



**State Administration and Veterans' Affairs Interim Committee**  
**64th Montana Legislature**

**SENATE MEMBERS**

DEE BROWN  
DOUG KARY  
CLIFF LARSEN  
JONATHAN WINDY BOY

**HOUSE MEMBERS**

BRYCE BENNETT  
FORREST MANDEVILLE  
WENDY MCKAMEY  
KATHY SWANSON

**COMMITTEE STAFF**

SHERI SCURR, Lead Staff  
GINGER ALDRICH, Staff Attorney  
KATYA GROVER, Secretary

## MINUTES LOG

August 19, 2015  
Room 137, Capitol Building  
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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### **COMMITTEE MEMBERS PRESENT**

SEN. DEE BROWN  
SEN. DOUG KARY

REP. BRYCE BENNETT  
REP. FORREST MANDEVILLE  
REP. WENDY MCKAMEY  
REP. KATHY SWANSON

### **COMMITTEE MEMBERS EXCUSED**

SEN. JONATHAN WINDY BOY  
SEN. CLIFF LARSEN

### **STAFF PRESENT**

SHERI SCURR, Lead Staff  
GINGER ALDRICH, Staff Attorney  
KATYA GROVER, Committee Secretary

## VISITORS' LIST (Attachment 1)

## AGENDA (Attachment 2)

### COMMITTEE ACTIONS

The committee:

- voted to not allow proxy voting;
- elected Sen. Dee Brown as presiding officer and Rep. Bryce Bennett as vice presiding officer;
- agreed that the committee's research staff should prepare a report on the statutory advisory councils and the statutorily required reports to the committee so the committee could decide at the next meeting about how to handle its House Bill 142 (2011) duties to consider whether to amend or repeal the statutes concerning these advisory councils and reports;
- agreed that with respect to the committee's rule review duties, the committee's legal staff would provide presentations on rule review memos only in response to committee member questions or if staff determines a rule issue deserves the committee's attention;
- agreed that statutorily required reports to the committee should be provided to committee members in writing and presentations on the reports would be made only if approved by the committee in response to a committee member's request;
- agreed that the committee's research staff should develop a study plan for the House Joint Resolution 21 study of personal information ownership in a manner that recognizes the study should first seek to clarify the level of ownership individuals have now under current law, then examine methods by which individuals may protect their ownership rights without severely inhibiting private sector and government functions, and finally explore additional opportunities to provide individuals with greater power and control over their personal information, including what other states have done, keeping in mind the benefits of data collection in both the public and private sectors and impacts on businesses;
- agreed that all of the types of personal information listed in HJR 21 should be examined on an equal basis, recognizing there may be more opportunities for legislative recommendations in certain areas rather than others, and that the study should encompass information shared between public agencies, between public and private sector entities, and between private sector entities;
- agreed that the committee's work plan should include consideration of statutory refinements that may be required due to enactment of House Bill 84 (2015) generally revising election laws;
- agreed that the percentages of time allocated to the committee's various duties as proposed by staff in the draft work plan should be the starting point for the committee's work priorities during the interim;

- instructed staff to place on the committee's website a link to the Commissioner of Political Practice's webpage containing its proposed rules;
- voted to object to the COPP's new rules and rule amendments contained in MAR Notice no. 44-2-207, to place consideration of these rules and rule amendments on the agenda for the committee's next meeting, and to have the committee's legal staff send notice of the committee's objection to the COPP in writing, as required by statute; and
- set Oct. 14 as the committee's next meeting date, with a start time of 9 a.m.

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

00:00:03 Sen. Brown called the meeting to order at 9:00 a.m. The committee secretary called roll. Sen. Larsen and Sen. Windy Boy were excused. ([Attachment 3](#))

00:01:34 Members of the committee briefly introduced themselves.

### **ADMINISTRATIVE MATTERS - Sheri Scurr, Lead Staff**

00:07:02 Ms. Scurr discussed staff roles and responsibilities as well as "Rules, Procedures, and Guidelines for Interim Committees". ([Exhibit 1](#))

00:11:15 Sen. Kary arrived at 9:11 a.m.

