



# State Administration, Public Retirement, and Veterans' Affairs Interim Committee

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## 56th Montana Legislature

### SENATE MEMBERS

SUE BARTLETT, VICE-CHAIR  
E.P. "PETE" EKEGREN  
DON HARGROVE  
GLENN A. ROUSH

### HOUSE MEMBERS

MATT BRAINARD, CHAIRMAN  
EDITH J. CLARK  
TOM DELL  
CAROL WILLIAMS

### COMMITTEE STAFF

SHERI HEFFELFINGER  
RESEARCH ANALYST  
JOHN MacMASTER, ATTORNEY  
DAVID NISS, ATTORNEY  
JOANN JONES, SECRETARY

## MINUTES

September 9-10, 1999  
Ft. Harrison, Montana

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Exhibits and tapes are on file in the offices of the Legislative Services Division.

### COMMITTEE MEMBERS PRESENT

Rep. Matt Brainard, Chairman  
Sen. Sue Bartlett, Vice Chair  
Sen. E.P. "Pete" Ekegren  
Sen. Don Hargrove  
Sen. Glenn A. Roush  
Rep. Edith J. Clark  
Rep. Tom Dell

### COMMITTEE MEMBERS EXCUSED

Rep. Carol Williams

### STAFF PRESENT

Sheri Heffelfinger, Research Analyst  
David Niss, Attorney  
Jo Ann Jones, Secretary

### VISITORS

Visitors' list, Attachment #1.

## **COMMITTEE ACTION**

c Approved the minutes of the previous meeting

## **CALL TO ORDER AND ROLL CALL**

Rep. Brainard called the meeting to order at 8:38 a.m., September 9, 1999. Roll call was noted. (See Attachment #2).

## **OVERVIEW OF WORK PLAN OPTIONS**

### **Exhibit #1: WORK PLAN OPTIONS/Prepared by Sheri Heffelfinger**

Sheri Heffelfinger, research analyst, presented an overview of the options presented in Exhibit #1. She said the four options include: no subcommittees, a subcommittee to perform monitoring functions only, a subcommittee to do the assigned studies, and the studies are conducted via the issuance of white papers researched and written by staff for the Committee's consideration.

Sen. Hargrove asked if subcommittees would have separate meeting dates or be an extension of the regular meeting and, if utilizing the subcommittee option would create more cost for the committee. Ms. Heffelfinger said scheduling a subcommittee meeting as an extension of the regular committee meeting would save money because the greatest cost consists of per diem and travel expense. She said the downside to that option is that the staff functions would be split and the use of contract secretarial support for subcommittee meetings would also increase the cost to the committee.

Sen. Bartlett asked for clarification of the difference between option #1 and option #4. Ms. Heffelfinger replied that the main difference is that option #1 compresses the study into the first four meetings of the interim. Option #4 allows the study to take place during all seven meetings scheduled for the interim. She said option #1

contains a very short time line in which staff must complete the necessary background research.

Rep. Dell asked what approach was taken in other interims. Ms. Heffelfinger said the 1999-2000 interim is the first for this type of workload but, traditionally, the Committee has not relied on subcommittees.

**DEPARTMENT OF MILITARY AFFAIRS PRESENTATION**

**EXHIBIT #2: MONTANA DEPARTMENT OF MILITARY AFFAIRS OVERVIEW**

**EXHIBIT #3: STATE OF MONTANA/EMERGENCY MANAGEMENT**

**EXHIBIT #4: Montana Veterans Affairs Division/"Service For Those Who Served"/Article II, Section 35, Montana Constitution**

**EXHIBIT #5: MONTANA STATE VETERANS CEMETERY/Article II, Section 35, Montana Constitution/MCA 10-2-601**

**EXHIBIT #6: Montana National Guard Youth Challenge**

Major General John E. Prendergast, Adjutant General, Department of Military Affairs (DMA) introduced members of his staff who were present. Col. Mike McCabe gave an overview of the DMA structure and functions (see Exhibit #2), and Lt. Col. Brad Livingston discussed the Air National Guard.

Jim Greene, administrator, Disaster & Emergency Services Division, provided an overview of Exhibit #3.

