

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairman Jan Brown, on February 7, 1989, at 9:00 a.m.

#### ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Judy Burggraff, Secretary; Lois Menzies, Staff Researcher

Announcements/Discussion: Chairman Brown said that Rep. Cobb had asked a few days ago to have HB 353 rescheduled for Thursday, February 9.

REP. PHILLIPS moved that the Committee sponsor a bill that would allow the United Veterans' Council to sell plots at the V. A. Cemetery at Fort Harrison and use the money to bury indigent war veterans. Rep. Phillips said "Everybody is behind it." The United Veterans' Council wants to sell burial plots and vaults at the going rate, then use the proceeds for burying veterans whose families cannot afford to buy plots in the V. A. Cemetery. The motion CARRIED unanimously.

#### HEARING ON HJR 16

Presentation and Opening Statement by Sponsor: Rep. Tom Hannah, House District 86, Yellowstone County, introduced the resolution. This resolution requests the Legislative Audit Committee to conduct a study to determine the necessity of an umbrella board to license and regulate alternative health care providers, such as acupuncturists, naturopaths, rolfers, massage therapists and midwives. The Committee must report its findings and recommendations to the 52nd Legislature.

Rep. Hannah said there has been considerable interest over the years in alternative health care providers. These groups are interested in licensing and state sanction saying that they have approval to operate. Last session the Sunrise Law came into effect, which says that the Legislature was getting tired of the different service providers areas requesting a stamp of approval of their profession. The amendments (Exhibit 1), that were presented

to the Committee, were to clarify the resolution. There are merits, Rep. Hannah believes, for alternative health care providers to try and provide a mechanism for their self regulation.

Testifying Proponents and Who They Represent:

Gene Huntington, Montana Dietetic Association

Jerry Loendorf, Montana Medical Association

Proponent Testimony:

GENE HUNTINGTON said that the Montana Dietetic Association will support the bill with the amendments. They think there may be some more effective way of regulating these other professions than by the creation of separate boards. The dietitians are regulated by the Board of Medical Examiners and do not have their own board. Out of the study, some standards may come that could be used for all of the professions.

JERRY LOENDORF said that the Montana Medical Association supports the resolution. He said the Association would also encourage the committee that makes the study to go beyond just taking testimony from those coming before the Legislature to testify. The proposed Committee needs to determine on a scientific basis if these alternative health care measures really work. (i.e. Naturopaths that claim to cure by natural forces, processes and substances.) Mr. Loendorf said the proposed Committee should hire a scientist that could look into it for them. He did not offer an amendment to do this.

Testifying Opponents and Who They Represent: None

Questions From Committee Members:

REP. NELSON wondered if Rep. Hannah would consider adding to his amendments on page 1, line 16, ", but not limited to." Rep. Hannah said he would not have a problem with that as it is really what he wants to do. He wants to look at all of the people that have come before us in the last sessions that have said, "We really do need some kind of board to regulate us."

REP. SQUIRES asked Rep. Hannah if he was interested in having the Legislative Auditor look at any boards other than those boards listed in HJR 16. Rep. Hannah said he would rather not have the nursing boards involved and has no intention to get into any of the other boards that are already in place.

Closing by Sponsor: None

## DISPOSITION OF HJR 16

Motion: Rep. Campbell moved HJR 16 DO PASS.

Amendments, Discussion, and Votes: Rep. Campbell moved the sponsor's amendment. REP. NELSON asked Rep. Campbell if he would include the amendment that he suggested on page 1, line 16. REP. CAMPBELL said that he would include the amendment with his motion to move the amendments. Lois Menzies suggested that instead we make an amendment on page 2, line 5, by striking "such as" and inserting "including but not limited to." Lois Menzies said that is a more substantive provision that directs the Legislative Auditor to look at the necessity and feasibility of the Board. REP. NELSON said that would be okay. The motion CARRIED 13 - 5 with Reps. Cocchiarella, O'Connell, Westlake, Squires and Davis voting no.

Rep. Campbell moved HJR 16 DO PASS AS AMENDED. Rep. Phillips said that if you ever sat on the Human Services Committee, you would see a strong reason for this bill; it is sorely needed.

REP. SQUIRES said that last session there was a bill passed. It was called the Sunrise Legislation. Before any board can be established, a board must be responsible by placing \$6,500 to go through the process of seeing if the board is actually needed. It is done through the Legislative Auditor's Office. There is a set timeframe. If the particular timeframes are met, then application for licensure can be made. The \$6,500 is there to provide sincerity; it makes a group responsible. Rep. Squires said she does not think the bill is necessary. There is a mechanism and criteria already in place to establish a board.

Recommendation and Vote: The motion CARRIED, vote 13 - 5 (see roll call vote).

## HEARING ON HB 421

Presentation and Opening Statement by Sponsor: Rep. Richard Nelson, House District 6, north Kalispell and the north Flathead valley, introduced the bill. This bill provides a postretirement benefit adjustment for members and beneficiaries of four public retirement systems: the Public Employees', Teachers', Sheriffs', and Game Wardens' Retirement Systems. The funding source for the benefit adjustment is the investment income earned on that portion of each retirement system's fund representing retired members. The Public Employees' Retirement Board must annually use 90 percent of this amount to pay a monthly benefit payable for life to eligible members and

beneficiaries. A member or beneficiary is eligible to receive a benefit adjustment if he or she is receiving a service retirement allowance and is 55 years of age or older or is receiving a disability or survivorship allowance.

Rep. Nelson said he thought it was quite a landmark accomplishment to get four of the retirement systems to agree to one approach to postretirement adjustments.

Testifying Proponents and Who They Represent:

David Senn, Executive Secretary, Teachers' Retirement Board

Larry Nachtsheim, Administrator, Public Employees' Retirement Division

Alve Thomas, State President, Retired Teachers' Association

Dick Williams, Association of Montana Retired Public Employees

Tom Bilodeau, Montana Education Association

Tom Ryan, Teachers' Retirement Board

Jess Long, School Administrators of Montana

Tom Harrison, Montana Sheriffs and Peace Officers

Henry Badt, Montana County School Superintendents' Association

Tom Schneider, Montana Public Employees Association

Proponent Testimony:

DAVID SENN presented written testimony (Exhibit 2) and a Sample of Possible Teachers' Retirement System Post Retirement Adjustments Based on Actual Yield in FY 88 from Teachers' Retirement System (Exhibit 3).

LARRY NACHTSHEIM presented written testimony (Exhibit 4) and Examples of Possible Public Employees', Game Wardens' and Sheriffs' Retirement Systems Post Retirement Adjustments Based On Actual Yield IN FY 88 (Exhibit 5).

ALVE THOMAS presented written testimony (Exhibit 6).

DICK WILLIAMS presented written testimony (Exhibit 7).

~~DICK BILODEAU presented written testimony (Exhibit 8).~~

TOM RYAN said he has gone over the bill for approximately a year and a half with the board members, made up of bankers, real estate people and people from the teaching profession

belonging to both the American Federation of Teachers and the Montana Federation of Teachers. Mr. Ryan said the group did not even have to come to a consensus on the bill. What attracted the members to the bill is not having to go to the general fund for an appropriation. He said he is glad to see a coalition on this.

JESS LONG presented written testimony (Exhibit 9).

TOM HARRISON said that he is representing the Montana Sheriffs and Peace Officers Association. This Association has a retirement system that has been historically actuarially sound. We endorse this bill on that primary basis of actuarial soundness, and it will be funded by the present situation.

HENRY BADT said that he represents the Montana County School Superintendents' Association and they support the bill. He said he also speaks on behalf of the 10 o'clock coffee group at BJ's Cafe, which is a group of ten retired teachers from Hamilton that meet daily.

TOM SCHNEIDER said that the Montana Public Employees Association represents retired PERS members, sheriffs and game wardens. He said that they want to go on record as supporting this bill. They would like to point out that though PERS has received some increases in the past, sheriffs and game wardens have only had one increase since 1970. It is very important that we do something. But we want to echo the caution that this is based on excess interest earnings. It is keyed to the investments of the state, and I wouldn't want anyone to be surprised two or three years down the road if we were back before you because that situation had become unfavorable, yet the demand for some type of increases for these type of people will continue. It is a good idea, it is very workable and we want you to support it. But we need to go further in taking care of this problem.

Proponent Faxed in Testimony But Did Not Testify:

Johanna Sorkness (Exhibit 9A).