00:14:37 Sen. Brown spoke on committee procedures, rules, the travel/expense work sheet, and HB 84 (2015).

### **Motion/Vote**

00:15:58 Sen. Brown asked for a roll call vote on whether to allow proxy votes.

00:16:10 Committee members discussed whether to allow proxy voting.

00:20:10 The committee voted 4-2 on a roll call vote to not allow proxy voting. ([Attachment 4](#))

### **ELECTION OF OFFICERS**

00:21:24 Rep. Swanson nominated Rep. Bennett for presiding officer.

00:22:15 Sen. Kary nominated Sen. Brown for presiding officer.

00:22:55 Committee members discussed the nominees. Each nominee spoke on his or her own behalf.

### **Motion/Vote**

00:25:45 Sen. Brown was elected presiding officer on a roll call vote. ([Attachment 5](#))

00:26:48 Sen. Brown nominated Rep. Bennett for vice presiding officer.

00:27:37 Rep. Bennett was elected vice presiding officer by voice vote unanimously.

## **OVERVIEW OF STATE ADMINISTRATION AND VETERANS' AFFAIRS COMMITTEE**

### **DUTIES**

00:28:03 Ms. Scurr gave a presentation on the Welcome on Work Plan Proposal staff paper. [\(Exhibit 2\)](#)

#### Committee questions of Ms. Scurr

00:33:59 Sen. Brown asked about the duty related to citizen experience with an agency.

## **AGENCY OVERVIEW: DEPARTMENT OF ADMINISTRATION**

00:41:57 Ms. Scurr provided a general overview of the Department of Administration. [\(Exhibit 3\)](#)

00:47:48 Sen. Brown asked Ms. Scurr about the 12% referenced on page 2 in the "Department of Administration Agency Overview - Highlights".

00:49:12 Sheila Hogan, director, gave a presentation on the activities of the Department of Administration since last interim. She also spoke about what the agency has been doing related to the bills passed during the 2015 Legislative Session. [\(Exhibit 4\)](#)

#### Committee questions of Ms. Hogan

01:01:10 Sen. Brown asked about the meaning of the acronym "eMACS."

01:01:42 Sen. Brown asked if the Department of Administration is on track with producing and delivering reports in a timely fashion.

## **AGENCY OVERVIEW: OFFICE OF THE SECRETARY OF STATE**

01:03:24 Ms. Scurr provided a general overview of the Office of the Secretary of State. [\(Exhibit 5\)](#)

01:08:34 Linda McCulloch, secretary of state, gave a presentation on the major activities of the Office of the Secretary of State since last interim. [\(Exhibit 6\)](#)

#### Committee questions of Ms. McCulloch

01:11:44 Sen. Brown asked about the Help America Vote Act.

01:13:40 Sen. Brown spoke about the NCSL Elections Conference she attended during the Summer. Sen. Brown also praised Ms. McCulloch for generating the Business Toolkit.

## **ADMINISTRATIVE MATTERS**

01:16:41 Ms. Scurr asked the committee members whether they would agree with receiving e-mail notifications about the meetings and whether they would agree with being directed to go on the website to get the meeting materials prior to the meeting.

### Committee discussion

01:17:19 Committee members expressed their desire to continue to receive e-mails and documents in electronic format from the SAVA website.

01:18:13 Ms. Scurr discussed the Legislative 2015-2016 Interim Calendar. [\(Exhibit 7\)](#)

01:20:52 Sen. Brown asked the committee members if any of them served on other committees.

01:21:51 Sen. Brown and Ms. Scurr discussed scheduling the next committee meeting.

## **AGENCY OVERVIEW: OFFICE OF COMMISSIONER OF POLITICAL PRACTICES**

01:24:14 Ms. Scurr provided a general overview of the Office of Commissioner of Political Practices [\(Exhibit 8\)](#) and introduced the COPP memo containing updates on litigation involving the COPP. [\(Exhibit 9\)](#)

01:32:09 Jonathan Motl, Commissioner of Political Practices, provided further details about the agency. He also addressed the issues that were raised during the 2015 Legislative Session. [\(Exhibit 10\)](#)

### Committee questions of Mr. Motl

01:36:42 Sen. Brown asked about constitutional attorneys.