James Jacobsen, administrator, Montana Veterans Affairs Division (MVAD), discussed Exhibits #4 and #5, respectively.

Sen. Hargrove asked how the MVAD receives notification when a veteran dies. Mr. Jacobsen said that his office works closely with the state's funeral directors plus the counties have a good network in place. Sen. Hargrove asked the MVAD if the veterans' section in the Bozeman cemetery is part of its responsibilities. Mr. Jacobsen that it was not, the only MVAD cemeteries are the one at Ft. Harrison and the other being developed at Miles City.

Sen. Ekegren asked if federal benefits are being reduced, historically speaking. Mr. Jacobsen said that he preferred to call them entitlements rather than benefits but that there have been a reduction, mostly due to budget considerations. Sen. Ekegren

asked if a veteran could be denied hospitalization or other benefits. Mr. Jacobsen said that if any veteran who presents himself or herself at a VA hospital would receive care, but there may be third party considerations such as private insurance, etc. He said that Congress passed legislation in 1997 requiring veterans to pass certain eligibility criteria to receive benefits.

Mike Royer, program administrator, National Guard Youth Challenge Program discussed Exhibit #6.

Rep. Brainard asked if any staff are current NG members or have prior military experience. Mr. Royer said that some are but they are primarily on the teaching and cadre staffs, not the psychology staff.

Sen. Hargrove asked how the program pay scale for teachers and counselors compare to the pay scale for those professions in Montana. Mr. Royer said there is stringent pay control through the NG bureau that is overlaid on the state system, so the pay scale is comparable. Sen. Hargrove asked if the program pay scale differs from one state to another. Mr. Royer said that it did differ and could be adjusted according to cost of living in another state.

Sen. Roush asked if the court systems, counties, or reservation agencies send applicants to the program. Mr. Royer said no, it is a voluntary program and an applicant cannot currently be on probation or parole; however, the program works with juvenile departments to encourage potential applicants.

Sen. Roush asked why the Native American applicants were segregated into their own demographic category. Mr. Royer said the intention was not to segregate them but was included to demonstrate to committee members that Montana has significantly

bested the national ratio for minority students. He said that the NG tracks minority student statistics and that information is reported to Congress annually.

Sen. Roush asked if the current 40 program employees are all that will be required for its operation. Mr. Royer said the program received authorization for 43 employees and they are attempting to reach that level.

Sen. Ekegren asked if the Native American students had any built-in preference for the selection process. Mr. Royer said the selection is made by an independent committee, with no preference given to minorities.

Rep. Dell asked how he as a legislator could encourage kids to apply. Mr. Royer suggested working through the school systems and said that the schools were one of the best resources when recruited was done in Billings. He said the program sells itself to students who are interested in bettering themselves.

Sen. Bartlett asked who the recruiters are in each community. Mr. Royer said although there are no recruiters in each city, there are two who work out of Dillon and they travel throughout the state. He said anyone who is interested in having a representative come to their city can call the main office. Sen. Bartlett asked who assisted in setting up the orientation programs in Billings. Mr. Royer said that a number of different agencies were involved, and they all tried to be very proactive.

General Prendergast provided an overview of DMA programs and functions (see exhibit #2).

Sen. Hargrove asked how the NG can assist local law enforcement in certain situations. Gen. Prendergast said that, under *posse comitatus*, the NG can assist. He

said that once the NG has been activated by the President, however, they cannot assist local law enforcement.

Sen. Bartlett asked if the SAIC was the appropriate venue to conduct oversight functions of the NG Youth ChalleNGe Program, or if it should be part of the Children, Families, Health and Human Services Interim Committee (CFHHS). Gen. Prendergast replied that he would feel comfortable working with either committee on oversight because he is certain that the program will be a great success.

Sen. Bartlett asked for an opinion on whether the oversight functions of the veterans homes in Columbia Falls and Miles City should be with the SAIC or with CFHHS because of medical considerations. Mr. Jacobsen said he believes oversight should remain with CFHHS because of Medicare and Medicaid issues.

