



State Administration and Veterans' Affairs Interim Committee

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57th Montana Legislature

SENATE MEMBERS
JOHN BOHLINGER
DON HARGROVE
GLENN A. ROUSH
KEN TOOLE

HOUSE MEMBERS
EDITH J. CLARK
LARRY JENT
RALPH L. LENHART
ALLAN WALTERS

COMMITTEE STAFF
SHERI HEFFELFINGER
RESEARCH ANALYST
DAVID NISS, STAFF ATTORNEY
LOIS O'CONNOR, SECRETARY

MINUTES

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of documents.**

First Meeting of Interim
Room 102, State Capitol
June 15, 2001

COMMITTEE MEMBERS PRESENT

Sen. Don Hargrove, Chairman
Rep. Larry Jent, Vice Chair
Sen. John Bohlinger
Sen. Glenn A. Roush
Rep. Edith J. Clark
Rep. Ralph Lenhart
Rep. Allan Walters

COMMITTEE MEMBERS EXCUSED

Sen. Ken Toole

STAFF PRESENT

Sheri Heffelfinger, Research Analyst
David Niss, Attorney
Lois O'Connor, Secretary

VISITORS

Visitors' list (ATTACHMENT #1)
Agenda (ATTACHMENT #2)

COMMITTEE ACTION

- Elected Sen. Hargrove Presiding Officer
- Elected Rep. Jent Vice Presiding Officer
- Appointed Rep. Clark as the mental health liaison to the HJR 1 Subcommittee of the Legislative Finance Committee
- Appointed Sen. Roush as Chairman of the SJR 5 (veterans issues) Subcommittee and Representatives Lenhart and E. Clark and Sen. Hargrove as members
- Appointed Rep. Walters as Chairman of the Subcommittee on HJR 8 (voting issues) and Rep. Jent and Senators Bohlinger and Toole as members

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:05 a.m. by Senior Sen. Hargrove. Roll call was noted; Sen. Toole was excused. (ATTACHMENT #3)

PRESENTATION BY THE SECRETARY OF STATE

Robert “Bob” Brown, Secretary of State, provided an overview of House Joint Resolution No. 8 and the election reform plan prepared by the Secretary of State’s Office. (EXHIBITS # 1 and #2 respectively)

Sen. Bohlinger asked how the U.S. Senate proposal of \$100 million for an annual matching grant program to assist states that want to improve and modernize their voting systems was progressing in Congress. Mr. Brown said that a special committee within the U.S. House of Representative was never constituted because one side believed that the committee should be equally composed of the Democrats and Republicans while the other side believed that the majority should be reflected on the committee. Consequently, the proposed legislation is in the House standing committee.

He added that the McConnell-Schumer legislation which includes \$100 million had a good chance of passing Congress. The funds would be available to states on a first-come-first-serve basis. The match would be 75% to 25% and it would allow the larger urban counties that have old antiquated voting machines to replace them. The legislation also creates a federal commission with ambiguous authority and the National Secretary of States is looking at the commission very carefully. Mr. Brown was also unsure what strings or regulations would be attached to the federal money.

Sen. Bohlinger asked which Montana counties use punch card ballots. Mr. Brown said Flathead, Fallon, Glacier, Fergus, Pondera, and Broadwater Counties are punch card counties while the remainder uses optical scanners.

ELECTION OF OFFICERS

Sen. Bohlinger nominated Sen. Hargrove for Chairman. The nomination passed unanimously.

Sen. Roush nominated Rep. Larry Jent for Vice Chairman. The nomination passed unanimously.

REVIEW OF THE SAIC STATUTORY DUTIES AND RESPONSIBILITIES

Sheri Heffelfinger, Research Analyst, Legislative Services Division provided a list of Committee members, a copy of SB 10, and provided an overview of the Committee's statutory powers and duties. (EXHIBITS #3, #4 and #5 respectively.)

