

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 20, 1987

In the absence of Chairman Sales, Vice Chairman Phillips called the meeting of the State Administration Committee to order on January 20, 1987 at 9:00 a.m. in Room 437 of the State Capitol.

ROLL CALL: Chairman Sales was excused. All other committee members were present.

CONSIDERATION OF HOUSE BILL NO. 226: Rep. Spaeth, House District #84 and primary sponsor of the bill, stated the bill would allow the Public Employees' Retirement Board to modify certain disability retirements. It corrects a situation where at no time can a disability recipient receive a combination of disability income and outside income to exceed an amount of salary at the time of employment. This bill would allow a computation of benefits to keep in line with inflation.

PROPOSERS: Linda King, Assistant Administrator of the Public Employees' Retirement Division presented written testimony to the committee members (Exhibit #1).

OPPOSERS: None

DISCUSSION OF HOUSE BILL NO. 226: Rep. Nelson asked Linda King if outside income from any source such as interest and dividends from investments would reduce disability benefits, and she replied that only income from gainful occupation would do so. Rep. Jenkins asked Linda King if it would be possible under this change for a person to be drawing disability and be employed full time. She replied that the employment would have to be at a very low income rate. It is not the intent of the legislation to allow someone to be on disability and be employed full time. Rep. Jenkins clarified that at the present time there is absolutely no inflationary factor in disability retirement, and Linda replied that that was correct.

Rep. Spaeth closed discussion on HB 226 stating that this proposed legislation will not cost the state anything and will take care of those who have retired because of a disability. This change should have been made a long time ago. He asked the committee's affirmative consideration.

CONSIDERATION OF HOUSE BILL NO. 203: Rep. Spaeth, House District #84 and sponsor of the bill stated that currently if a state warrant is lost or destroyed, a bond must be submitted unless it meets a statutory exception. This bill would add another exception giving the auditor

the discretion to waive the requirement for a bond if a warrant has been accidentally lost or destroyed. He further stated the State Auditor proposes an amendment eliminating the word "accidentally" and substituting "lost or destroyed as the result of a catastrophic event". (Exhibit #2) Rep. Spaeth does not oppose the amendment but expressed concern regarding the interpretation of a catastrophe.

PROPOSERS: Gene Phillips, a private attorney visiting from Kalispell, spoke in support of the bill but expressed concern with the wording "catastrophic event" being undefinable in the proposed amendment.

Robert Throssell from the State Auditor's office spoke in general support of HB 203 and feels the bill is designed to give the auditor's office the flexibility to issue duplicate warrants when they can be fairly certain the original warrant has been lost or destroyed, i.e. a plane crash, etc. He objects to the word "accidentally" stating that language would open up a whole range of requests for duplicate warrants from his office. He offered an amendment on page 2, line 14, striking "accidentally" and inserting "as a result of a catastrophe".

OPPOSERS: None

DISCUSSION OF HOUSE BILL NO. 203: Rep. Whalen asked Mr. Throssell if he had a problem with amending line 14 on page 2 by striking "accidentally" and inserting "irretrievably", and he replied that there would be much verification to do with this amendment. Rep. Jenkins asked Mr. Throssell if a "stop payment" policy would eliminate the need for unnecessary verification. He responded that a stop payment order would protect the state, but the first warrant could be cashed. Rep. Spaeth thought it would be a good idea to amend section 3 on page 2 to include "(2)(d)". Rep. Jenkins wondered why an individual could not be responsible without a bond if he signs a statement that his check is lost and it is found at a later time. Rep. Spaeth replied that that is not always practical.

Rep. Spaeth closed discussion on HB 203 requesting that the committee consider the proposed amendments.

CONSIDERATION OF HOUSE BILL NO. 195: Rep. Miles, House District #45 and sponsor of the bill, requested that the bill be tabled because of discrepancies in the definitions outlined in the bill. She apologized to the committee members for any time they have spent on this bill.

PROPOSERS: Delores Colburg, Commissioner of Political Practices, concurred with Rep. Miles' request and stated the bill needs further study.

Margaret Davis, League of Women Voters, supported tabling the bill at this time.

OPPONENTS: None

Discussion on HB 195 was closed by Rep. Miles.

CONSIDERATION OF HOUSE BILL NO. 190: Rep. Nelson, House District #6 and sponsor of the bill, stated the proposed legislation is basically a housekeeping measure requesting an increase to \$25.00 in a petty cash fund for certain candidates and political committees. The bill would also permit a candidate to spend up to \$25.00 from the petty cash fund for certain items such as stamps. The bill will simplify book-keeping.

PROPONENTS: Delores Colburg, Commissioner of Political Practices, supported the bill and stated it seemed appropriate to make the increase to \$25.00.

Kim Wilson, Common Cause, supported the bill and urged its passage.

OPPONENTS: None

There were no questions from the committee members on HB 190, and Rep. Nelson closed.

The committee went into executive action at 9:57 a.m.

DISPOSITION OF HOUSE BILL NO. 226: Rep. Jenkins moved DO PASS, seconded by Rep. Whalen. The motion carried unanimously.