Testifying Opponents and Who They Represent: None

Questions From Committee Members:

REP. PHILLIPS said he can see why the judges wouldn't want to be included in the bill but what about the police, patrolmen and firefighters? Tom Schneider said: The highway patrol in 1985 had this problem taken care of on a permanent basis similar to what the judges have. The police and firefighters have a provision of their own. REP. PHILLIPS referred to the bill that was previously discussed in Committee where the fine monies would be put in the Game Wardens' Retirement System until that system was healthy

enough; and at that time, the fine monies would stop going in. He asked Mr. Schneider if the system will ever become healthy under this bill. Mr. Schneider said that there is nothing that ties this bill to the Game Wardens' bill. This bill is keeping interest earnings. The Game Wardens' bill is dealing with the unfunded liability of the system, which is funded out of fines and forfeitures. This bill will have no effect or very minimal effect on when the fines will fund that system. REP. PHILLIPS said that it seems to him that if the interest earnings are not paid out, they will be rolled back into the system which will continue to lower the unfunded liability. Mr. Schneider said that is true, but it is a small amount. If that were going to fund the system in the first place, then the fines and forfeitures would never have been put into the funding of the system.

REP. ROTH referred David Senn to the fiscal note where Mr. Senn had indicated that if the earnings' rate falls below 8 percent, that these increases would not be granted until the losses had been recovered, and asked: "Does this mean that these increases would be stopped or terminated if the earnings' rate falls below that point?" Mr. Senn said "Yes, it does mean that the increases would be terminated. Any year that we do not have earnings over and above the actuarially assumed rate to fund the system, no distribution would be made. If it were to go below 8 percent, we would have an actuarial loss, which must be recovered before any future distribution would be made."

REP. GERVAIS asked if the Teachers' Retirement System will still be separate from the others, and will the school equalization have any effect on the bill. Mr. Senn said, "yes, they will have separate retirement systems," and the bill will have no effect on school equalization as it is a pension trust fund.

Closing by Sponsor: Rep. Nelson said that he urges the Committee to keep in mind that it is a self-funding situation that does not have any impact on school district funding or mil levies. It will not be triggered unless the investment earnings reach the 8 percent level. The bill is actuarially sound. The actuary is Alton Hendrickson, one of the top actuaries in the northwest United States.

#### DISPOSITION OF HB 421

Motion: Rep. Phillips moved HB 421 DO PASS.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED unanimously.

## HEARING ON 357

Presentation and Opening Statement by Sponsor: Rep. John

Phillips, House District 33, Great Falls, introduced the bill. This bill increases the salary of the State Auditor and the Secretary of State from \$33,342 to \$38,000. He said he is not all that big on raises, and he never votes for increases for Legislators. In reading the papers and seeing all of the people who were getting appointed and what their salaries were, I think there is a terrible inequity in what our elected officials are paid. Rep. Phillips said that his timing of this bill is probably not that great since the whole country is up in arms about pay raises. He said that no one had requested the bill, and they didn't even know about it until the bill was drafted. We have always had a bill on elected officials through the Salary Commission. We never paid any attention to what the Salary Commission said. Finally somebody put a referendum through to abolish the Salary Commission. Now State Administration handles salaries. If you note, the title of the bill leaves it open and anybody up and down the line could be adjusted accordingly.

Rep. Phillips distributed a table entitled: "Selected State Administrative Officials: Annual Salaries" (Exhibit 10). He noted that the pay for the Secretary of State and Auditor are extremely low when compared with most of the nation. "We are second lowest in the nation. Arkansas is lower and must give their folks bed, breakfast and a car to drive and lots of perks to keep their people working for them for that kind of money." Rep. Phillips said that there are over 235 classified employees that make over \$35,000 a year; another 50 appointees of the executive branch that make over \$35,000; and an untold amount in the university system. The reason he put the Auditor's salary at \$38,000 and the Secretary of States at \$36,000 is due to the level and the amount of FTEs that each are responsible for.

Testifying proponents and Who They Represent:

Eric Feaver, President, Montana Education Association

Proponent Testimony:

ERIC FEAVER said he was sorry that this bill could not have been heard when the room was still filled with people because there is more than one inequity that exists in the state of Montana today and it doesn't necessarily pertain to those that are retired. He said there is a tremendous inequity when it comes to the salary we provide for those that are responsible for this state. He supports HB 357 and is providing amendments (Exhibit 11), unbeknownst to Rep. Phillips and to any elected official in this state to address the inequity that exists with our elected state officials. He said no one called him and asked to have him

request a raise in their salary. Mr. Feaver said it is an outrage that our governor is making \$50,000. That is not equitable when one compares that salary to any state in the union or to what we pay other state officials that may not be elected, including many school superintendents and administrators. He said that no unlisted phone numbers or limousines will subscribe to the governor of the state the kind of status that he or she deserves if we continue to pay that individual \$50,000. He said he would make the same argument for those down the line and proposed an increase of salary for every state elected official with the exception of the Clerk of the Supreme Court. "This is one of the smallest increases in state expenditure, with the largest return, that I think anyone could suggest at this point in time. I urge this not to be considered as a frivolous effort, but as a very serious attempt to talk about the gross inequity that exists in the salaries that we give to the highest and most important elected officials."

Testifying Opponents and Who They Represent: None

Mike Cooney, Secretary of State, submitted written comments but did not testify (Exhibit 12).

Questions From Committee Members: None

Closing by Sponsor: Rep. Phillips said that he too was surprised that Eric Feaver offered his amendments. "It certainly got the price up." But Rep. Phillips said that he agreed with everything that he said. There is an inequity in our system, but whether we can afford it I will leave to your deliberation.

#### DISPOSITION OF 357

Motion: Rep. Campbell moved HB 357 DO PASS.

Discussion: None

Amendments, Discussion, and Votes: Rep. Gervais moved the amendments. A roll call vote was taken. The motion FAILED 6 - 12 (see roll call sheet). Rep. Whalen moved that the pay raises for elected officials be contingent upon other public employees being given a pay raise.

REP. MOORE said she is totally against the bill unless we would increase all of those salaries. If it could be corrected in a subcommittee, she said she would support it.

REP. WHALEN said he would withdraw his proposed amendment and move that the bill be placed in a subcommittee with Rep. Phillips serving. The motion CARRIED. Rep. Whalen will chair the committee with Reps. Moore and Phillips serving.

DISPOSITION OF HB 357

Motion: Rep. Cocchiarella moved HB 357 DO NOT PASS.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED. The vote 16 - 2  
(see roll call vote).

DISPOSITION OF HB 428

Hearing Date: February 2, 1989

Motion: Rep. Cocchiarella moved DO NOT PASS.

Amendments, Discussion, and Votes: None

Recommendation and Vote: A roll call vote was taken. The motion  
FAILED 16 - 2.

DISPOSITION OF HB 171

Hearing Date: January 31, 1989

Motion: Rep. Whalen moved HB 171 DO PASS.

Amendments, Discussion, and Votes: Rep. Whalen presented amendments to the committee (Exhibit 13). Rep. Whalen moved the amendments. REP. WHALEN said that the amendments addressed the concern that was raised by the opponents that if in the last 15 days prior to an election, something would happen to change the entire course of the election, there would be an opportunity within the last 15 days to write in someone else's name and have them counted. The amendment requires that in the last 15 days of the election someone either dies, withdraws from the election or is charged with a felony offense, then a write-in candidate could come in. This candidate would still have to fill out the declaration of intent, and he or she would have to do it within 48 hours of the election to have his or her votes counted by the clerks and recorders.

The motion CARRIED unanimously.

Recommendation and Vote: Rep. Whalen moved HB 171 AS AMENDED DO PASS. The motion CARRIED unanimously.

DISPOSITION OF 407

Hearing Date: February 2, 1989

Motion: Rep. Davis moved HB 407 DO PASS.

Amendments, Discussion, and Votes: Amendments were distributed (Exhibit 14). Rep. Davis moved the amendments. Lois Menzies explained the amendments were developed by Dolores Colburg in conjunction with Roger Tippy and Don Judge, who felt uncomfortable with requiring all committees organized around ballot issues to make a quarterly filing. The amendment would require only political committees organized for referenda submitted by the Legislature or the people to meet the filing requirement. The amendment narrows the scope of those required to make the filing. REP. NELSON said it is his understanding that if the Legislature submits a measure to the people it is referred to as a referendum. If the people come up with something, it is an initiative. The people do not submit referenda. Lois Menzies said that voters can also submit a referenda. They have six months after the Legislature adjourns to file a referendum petition. There are actually two types of referenda: those referred by the Legislature. Any law that the Legislature enacts the people approve or reject by referendum.