Sen. Bartlett asked Lt. Col. Livingston if he supported the NG firefighters employed at the Great Falls Airport being allowed to change their retirement system as they requested during the last legislative session. Lt. Col. Livingston replied that he supported their endeavor because they are state employees now, no longer members of the Air National Guard.

Rep. Dell asked if legislators can facilitate in informing veterans' families about available services. Gen. Prendergast said it might be helpful for legislators to become involved with town hall meetings in liaison with local service officers. He said that would demonstrate that legislators do care about Montana veterans. Mr. Jacobsen said he would agree with Gen. Prendergast's remarks and added that the veterans' organizations have active public relations programs.

Rep. Brainard asked if there has been changes made in the number of armed combat units in Montana. Gen. Prendergast said that Montana had been top-heavy in armed

combat units but recruitment for combat support units was increased, resulting in the recruitment of more women. Rep. Brainard asked if the special forces unit was still in Montana and Gen. Prendergast said that it was not, and had not been in Montana since the 1980s.

## **PUBLIC COMMENT**

### **EXHIBIT #7: Copy of e-mail letter from Opportunities, Inc., to Rick Salyer**

Rick Salyer said he is a registered Montana veteran and that, as of that morning, had resigned as the chairman of the Montana Homeless Standown due to health considerations. He said that although the statistics show the average age of veterans is increasing, there will always be new veterans coming into the system because every deployment of troops creates more veterans. Mr. Salyer related his personal experience with Post-Traumatic Stress Disorder, anxiety, and the diagnosis of Hepatitis C, a blood-borne pathogen probably acquired during his Vietnam service when he was wading through blood. He said veterans issues are emotional and difficult in Montana and that is difficult for veterans to get medical care, especially if they have emotional disorders such as acute anxiety. He said that Hepatitis C has recently been designated as a basis for discharge from military service and that will affect many Vietnam veterans who are currently serving in the NG. Mr. Salyer suggested investigating the use of federal funds to increase health care benefits for veterans on the state level. He said he had received an e-mail from Opportunities, Inc., in Great Falls that cited several issues they would like to see the Committee investigate: lack of funding and governmental commitment, timely access and affordability of dental and eye care, mental health care, and supportive services to assist veterans in achieving economic independence (see exhibit #8). Mr. Salyer recommended the state fund the Youth ChalleNGe program for a 5-year period. He also suggested the investigation of funding sources to help the veterans of the conflicts which are not being recognized by the federal government and said those types of conflicts create veterans who are not entitled to benefits.

James Heffernan, past commander of American Legion Post #2 and past commandant of the Marine Corps League, said informational packets from Mr. Jacobsen are quickly disseminated to veterans and their families.

Roger Hagan, Officer and Enlisted Associations, NG, said the NG veteran license plate approved last legislative session is on track. He said that he also worked with the firefighters' union on the legislation that was presented last session.

### **VETERANS ISSUES**

**EXHIBIT #8: SUMMARY OF PREVIOUS VETERANS' AFFAIRS COMMITTEE ACTIVITIES**  
prepared by Sheri Heffelfinger

**EXHIBIT #9: MILES CITY VA TO REMAIN OPEN/Burns Receives Commitment for FY 2000;**      **Seeks Additional Funding**

**EXHIBIT #10: MONTANA VETERAN'S HOME (prepared by the DPHHS)**

**EXHIBIT #11: 1999 MONTANA HOMELESS STANDOWN, sponsored by the Disabled American Veterans and Central Montana Chapter 626, Vietnam Veterans of America**

Ms. Heffelfinger provided an overview of the above exhibits, mentioning that Exhibit #10 covers the Columbia Falls home only. She said that the oversight functions for the veterans homes were assigned to DPHHS by SB 11.

In regard to Exhibit #11, Rep. Brainard said that he would like to hear a critique on the Standown at a future meeting and whether legislation could help to insure its continuation. Sen. Roush said that he agreed with Rep. Brainard and suggested that public television might be a source to create public awareness for the Standown.

