

MINUTES

**MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on March 5, 1997, at 10:00 A.M., in Room 331.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. Kenneth "Ken" Mesaros, Vice Chairman (R)
Sen. Vivian M. Brooke (D)
Sen. Delwyn Gage (R)
Sen. Fred Thomas (R)
Sen. Bill Wilson (D)

Members Excused: None

Members Absent: None

Staff Present: David Niss, Legislative Services Division
Mary Morris, Committee Secretary

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 134
HB 42
HB 74
Executive Action: SR 14 PASSED (5-1)

HEARING ON HB 134

Sponsor: REP. JOHN JOHNSON, HD 89

Proponents: David Senn, Teachers' Retirement System

Opponents: None

Opening Statement by Sponsor:

REP. JOHN JOHNSON introduced HB 134. He said HB 134 was a house-keeping bill, developed by the Teachers' Retirement Board with the assistance of individual members and organizations representing that organization. It does not represent the unfunded liabilities of the Teachers' Retirement System or

require an increase of the employer contribution rates. He pointed out the definitions and provisions in the bill.

Proponents' Testimony:

David Senn, Executive Director of the Teachers' Retirement System, explained the bill. *EXHIBIT 1, 2 {Tape: 1; Side: A; Approx. Time Count: 3.0-10.26; Comments: Mr. Senn outlined the sections in the bill and the change in definitions.}* He noted how important it was to be clear on averaging earned compensation. Mr. Senn pointed out how clever people could be in manipulating their average final compensation by increasing earned compensation just in the last three years by having fringe benefits converted to salary. Most of these contributions from fringe benefits have been refused. The School Administrators' Association criticized that there was no where in state law that says you can't do these things. The law needs to be more specific about that is included and what would be a benefit to members.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

SEN. GAGE questioned the definition of step-children. Mr. Senn said it was his understanding that step-children were not included, it was natural or adopted children. *{Tape: 1; Side: A; Approx. Time Count: 49.9-63.9; Comments: Clarification of the bill.}* SEN. THOMAS asked about whether the new language dealt with the benefits. Mr. Senn clarified that it did deal with the converted fringe benefits to salary for a five year period used in the calculations of salary.

Closing by Sponsor: REP. JOHNSON closed. He reiterated that the bill was a housekeeping bill, with definitions and terminology in line with current practices. The bill does not seek additional monies from either the employee or employer. The terms are now more clearly defined.

HEARING ON HB 42

Sponsor: REP. JOHN COBB, HD 50

Proponents: Debbie Smith, Common Cause

Opponents: None

Opening Statement by Sponsor:

EXHIBIT 3 {Tape: 1; Side: A; Approx. Time Count: 69.6; Comments: Clarification of recent court case by Supreme Court-Common Cause}

of Montana vs. Argenbright. } REP. JOHN COBB discussed the prior interpretation of rules. He said agencies have the right to make up rules. There was some question about rule hearings and petitions. The bill would clarify that when someone petitions for rules a hearing was not needed. He noted the concerns that were worked out in committee with Common Cause so that now the bill included language where denied petitions must show evidence and show reasons for the decision.

Proponents' Testimony:

Debbie Smith, Common Cause, supported HB 42 as it was amended in the House {Tape: 1; Side: A; Approx. Time Count: 78.0.} The bill now gives specific directions to an agency that when they get a rule making petition they do not have to hold a hearing but they do have to give reasons. It lets the parties know that they cannot file a frivolous petition but they must support with reasons why they need the rules that they are proposing and the agency has to address those reasons in its decision to either grant or deny the petition.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Count: 83.8 to Side B; Approx. Time Count: 11.7; Comments: current law, technical clarifications.}

Closing by Sponsor:

REP. JOHN COBB closed. He said that there was a concern that there had to be a hearing for everything and that should not be necessary. This would help the public understand why they were being denied any rules or petitions.

HEARING ON HB 74

Sponsor: REP. GAY ANN MASOLO, HD 40 presented HB 74.

Proponents:

Connie Griffith, Department of Administration
Karen Berger, Legislative Branch
Gordon Morris, MACO
Larry Sullivan, Department of Revenue
Larry Lambert, Ruby's Reserve Street Inn
Terry Minow, MFT
Tom Schneider, MPEA

Opponents: None

Opening Statement by Sponsor:

REP. GAY ANN MASOLO explained the bill would provide for a reasonable increase in the lodging and meal reimbursement rate to state employees who are required to travel in their job duties. She clarified that the proposed reimbursement rate for both in-state and out-of-state travel were based on the federal per diem rate.