Garth Jacobson, Chief Counsel, Secretary of State's Office, said that Article III of the Montana Constitution says that when the electorate wants to repeal an act that the Legislature has enacted they have six months in which to do that; if they want to suspend it, they must have 15 percent of the voters.

REP. MOORE asked if an initiative is to enact a law and a referendum is to react to the law, what are we talking to in this bill, referendums or initiatives? Lois Menzies said that the filing requirement would only apply to referendum, whether it be by the people or by the Legislature. It does not include committees organized on behalf of issues associated with initiatives.

The motion on the amendments to HB 407 CARRIED.

Recommendation and Vote: Rep. Davis moved the HB 407 AS AMENDED DO PASS. A roll call vote was taken. The motion CARRIED. The vote 10 - 8 (see roll call vote sheet).

#### DISPOSITION OF HB 365

Hearing Date: February 1, 1989

Motion: Rep. Spring moved HB 365 DO PASS.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: The motion CARRIED, the vote 14 - 4, with Reps. Hayne, Phillips, Nelson and Campbell voting no.

## DISPOSITION OF 101

Hearing Date: January 18, 1989

Motion: Rep. Westlake moved DO PASS.

Discussion: The Committee had been waiting for a fiscal note after amendments were tacked onto the bill. Chairman Brown reported that the Office of Budget and Program Planning had said: "Based upon information from numerous state agencies, we conclude that the proposed amendments to HB 101 will have no fiscal impact on any state departments." What the Committee really wanted to know what impact it would have on local governments. CHAIRMAN BROWN said we will not receive a fiscal note on this bill.

Amendments, Discussion, and Votes: Rep. Westlake moved the new amendments (Exhibit 15). Lois Menzies said that the amendments were proposed by Rep. Daily and supersede all others. They would require all state agencies who issue payments to local entities to make those payments to the finance officer of the county or the city. The finance officer would be required to notify the local government entity that payment had been made. In addition, if payment is made to a county finance officer, that county finance officer would have to notify the county clerk and recorder. The responsibility is now on the county finance officer to notify two people: the local government entity and the county clerk and recorder. If a state agency can't determine whether or not payment is to be made to a finance officer of a city or county, then payment is made to the local government entity. But the state agency is required to send a notice to both the city and the county finance officer to say that this payment has been made so they can record it appropriately.

REP. DEBRUYCKER said he has no problem with the bill. But he can see all kinds of danger in financing it.

REP. HAYNE made a substitute motion that HB 101 DO NOT PASS. A roll call vote was taken. The motion FAILED. The vote was 7 - 11 (see roll call vote No. 1).

The motion on the amendments CARRIED unanimously.

Recommendation and Vote: Rep. Westlake moved that HB 101 DO PASS AS AMENDED. The motion CARRIED. The vote was 12 - 6 (see roll call vote sheet No. 2).

ADJOURNMENT

Adjournment At: 10:45 a.m.

  
\_\_\_\_\_  
REP. JAN BROWN, Chairman

JB/JB

3214.MIN

DAILY ROLL CALL

STATE ADMINISTRATION COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date February 7, 1989

NAME	PRESENT	ABSENT	EXCUSED
Rep. Jan Brown, Chairman	✓		
Rep. Helen O'Connell, Vice Ch.	✓		
Rep. Vicki Cocchiarella	✓		
Rep. Ervin Davis	✓		
Rep. Floyd "Bob" Gervais	✓		
Rep. Janet Moore	✓		
Rep. Angela Russell	✓		
Rep. Carolyn Squires	✓		
Rep. Vernon Westlake	✓		
Rep. Timothy Whalen	✓		
Rep. Bud Campbell	✓		
Rep. Duane Compton	✓		
Rep. Roger DeBruycker	✓		
Rep. Harriet Hayne	✓		
Rep. Richard Nelson	✓		
Rep. John Phillips	✓		
Rep. Rande Roth	✓		
Rep. Wilbur Spring, Jr.	✓		

2/07/89  
2:20 pm  
ja

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 2

Mr. Speaker: We, the committee on State Administration report that HOUSE JOINT RESOLUTION 16 (first reading copy -- white) do pass as amended.

Signed: Jan Brown  
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 7.

Strike: "AN" through "BOARD"

Insert: "THE STATE"

Strike: "LICENSE"

Insert: "REGULATE OR CONTROL"

2. Page 2, line 3.

Strike: "an" through "board"

Insert: "the state"

3. Page 2, line 4.

Strike: "license and"

Following: "regulate"

Insert: "or control"

4. Page 2, line 5.

Strike: "such as"

Insert: "including but not limited to"

5. Page 2, lines 7 and 8.

Strike: "similar" on line 7 through "for" on line 8

Insert: "regulation or control of"

6. Page 2, line 8.

Strike: "exist"

Insert: "exists"

7. Page 2, line 9.

Strike: "boards"

Strike: "states"

(BU)

February 7, 1989  
Page 2 of 2

8. Page 2, line 11.

Strike: "professional" through "and"

Insert: "state"

Following: "regulation"

Insert: "or control"

9. Page 2, line 21.

Strike: "licensing and"

Strike: "for"

Insert: "or control of"

2/07/89  
2:30 pm  
ya

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that HOUSE BILL 421 (first reading copy -- white) do pass.

Signed: Jan Brown  
Jan Brown, Chairman

2/07/89  
0.30 pm  
ja

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report  
that HOUSE BILL 428 (first reading copy -- white) do NOT  
pass.

Signed:

Jan Brown

Jan Brown, Chairman

(EA)

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 2

Mr. Speaker: We, the committee on State Administration report that HOUSE BILL 171 (first reading copy -- white) do pass as amended.

Signed: Jan Brown  
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 8.

Following: "13-13-117"

Insert: ", 13-14-116,"

2. Page 1, lines 13 and 14.

Strike: "Except" on line 13 through "(3), a" on line 14

Insert: "A"

3. Page 1, line 15.

Following: "election"

Insert: ", except a person seeking election as a precinct committeeman in a primary election,"

4. Page 1, line 20.

Strike: "The"

Insert: "Except as provided in subsection (2), the"

5. Page 2.

Following: line 5

Insert: "(2) A declaration of intent may be filed after the deadline provided for in subsection (1) but no later than 5 p.m. on the day before the election if, less than 15 days before the election, a candidate for the office that the write-in candidate is seeking:

(a) dies;

(b) withdraws from the election; or

(c) is charged with a felony offense."

Renumber: subsequent subsections

6. Page 2, lines 12 through 14.

Strike: subsection (4) in its entirety

7. Page 4.

Following: line 1

Insert: "Section 3. Section 13-14-116, MCA, is amended to read:

"13-14-116. Counting and canvassing of nonpartisan ballots. (1) After closing the polls, the election officers shall separately count, canvass, record, and certify nonpartisan ballots, showing the number of votes cast for each person, except as provided in 13-15-202.

(2) Nonpartisan ballots, stubs, and unused ballots ~~shall~~ must be disposed of in the same manner as other ballots, stubs, and unused ballots. Returns ~~shall~~ must be made as provided by law."

Renumber: subsequent sections

2:20 pm  
2/09/89  
ja

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that HOUSE BILL 407 (first reading copy -- white) do pass as amended.

Signed: Jan Brown  
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 7.  
Following: "AND"  
Insert: "CERTAIN"

2. Page 7, line 14.  
Following: "year"  
Insert: "that: (i)"

3. Page 7, line 15.  
Following: the first "ballot"  
Insert: ","  
Following: "or"  
Insert: "(ii)"  
Following: "issue"  
Insert: "subject to a referendum submitted by the legislature or the people is or"

2/07/89  
2:20 pm  
ja

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that HOUSE BILL 365 (first reading copy -- white) do pass.

Signed: \_\_\_\_\_

Jan Brown  
Jan Brown, Chairman

(56)

2/07/89  
2:20 pm  
JCB

STANDING COMMITTEE REPORT

February 7, 1989

Page 1 of 3

Mr. Speaker: We, the committee on State Administration report that HOUSE BILL 101 (first reading copy -- white) do pass as amended.