### **REVIEW OF PROPOSED ADMINISTRATIVE RULES**

David Niss, Committee counsel, said SB 11 created six interim committees and gave those committees the authority to review proposed administrative rules for the

agencies over which they have oversight duties. He said SB 11 eliminated the Administrative Code Committee (ACC) which had performed rule review for all state agencies. Mr. Niss said the committee powers are broad and concern such issues as polling the Legislature, requests for economic impact statements, and objections to rules that appear to violate state statute, etc. He said it was a policy of Legislative Services Division (LSD) staff to review all proposed rules and report to the ACC; now, he will perform that same function for the SAIC. He said the Committee must determine the extent of its participation in the rule review process and said that he has identified a potential issue in regard to conflict between administrative and military rules for the DMA because the DMA was exempt from rule review when the ACC performed the rule review function.

#### **SECRETARY OF STATE**

**EXHIBIT #12: Memo from Mike Cooney, Secretary of State, to SAIC in re: Requested information on the office of the Secretary of State**

**EXHIBIT #13: Photocopy of overheads used in presentation by Ms. Fultz Nordstrom**

**EXHIBIT #14: GET OUT THE VOTE/A Guide for Montana Voter Outreach Program/ELECTION OF 2000**

**EXHIBIT #15: MONTANA...WE MEAN BUSINESS/ BUSINESS FILING GUIDELINES AND FORMS**

Angela Fultz Nordstrom, chief deputy, Secretary of State, provided an overview of functions and responsibilities of the Secretary of State's office. She said that the Administrative Rules of Montana will begin to be posted on the internet on October 18, 1999, and it will be an ongoing process. She said that they are also preparing for the 2000 election in which the largest number of candidates ever is anticipated.

#### **COMMISSIONER OF POLITICAL PRACTICES**

**EXHIBIT #16: 1-page overview of topics for discussion**

**EXHIBIT #17: REPORT PREPARED FOR THE MEETING OF STATE ADMINISTRATION  
INTERIM COMMITTEE, SEPTEMBER 9 AND 10, 1999**

**EXHIBIT #18: CANDIDATES BY OFFICE (statewide)**

**EXHIBIT #19: CANDIDATE LISTS (Senate, House, and District Judge)**

Linda Vaughey, Commissioner of Political Practices, discussed the contents of the above listed exhibits.

Rep. Brainard asked for clarification on the separation of primary and general election donations. Ms. Vaughey said that separate bank accounts must be opened in the same bank for primary election donations and general election donations. The money must be refunded if there is no election, either primary or general.

Sen. Hargrove asked if the refund had to be made to the donor, or if the money could be contributed to charity. Ms. Vaughey said the money must be returned to the donor.

Ms. Vaughey said that Montana statute requires that campaign materials must declare who is bearing the cost of printing. She said in 1996, a woman in Ohio circulated material that declared opposition to a ballot issue and she neglected to have it printed with that identification on it, and was subsequently sued for her omission. Ms. Vaughey said that the Supreme Court determined that such an identification is not necessary. She said that this issue may arise eventually in Montana.

Sen. Hargrove asked if ethics laws were necessary. Ms. Vaughey said that some parts of the ethics law are necessary. The laws were enacted with the anticipation of the receipt of numerous complaints but, in fact, none have been received. Sen. Hargrove said that one legislative intent was to prevent "double-dipping," i.e., receiving two paychecks while in the Legislature, and asked if that had occurred. Ms. Vaughey said that if it has occurred, it has never been brought to the attention of her office.

## **DEPARTMENT OF ADMINISTRATION**

### **EXHIBIT #20: DEPARTMENT OF ADMINISTRATION/Goals and Objectives by Division/August 1999**

### **EXHIBIT #21: Department of Administration Presentation to the SAIC/September 1999**

Lois Menzies, Executive Director, Department of Administration (DOA), presented an overview of the DOA's functions and discussed MT PRRIME, Capitol restoration, and the human resources competency project (an alternative classification and pay system that emphasizes individual competencies). She said that the DOA would like to reserve the right to bring to the SAIC any other issues which may arise in the future.

Sen. Hargrove asked if there is pressure for uniformity between states. Ms. Menzies said the only pressure occurs when federal funding is involved.

Rep. Dell asked if the MT PRRIME project had assisted in resolving Y2K concerns. Ms. Menzies said that it helped, although the Y2K problem was not one of the original business reasons to proceed with the project.

