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**WORK PLAN AND MEETING SCHEDULE FOR THE STATE
ADMINISTRATION AND VETERANS' AFFAIRS INTERIM
COMMITTEE, 2009-2010**

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INTRODUCTION TO THE COMMITTEE AND ITS DUTIES

The State Administration and Veterans' Affairs Interim Committee (SAVA) is one of several committees designated by statute to oversee state agencies, conduct interim studies as assigned by the Legislative Council, research emerging topics of interest to the committee members, and prepare draft legislation for the 2011 legislative session.

This work plan details the agency oversight and study duties assigned to the committee and proposes a meeting schedule to keep the committee on track to ensure work is completed by September 2010. It is a preliminary document, designed to allow for committee discussion, revision, and adoption. A matrix, located on page 7 will help committee members frame the level of involvement it wishes to have in various statutory duties, studies and other work.

The work plan and meeting schedule, once adopted, will serve as a list of the Committee's goals and objectives for the interim and as a roadmap for the Committee's members, staff, agency personnel, stakeholders, and the public. If a need arises that significantly changes the Committee's goals or objectives, members should take formal action to revise this plan or the meeting schedule.

Part I: Statutory Duties of SAVA

Section 5-5-215, MCA, outlines the statutory duties of each interim committee, including SAVA:

5-5-215. Duties of interim committees. (1) Each interim committee shall:

- (a) review administrative rules within its jurisdiction;
 - (b) subject to 5-5-217(3), conduct interim studies as assigned;
 - (c) monitor the operation of assigned executive branch agencies with specific attention to the following:
 - (i) identification of issues likely to require future legislative attention;
 - (ii) opportunities to improve existing law through the analysis of problems experienced with the application of the law by an agency; and
 - (iii) experiences of the state's citizens with the operation of an agency that may be amenable to improvement through legislative action;
 - (d) review proposed legislation of assigned agencies or entities as provided in the joint legislative rules; and
 - (e) accumulate, compile, analyze, and furnish information bearing upon its assignment and relevant to existing or prospective legislation as it determines, on its own initiative, to be pertinent to the adequate completion of its work.
- (2) Each interim committee shall prepare bills and resolutions that, in its opinion, the welfare of the state may require for presentation to the next regular session of the legislature.
- (3) The legislative services division shall keep accurate records of the activities and

proceedings of each interim committee.

As established in 5-5-228, MCA, SAVA is assigned rule and draft legislation review, program evaluation, and monitoring functions for:

- ▶ the public employee retirement plans;
- ▶ the Department of Administration;
- ▶ the Department of Military Affairs; and
- ▶ the Office of the Secretary of State.

SAVA is also responsible for monitoring the entities that are attached to these agencies for administrative purposes.

A. Agency monitoring

Agency monitoring, as required in 5-5-215, MCA, can be broken down into several general duties. Each of these duties is discussed below.

Rule Review

Legal staff for SAVA regularly reviews and summarizes rulemaking notices for the agencies monitored by the committee and will provide the committee with information pertaining to this process. The Montana Administrative Procedure Act (MAPA) allows interim committees to:

- ▶ obtain an agency's rulemaking records to review for compliance;
- ▶ submit written recommendations to the agency for the adoption, amendment, or rejection of a rule;
- ▶ require that a rulemaking hearing be held;
- ▶ participate in proceedings; and
- ▶ review the conduct of administrative proceedings.

Program Monitoring

SAVA is required to monitor the operations of agencies within its jurisdiction, giving specific attention to:

- ▶ identifying issues likely to require future legislative action;
- ▶ identifying opportunities for improving existing laws governing an agency's operations;
- ▶ determining whether the experiences Montanans have had with an agency can be improved upon through legislative action; and
- ▶ reviewing legislation proposed by an agency.

Review of Draft Legislation

The duty to review legislative proposals from agencies allows staff to get an early start on drafting so time is freed up after the election to focus on legislators' requests for legislation. It also gives the Legislature another opportunity to monitor agencies. Also, if the Committee authorizes legislative staff to draft legislation implementing an agency proposal, the bill that results must be pre-introduced so it will be available for hearings as soon as the 62nd session starts.