Signed: Jan Brown  
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 5.  
Strike: "WARRANTS ISSUED"  
Insert: "PAYMENTS MADE"

2. Title, line 6.  
Strike: "AND MAILED TO"

3. Title, line 7.  
Strike: "AND"

4. Title, line 8.  
Following: The first "OF"  
Insert: "RECEIPT OR"  
Strike: "WARRANT" through "ENTITY"  
Insert: "PAYMENT; AND REQUIRING A COUNTY FINANCE OFFICER TO NOTIFY THE COUNTY CLERK AND RECORDER UPON RECEIPT OF A PAYMENT OR NOTICE"

5. Page 1, line 22.  
Strike: "warrants issued"  
Insert: "payments made"  
Strike: "the"  
Insert: "a"  
Strike: "auditor"  
Insert: "agency"

6. Page 1, line 25.  
Strike: "warrant"  
Insert: "payment"

7. Page 2, line 1.

Strike: "state auditor"

Insert: "finance officer"

8. Page 2, lines 2 and 3.

Strike: "," on line 2 through "," on line 3

9. Page 2, line 3.

Strike: "issuance"

Insert: "receipt"

Strike: "warrant"

Insert: "payment"

10. Page 2, line 5.

Strike: "warrant"

Insert: "payment"

11. Page 2, line 7.

Strike: "auditor"

Insert: "agency"

12. Page 2, line 8.

Strike: "of a warrant"

Strike: "auditor"

Insert: "agency"

13. Page 2, line 9.

Strike: "and mail"

Strike: "warrant"

Insert: "claim"

14. Page 2, line 10.

Strike: "auditor"

Insert: "agency"

15. Page 2, line 11.

Strike: "warrant"

Insert: "payment"

16. Page 2, line 12.

Strike: "warrant"

Insert: "payment"

Strike: "mailed"

Insert: "issued"

17. Page 2.

Following: line 12

Insert: "(4) If a finance officer of a county receives a payment under subsection (2) or a notice of issuance under

February 7, 1989  
Page 3 of 2

subsection (3), he shall notify the county clerk and recorder that the payment or notice has been received."

EXHIBIT 1  
DATE 2-07-89  
HB HSR 16

51st Legislature

LC 1117/01

LC 1117/01

*House* JOINT RESOLUTION NO. 16  
*House*

1 INTRODUCED BY *House*  
2 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF  
3 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE  
4 LEGISLATIVE AUDIT COMMITTEE TO STUDY THE NEED AND  
5 FEASIBILITY OF ~~AN UMBRELLA BOARD TO LICENSE ALTERNATIVE~~  
6 ~~HEALTH CARE PROVIDERS; AND REQUIRING A REPORT OF THE STUDY'S~~  
7 ~~FINDINGS AND RECOMMENDATIONS TO THE 52ND LEGISLATURE.~~  
8 WHEREAS, under the provisions of section 2-8-203, MCA,  
9 the Legislative Audit Committee is charged with the  
10 responsibility to review and assess the merits of any  
11 proposal to establish a new occupational licensing board;  
12 and  
13 WHEREAS, certain health care professionals, such as  
14 acupuncturists, naturopaths, rolfers, massage therapists,  
15 and midwives, are not subject to professional regulation to  
16 assure their fitness to prescribe or administer to the needs  
17 of the public; and  
18 WHEREAS, practitioners of certain health care  
19 professions may choose to subject themselves to regulation.

1 That the Legislative Audit Committee conduct a study,  
2 as provided in section 2-8-203, MCA, to determine:  
3 (1) the necessity and feasibility ~~of an umbrella board~~  
4 ~~to license and regulate~~ <sup>OR COMPTON</sup> alternative health care providers,  
5 such as acupuncturists, naturopaths, rolfers, massage  
6 therapists, and midwives;  
7 (2) whether ~~similar licensing and regulatory boards~~  
8 <sup>REGULATION OR CONTROL OF</sup> alternative health care providers exist in other states  
9 and, if so, the experience of those boards; and  
10 (3) whether alternative health care providers in  
11 Montana need and want ~~professional licensing and regulation.~~ <sup>STATE</sup> ~~OR COMPTON~~

12 BE IT FURTHER RESOLVED, that in addition to complying  
13 with the provisions and deadlines of section 2-8-203, MCA,  
14 in conducting the study requested under this resolution, the  
15 Legislative Audit Committee expedite the completion of the  
16 study to assure that any legislation found to be desirable  
17 or necessary will be drafted in time for presentation to the  
18 52nd Legislature.

19 BE IT FURTHER RESOLVED, that the Legislative Audit  
20 Committee, regardless of whether it determines that  
21 legislation to establish ~~licensing and regulation~~ <sup>OR COMPTON</sup> for  
22 alternative health care professionals is desirable  
23 necessary, report the findings and recommendations of its  
24 study to the 52nd Legislature.

-End-

-2- INTRODUCED BILL  
HSR 16

EXHIBIT 1  
DATE 2-07-89  
HJR 16



Amendments  
to  
House Joint Resolution 16

EXHIBIT 1  
DATE 2-07-89  
HB HJR 16  
2062

1. Page 1, Line 7:  
Following: "FEASIBILITY"  
Strike: "OF AN UMBRELLA BOARD TO LICENSE"  
Insert: "FOR THE STATE TO REGULATE OR CONTROL"
2. Page 2, Line 3:  
Following: "feasibility"  
Strike: "of an umbrella board"  
Insert: "for the state"
3. Page 2, Line 4:  
Following: "to"  
Strike: "license and"
4. Page 2, Line 4:  
Following: "regulate"  
Insert: "or control"
5. Page 2, Lines 7 and 8:  
Following: "whether"  
Strike: "similar licensing and regulatory boards for"  
Insert: "regulation or control of"
6. Page 2, Line 9:  
Following: "those"  
Strike: "boards"  
Insert: "states"
7. Page 2, Line 11:  
Following: "want"  
Strike: "professional licensing and"  
Insert: "state"
8. Page 2, Line 11:  
Following: "regulation"  
Insert: "or control."
9. Page 2, Line 21:  
Following: "establish"  
Strike: "licensing and"
10. Page 2, Line 21:  
Following: "regulation"  
Insert: "or control"

EXHIBIT 2  
DATE 2-07-89  
HB 421

HB 421

Teachers' Retirement Board  
February 7, 1989

Title: "An act providing a postretirement adjustment for certain members of the public employees', teachers', sheriffs' and Montana state game wardens' retirement systems or their beneficiaries: and providing an effective date."

HB 421 will provide an opportunity for possible increases in monthly benefits paid to retirees through the distribution of investment earnings. Any benefit increases under this program are entirely dependent upon the investment yield of the retirement system. However, there is no guarantee of an increase in any year.

Annually at the close of each fiscal year, the investment income of the fund will be compared to the actuarially assumed rate required to fund the retirement benefits. If the actual investment income, less the system's administrative and investment costs, is more than the actuarially assumed return required, a portion of these earnings based on the assets allocated to retired members, will be deposited in a reserve fund. No more than 90% of the amount available in the reserve fund will be distribution to all eligible recipients in the form of a lifetime monthly annuity. If the amount available will not fund an average monthly increase of at least \$1.00 per month, no adjustment will be made. Also, the average adjustment payable to all eligible recipient may not exceed the CPI for the previous calendar year. If this proposal had been available to the Teachers' Retirement System on January 1, 1989, sufficient funds would have been available to pay an average annual benefit increase of 1.67% to all eligible recipients. If this legislation is adopted, the first adjustment will be payable as of January 1, 1990.

Eligible recipients, as of June 30, of each year, will include a member or beneficiary who is receiving a service retirement allowance and who is 55 years of age or older and a member or beneficiary who is receiving a disability or survivor allowance. The recipient must have been receiving a monthly service, disability or survivor allowance for at the 24 consecutive months preceding June 30, in the year the adjustment is made. The amount of the monthly adjustment paid to the member or beneficiary will be based upon the recipients current age, years of service and benefit option selected at the time of retirement.

For example: If this proposal would have been available on January 1, 1989, a member age 62 with 25 years of service would have received a monthly increase in benefits of \$7.50. A member age 70 with 25 years of service would have received an increase of \$9.00.