01:37:31 Sen. Kary asked if the administrative rule meetings were advertised.

01:38:15 Mr. Motl replied and added that there will be public hearing on the rules on Sept. 2-3.

01:38:44 Mr. Motl discussed bills from the 2015 session.

01:43:21 Sen. Brown and Mr. Motl discussed the rules applicable when a political party hires temporary staff to aid the election process.

01:46:37 Committee members and Mr. Motl discussed the issue of political party staff supporting candidate campaigns.

01:56:27 Mr. Motl made closing comments.

## **BREAK**

## **AGENCY OVERVIEW: MONTANA PUBLIC EMPLOYEES' RETIREMENT ADMINISTRATION**

- 02:08:34 Ms. Scurr provided a general overview of the Montana Public Employees' Retirement Administration. **(Exhibit 11)**
- 02:16:31 Dore Schwinden, executive director of MPERA, provided further details about the agency. **(Exhibit 12)**

### **Committee questions of Mr. Schwinden**

- 02:24:32 Sen. Brown asked if retirement plan assets still have to be sold in order for the benefits to be paid.
- 02:26:47 Sen. Brown asked Mr. Schwinden to inform the committee members about investment amounts that have to be sold quarterly to pay benefits.
- 02:28:08 Rep. McKamey discussed with Mr. Schwinden the selling of investments and investment returns.
- 02:30:34 Sen. Brown made a comment about new GASB requirements.

## **AGENCY OVERVIEW: TEACHERS' RETIREMENT SYSTEM**

- 02:31:37 Ms. Scurr provided a general overview of the Teachers' Retirement System. **(Exhibit 13)**
- 02:35:26 Shawn Graham, executive director of TRS, provided an overview of the major activities of TRS since last interim. **(Exhibit 14)**

### **Committee questions of Mr. Graham**

- 02:40:27 Sen. Brown asked about teacher shortages and the effect of SB 141 (2015), which removed the sunset from the HB 363 (2009) provision allowing teachers to work while getting a retirement benefit.
- 02:41:11 Rep. McKamey asked about the SB 141.
- 02:42:28 Mr. Graham replied and resumed his presentation.
- 02:44:03 Sen. Brown asked how many current retirees there are and how many are still working.
- 02:44:49 Mr. Graham replied and resumed his presentation.

## **ADMINISTRATIVE MATTERS**

### **Decision Point #3: How would the committee like to handle its HB 142 duties?**

- 02:49:40 Ms. Scurr discussed two possible options of how the committee members can accomplish its HB 142 (2011) duties.

- 02:51:05 Sen. Brown asked whether it is possible to utilize both options.
- 02:51:24 Ms. Scurr said that she will provide a complete list of statutory advisory councils and statutorily required reports during the next committee meeting.
- 02:52:05 Rep. McKamey expressed her concern.
- 02:52:39 Sen. Brown concluded the discussion.

Decision Point #4: Would the committee like a joint meeting with LFC with respect to the retirement system actuarial reports?

- 02:53:31 The committee members discussed the decision point.
- 02:55:07 Sen. Brown concluded that the committee will not request a joint meeting with the LFC.

**LUNCH BREAK**

**AGENCY OVERVIEW: DEPARTMENT OF MILITARY AFFAIRS**

- 04:01:42 Ms. Scurr provided a general overview of the Department of Military Affairs. **(Exhibit 15)**
- 04:07:10 Maj. Gen. Quinn, director, gave a presentation on DMA activities. **(Exhibit 16)**
- 04:13:13 Sen. Brown thanked Maj. Gen. Quinn for providing the list of Montana National Guard recruiting sites.

Committee questions of Maj. Gen. Quinn

- 04:13:35 Rep. McKamey asked about the purpose of the new Aviation Readiness Center.
- 04:14:25 Sen. Brown asked how the soldiers who fight fires are funded.

Public comment

- 04:16:12 Mary Beveridge, Helena, informed the committee about activities honoring Montana's first territorial governor.