AGENCY OVERVIEWS

Department of Administration

Barbara Ranf, Director, Department of Administration, provided an overview of the Department of Administration. (EXHIBIT #6)

Sen. Bohlinger asked whether the Department would be providing all legislators email addresses. Ms. Ranf said that she has participated in conversations with Lois Menzies on providing email addresses to legislators and that she would continue to pursue the idea as requested at her confirmation hearing.

Sen. Hargrove asked about the Department's involvement in the state agency reorganization and the new Economic Development Office within the Governor's Office. Ms. Ranf said that because of the state agency reorganization, the Department will be getting approximately 80 new employees when the banking and financial institutions leave the Department of Commerce and the Department of Administration has no ties to the Economic Development Office within the Governor's Office.

Public Employees' Retirement Board (PERB)

Mike O'Connor, Executive Director, Public Employees Retirement Administration, provided an overview of the Public Employees' Retirement Board. (EXHIBIT #7)

Sen. Bohlinger asked if it was the Retirement Board's function to decide what investments will be purchased or sold. Mr. O'Connor said that the Retirement Board is responsible for the administration of the retirement plans. When the money is received by PERB, it is sent to the Board of Investments who is responsible for investing the funds. The Board of Investments has investment policy statements about how the funds will be invested.

Sen. Hargrove asked if the PERB anticipated any future legislation. Mr. O'Connor preferred that no legislation would be forthcoming but he said that only time would tell.

Teachers' Retirement System (TRS)

David Senn, Executive Director, Teacher's Retirement Board, provided an overview of the Teachers' Retirement System. (EXHIBIT #8)

Sen. Bohlinger asked about the assumption of the 8% return on market assets and what has been the annual return of the TRS funds since its inception. Mr. Senn was unsure because he has never calculated it before. However, in the last 5 years, the TRS has seen up to 19% returns. Last year was less than 8%. The assumptions are reviewed every 3 to 5 years and if they need to be adjusted, it is adjusted at that time. The Board does not believe that 18%, 19%, or 20% returns are normal and will not return to them. It does believe that an 8% average is achievable. Sen. Bohlinger asked if the legislators covered under the TRS would be able to go online to see their retirement accounts. Mr. Senn said yes, that anyone who is a member of the teachers' retirement system will be given access to the system.

U-System's Optional Retirement Plan (ORP)

Glenn Leavitt, Director of Benefits, Montana University System, provided an overview of the U-System's Optional Retirement Plan. (EXHIBIT #9)

Senator Bohlinger said that \$92 million owned by 3,780 employees on average is approximately \$25,000 a person which is not a lot of money to retire on. He asked what other benefit options the U-system had. Mr. Leavitt said that most of the employees currently covered under the ORP are primarily younger people--people who have been hired since 1987 and were just starting with the university system. They still have a number of years to build their assets in the system.

Department of Military Affairs

Adjutant General Gene Prendergast, Department of Military Affairs, presented an overview of the Department of Military Affairs. (EXHIBIT #10)

Sen. Bohlinger asked how the 10 high schools and 10,000 students participating in the Department's drug education program were chosen. General Prendergast said that the Department approached the Office of Public Instruction about the program and the schools and students volunteered for the program. Sen. Bohlinger asked if it would be possible for other

schools in the state to apply for admission to drug education program. General Prendergast said yes, that the Department will help any school in the state. Sen. Bohlinger requested that Major Prendergast notify District 2 in Billings about the program.

Sen. Hargrove asked how long the drug education program had been in existence and did the Department have any statistics as to its success. General Prendergast said that the Department implemented the program approximately two years ago, and discussions that he has had with parents about the program indicate that they would prefer the program to be targeted more for the lower-grade children rather than high schools. He added that the Department tracks the number of students in the program but to track what they do after they leave the program is very difficult. He said that the program is strictly an educational program; and currently, the only educational drug program existing in the lower-grade levels of school is the DARE program.