EXHIBIT 3  
 DATE 2-7-89  
 NB 421

TEACHERS' RETIREMENT SYSTEM

EXAMPLES OF POSSIBLE TRS POST RETIREMENT ADJUSTMENTS  
 BASED ON ACTUAL YIELD IN FY 88

TRS Fund Balance (6/30/87)		503,606,670
TRS Fund Balance (6/30/88)		561,331,968
FY 88 Investment Income		51,877,012
Actuarially Required Yield		8.00%
Actuarially Required Investment Income		40,959,178
Investment Income Over Required Rate		10,917,834
Administration and Investment Costs		754,761
Net Funds Available		10,163,073
Retirees' Allocation of Total Assets		50.80%
1988 Funds available to fund adjustment		5,162,841
10% Reserve for future adjustments		516,284
Net funds available to fund adjustment		4,646,557
Current Annual Benefits of 5,293 Eligible Retirees		36,694,989
Eligible Retirees' Total Years of Service		133,449
Average age of eligible retiree:	71.98	
CPI (4.14%) would limit total increase to:		1,519,173
1988 Cost to fund 4.14% Cap \$7.60 per \$1.00		11,545,711 (Insufficient)
Funding Available for 1989 adjustment	*****	4,646,557
Average annual benefit increase:	1.67%	

EXAMPLES OF POSSIBLE PERMANENT MONTHLY RETIREMENT ADJUSTMENTS -- 1988 FUNDS  
 (CPI Cap not reached -- no effect)

SERVICE AGE	5	10	15	20	25	30	35
55	1.35	2.70	4.05	5.41	6.76	8.11	9.46
56	1.37	2.74	4.10	5.47	6.84	8.21	9.58
58	1.41	2.81	4.22	5.62	7.03	8.43	9.84
60	1.45	2.90	4.35	5.79	7.24	8.69	10.14
62	1.50	3.00	4.50	6.00	7.50	9.00	10.50
65	1.59	3.18	4.78	6.37	7.96	9.55	11.14
67	1.67	3.33	5.00	6.67	8.33	10.00	11.67
70	1.80	3.60	5.40	7.20	9.00	10.80	12.60
75	2.10	4.21	6.31	8.41	10.52	12.62	14.72
80	2.53	5.07	7.60	10.13	12.67	15.20	17.73
85	3.12	6.25	9.37	12.49	15.61	18.74	21.86
90	3.97	7.94	11.91	15.88	19.85	23.82	27.79

TESTIMONY ON

HB 421

EXHIBIT 4

DATE 2-7-89

HB 421

Larry Nachtsheim, Administrator  
Public Employees' Retirement Div.  
February 7, 1989

Madam Chairman and Members of the Committee:

This bill is the result of six months' dialogue between the Public Employees' and the Teachers' Retirement Boards and representatives and retirees from the Game Wardens', Public Employees', Sheriffs' and Teachers' Retirement Systems.

The Public Employees' Retirement Board supports this bill.

It is an orderly and planned means to provide some level of defense against inflation for retirees on fixed incomes.

It is actuarially funded from investment income with no change in employee or employer contribution rates. Because monies are reserved in each year, the cost of any future increases will not be pushed off to future taxpayers.

This bill, which has some computer costs at the beginning, will more than pay for itself administratively. The legislature will be relieved from the time and associated costs of reviewing "ad hoc" increases in every session--possibly 4 less retirement bills per session. Hours of administrative time in drafting, costing, preparing and presenting testimony on separate "ad hoc" provisions will be alleviated by this bill.

Approximately \$90,000 of spendable income will be added to the state's economy in 1990 based on the FY 1988 investment returns and retirement data.

In years when investment yields are lower there will not be any retirement adjustments. Historically, when investment income is down there is a corresponding downturn in inflation rates, as well.

The bill does anticipate the continued good performance of the Board of Investments.

The handout includes sample calculations for the PERS, Game Wardens' and Sheriffs' Retirement Systems, based on FY 1988 investment yields. It should be noted that each system stands alone and the rate of benefit increase is based on the investment return of that system, the current level of benefits and the current number of retirees. Those sample calculations are based on the regular retirement options and would be adjusted for any optional retirement benefits being received.

Even though the PERS is the largest system, its members would not receive the largest increase. The amount to be divided is larger than the other systems, but the number of retirees is proportionally even larger.

The Public Employees' Retirement Board views this proposal as the most equitable means of maintaining the level of spendable income for the retirees of these systems and respectfully requests your favorable consideration of its provisions.

Thank you!

EXHIBIT 5  
 DATE 2-7-88  
 RE 421 183

(Minimum age: 55; Retired for 2 years)

EXAMPLES OF POSSIBLE PERS POST RETIREMENT ADJUSTMENTS  
 BASED ON ACTUAL YIELD IN FY 88

PERS Fund Balance (6/30/87)	628,625,984
PERS Fund Balance (6/30/88)	692,744,348
FY 88 Investment Income	64,637,070
Actuarially Required Yield	8.00%
Actuarially Required Investment Income	50,821,936
Investment Income Over Required Rate	13,815,134
Administration and Investment Costs	990,809
Net Funds Available	12,824,325
Retirees' Allocation of Total Assets	48.00%
1988 Funds available to fund retiree COLA for life	6,155,676
10% Reserve for future COLA's	615,568
Net funds available to fund COLA	5,540,108
Current Annual Benefits of 8,387 Eligible Retirees	38,930,888
Eligible Retirees' Total Years of Service	149,323
Average age of eligible retiree:	70.91
CPI (4.14%) would limit total annual increase to:	1,611,739
1988 Cost to fund 4.14% Cap \$7.83 per \$1	12,619,915 (Insufficient)
Funding Available for 1989 COLA	5,540,108
Average Annual Increase:	1.82%

EXAMPLES OF POSSIBLE PERMANENT MONTHLY RETIREMENT ADJUSTMENTS -- 1988 FUNDS  
 (CPI Cap not reached -- no effect)

SERVICE	5	10	15	20	25	30	35
AGE	1.26	2.51	3.77	5.02	6.28	7.53	8.79
40	1.28	2.56	3.84	5.13	6.41	7.69	8.97
45	1.32	2.64	3.95	5.27	6.59	7.91	9.23
50	1.37	2.74	4.11	5.48	6.85	8.21	9.58
52	1.39	2.79	4.18	5.58	6.97	8.37	9.76
55	1.44	2.88	4.32	5.76	7.20	8.64	10.08
56	1.46	2.92	4.37	5.83	7.29	8.75	10.20
58	1.50	2.99	4.49	5.99	7.49	8.98	10.48
60	1.54	3.09	4.63	6.17	7.72	9.26	10.81
62	1.60	3.20	4.79	6.39	7.99	9.59	11.18
65	1.70	3.39	5.09	6.79	8.48	10.18	11.87
67	1.78	3.55	5.33	7.10	8.88	10.65	12.43
70	1.92	3.84	5.76	7.67	9.59	11.51	13.43
75	2.24	4.48	6.72	8.96	11.20	13.45	15.69
80	2.70	5.40	8.10	10.80	13.50	16.20	18.90
85	3.33	6.65	9.98	13.31	16.64	19.96	23.29
90	4.23	8.46	12.69	16.92	21.15	25.38	29.61

(Minimum age: 55; Retired for 2 years)

EXAMPLES OF POSSIBLE GWRs POST RETIREMENT ADJUSTMENTS  
 BASED ON ACTUAL YIELD IN FY 88

GWRs Fund Balance (6/30/87)	7,941,330
GWRs Fund Balance (6/30/88)	8,955,279
FY 88 Investment Income	859,038
Actuarially Required Yield	8.00%
Actuarially Required Investment Income	649,870
Investment Income Over Required Rate	209,168
Administration and Investment Costs	11,716
Net Funds Available	197,452
Retirees' Allocation of Total Assets	47.63%
1988 Funds available to fund retiree COLA for life	94,047
10% Reserve for future COLA's	9,405
Net funds available to fund COLA	84,642
Current Annual Benefits of 44 Eligible Retirees	403,421
Eligible Retirees' Total Years of Service	1,121
Average age of eligible retiree:	67.56
CPI (4.14%) would limit total annual increase to:	16,702
1988 Cost to fund 4.14% Cap \$8.60 per \$1	143,634 (Insufficient)
Funding Available for 1989 COLA	84,642
Average Annual Increase:	2.44%

EXAMPLES OF POSSIBLE PERMANENT MONTHLY RETIREMENT ADJUSTMENTS -- 1988 FUNDS  
 (CPI Cap not reached -- no effect)