**AGENCY OVERVIEW: BOARD OF VETERANS' AFFAIRS**

- 04:18:51 Ms. Scurr provided a general overview of the Board of Veterans' Affairs. **(Exhibit 17)**
- 04:23:14 Joe Foster, administrator of the Montana Veterans' Affairs Division, provided further details about the agency. **(Exhibit 18)**

Committee questions of Mr. Foster

- 04:46:41 Sen. Brown asked about the new education and claims production program.

04:48:15 Sen. Brown expressed her appreciation for the dedicated website portal where veterans can electronically file their documents. Sen. Brown also asked about providing a penalty on people falsely claiming to be veterans.

04:50:48 Sen. Brown expressed gratitude for the veteran outreach program in Montana.

### **OVERVIEW OF SAVA'S ASSIGNED STUDY, HJR 21, AND A DRAFT WORK PLAN**

04:51:55 Ms. Scurr provided an explanation of HJR 21 (refer to Exhibit 2, starting on page 18). Ms. Scurr also discussed the phases that the committee has to go through when studying any issue.

#### **Committee questions and discussion**

05:10:50 Sen. Brown asked Ms. Scurr about the work plan proposal and the percentages on page 12.

05:11:35 The committee discussed HJR 21.

05:18:58 Sen. Brown made a closing comment.

### **COMMITTEE'S AGENCY RULE REVIEW DUTIES**

05:19:44 Ms. Aldrich made a presentation on the Montana Administrative Procedure Act (MAPA) and MAPA's requirements ([Exhibit 19](#)), Rulemaking and Powers of Rule Review Committees and Individual Members ([Exhibit 20](#)), and SAVA oversight. ([Exhibit 21](#))

#### **Decision Point #1: How does SAVA wish to handle its rule review duties?**

05:33:51 Committee members discussed the rule review process and asked questions of Ms. Aldrich.

05:41:48 There was a consensus that the committee members would not have separate presentations about each rule but only about issues that Ms. Aldrich might identify.

### **BREAK**

### **COMMITTEE WORK SESSION ON PRIORITIES AND MEETING SCHEDULE**

#### **Decision Point #2: How would the committee like to receive statutorily required reports?**

06:16:29 Ms. Scurr introduced the decision point.

06:17:18 Rep. Bennett recommended that the committee members study the written reports and bring their questions to the next committee meeting.

06:17:35 The committee members agreed.



Decision Point #5: Would the committee like to emphasize certain study tasks outlined in HJR 21? If so, which ones? Or, would the committee prefer to treat each study task equally?

06:17:53 Ms. Scurr introduced the decision point.

06:19:47 The committee members discussed the study tasks and agreed about the order of the tasks and on the scope of the study.

06:33:22 Sen. Brown and Ms. Scurr concluded the discussion.

Decision Point #6: What issues (in addition to HJR 21) are committee members interested in examining this interim?

06:34:12 The committee members discussed this decision point and concluded that they needed to study implementation of HB 84, which generally revised election laws. Ms. Scurr advised the committee members that she would put this task on the agenda for the next committee meeting.

Decision Point #7: Does the committee approve of the proposed allocation of work time (by percentage) presented in the work plan proposal?

06:40:34 The committee members decided by consensus that the allocation of work time should remain the same as proposed.

Decision Point #8: Does the committee approve the proposed meeting dates and general topics for each meeting?

06:41:22 Sen. Brown suggested that the committee members discuss this decision point during the next meeting. The committee members agreed.

**RULES TO IMPLEMENT CAMPAIGN FINANCE BILLS FROM SESSION: SB 151, SB 283, SB 289**

06:42:46 Ms. MacNaughton, attorney, Office of Political Practices, presented a summary of the rules being proposed for adoption by the COPP in MAR Notice No. 44-2-207. ([Exhibit 22](#))

Committee questions of Ms. MacNaughton

06:45:08 Sen. Brown asked about making comments on the rules.

06:46:03 Sen. Brown instructed Ms. Scurr to put on the committee's web page the e-mail address ([cpprules@mt.gov](mailto:cpprules@mt.gov)) provided by Ms. MacNaughton for submitting comments.

06:47:47 Sen. Brown asked whether the wording of the rules changed during the rule making process explained by Ms. MacNaughton.