The Committee generally receives agency proposals in late spring or early summer for review. SAVA *is not* required to authorize legislative staff to draft an agency's proposal, and the Committee's authorization is not an endorsement of the bill. A request simply gets the proposal into the drafting system so it can be drafted and ready for pre-introduction. The agency must then find a legislator to carry the bill during the legislative session.

In 2008, SAVA authorized the drafting of 54 proposals for legislation, including 16 requests generated by its own work during the interim. Of the 54 bill drafts requested, 40 were introduced and 26 were passed and became law.

Proposals for Retirement Plan Legislation

SAVA is required by 5-5-228(2)(d) through (f) to review any proposed changes to the state's public employee retirement plans, report to the Legislature on each proposal reviewed, and attach the committee's report to any legislation that has been introduced for the session. In the 2007-08 interim, SAVA reviewed around 20 retirement-related proposals and authorized 15 of them to be drafted as bills.

In recent interims the Committee hasn't reviewed the proposals as the statute requires for several reasons, including lack of time between the availability of actuarial data and the end of interim work and the level of resources necessary to review and report effectively on each piece of legislation. The 2007-08 SAVA committee decided not to change the statutory reporting requirements, but wanted to do some form of review of legislation. The issue remains before this Committee, which means the members will need to decide whether they wish to propose a change to the statute, how they intend to comply with the statute in some way, or silently ignore the statute.

House Bill 2 (2009) appropriated \$50,000 to SAVA to obtain actuarial services to analyze retirement-related proposals. In previous interims, no similar appropriation was made.

Required Reports

SAVA is required by law to hear various reports from agencies under its jurisdiction, including this interim, from the Secretary of State on the progress of the Secretary's investigation into challenges and problems associated with the implementation of efficient, secure, and timely registration and voting for absent uniformed officers and overseas electors.

The Committee may request updates as it wishes and should review any statute changes, including requested appropriations, that result from the investigation.

B. Interim Study Activities

At its May, 27, 2009, meeting, the Legislative Council assigned one study requested by resolution to SAVA:

- ▶ House Joint Resolution 35, requesting a study of state employee bonus

payments. The study was ranked 9th of 17 studies in the legislative poll conducted following adjournment sine die.

House Bill 659, which was approved by the Legislature and became law without the Governor's signature, requires SAVA "to examine and recommend to the 62nd Legislature funding and benefit changes in the statewide public employees' and teachers retirement systems." The bill calls for SAVA to review trends and best practices in public retirement plan design and examine options to change each of the retirement plans administered by the Public Employees' Retirement Board (PERB). It also requires a more specific look at the Teachers' Retirement System (TRS), along with proposed legislation to redesign the system.

HB 659 appropriated to SAVA \$200,000 for the purposes of conducting the study and allows SAVA to hire consultants as needed for the costs of actuarial analysis of any legislation generated by the Committee's study.

Separate draft study plans and work schedules outline the proposed activities for these two studies. After review and revision if necessary or advisable, the Committee should formally adopt each study plan. As adopted, the study plans will provide the framework within which staff and committee work will be undertaken.

C. Other Interim Activities

The Committee may want to receive periodic written or oral updates on topics that were the subject of recent legislation or on issues that may emerge during the interim. As issues emerge that the Committee wants to follow, the members will need to replace other issues or activities in the work plan. The amount of staff and committee time is limited, as are the other available committee resources.

Also, individual members of the committee may seek additional information from staff or other parties on issues that fall under the Committee's jurisdiction. These may be issues brought up by constituents, emerging issues in Montana or other states, or other items the member would like to review. If the full Committee is not interested in pursuing further information on a topic, an individual member may submit a research request. Rules adopted by the Legislative Council state that a staff member may provide a maximum of 16 hours of research for an individual's request that is not included in the Committee's work plan, unless the presiding officer of the interim committee approves additional research time.