SERVICE AGE	5	10	15	20	25	30	35
40	2.61	5.22	7.82	10.43	13.04	15.65	18.25
45	2.68	5.36	8.05	10.73	13.41	16.09	18.78
50	2.79	5.57	8.36	11.14	13.93	16.72	19.50
52	2.84	5.68	8.51	11.35	14.19	17.03	19.87
55	2.93	5.86	8.79	11.72	14.66	17.59	20.52
56	2.97	5.93	8.90	11.87	14.83	17.80	20.77
58	3.05	6.09	9.14	12.19	15.24	18.28	21.33
60	3.14	6.28	9.42	12.57	15.71	18.85	21.99
62	3.25	6.50	9.75	13.01	16.26	19.51	22.76
65	3.45	6.90	10.36	13.81	17.26	20.71	24.17
67	3.61	7.23	10.84	14.46	18.07	21.68	25.30
70	3.90	7.81	11.71	15.62	19.52	23.43	27.33
75	4.56	9.12	13.68	18.24	22.80	27.36	31.92
80	5.49	10.99	16.48	21.97	27.47	32.96	38.45
85	6.77	13.54	20.31	27.09	33.86	40.63	47.40
90	8.61	17.22	25.82	34.43	43.04	51.65	60.26

(Minimum age: 55; Retired for 2 years)

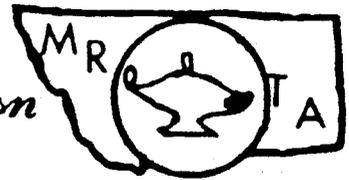
EXAMPLES OF POSSIBLE SRS POST RETIREMENT ADJUSTMENTS  
 BASED ON ACTUAL YIELD IN FY 88

SRS Fund Balance (6/30/87)	22,479,253
SRS Fund Balance (6/30/88)	25,727,381
FY 88 Investment Income	2,526,202
Actuarially Required Yield	8.00%
Actuarially Required Investment Income	1,854,101
Investment Income Over Required Rate	672,101
Administration and Investment Costs	10,011
Net Funds Available	662,090
Retirees' Allocation of Total Assets	31.69%
1988 Funds available to fund retiree COLA for life	209,816
10% Reserve for future COLA's	20,982
Net funds available to fund COLA	188,835
Current Annual Benefits of 70 Eligible Retirees	402,503
Eligible Retirees' Total Years of Service	1,200
Average age of eligible retiree:	69.55
CPI (4.14%) would limit total annual increase to:	16,664
1988 Cost to fund 4.14% Cap \$8.17 per \$1	136,142
Funding Available for 1989 COLA	136,142
Average Annual Increase:	4.14%

EXAMPLES OF POSSIBLE PERMANENT MONTHLY RETIREMENT ADJUSTMENTS -- 1988 FUNDS  
 (CPI Cap applied)

SERVICE AGE	5	10	15	20	25	30	35
40	3.92	7.84	11.76	15.67	19.59	23.51	27.43
45	4.03	8.06	12.09	16.12	20.15	24.18	28.21
50	4.19	8.37	12.56	16.75	20.93	25.12	29.30
52	4.26	8.53	12.79	17.06	21.32	25.59	29.85
55	4.40	8.81	13.21	17.62	22.02	26.42	30.83
56	4.46	8.92	13.37	17.83	22.29	26.75	31.21
58	4.58	9.16	13.74	18.32	22.89	27.47	32.05
60	4.72	9.44	14.16	18.88	23.60	28.32	33.04
62	4.89	9.77	14.66	19.54	24.43	29.31	34.20
65	5.19	10.37	15.56	20.75	25.94	31.12	36.31
67	5.43	10.86	16.29	21.72	27.15	32.58	38.01
70	5.87	11.73	17.60	23.47	29.33	35.20	41.07
75	6.85	13.70	20.56	27.41	34.26	41.11	47.97
80	8.25	16.51	24.76	33.02	41.27	49.52	57.78
85	10.17	20.35	30.52	40.70	50.87	61.05	71.22
90	12.93	25.87	38.80	51.74	64.67	77.61	90.54

Montana Retired Teachers Association



Testimony given 2/7/89 to the House State Administration Committee

EXHIBIT 6

DATE 2-07-89

Alve Thomas, State President Retired Teachers Association 421

We support H. B. 421 to provide a post retirement adjustment for teachers and state employees.

Many of our members have been retired for years and receive the same pension benefits that they received the first year that they retired. The cost of living has gone up every year, sometimes sharply other years moderately, but always up. Purchasing power has constantly eroded.

We believe this bill will be beneficial to retirees and will not cause an increase in taxes nor will it require a larger contribution to active teachers. It will be funded entirely by the annual investment income.

Recipients eligible for this adjustment must have been receiving benefits for 24 months preceding July 1 of each year and have attained the age of 55 years.

The monthly adjustment will be determined upon the recipient's age and years of service. Those who taught for the greater number of years and those who are older and have been retired for the longest time will receive the largest adjustment.

We urge you to vote favorably on H. B. 421.

Thank you for your consideration.

TESTIMONY HB 421  
ASSOCIATION OF MONTANA RETIRED PUBLIC EMPLOYEES  
PRESIDENT DICK WILLIAMS

The Association of Retired Public Employees is a private voluntary organization comprised of retired state, county and municipal employees. The Association has in excess of 4,000 members.

Increases in retirement benefits for retired public employees are critical to the well-being of our elderly. Those on fixed incomes and retirement benefits are most severely affected by the rising costs of necessities. Although inflation has slowed in recent years, it must be remembered that the elderly are subject to inflation that greatly exceeds that of the general population. The basic necessities of life have been hit by inflation to a far greater extent than the average would indicate. While general inflation last year was about 4.4 percent, the following table indicates how retirees have been affected:

**MEDICAL COSTS: Semi-private**

1986 Hospital Room	\$ 229.00
1988 Hospital Room	275.00

Increase of \$46.00 or 20 percent

**BASIC PHONE:**

1986 Rates	\$ 18.17
1988 Rates	19.39

Increase of \$1.22 or 7 percent

**INSURANCE COSTS: Without dental coverage**

- a) Retiree and Spouse  
Medicare Eligible

1986 Rates	\$ 121.80
1989 Rates	Currently being negotiated.

Estimated increase of \$45.00 or 37 percent

- b) Retiree and Spouse  
Under 65

1986 Rates	\$ 151.40
1989 Rates	Currently being negotiated.

Estimated increase of \$45.00 or 30 percent

EXHIBIT 7  
DATE 2-07-89  
HB 421  
2/2

**ENERGY:**

a) Electricity/Kilowatt hour

1986 Rates	5.3 cents
1988 Rates	6.2 cents

Increase of 0.90 cents or 17 percent

b) Natural Gas

1986 Rates	\$ 3.36/mcf
1989 Rates	3.51/mcf

Increase of 0.15 or 4 percent

**WATER:**

1987 Rates	\$ 1.52/100 <sup>3</sup> ft
1989 Rates	1.85/100 <sup>3</sup> ft

Increase of .33 or 22 percent

HB 421 is a reasoned approach to providing needed periodic increases in retirement benefits for retired public employees as well as members of the other retirement programs. It provides for increases in benefits when excess earnings are accumulated on that portion of the funds attributable to the retirees. The Association does not view HB 421 as a cure-all to the problem of a constant erosion of the fixed retirement benefits of our members as there will be some years in which no increase in benefits will be received. However, the Association endorses the bill and the Legislature's willingness to address the important issue of benefits increases.



Montana Education Association

1232 East Sixth Avenue • Helena, Montana 59601 • 406-442-4250

EXHIBIT 8  
DATE 2-7-89  
HB 421

**MEA POSITION STATEMENT**  
**HB 421**  
**"POST RETIREMENT BENEFIT ADJUSTMENT"**  
**(February 7, 1989)**

The MEA has long supported establishment of a true and complete formula-driven and automatic "cost-of-living adjustment" (COLA) for Montana TRS and PERS benefit receivers. Nothing short of such a COLA will guarantee that retiree benefits will be sufficient to meet current income needs of retirees ten, twenty, or even thirty years following the date of retirement.

HB 421 is actuarially sound, presents no increase in the retirement contribution rate expected of either employers or active employees, and promises at least a partial offset of cost escalations experienced by retirees on otherwise largely fixed incomes. Under present economic and revenue constraints and as a first step toward achieving significant and lasting retirement benefit reform, the MEA joins with other interested parties to support legislative adoption of HB 421.



EXHIBIT 9  
DATE 2-2-89  
HB 421

1988-1989  
MONTANA STATE LEGISLATIVE COMMITTEE

CHAIRMAN  
Mrs. Molly L. Munro  
4022 6th Avenue South  
Great Falls, MT 59405  
(406) 727-5604

VICE CHAIRMAN  
Mr. Fred Patten  
1700 Knight  
Helena, MT 59601  
(406) 443-3696

SECRETARY  
Mr. John C. Bower  
1405 West Story Street  
Bozeman, MT 59715  
(406) 587-7535

February 7, 1989

TO: House Committee, State Administration

FROM: Owen Warren, American Association of Retired Persons

RE: In support of H.B. 421 - "An Act providing a post-retirement adjustment for certain members of the Public Employees', Teachers', Sheriffs', and State Game Wardens' retirement systems or their beneficiaries; and providing an effective date."