06:53:57 Sen. Brown commented on electronic reporting requirements.

06:55:13 Sen. Brown asked about the meaning of the term "de minimis act" with respect to New Rule VIII.

06:57:09 Sen. Kary asked about determining "fair market value".

- 06:59:45 Sen. Brown commented about the time frame to evaluate all this information.
- 07:03:28 Sen. Brown asked about distinguishing between a personal use and a campaign use of campaign money.
- 07:06:53 Sen. Brown asked about the form used to file a complaint.
- 07:09:54 Sen. Brown asked about the rules formalizing an advisory opinion.
- 07:11:59 Sen. Brown asked about political committee classifications.

**LEGAL STAFF REVIEW OF COPP RULES - MAR NOTICE No. 44-2-207.**

- 07:18:34 Ms. Aldrich resumed her presentation about the rulemaking process. ([Exhibit 23](#))

Committee questions of Ms. Aldrich

- 07:22:21 Sen. Brown asked about the meaning of "debts and obligations" with respect to the COPP rule on reporting contributions received electronically.
- 07:24:06 Ms. Aldrich spoke about the types of objections that the committee may make with respect to the COPP's proposed rules.

Committee discussion on proposed rules

- 07:26:21 Sen. Brown, Rep. Mandeville, and Rep. McKamey expressed their concern about the rules presented by Ms. MacNaughton that had to do with electronic contributions.

**Motion/Vote**

- 07:28:01 Sen. Kary made a motion to delay the adoption of the COPP rule on electronic contribution reporting until after the next committee meeting.
- 07:28:21 Rep. Bennett said he opposed the objection.
- 07:28:49 Sen. Brown asked Ms. Aldrich whether the COPP would have to change its rule because the committee does not like it, or whether the committee has to formally object to the rule.
- 07:30:06 Sen. Brown asked Ms. Aldrich whether the COPP would have to address the committee's concern in order for the committee members to have a favorable opinion of the new rule.
- 07:31:04 Rep. Bennett asked Ms. Aldrich to clarify what the term "majority" means -- the majority of members present at the meeting or the majority of members in totality, including present and excused committee members.
- 07:32:29 Sen. Brown asked about the two excused committee members.

- 07:33:48 The motion failed on a roll call vote 4-2. A majority of all committee members was required in order for the motion to pass. [\(Attachment 6\)](#)
- 07:34:09 Rep. Bennett explained his vote.
- 07:34:45 Sen. Brown asked whether the committee's objection could have applied to the entire rule package.
- 07:34:54 Ms. Aldrich answered and resumed her presentation.

Committee discussion on proposed rules (continued)

- 07:39:46 Sen. Brown made a suggestion to revisit the last portion of Ms. Aldrich's presentation and explained one of her objections.
- 07:42:35 Sen. Brown closed the discussion.

Public comment on the COPP rules

- 07:43:03 Al Smith, Montana Trial Lawyers Association [\(Exhibit 24\)](#)
- 07:51:57 Chris Cavazos, Montana director, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
- 07:53:18 Erik Burke, Montana Education Association-Montana Federation of Teachers (MEA-MFT)
- 07:55:06 Rep. Bennett asked Ms. MacNaughton or the Commissioner to respond to the public comment.
- 07:56:00 Ms. MacNaughton addressed the concerns expressed in the public comment.
- 08:02:05 Sen. Brown stated that the three people who presented their comments represented a lot of people.

Motion/Vote

- 08:02:32 Sen. Brown moved that the committee objects to the entire package of the COPP's new rules and rule amendments contained in MAR Notice No. 44-2-207 and to place consideration of these rules and rule amendments on the agenda for the committee's next meeting.
- 08:04:53 The motion passed unanimously by voice vote.
- 08:06:05 Ms. Aldrich advised that a written notice of the committee's objection to the COPP rules is required by statute. Sen. Brown instructed Ms. Aldrich to produce and deliver the notice.

NEXT MEETING DATE

- 08:06:32 The next meeting was scheduled for Oct. 14, 2015 at 9 a.m.

**ADJOURNMENT**

08:11:32 With no further business before the committee, Sen. Brown adjourned the meeting at 5:11 p.m.

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