## **STATE CONTRACTING PROCESSES**

### **EXHIBIT #22: Introduction to State Contracting**

Sheryl Motl, Bureau Chief, State Procurement and Printing Division, said that the Montana Procurement Act was adopted in 1983 and it provides the parameters in which the state operates for procurement and purchasing. She presented 10 concerns for SAIC consideration (see exhibit #22).

## **TRANSFER OF DEFERRED COMPENSATION PLAN (457) PLAN**

John McEwen, administrator, State Personnel Division, said the transfer of administration of the Deferred Compensation plan to the Public Employees Retirement Division (PERD) went very well and there were no problems to report.

## **COMMITTEE DISCUSSION**

Sen. Hargrove said that the meatiest issue yet presented appears to be that of the state's contracting process and offered a need for the creation of a subcommittee. Rep. Brainard said the SAIC is specifically charged with developing legislation in regard to the state contracting process. Ms. Heffelfinger said the Committee was presented with three study issues and to present legislation, if any. Sen. Bartlett commented that the other two studies are more amenable to the creation of a subcommittee than is the contracting study.

Sen. Hargrove asked if both of the other studies could be handled by one subcommittee. Rep. Brainard said the retirement issues and veterans issues could be handled by subcommittees, and the contracting study be conducted by the full committee. He said that the 2-day meeting schedule could be divided into subcommittee meetings the first day, and a meeting of the full SAIC on the second day. Ms. Heffelfinger said Dave Bohyer is the lead staff on the contracting study and that she would have to handle both retirement and veterans issues. She explained that if the subcommittee and full committee meetings will require hiring contract secretaries if they were held concurrently to one another.

Rep. Brainard asked if the scheduling of meeting rooms would be a problem. Ms. Heffelfinger said that the options are either hiring other meeting rooms or using the VA meeting room on a regular basis; she said that there are meeting rooms available in the Federal Building but that it requires participants to go through a security process to enter the building.

Rep. Brainard said that he will designate subcommittee members and the presiding officers.

## **RECESS**

The meeting recessed at 5:12 p.m. to reconvene at 8:30 a.m., September 10, 1999.

**State Administration, Public Retirement Systems, and Veterans' Affairs Interim  
Committee**

**September 10, 1999**

**Ft. Harrison, Montana**

**COMMITTEE MEMBERS PRESENT**

Sen. Sue Bartlett, Vice Chair  
Sen. E.P. "Pete" Ekegren  
Sen. Don Hargrove  
Sen. Glenn A. Roush  
Rep. Tom Dell

**COMMITTEE MEMBERS EXCUSED**

Rep. Matt Brainard, Chairman  
Rep. Edith J. Clark  
Rep. Carol Williams

**STAFF PRESENT**

Sheri Heffelfinger, Research Analyst  
John MacMaster, Attorney  
David Niss, Attorney  
Jo Ann Jones, Secretary

**CALL TO ORDER**

Sen. Bartlett called the meeting to order at 8:40 a.m. Roll call was noted. Minutes from the previous meeting were approved.

**OVERVIEW OF HB 79**

**EXHIBIT #23: Summary of Montana's New Optional Defined Contribution Plan Enacted  
by HB 79 (Chapter 471, Laws of Montana, 1999)**

**EXHIBIT #24: Overview of HB 79 by Sheri Heffelfinger**

Ms. Heffelfinger provided an overview of the development of the Defined Contribution (DC) portion of the retirement system during the 1997-1998 interim and explained the structure of the DC plan.

Ms. Heffelfinger said the SAIC has been charged with two studies besides the one on state contracting procedures: postretirement health care in a tax free status, and whether disability coverage should be part of the retirement plan or provided as a separate benefit.

Sen. Bartlett said that SAIC members should keep in mind that some of the retirement plan entities in Montana contain very few members, thus necessitating a comprehensive education plan for the DC component of the retirement system.

#### **PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)**

**EXHIBIT #25: Montana Public Employees' Retirement Board DIRECTIONS, September 1999**

#### **EXHIBIT #26: SAIC RESOURCES and PROJECT TIME LINE**

Mike O'Connor, Executive Director, Public Employees Retirement Division (PERD), said that the William Mercer Company was awarded the contract to develop a Request for Proposals (RFP) to contract for services in order to implement the new DC plan. He said the contract was signed on September 1, 1999, in accordance with statutory deadlines. The date for issuance of the RFP will be January 1, 2000.