Board of Veterans' Affairs and MVA

Jim Jacobson, Administrator, Board of Veterans' Affairs and MVAD provided an overview of the Montana Veterans Affairs Division. (EXHIBIT #11)

Sen. Bohlinger asked if it were possible to get a copy of his own service record to see what sort of comments were made by his supervisors. Mr Jacobson said yes, adding that all Sen. Bohlinger had to do was go to the Billings office, fill out an application, and his file which includes his discharge papers would be sent to him directly. Discharge papers could also be used to purchase veterans license plates.

Montana State Veterans Nursing Homes

Mike Hanshew, Senior and Long-term Care Division, Department of Public Health and Human Services, provided an overview of Montana's veterans' nursing homes. (EXHIBIT #12)

Sen. Bohlinger said that private-sector nursing homes are experiencing some difficulty in filling their beds and many of the 12,000 veterans living in the Billings area have to travel great distances to receive veterans' services. He asked if it were possible to acquisition some of the private-sector facilities for veterans' needs. Mr. Hanshew said that veterans living in western Montana go to Columbia Falls and veterans in eastern Montana go to Glendive. However, veterans living in the middle usually go to private nursing homes to be closer to their families

rather than receive the financial and social advantages of being in the two state veterans' nursing homes. He said that the federal Veterans Administration supplements the cost of care for veterans by slightly over \$50 a day. However, in order to receive the supplemental, a veteran must be in a nursing home that is designated as a veterans' home under the control of the state. Mr. Hanshew suspected that it would take legislative action to expand the number of state veterans' homes, even on a contractual basis, and appropriate the funding necessary to secure the contract.

Sen. Hargrove asked if Mr. Hanshew anticipated the need for additional nursing home beds for veterans in the future, and if so, where. Mr. Hanshew said that the demand for needed veteran nursing home beds will peak in the next 10 years. The problem is demographics and whether the Legislature will secure the funding. If the funding was secured, he doubted that the beds would go empty if a facility was built in an area where a lot of veterans were seeking nursing home services. Mr. Hanshew said that he would research the possibility of purchasing an existing nursing home and report his findings to the Committee.

Rep. Lenhart asked how long the \$50 federal offset money has been in effect. Mr. Hanshew said that the \$50 has been effective for the six years that he has been associated with DPHHS, it is subject to a federal government appropriation, and the per diem is not automatically increased for inflation. Rep. Lenhart asked if the state was receiving enough increases in federal money. Mr. Hanshew said that the private pay rate has only been raised once in 5 years so the federal government subsidy for the Glendive facility has increased faster than the private pay rate.

Sen. Hargrove asked if he read correctly that there have been changes in what the VA pays for long-term care in private facilities. Mr. Hanshew hesitated to respond because he did not fully understand the issue. However, he understood that the program was very limited but the VA expanded it.

Commissioner of Political Practices

Dulcy Hubbert, Administrative Officer, Commissioner of Political Practices, provided an overview of the Office of the Commissioner of Political Practices. (EXHIBIT #13)

Senator Hargrove asked if the Commissioner was anticipating legislation for the next session. Ms. Hubbert said that the Commissioner would be requesting legislation to clarify several lobbying statutes and make some rule changes.

OVERVIEW OF ASSIGNED STUDIES

Ms. Heffelfinger provided a overview of the proposed study plan and the proposed meeting dates and provided a copy of the detailed study plan outline. (EXHIBITS #14, #15, and #16 respectively)

PUBLIC COMMENT

Mary Jo Olson, Montana League of Women Voters, said that the League is interested in the HJR 8 study (voting systems study). She said that a democratic government depends on the informed and active participation of its citizens and it requires that governmental bodies protect the citizens right to know by giving adequate notice of meetings, holding open meetings, and making public records available. She requested that the Committee consider holding meetings around the state so that other citizens have a chance to express their views about voting. She said that the League has also been working on voting issue at both the state and national levels. She will provide the Committee with any information as it becomes available.

