

MINUTES

**Montana HOUSE OF REPRESENTATIVES
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DEBBY BARRETT**, on March 26, 2003 at 9 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Debby Barrett, Chairman (R)
Rep. Dee Brown, Vice Chairman (R)
Rep. Larry Jent, Vice Chairman (D)
Rep. Norman Ballantyne (D)
Rep. Arlene Becker (D)
Rep. Sue Dickenson (D)
Rep. Carol Gibson (D)
Rep. Daniel S. Hurwitz (R)
Rep. Hal Jacobson (D)
Rep. Larry Lehman (R)
Rep. Ralph Lenhart (D)
Rep. Alan Olson (R)
Rep. Bernie Olson (R)
Rep. Don Roberts (R)
Rep. Frank Smith (D)
Rep. Pat Wagman (R)
Rep. Jonathan Windy Boy (D)
Rep. Cindy Younkin (R)

Members Excused: Rep. Clarice Schrupf (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Joan Reiman, Committee Secretary

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

Committee Business Summary:

Hearing & Date Posted: SB 405, SB 401, 3/18/2003
Executive Action: SB 401 BE CONCURRED IN AS AMENDED

HEARING ON SB 405

Sponsor: SEN. RICK LAIBLE, SD 30

Opening Statement by Sponsor:

SEN. LAIBLE stated this bill is so legislative interim committees can see the effect if a tax or fee consequence results from rule making. Interim committees cannot approve or deny what the rules provide, but they should have oversight.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 5.1}

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony:

Mark Cadwallader, Department of Labor and Industry (DOLI) Staff Attorney, said DOLI regulates Boards formerly under Department of Commerce.

Questions from Committee Members and Responses:

Questions were taken from REPS. BARRETT, DICKENSON, BECKER, JENT, HURWITZ, GIBSON, LEHMAN, B. OLSON, YOUNKIN and SMITH.

Mr. Cadwallader disclosed that Boards are required to set fees commensurate with agency costs, and cannot keep "excessive amounts" (over \$50,000). An example of fees set by rules would be the Board of Nursing application, licensing, and renewal fees, FWP hunting and river fees. He explained the Administrative Rules of Montana (ARM) process. First an agency, independent board or commission proposes the rule change. If it involves new statute, they must prepare a draft and contact the bill sponsor. Then they must publish a formal notice 20 days in advance in the Montana Administrative Register (MAR), published twice a month, and also on the Web. After the hearing, they must take comments for 28 days.

Before final action, the agencies or boards must explain what they propose, the legal authority and the reasonable necessity for it, and the reason why it should be done now. They must summarize all comments; if there is objection, they must respond fairly to the substance of it. The Secretary of State publishes all this. Finally, the rule is adopted or repealed. There is no orderly process for legislators to review rule making beforehand, although all rule making goes to LSD staff for the Interim committees, Mr. Cadwallader testified.

The **Sponsor** said the bill originated in talking with federal agencies, who have not been able to get this through federally. This bill only affects rules which affect increased fees over the \$50,000 threshold. The MAR is about an inch thick each time. Legislators don't have time to read it through. Most rules in that book have no financial impact. He estimated that each committee might only have one or two fee increases per month affected under rule making. If the Interim Committee gives input to the next Session, it could recommend capping the fee. Otherwise legislators would never know of the increase until constituents came to the Session to complain. **SEN. LAIBLE** did not foresee a case where an Interim Committee would not meet.

{Tape: 1; Side: A; Approx. Time Counter: 5.1 - 27; Comments: 27}

Closing by Sponsor:

This affects all taxpayers and provides accountability, **SEN. LAIBLE** said.

HEARING ON SB 401

Sponsor: SEN. MIKE WHEAT, SD 14

Opening Statement by Sponsor:

SEN. WHEAT said this reorganizes and restructures the Board of Veterans' Affairs. At the start of this session, SB 4 and SB 50 conflicted; a subcommittee worked out differences and united veterans behind this bill, which passed unanimously both there, and then in the full Senate. He explained the sections of the bill.

The Board increases from five to 20 members with more voting members, and their scope broadens. Veterans have trouble filing claims and following up; this will help them. The funding will come from a \$0.50 fee on all motor vehicle registrations with the exception of off-road vehicles, semi-trailers and trailers; from sales of patriotic license plates; and from grants or donations.

{Tape: 1; Side: A; Approx. Time Counter: 28 - 45.4}

Proponents' Testimony:

SEN. DEBBY SHEA, SD 18, said it is an excellent compromise.

SEN. GLENN ROUSCH, SD 43, said state services intertwine with the Veterans' Administration, but the state has no input into [actions by] Fort Harrison. Rule making and money to finance are

the most important parts of the bill. If other funding can be found, they are open to it, he testified.

Joe Foster, Administrator, Montana Veterans' Affairs, said it is important the bill be supported financially. Money will be used for outreach and travel. For each dollar of state money spent, \$29 of federal money comes to Montana. He provided a map showing where the offices were.

EXHIBIT (sth64a01)

Don Kettner, Glendive, Montana Veterans' Board, said Montana has 900 active duty military personnel at present.

Keith Heavy Runner, Blackfeet Nation, said this is the first time Indians have had input into this Board.

Carroll Jenkins, Vice President, Local Chapter 626, Vietnam Veterans of America, supported the bill.

Allen Armstrong, Local Chapter 626, Vietnam Veterans of America, said this is the first time all veterans agreed.

Richard Salyer, 101st Division, Combat Veteran, stated that 10% of Montana's population are veterans, and provided written testimony.

EXHIBIT (sth64a02)

Art Heffelfinger, Retired Army Officer, said Indians represent 20% of Montana veterans, and that this is a "revenue generating bill."