Mr. O'Connor said that potential legislative issues for the Committee's consideration include the appointment of a seventh PERB member, the terms of the PERB's membership, and payroll reporting for the DC plan.

#### **PUBLIC COMMENT**

Tom Schneider, Montana Public Employees Association (MPEA), said HB 79 did not provide portability except for the University system. He said that his organization did not approve of the 5-year vesting period for the DC plan and had wanted an immediate vesting for DC plan members. He said that will create adverse selection because nonvested DC plan participants who leave employment have no choice but to withdraw their contributions.

Sen. Bartlett said that she approved of the 5-year vesting period for DC plan participants because she felt it was important to encourage employees to remain with state employment for at least five years.

#### **COMMITTEE DISCUSSION AND IDENTIFICATION OF ISSUES**

Rep. Dell said the legislative issues outlined by Mr. O'Connor may be a good work plan for the retirement subcommittee. Sen. Bartlett recommended adding the issue raised by Mr. Schneider.

Sen. Hargrove said oversight will be an important part of the interim's work. Sen. Bartlett commented that major work will be done in September and October, 1999.

Ms. Heffelfinger recommended changing the November, 1999 meeting dates from November 10 and 11 to November 8 and 9 because November 11 is a state holiday. She also recommended changing the February 3 and 4, 2000, meeting date to February 28 and 29, 2000, to increase the amount of time between the January and February 2000 meetings.

Sen. Bartlett asked for input on the rule review issue. Sen. Hargrove recommend staff review with a provision that any legislator may appear before the Committee with complaints. He also said that rule development is supposed to be done with notification and participation of the legislation sponsor, but that is not being done.

Mr. Niss said that notification of the sponsor was enacted into law during the 1997 session.

Sen. Bartlett instructed Mr. Niss to perform rule review and notify the Committee of an issues of concern.

**SJR 9 -- STATE CONTRACTING STUDY**

**EXHIBIT #27: Draft Study Plan for Senate Joint Resolution No. 9, A Study of State Contracting**

**EXHIBIT #28: SENATE JOINT RESOLUTION NO. 9**

**EXHIBIT #29: MONTANA LAW GOVERNING GOVERNMENT CONTRACTS FOR SERVICES by John MacMaster, Staff Attorney**

**EXHIBIT #30: APPENDIX D: GLOSSARY OF TERMS**

John MacMaster, staff attorney, presented an overview of the statutory requirements for government contracts (see exhibits #29 and #30).

Dave Bohyer, director, Office of Research Policy and Analysis (ORPA), LSD, presented an overview of the study plan for Senate Joint Resolution No. 9 (see exhibit #27). He said that his recommendation is that staff do basic research over the next six to eight months and report to the Committee as early as possible. He said the Committee needs to determine which states should be examined for comparison with Montana contracting policy, what types of contracts should be examined, and whether to include Legislative Fiscal Division (LFD) and Legislative Audit Division (LAD) staff.

Sen. Hargrove said he wanted to make sure the concerns listed by Ms. Motl yesterday will be included in the study. Rep. Dell said he agreed with Sen. Hargrove.

## **PUBLIC COMMENT**

Ms. Motl said that it would be necessary for corrections to be made to Mr. MacMaster's document (exhibit #30) because he had presented some information incorrectly. She asked that she be given the opportunity to meet with him and, subsequently, a replacement document be issued.

## **STUDY PLAN DISCUSSION**

Sen. Bartlett asked if the Committee approved of the concept of receiving a series of staff research papers. No disagreement was expressed.

Sen. Bartlett asked for Committee input on which states should be compared to Montana. Sen. Hargrove said parameters, such as demographics, success rate, etc., should be discussed. Mr. Bohyer said staff could provide a smaller list of states for consideration, polling Committee members in the next couple of weeks. He said the same could be done for the types of contracts to study. Ms. Heffelfinger said that she would like to receive a summary of the types of contracts utilized by the state because confusion could be created when explaining and categorizing contracts.