Proponents' Testimony:

Connie Griffith, Administrator for Accounting and Management Support Division, Department of Administration, EXHIBIT 4 {Tape: 1, Side B; Approx. Time Count: 17.8; Comments: explained importance of bill that would establish rates and standards.} This bill will help agencies manage travel more efficiently.

Tom Schneider, MPEA {Tape: 1; Side: B; Approx. Time Count: 38.4.} He noted that meals have not been adjusted since 1989 and Lodging in 1991. The MPEA follows the same policy which is almost impossible since there is no longer lodging available at \$30 a night and \$15.50 per meals. He pointed out that currently the employees are paying for the additional costs and they shouldn't have to do that since the employers should have to pay for the employees traveling on company business.

Terry Minow, Montana Federation of State Employees {Tape: 1; Side: B; Approx. Time Count: 41.5; Comments: Current rate inadequate, employees pick up the tab for the state when reimbursement rates are unrealistically low.}

Larry Lambert, Ruby's Reserve Street Inn, Missoula and member of Montana Innkeepers spoke in support of the bill. He said within the last five years they have not provided the state rate of \$30 a night. The reason is economics and the state rate is even lower than the corporate rate.

Moe Wosepka, representing Bozeman and Kalispell area Chambers of Commerce spoke in favor of the bill.

Jan Dee May, Department of Justice, Administrator of Central Services, discussed the bill. She pointed out some examples of travel problems {Tape: 1; Side: B; Approx. Time Count: 49.4; Comments: anticipated and unanticipated travel.}

Karen Berger, Fiscal Manager for Legislative Branch, discussed the programs in their agency susceptible to changes in travel such as the auditors and the legislative interim committees.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

SEN. GAGE asked about designations for higher allowances at different times of year. **Ms. Griffin** discussed actual cost justification that would meet the criteria. She said that current law allowed for designations of not only area but circumstances under which employees could be reimbursed at actual cost either in or out of state. {Tape: 1; Side: B; Approx. Time Count: 64.9; Comments: examples of difficulty finding rooms available during events.}

Closing by Sponsor:

REP. MASOLO closed. {Tape: 2; Side: A; Approx. Time Count: 0-2.4; Comments: Employees shouldn't have to pay expenses out of their own pocket.}

EXECUTIVE ACTION ON SR 14

Discussion: **CHAIRMAN HARGROVE** discussed the confirmation process. **SEN. THOMAS** discussed the meeting with the Governor and the general discussion. **CHAIRMAN HARGROVE** talked about the meeting with Mr. Day. **SEN. THOMAS** reported that the Governor had full faith and trust in Mr. Day. **SEN. GAGE** noted that part of the problem in Corrections was the constant need for Supplementals.

SEN. BROOKE said she would vote for Rick Day though with reluctance. She discussed the Woman's Correctional Facility project and that Mr. Day did not communicate well with legislators. She noted that the facility is now trying to cope with a less than adequate space that was purchased in Billings. The mission statements and philosophies do not solve the problems.

CHAIRMAN HARGROVE said the committee would expect some considerable performance. **SEN. MESAROS** noted that Mr. Day had a high profile in a difficult department. However, Mr. Day walked into a lot of problems when he assumed that job and made an honest attempt to correct those. He felt there was some concern but it was inappropriate at this time to make changes since Mr. Day was committed to working out solutions.

SENATOR GAGE agreed with **SEN. BROOKE** and did not want to support Mr. Day on the Floor. He said the system needed major changes and he did not feel the talent was there to make those changes.

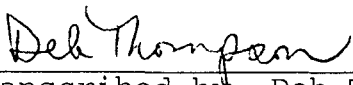
MOTION/VOTE: THE MOTION WAS MADE TO CONFIRM RICK DAY. THE motion CARRIED with **SEN. GAGE** voting No.

ADJOURNMENT

Adjournment: 11:38 A.M.


SEN. DON HARGROVE, Chairman


MARY MORRIS, Secretary


Transcribed by: Deb Thompson

DH/MM