Part II: Proposed Meeting Schedule and Work Plan

Between the SAVA's statutory duties, the requirements of HB 659, and the Council assigned study, the interim will be full and busy. Because of the unique demands of the HB 659 study, staff anticipates that the first three to four meetings will be largely consumed with study and discussion of retirement plans, with rule review and other

agency matters only as needed. As the Committee develops recommendations and options to forward for actuarial review, it can turn its attention more to rule review, agency monitoring, and review of the HJR 35 research and recommendations, as it sees fit.

Late spring 2010 will bring additional duties to the Committee as the agencies present their proposed legislation for the 62nd Legislature.

With these general scheduling matters in mind, the Committee should consider adopting the following meeting schedule for the remainder of the 2009-2010 interim:

- ! Friday, June 26, 2009
- ! Friday, September 25, 2009
- ! Friday, October 30, 2009
- ! Friday, December 11, 2009
- ! Friday, January 22, 2010
- ! Friday, March 5, 2010
- ! Thursday & Friday, April 22-23, 2010
- ! Thursday & Friday, June 24-25, 2010
- ! Friday, September 10, 2010 (if necessary)

The proposed meeting schedule covers 10 meeting days (including the June 2009 organizational meeting) and wraps up in late June 2010, with an optional meeting in September 2010 if the Committee needs to conduct up any final business, including review of agency legislation or any loose ends related to the HB 659 work on retirement plans. But, keeping in mind that members' attentions are often focused elsewhere during the summers before elections, this work plan suggests wrapping up the bulk of the Committee's work before the late summer of 2010.

Part III: SAVA Work Plan Decision Matrix

The Committee needs to decide how to allocate its time among the various functions it must perform during the interim. The following chart is designed to help focus the discussion to determine the Committee's priorities.

Agency Monitoring: <i>Decide the level of oversight and review of agencies the Committee would like to have.</i>		
<p>G <u>Minimal Involvement</u></p> <ul style="list-style-type: none"> Receive a written update of agency activities in a pre-meeting mailing; committee members could indicate topics on which they would like further information. Agency presentations on any statutorily required report. 	<p>G <u>Moderate Involvement</u></p> <ul style="list-style-type: none"> Receive brief updates from agency officials at each meeting. Request additional updates based on issues from the 2009 session, issues raised by the agencies or constituents, or other issues. Agency presentations on any statutorily required reports. 	
Rule Review: <i>Decide the level of involvement the Committee would like to have in the rule review process.</i>		
<p>G <u>Minimal Involvement</u></p> <ul style="list-style-type: none"> Receive brief written descriptions of each rule prior to meetings. Legal staff will note issues of concern. 	<p>G <u>Moderate Involvement</u></p> <ul style="list-style-type: none"> Receive brief written descriptions of each rule prior to meetings. Legal staff will note issues of concern. Review in committee topics that: <ul style="list-style-type: none"> (1) legislators flag as important or of concern; or (2) a committee member has asked to be placed on the agenda. 	<p>G <u>Significant Involvement</u></p> <ul style="list-style-type: none"> Receive report from legal staff at each meeting on all proposed rules/notices and any issues of concern; <ul style="list-style-type: none"> or Receive copies of rules from agencies for personal review. Seek public comment on rules of legislative concern.
Legislation Review: <i>Decide the level of oversight and review the Committee would like to have for agency legislation.</i>		
<p>G <u>Minimal Involvement</u></p> <ul style="list-style-type: none"> Hear an agency presentation on each request submitted to the Governor's Office before deciding which proposals to authorize for early drafting. 	<p>G <u>Moderate Involvement</u></p> <ul style="list-style-type: none"> Request agency draft of each proposal to be submitted for committee review and discussion before deciding which proposals to authorize for early drafting. 	<p>G <u>Significant Involvement</u></p> <ul style="list-style-type: none"> All of "Moderate Involvement" option PLUS review and reports, as required in 5-5-228, MCA, on all proposals to change retirement plans.