Mike Hankins, Chaplain, Montana Veterans Council, supported the bill.

Bob Pavlovich, Butte, supported the bill.

Earl Vermillion, State Commander, Disabled Veterans, representing 20,000 Montanans, supported the bill.

Mike Hampson, President, Montana Council, Vietnam Veterans of America (representing all chapters), supported the bill.

Hal Manson, American Legion, supported the bill.

Dan Antonietti, Legislative Chair, Veterans of Foreign Wars, supported the bill.

Col. Jim Jacobson (Ret.) Disabled Veteran and Former Administrator of Veterans' Affairs, supported the bill.

Joe Walsh, Bozeman, supported the bill.

Gary White, American Legion, testified in place of Roger Hagan.

Maj. Gen. Gene Prendergast, Administrator, Department of Military Affairs, supported the bill.

{Tape: 1; Side: A; Approx. Time Counter: 45.4 - 66}

{Tape: 1; Side: B; Approx. Time Counter: 0 - 30}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. WINDY BOY told the **Sponsor** he talked to all tribal chairs and will suggest an amendment to remove third parties between the Board and the eight tribes. The **Sponsor** agreed.

REP. BROWN asked **Mr. Foster** to address issues of the interim audit. He said a special reserve account for cemeteries contains \$500,000. Two state cemeteries are supported by sale of license plates for \$10. A third cemetery will create a deficit. The audit said Veterans' Affairs needs more FTEs. He estimated they need three. She thought the same people should just have more training. He disagreed; he said they need two positions on the High Line. She asked if he objected to administrators and the three new FTEs being veterans. **Mr. Foster** said they cannot limit hiring, but that veterans' preference is part of state hiring.

REP. BROWN asked **Maj. Gen. Prendergast** if he remembered her letter suggesting the patriotic plates. He deferred to **Mr. Jacobson**, who had referred the matter to Motor Vehicle Division. She asked **Mr. Foster** how the bill changed the direction of fees. He replied that authority does not mean it would happen. There is the issue that it may compete with veterans' plates which fund cemeteries now. The bill needs discussion. She asked the **Sponsor** if he objected to having an amendment saying the new cemetery should be in Columbia Falls on the grounds of the Veterans' Home; he did object. **SEN. WHEAT** replied that the new Board would be from all over, and should decide that question.

REP. DICKENSON asked **Mr. Foster** the effect of his reduced budget. He replied the cuts equaled two FTE. He has 18 staff, of which three are administrators and 15 are service officers. There are

eight offices, one in Helena. They need travel money; they cannot do their work by phone. They want to tap into the National Guard armories in Havre and Glasgow. Indians are underserved. They want an RV as a mobile service office. **REP. LEHMAN** asked him if they foresee mass mailings and calling people. He replied that they did not.

{Tape: 1; Side: B; Approx. Time Counter: 30 - 53}

Closing by Sponsor: SEN. WHEAT closed.

EXECUTIVE ACTION ON SB 401

Motion: REP. JACOBSON moved that SB 401 BE CONCURRED IN.

Motion: REP. BROWN moved that SB 401 BE AMENDED.

EXHIBIT (sth64a03)

Discussion:

REP. BROWN said a 20-member board is ungovernable; it is too big. She wanted to postpone action. **REP. A. OLSON** said people came far to testify. The bill provides that travel expense would not be paid except for voting members, and they only meet four times a year. **REP. BROWN** referenced the audit's concerns; they are adding additional persons without reason when what they need is cell phones, computers, maybe the RV, and more training. They have outdated materials, she said. **CHAIRMAN BARRETT** said that they had come a long way since that audit.

REP. LENHART opposed the amendment; there are only four additional voting members. **REP. ROBERTS, HURWITZ, SMITH, LEHMAN** and **WINDY BOY** also opposed it. **REP. JENT** said it was consensus. The subcommittee considered the bill, then the full committee voted unanimously, as did the full Senate; all issues were resolved. **REP. LEHMAN** said 12% of Montanans are veterans, not counting family members.

The motion was withdrawn.

Motion: REP. WINDY BOY moved SB 401 CONCEPTUAL AMENDMENT.

Discussion:

REP. WINDY BOY explained it would strike "council" after tribal leaders, and strike the word "Wyoming." It is a Montana issue. **REP. JENT** said this is just a problem of syntax. The way it reads now would accomplish his purpose. **REP. BROWN** supported the

amendment, as did **REP. BALLANTYNE**. **REP. SMITH** said the tribal leader's office has been vacant for a year. **REP. A. OLSON** said the next Session could fix the wording. **REPS. LENHART** and **LEHMAN** also opposed the amendment.

Vote: Motion carried 11-8 on a roll call vote with **REPS. BARRETT, HURWITZ, JENT, LEHMAN, LENHART, A. OLSON, WAGMAN** and **YOUNKIN** voting no, with **REP. YOUNKIN** voting by proxy.

Motion/Vote: **REP. OLSON** moved that **SB 401 BE CONCURRED IN AS AMENDED**. Motion carried 19-0. **REP. YOUNKIN** had returned and voted in person.

Discussion:

REP. LENHART asked **SEN. WHEAT** what effect the amendment might have. He replied that it should have been put through the Montana-Wyoming Tribal Council, but he has no problems with it; it achieves having tribal representatives on the Board.
{Tape: 2; Side: A; Approx. Time Counter: 0 - 30}

ADJOURNMENT

Adjournment: 11:5 A.M.

REP. DEBBY BARRETT, Chairman

JOAN REIMAN, Secretary

DB/JR

EXHIBIT (sth64aad)