The Montana State Legislative Committee of AARP supports this bill because it can help it's members meet the increases in cost of living from "investment income" of their retirement reserve fund.

EXHIBIT 9ADATE 2-07-89HB 421

801 7th Avenue East  
Polson, MT 59860  
February 6, 1989

Jan Brown, chairman  
State Administration Committee  
House of Representatives  
State Capitol Building  
Helena, MT 59601

Dear State Administration Committee:

I cannot be present at the hearing on HB 421 on February 7, but if I were there, I would, as a retired teacher, make the following statement:

House Bill 421, if passed, would be a great boon to retired teachers, as well as other retirees on state retirement systems with fixed incomes. Funding for this bill is based on investments in the present systems, so would not add to the general budget.

I had originally heard that a bill would be proposed to this legislature that would add a full COLA to teachers' pensions, but since this does not seem to be forthcoming, and since HB 421 does almost the same thing, I urge your committee to recommend to the full House passage of this bill so that retired Montanans do not see their sometimes-less-than-adequate pensions depreciate in value over the years through cost-of-living increases.

Thank you for your consideration.

Sincerely yours,

*Johanna Sorkness*  
Johanna Sorkness

EXECUTIVE BRANCH

**Table 2.11**  
**SELECTED STATE ADMINISTRATIVE OFFICIALS: ANNUAL SALARIES**

State or other jurisdiction	Governor	Lieutenant governor	Secretary of state	Attorney general	Treasurer	Adjutant general(a)	Administration	Agriculture	Banking	Budget
Alabama.....	\$70,223	\$46,260	\$36,234	\$77,000	\$49,500	\$52,848	\$.....	\$49,156	\$52,848	\$40,118 (b)
Alaska.....	81,648	76,188	.....	77,304	77,304	77,304	77,304	66,816	74,472	66,816
Arizona.....	75,000	.....	50,000	70,000	50,000	58,000	65,975	61,275	72,910	67,173
Arkansas.....	35,000	22,500	22,500	26,500	22,500	48,419	68,448	(g)	60,998	39,754
California.....	85,000	72,500	72,500	77,500	72,500	84,957 (h)	.....	91,054	85,402	91,054
Colorado.....	70,000	48,500	48,500	60,000	48,500	72,155	65,000	65,000	55,680	N.A.
Connecticut.....	78,000	55,000	50,000	60,000	50,000	54,441 (b)	71,617 (b)	54,441 (b)	57,627 (b)	51,233 (b)
Delaware.....	70,000	32,400	53,100	70,000	48,000	48,500	53,900	66,700	64,600	64,600
Florida.....	96,646	85,656	85,656	85,656	85,656	72,155	79,675	85,656	85,656	73,182
Georgia.....	84,594	51,328	64,494	66,092	.....	83,680	62,361	64,493	62,361	69,810
Hawaii.....	80,000	76,000	.....	68,400	(c-9)	81,822	68,400	68,400	61,404	68,400
Idaho.....	55,000	15,000	45,000	48,000	45,000	61,901	52,166	52,187	50,918	54,787
Illinois.....	93,266	65,835	82,294	82,294	71,321	40,598	68,578	65,835	68,250	70,400
Indiana.....	77,200	64,000	46,000	59,200	46,000	52,806	71,491	40,352	54,990	65,598
Iowa.....	70,000	23,900	50,000	62,500	50,000	56,810	43,500 (b)	50,000	37,600 (b)	49,000 (b)
Kansas.....	65,693	19,128	52,530	60,417	52,530	45,900	64,370	50,870	43,954	63,598
Kentucky.....	68,364	58,101	58,101	58,101	58,101	64,983	64,983	58,101	58,452	64,983
Louisiana.....	73,400	63,367	60,169	66,566	60,169	64,556	66,492	60,169	70,450	49,596 (b)
Maine.....	70,000	.....	47,154	56,366	44,926	39,613	51,739	49,404	48,761	50,346
Maryland.....	85,000	72,500	45,000	72,500	72,500	55,900	70,700	70,700	58,000	72,700
Massachusetts.....	85,000	70,000	70,000	75,000	70,000	72,155	77,962	56,037	58,912	66,612
Michigan.....	100,077	67,377	89,000	89,000	65,700	68,698	65,700	64,100	27,833 (b)	65,700
Minnesota.....	94,204	51,814	51,814	73,594	49,018	70,804	63,000	62,763	49,339 (b)	73,500
Mississippi.....	63,000	34,000	45,000	51,000	45,000	42,000	.....	45,000	41,000	57,939
Missouri.....	81,000	50,058	66,744	72,300	66,744	49,932	72,300	63,963	48,230	52,686
Montana.....	50,452	36,140	33,342	46,015	33,966	50,500	50,500	50,500	38,577	50,500
Nebraska.....	58,000	40,000	40,000	57,500	34,992	42,000	52,515 (jj)	54,590	60,770	48,924 (jj)
Nevada.....	77,500 (nn)	11,494	50,500 (nn)	57,471	49,000 (n)	39,282	55,344	43,613	46,350 (nn)	(c-6)
New Hampshire.....	68,005	.....	37,245 (b)	60,708	37,245 (b)	37,245 (b)	60,708	35,625 (b)	37,245 (b)	(c-6)
New Jersey.....	85,000	.....	90,000	90,000	90,000	90,000	72,050	90,000	90,000	85,000
New Mexico.....	63,000	40,425	40,425	46,200	40,425	51,604	58,814	58,814	45,609	50,220
New York.....	130,000 (rr)	110,000	83,179	110,000	(ss)	83,179	87,578	83,179	83,179	92,059
North Carolina.....	105,000	64,092	64,092	64,092	64,092	55,656	64,092	64,092	61,656	73,656
North Dakota.....	60,856	49,992	46,000	52,000	46,000	73,512	45,864	46,000	46,500	(vv)
Ohio.....	65,000	42,536	50,000	50,000	50,000	57,595	54,392 (b)	49,296 (b)	49,296 (b)	49,296 (b)
Oklahoma.....	70,000	40,000	37,500	55,000	50,000	62,736	56,780	48,300	60,420	58,900
Oregon.....	73,500	.....	55,000	60,996	55,000	52,848	74,316	58,224	52,848	64,248
Pennsylvania.....	85,000	67,500	58,000	65,000	58,000	58,000	65,000	58,000	58,000	65,000
Rhode Island.....	69,900	52,000	52,000	55,000	52,000	38,630 (b)	61,619 (b)	29,661 (b)	33,624 (b)	57,159 (b)
South Carolina.....	81,600	35,700	69,630	69,630	69,630	69,630	82,214	69,630	(c-4)	(c-6)
South Dakota.....	57,324	50,003	38,937	48,672	38,937	54,080	49,920	50,128	45,073	62,400
Tennessee.....	85,000	24,200	65,000	65,650	65,000	57,500	65,000	55,500	58,000	60,444
Texas.....	91,600	7,200	64,890	73,233	73,233	55,826	59,699	73,233	79,310	65,000
Utah.....	60,000	50,000	.....	49,000	45,000	38,628 (b)	43,242 (b)	36,498 (b)	43,242 (b)	40,883 (b)
Vermont.....	63,600	26,500	40,000	48,000	40,000	43,618	56,202	48,922	48,006	50,502
Virginia.....	85,000	20,000	53,085	75,000	65,000	56,624	83,250	67,614	80,523	79,869
Washington.....	83,800	45,000	46,300	63,800	62,050	72,492	75,408	75,408	57,480	98,000
West Virginia.....	72,000	.....	43,200	50,400	50,400	34,000	45,500	46,800	36,500	24,552 (b)
Wisconsin.....	86,149	46,360	42,089	73,930	42,089	60,000	85,850	69,286	57,529	57,119
Wyoming.....	70,000	.....	52,500	61,088	52,500	55,120	64,167	61,088	46,550	50,127
Dist. of Col. ....	83,010 (ooo)	.....	69,556	69,556	69,556	77,500	77,500	.....	69,556	69,556
American Samoa ..	50,000	45,000	.....	40,000	40,000	.....	33,000	33,000	30,000	40,000
Guam.....	50,000	45,000	.....	40,838	31,700	50,000	36,838	34,838	45,838	36,838
N. Marianas.....	50,000	45,000	.....	42,000	28,000	.....	36,000	25,000	30,000	36,000
Puerto Rico.....	45,000	.....	50,500	50,000	50,000	49,375	49,375	50,000	47,500	50,000
Virgin Islands.....	64,400	57,600	N.A.	55,000	N.A.	55,000	55,000	55,000	(c-1)	55,000

Source: The Council of State Governments' survey of state personnel agencies, 1987.