House Bill 659: examine and recommend funding and benefit changes to public employees' and teachers retirement systems

- Plan design consultant to lead study?
- Actuary - piggyback on PERS and TRS?
- Actuary - hire own actuary for committee?
- Subcommittee?
- Travel?
- Other issues raised by Committee members?
- Other issues raised by stakeholders?

HJR 35: Study state employee bonus payments

<p>G <u>Minimal Involvement</u></p> <ul style="list-style-type: none"> • Staff white paper. • Legislation if necessary. 	<p>G <u>Moderate Involvement</u></p> <ul style="list-style-type: none"> • Staff white paper. • Panel presentation on agencies' bonus. practices/state policies • Legislation if necessary. 	<p>G <u>Significant Involvement</u></p> <ul style="list-style-type: none"> • Series of staff reports on pertinent topics. • Series of agency briefings on bonus practices and policies. • Request for legislative audit of 2-18-303(2), MCA, appropriations. • Legislation if necessary.
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SB 367: Revising registration and voting for absent uniformed services and overseas electors

<p>G <u>No Involvement</u></p> <ul style="list-style-type: none"> • Do not want to hear updates from Secretary of State on progress. 	<p>G <u>Moderate Involvement</u></p> <ul style="list-style-type: none"> • Hear initial briefing on topic and progress report at September meeting. • Receive additional report at final SAVA meeting. • Legislation if necessary. 	<p>G <u>Significant Involvement</u></p> <ul style="list-style-type: none"> • Hear initial briefing on topic and progress report at September meeting. • Receive additional reports at each SAVA meeting. • Legislation if necessary.
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Part IV: Subcommittees and meetings outside of Helena

When making plans for the interim, it is not uncommon for Committee members to want to form subcommittees or hold meetings outside of Helena. This section should help Committee members understand the differing priorities they will have to weigh when making decisions on travel and subcommittees.

A. Subcommittees: To Delegate or Not to Delegate

According to Section 5-5-211(7), MCA, an interim committee may create a subcommittee. Nonlegislative members may serve on a subcommittee and, if appointed, they must be paid a salary and reimbursed as if they were a legislative member. If the nonlegislative member is a "full-time salaried officer or employee of the state or a political subdivision of the state" the person is entitled to reimbursement for travel expenses only.

Although the current draft work plan does not include the use of a subcommittee, the members may decide that their goals for the interim would best be served by creating a subcommittee to study a particular issue. If so, the Committee should consider several points when making their decision.

Appointment of a subcommittee may be advisable if:

- ✓ An assigned study would be so detailed that it would limit the other work SAVA wants to accomplish in an interim if the subcommittee was not assigned.
- ✓ Extensive policy issues and options exist that require extensive discussion, debate, and public input that is not feasible for the full SAVA committee to accomplish based on work load, and time and resource limits.
- ✓ SAVA members are willing to delegate policy formation or option review and recommendation to a subcommittee.

A subcommittee should NOT be appointed if:

- _____ ✓ The full Committee wants to be included in discussions and debate on the issue.
- ✓ The full SAVA wishes to be included or take an active role in the activities of or presentations to a subcommittee.
- ✓ Interest in the issue or workload would require that the subcommittee be composed of three members or less or five members or more of the Committee.
- ✓ Committee review of the subcommittee's decisions would result in extensive duplication of presentations, information-gathering, witness participation, or delay action, such as legislation.

If the Committee decides to delegate a study or part of its work load to a subcommittee, members should remember that:

- From a staffing perspective, a subcommittee meeting represents the same work load as a regular committee meeting.
- A subcommittee works best when it has *specific* instructions from the full committee and is really only necessary if the task cannot be performed by the full committee.
- Subcommittees can only make recommendations to the full committee, not act as if it were the full committee.
- Because public comment and testimony is welcome at all meetings and because the full committee must deliberate on the work of the subcommittee, expect that even though a matter may have had a full hearing at a subcommittee meeting, the same testimony and information will likely be presented to the full committee. In other words, *subcommittees often create duplication for committee members, staff, agency personnel, and the public.*

B. On the Road Again: Travel Outside Helena

Holding a meeting outside of Helena does not usually present substantial additional costs in lodging, travel, and per diem expenses for Committee members. However, it does present an additional cost for staff lodging, travel, and per diem, and at times for adequate meeting space. Additionally, although not a cost to the Committee, when the Committee travels out of Helena, so must interested persons and state agency staff based in Helena. This should be kept in mind when planning to conduct a Committee meetings outside of Helena.