DISPOSITION OF HOUSE BILL NO. 203: Rep. O'Connell moved DO PASS on the state auditor's amendment, seconded by Rep. DeMars to strike "accidentally" on page 2, line 14 and insert "in a catastrophe" following "destroyed". Rep. Moore expressed concern about the word "catastrophe". Rep. Fritz stated he saw no need for the amendment since the bill states the requirement can be waived upon the receipt of evidence that the warrant has been accidentally lost. The amendment FAILED by unanimous vote. Rep. Jenkins moved the insertion of "(2) (d)" on page 3, line 2. The motion was seconded by Rep. Compton and carried by unanimous vote. Rep. Holliday moved to strike "accidentally" on page 2, line 14. The amendment was seconded by Rep. Moore and carried unanimously. A DO PASS AS AMENDED motion was made by Rep. Pistoria, seconded by Rep. Holliday. The vote was unanimous.

DISPOSITION OF HOUSE BILL NO. 195: Rep. Nelson moved to table HB 195, seconded by Rep. Moore. The vote was unanimous.

State Administration Committee
January 20, 1987
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DISPOSITION OF HOUSE BILL NO. 190. A DO PASS motion was moved by Rep. O'Connell, seconded by Rep. DeMars. The vote was unanimous.

ADJOURNMENT: There being no further business to come before the committee, the hearing adjourned at 10:17 a.m.


John E. Phillips, Vice Chairman

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DAILY ROLL CALL

State Administration COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Jan. 20, 1987

NAME	PRESENT	ABSENT	EXCUSED
Walt Sales			✓
John Phillips	✓		
Bud Campbell	✓		
Dorothy Cody	✓		
Duane Compton	✓		
Gene DeMars	✓		
Harry Fritz	✓		
Harriet Hayne	✓		
Gay Holliday	✓		
Loren Jenkins	✓		
Janet Moore	✓		
Richard Nelson	✓		
Helen O'Connell	✓		
Mary Lou Peterson	✓		
Paul Pistoria	✓		
Rande Roth	✓		
Tonia Stratford	✓		
Timothy Whalen	✓		

EXHIBIT #1
DATE 1/20/87
HB 226

TESTIMONY ON HB 226

Presented by:
Linda King
Assistant Administrator
Public Employees' Retirement Division

HB 226, which provides for the modification of certain PERS Disability Retirement benefits is being requested by the Public Employees' Retirement Board.

Currently, the outside income of anyone receiving a PERS disability retirement is limited. The limit is based on the employee's compensation at the time he became disabled. Combined outside earnings and PERS disability benefits may not exceed the member's compensation at the time of disability retirement.

In many cases, the high rate of inflation during the 1970's has placed an unanticipated limit on those outside earnings.

This bill would allow anyone who has been receiving a disability retirement allowance for at least 3 years to request that the board review his situation and adjust, for inflation, the monthly compensation he last earned before becoming disabled. This upward adjustment would allow the retiree to earn more outside income at no cost to the retirement system since this would not result in an increase in the retiree's monthly benefit.

Since 60 is the normal retirement age for the Public Employees' Retirement System, this act would also permit individuals of normal retirement age to request that the Public Employees' Retirement Board change the form of their PERS benefit from disability to regular service retirement without recalculation of the monthly benefit.

This, in effect, removes all limitations placed upon disability retirees. The Board finds this reasonable due to the fact that people do not normally recover from a disability after age 60.

Both provisions of this bill are discretionary on the part of the disability retiree and the board. This will ensure the intent of the original legislation can be reviewed and followed.

EXHIBIT # 5
DATE 1/20/87
HB 203

Proposed Amendment to HB 203

Requested by the State Auditor

1. Page 2, line 14.

Strike: "accidentally

2. Page 2, line 14

Following: "destroyed

Insert: "as a result of a catastrophe"

STANDING COMMITTEE REPORT

January 20

1967

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 190

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

John Phillips

Chairman

JMS
FIRST

reading copy (WHITE)
color

ROLL CALL VOTE

Unanimous

State Administration

COMMITTEE

DATE 1/20/87 BILL NO. 190 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

ROLL CALL VOTE

*Tabled at
Sponsor's
request*

State Administration

COMMITTEE

DATE 1/20/87 BILL NO. 195 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY _____

Secretary

Chairman

MOTION: _____

STANDING COMMITTEE REPORT

January 20

87
19

STATE ADMINISTRATION

Mr. Speaker: We, the committee on _____

HB 203

report _____

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

John Phillips

Chairman

To provide the State Auditor with the discretion to waive the bond of indemnity requirement for issuance of a duplicate warrant when the original warrant has been lost or destroyed.

AMEND AS FOLLOWS

1. Page 2, line 14.
Strike: "accidentally"

2. Page 3, line 2.
Following: "~~(2)(c)~~,"
Insert: "(2)(d),"



FIRST

WHITE

_____ reading copy (_____)
color

Unanimous

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/20/87

BILL NO. 203

NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

STANDING COMMITTEE REPORT

January 20

19⁸⁷

Mr. Speaker: We, the committee on STATE ADMINISTRATION

report HB 226

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

John Phillips

Chairman

JMS

FIRST

reading copy (

WHITE

color)

Unanimous

ROLL CALL VOTE

State Administration

COMMITTEE

DATE 1/20/87 BILL NO. 226 NUMBER _____

NAME	AYE	NAY
Walt Sales		
John Phillips		
Bud Campbell		
Dorothy Cody		
Duane Compton		
Gene DeMars		
Harry Fritz		
Harriet Hayne		
Gay Holliday		
Loren Jenkins		
Janet Moore		
Richard Nelson		
Helen O'Connell		
Mary Lou Peterson		
Paul Pistoria		
Rande Roth		
Tonia Stratford		
Timothy Whalen		

TALLY

Secretary

Chairman

MOTION: _____