Mike Hampson, Viet Nam Veterans of America, provided information on a homeless survey conducted in the Helena area, many of whom are veterans, along with a magazine called Veteran. (EXHIBITS #17 and #18 respectively) The homeless survey will also be conducted statewide as soon as funding is available. Mr. Hampson also felt it important for the Committee to request that guest speakers come to the meetings on veterans issues.

Sen. Hargrove asked about an organization called "Operation Dustoff". Mr. Hampson said that "Operation Dustoff" is like stand down. In Vietnam, the term "dustoff" meant the extracting of troops that were wounded or dead out of the jungle.

Mike Hankins, Associates of the Vietnam Veterans of America, said that the veterans have initiated a movement to conduct all research involving quasi-legal and questions of humanity that will be raised by the Committee on the eight issues brought forth by the veterans. He requested that where ever the Committee meets that it have veterans present.

Joe Walsh, Bozeman, requested that the Committee break into two subcommittees and allow the working group, which is generally a continuation of the Veterans Resource Coalition, to continue its meetings. He also requested that Committee staff facilitate the process.

COMMITTEE DISCUSSION AND EXECUTIVE SESSION

Sen. Hargrove asked if money was available for the mental health study liaison to travel or attend the meetings. Ms. Heffelfinger said that the Legislative Finance Committee budget would be

paying for the liaison. Sen. Hargrove appointed Rep. Clark as the mental health study liaison to the Legislative Finance Committee for HJR 1.

Sen. Hargrove appointed Sen. Roush as Chairman of the SJR 5 (veterans issues) Subcommittee and Representatives Lenhart and E. Clark and Sen. Hargrove as members.

Sen. Hargrove appointed Rep. Walters as Chairman of the Subcommittee on HJR 8 (voting issues) and with Rep. Jent and Senators Bohlinger and Toole as members.

Following a thorough discussion, the Committee decided the following:

- to possibly schedule a full SAIC meeting in conjunction with the Subcommittee meetings midway through the end of the interim to discuss what the Subcommittee is doing;
- to leave the decision of traveling up to the Chairmen of the Subcommittees;
- to schedule the next meeting for August 6, 2001;
- to move the first meeting of the HJR 8 study from August 31, 2001, to the first week of September;
- moved the October 26, 2001, meeting date to October 19, 2001;
- to be notified as soon as possible when the Committee will hold 2-day meetings;
- to be provided information from neighboring states as to whether they are having the same problems as Montana regarding veterans affairs;
- to use the National Council of State Legislatures as a resource on veterans issues;
- to contact the Association of County Clerk and Recorders and MACo regarding the voting issues;
- to bring before the Committee only the contentious rules that staff feels may need some discussion; and
- to approve a formal SJR 5 working group of representatives of congressionally chartered veteran service organizations to meet between SJR 5 Subcommittee meetings.

Senator Roush felt very strongly about taking government to the people. He requested that the Committee consider traveling on at least two meeting dates, possibly to Glendive and Columbia Falls. He requested that staff also research the possibility of available federal funds to help offset some of the costs to the Committee.

Sen. Hargrove said that some places in Montana are having problems with hiring enough and qualified teachers. Montana has public safety retirement systems, such as policemen, game wardens, and sheriffs, who generally retire at an earlier age than what teachers do. He requested information on whether it would be an incentive to allow the people in the public safety retirement systems to spend a few years as teachers to augment their retirement.

Rep. Lenhart asks if they would have to be certified. Sen. Hargrove said yes.

Sen. Roush questioned the lack of legislation regarding teachers. He said that he has heard many complaints from teacher that if they take a buyout or early retirement before age 65, they do not get full payment for their health insurance. He suggested that the Committee hear from the Montana Teachers Association or other teacher organizations to see if the issue can be addressed. Rep. Clark said that the issue could be referred to the committee that has been formed to study health care and insurance.

Mr. Hampson informed the Committee that Lewis and Clark County had setup a task force to study veterans issues in Montana.

There being no further business, the meeting adjourned at 3:45 p.m.

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