Most importantly, meetings outside Helena *cannot* be streamed live via the web as they can in Helena, nor will the meetings be available as part of Television Montana's (TVMT) programming. So even though a meeting might attract people who may not be willing or able to travel to Helena, it will also exclude the people who would normally watch or listen live or use the audio and visual resources to review a meeting at a later date.

If the Committee decides to travel, it should be sure that the information and testimony it is gathering cannot be presented in any other manner and that the whole agenda that would normally be conducted in Helena can be conducted on the road. For example, if the Committee wants to travel to hear public testimony on the HB 659 study, but also wishes to maintain its normal agenda of rule review and agency oversight, all other state agencies involved with that portion of the meeting will be forced to travel, as well, regardless of whether they have anything to do with the HB659 portion of the agenda.

If the purpose of traveling is to receive additional public comment on an issue, the Committee might consider having a stakeholder organization arrange a meeting or series of meetings to which the full Committee and other local legislators will be invited to attend. The Committee will not be responsible for the agenda, logistics, or coordination of the event, nor will the stakeholder meeting replace a normal meeting, but the Committee will still have the opportunity to hear public testimony on a certain issue.

Finally, when conducting meetings outside of Helena, members are responsible for their own meals, lodging, and transportation, just as if the meeting were in Helena. The Committee staff cannot make travel arrangements for the members.

Part V: SAVA Meeting Plan Summary

The following is a tentative schedule of Committee activities for each of the meetings planned for the 2009-2010 interim. This schedule will likely change as the Committee makes decisions at the June 26th meeting and as new issues emerge during the interim.

Proposed Date	Activity	Tasks/Policy Decisions
June 26, 2009	<ul style="list-style-type: none"> ▶ Organizational ▶ Agency Monitoring ▶ Assigned Studies 	<ul style="list-style-type: none"> • Review, adopt work plan • Review, adopt meeting dates • Elect officers • Agency introductions • Rule review overview • Stakeholder presentations for HB659 study • Review, adopt plan for HB 659 • Review, adopt plan for HJR 35
September 25, 2009	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other Issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • As outlined in final study plans
October 30, 2009	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • Discuss time line for review of agency and stakeholder legislative proposals and drafts (depending on option chosen in Part III of this work plan) • As outlined in final study plans
December 11, 2009	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • As outlined in final study plans
January 22, 2010	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • As outlined in final study plans

<p>March 5, 2010</p>	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • As outlined in final study plans
<p>April 22-23, 2010</p>	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule review as necessary • Agency presentations as necessary/requested • Stakeholder presentations on proposals to revise retirement plans • PERS/TRS presentations on proposals to alter retirement systems • As outlined in final study plans
<p>June 24-25, 2010</p>	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule Review as necessary • Agency presentations as necessary/requested • Agency presentations on proposed, nonretirement-related legislation • Committee authorization for drafting • Final committee action on committee-commissioned proposals • Final review and action on retirement-related legislation • As outlined in final study plans
<p>September 10, 2010 (optional)</p>	<ul style="list-style-type: none"> ▶ Agency Monitoring ▶ Assigned Studies ▶ Other issues 	<ul style="list-style-type: none"> • Rule Review as necessary • Agency presentations as necessary/requested

Part VI: Conclusion

With so many duties incumbent on it, the Committee will need to be judicious about how it manages its time, energy, and finances. Ultimately, the members must decide where to focus their work and then set priorities and deadlines to accomplish any goals or objectives. While the overall Committee work plan and related study plans must remain flexible to allow for unforeseen events or issues that arise, keeping deadlines and agendas as specific as possible and overcoming reluctance to make decisions early in the interim are key if the Committee wants to finish its work before the 2009-2010 interim ends.

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