEND _____

COMMENTS: _____

HOUSE OF REPRESENTATIVES
54TH LEGISLATURE

State Administration COMMITTEE

WITNESS STATEMENT

Please Print

NAME Gerald Mueller BILL NO. HB 593

ADDRESS 7165 Old Grant Cr. Rd. DATE 3-15-95
Missoula

WHOM DO YOU REPRESENT? Myself

SUPPORT _____ OPPOSE X AMEND _____

COMMENTS: _____

HOUSE OF REPRESENTATIVES

State Administration COMMITTEE

WITNESS STATEMENT

PLEASE PRINT

NAME Jim Morton BUDGET HB 993
ADDRESS 617 South Higgins DATE 3/15/95
WHOM DO YOU REPRESENT? Human Resources Council
SUPPORT _____ OPPOSE X AMEND _____

COMMENTS: _____

HOUSE OF REPRESENTATIVES
54TH LEGISLATURE

State Administration COMMITTEE

WITNESS STATEMENT

Please Print

NAME Leon Stalcup BILL NO. 593
ADDRESS 1635 W Kent DATE 3-15-95
Missoula 59801
WHOM DO YOU REPRESENT? self
SUPPORT _____ OPPOSE AMEND _____

COMMENTS: _____

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

St. Admin

COMMITTEE

DATE 3-15

BILL NO. HB 593

SPONSOR(S)

Denny

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Nancy McCaffree	PSC		✓
Joan Madewill	Montana Tel. Assoc.	✓	
David Martin	MT Democratic Party		✓
Michael Strand	Montana Independent Telecommunications Systems		✓
B-s Rowe	PSC		✓
Dave Ditzel	BRO of Locomotive Engrs		✓
Gordon Morris	MAGC		✓
Tealange	NPRC		✓
J.V. Bennett	MontPIRG		✓
Melissa Case	Montana Peoples Union		✓
Don Judge	MT STATE AFL-CIO		✓
Ed Caplis	MSCA		✓
Jim Jensen	METC		✓

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

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wp:visscom.man
CS-14

JACK RAY
Denny Oberg

MONTANA POWER COMPANY ✓
MPSC

DAVE FISHER
N. alk

MPSC
MNY

X
X
X

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

St. Admin

COMMITTEE

DATE 3-15

BILL NO. SB345

SPONSOR(S) Swyggood

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Kathy McGowan	Self - mem MHC	✓	
MARY EWERD	MUPOA	✓	
Candy Wimmer	Youth Justice Council	✓	
MARY ALLEN	AREA AGENCIES ON AGING ASSOC.	✓	
Mary Alice Cook	Adv. for MT's CHILDREN	✓	Self Amendment
Charlie Briggs	Rocky Mtn. Aging Agency	✓	
Jim Morton	HRC	✓	

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