Sen. Bartlett asked if Committee preference would be to examine states similar to Montana in terms of population, urban to agriculture ratio, etc. She commented that she would be interested in looking at states that have gone through or are going through a similar process. Sen. Hargrove suggested the information be separated by section, e.g., particular problems that had been encountered.

Sen. Bartlett said she had a particular concern in regard to contracts for information technology because of her experience on the State Management System Interim Committee and the development of the MT PRRIME project.

Sen. Bartlett asked if the Committee would authorize the chairman to send a letter to LFD and LAD asking for staff support, if necessary.

### **COMMITTEE CONSIDERATIONS**

#### **EXHIBIT #31: Letter from Sen. Waterman, presiding officer, CFHHS Interim Committee**

Ms. Heffelfinger said that she wanted to make the Committee aware that the creation of two subcommittees will require approval by the Legislative Council.

#### **VETERANS ISSUES SUBCOMMITTEE:**

Sen. Hargrove said that he could see only an oversight function for the subcommittee.

Ms. Heffelfinger presented a letter from Sen. Waterman and the CFHHS Interim Committee asking that the SAIC refer all monitoring functions, including administrative rule review, over the DMA National Guard Youth Challenge Program to the CFHHS Interim Committee. (See exhibit #31) Sen. Bartlett said that Rep. Brainard had indicated yesterday that he preferred not acting on this request at this meeting pending his further research.

Ms. Heffelfinger said that Rep. Brainard had requested an update on the Homeless Standown at the next meeting, and asked who the Committee would like to have report to them. Sen. Hargrove said he would like DMA to do the report because they would be the most unbiased.

Sen. Bartlett said that she wanted to clarify that the SAIC would leave oversight functions of the veterans homes in Columbia Falls and Miles City to the DPHHS. Sen. Hargrove asked if the former Veterans' Issues Interim Committee had oversight function in the past. Ms. Heffelfinger said that function had been transferred DPHHS via legislation. Sen. Bartlett said she would like a letter sent to the CFHHS Interim Committee asking for notification if their oversight functions reveal any veterans

issues. Sen. Hargrove said that he would prefer the SAIC to retain oversight function because it may be more objective.

SUBCOMMITTEE ON RETIREMENT ISSUES:

Ms. Heffelfinger asked for clarification on the proposed duties for the retirement issues subcommittee. Sen. Bartlett said she would prefer the full committee hear retirement proposals for the next legislative session, and the subcommittee would conduct the studies on postretirement health care and disability insurance.

Sen. Bartlett asked that notification of the membership of both subcommittees be sent to the interested persons as well as the Committee.

SJR NO. 9 CONTRACTING STUDY BY THE FULL COMMITTEE:

Ms. Heffelfinger said that it may not be necessary to call a meeting of the full committee in November because there may not be enough data gathered by then to merit consideration. Sen. Bartlett said she would like to see discussion of the study paper plus public comment during the meeting of the full committee.

ADMINISTRATIVE RULE REVIEW:

Ms. Heffelfinger said the rule review functions are for full committee consideration and said that those who wish to subscribe to the Montana Administrative Register (MAR) may do so, free of charge, by contacting the Secretary of State's office. She said that during the next meeting, Mr. Niss can review the MAR and discuss how to use it.

Sen. Hargrove said that he wanted assurance from the Executive Branch agencies that chief sponsors are being allowed to participate in the drafting of rules, if they wish.

Sen. Bartlett suggested a letter be sent from the SAIC to the Legislative Council asking them to undertake the task of reminding the agencies of their statutory duties.

Sen. Bartlett said she would like the Committee to discuss during monitoring and oversight functions for the DOA and Secretary of State the amounts charged by the Information Services Division (ISD) for computer systems.

Sen. Bartlett said that Sen. Roush had mentioned the possibility of the Committee meeting outside of Helena. She said it may be appropriate to meet in Billings during the course of the study of governmental contracting.

Sen. Bartlett asked if any members of the public wished to make comment. No one responded.

#### **ADJOURNMENT**

The meeting was adjourned at 2:25 p.m.

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