Note: The chief administrative officials responsible for each function were determined from information given by the states for the same function as listed in *State Administrative Officials Classified by Function 1987-88*, published by The Council of State Governments. Salary figures (as of January 1988) are presented as submitted by the states. When necessary, figures have been rounded to the nearest dollar.

Key:  
N.A.—Not available.  
D.A.—Does not apply.  
.....—No specific chief administrative official or agency in charge of function.

(a) Salary listed may be of military grade.  
(b) Minimum figure in range; top of range follows:  
Alabama, \$61,204; Comptroller, \$61,204; Computer services, \$61,204; Consumer affairs, \$48,906; Employment services, \$56,758;

General services, \$34,554; Parks and recreation, \$52,702; Purchasing, \$61,204; Solid waste management, \$48,906; State police, \$44,330; Transportation, \$56,758

California: Highways, \$70,536; Public library, \$54,276  
Connecticut: Adjutant general, \$66,630; Administration, \$87,547; Agriculture, \$66,630; Banking, \$70,370; Budget, \$62,887; Civil rights, \$70,370; Commerce, \$75,219; Community affairs, \$57,903; Computer services, \$70,370; Consumer affairs, \$75,219; Corrections, \$80,898; Education, \$87,547; Elections administration, \$55,906; Emergency management, \$50,424; Employment services, \$70,370; Environmental protection, \$80,898; Finance, \$87,547; Fish and wildlife, \$49,696; Health, \$80,898; Highways, \$70,370; Historic preservation, \$45,944; Insurance, \$70,370; Labor, \$75,219; Licensing, \$60,470; Parks and recreation, \$49,696; Personnel, \$70,370; Planning, \$66,630; Public library, \$66,630; Public utility regulation, \$78,447; Public welfare, \$80,898; Purchasing, \$70,370; Revenue, \$70,370; Social services, \$75,219; Solid waste management, \$53,754; State police, \$80,898; Tourism, \$47,785; Transportation, \$87,547



EXHIBIT 11  
 DATE 2-7-89  
 HB 357

Montana Education Association

1232 East Sixth Avenue • Helena, Montana 59601 • 406-442-4250

February 7, 1989

To: Members, House State Administration Committee  
 From: Eric Feaver, President, Montana Education Association  
 Re: Amendments to HB 357

On behalf of the MEA, I offer the following amendments:

Page 1, lines 14-25, by substitution

14	Governor	\$75,000
15	Lieutenant Governor	\$40,000
16	Chief Justice of the Supreme Court	\$60,000
17	Justices of the Supreme Court, each	\$55,000
18	Attorney General	\$50,000
19	State Auditor	
20		\$50,000
21	Superintendent of Public Instruction	\$50,000
22	Public Service Commission Chairman	\$45,000
23	Public Service Commissioners,	
24	other than chairman	\$40,000
25	Secretary of State	

Page 2, line 1, by substitution

1		\$50,000
---	--	----------

Thank you.

EF/sc

SECRETARY OF STATE  
STATE OF MONTANA

EXHIBIT 12

DATE 2-07-89

HB 357



Mike Cooney  
Secretary of State

February 6, 1989

Montana State Capitol  
Helena, Montana 59620

The Honorable John E. Phillips  
Montana State of Representatives  
State Capitol  
Helena, MT 59620

Dear Representative Phillips:

I want to take this opportunity to comment on your House Bill 357. This bill, which would raise the pay of the State Auditor and the Secretary of State, will be heard tomorrow before the House Committee on State Administration.

I knew what the salary of the Secretary of State would be when I asked the people of this State to elect me. Although your bill rightly recognizes that the salaries paid by this State to its elected officials are significantly less than the national or regional average, HB 357 addresses only the salary levels of two officials. It is my feeling that if the legislature wishes to tackle the issue of salary, then the process should be well defined, and the results based on some pre-determined criterion.

In addition, I believe it would be imprudent to proceed with a salary increase of the kind proposed in HB 357 unless language were added to the bill which would trigger the raise only when we are able to raise the pay of all state employees. Just as you have recognized an inequity in the salaries of elected officials, so has this state long recognized the outstanding contributions of the state's dedicated work force. It is time for all of us to move forward, together.

Representative Phillips, I do not intend to testify at the hearing tomorrow. However, I will have a member of my staff available for questions, and will be presenting copies of this letter to the members of the Committee, and for entry into the record.

I thank you for your thoughtfulness in addressing this issue, and I look forward to working with you toward a successful plan to address the inequity of state pay.

Sincerely,

A handwritten signature in cursive script that reads "Mike Cooney".

CC: Members of the House Committee on State Administration

Amendments to House Bill No. 171  
First Reading Copy

For the House Committee on State Administration

Prepared by Lois Menzies  
February 5, 1989

1. Title, line 8.

Following: "13-13-117"

Insert: ", 13-14-116,"

2. Page 1, lines 13 and 14.

Strike: "Except" on line 13 through "(3), a" on line 14

Insert: "A"

3. Page 1, line 15.

Following: "election"

Insert: ", except a person seeking election as a precinct  
committeeman in a primary election,"

4. Page 1, line 20.

Strike: "The"

Insert: "Except as provided in subsection (2), the"

5. Page 2.

Following: line 5

Insert: "(2) A declaration of intent may be filed after the  
deadline provided for in subsection (1) but no later than 5  
p.m. on the day before the election if less than 15 days  
before the election a candidate for the office that the  
write-in candidate is seeking:

(a) dies;

(b) withdraws from the election; or

(c) is charged with a felony offense."

Renumber: subsequent subsections

6. Page 2, lines 12 through 14.

Strike: subsection (4) in its entirety

7. Page 4.

Following: line 1

Insert: "Section 3. Section 13-14-116, MCA, is amended to read:

"13-14-116. Counting and canvassing of nonpartisan  
ballots. (1) After closing the polls, the election officers  
shall separately count, canvass, record, and certify  
nonpartisan ballots, showing the number of votes cast for  
each person, except as provided in 13-15-202.

(2) Nonpartisan ballots, stubs, and unused ballots  
~~shall must~~ be disposed of in the same manner as other  
ballots, stubs, and unused ballots. Returns ~~shall must~~ be  
made as provided by law.""

Renumber: subsequent sections

EXHIBIT 14  
DATE 2-07-89  
HE 407

Amendments to House Bill No. 407  
First Reading Copy

For the House Committee on State Administration

Prepared by Lois Menzies  
February 6, 1989

1. Title, line 7.  
Following: "AND"  
Insert: "CERTAIN"

2. Page 7, line 14.  
Following: "year"  
Insert: "that: (i)"

3. Page 7, line 15.  
Following: the first "ballot"  
Insert: " ; "  
Following: "or"  
Insert: "(ii)"  
Following: "issue"  
Insert: "subject to a referendum submitted by the legislature or  
the people is or"

Amendments to House Bill No. 101  
First Reading Copy

For the House Committee on State Administration

1. Title, line 5.  
Strike: "WARRANTS ISSUED"  
Insert: "PAYMENTS MADE"
2. Title, line 6.  
Strike: "AND MAILED TO"
3. Title, line 7.  
Strike: "AND"
4. Title, line 8.  
Following: The first "OF"  
Insert: "RECEIPT OR"  
Strike: "WARRANT" through "ENTITY"  
Insert: "PAYMENT; AND REQUIRING A COUNTY FINANCE OFFICER TO  
NOTIFY THE COUNTY CLERK AND RECORDER UPON RECEIPT OF A  
PAYMENT OR NOTICE"
5. Page 1, line 22.  
Strike: "warrants issued"  
Insert: "payments made"  
Strike: "the"  
Insert: "a"  
Strike: "auditor"  
Insert: "agency"
6. Page 1, line 25.  
Strike: "warrant"  
Insert: "payment"
7. Page 2, line 1.  
Strike: "state auditor"  
Insert: "finance officer"
8. Page 2, lines 2 and 3.  
Strike: ", " on line 2 through ", " on line 3 .
9. Page 2, line 3.  
Strike: "issuance"  
Insert: "receipt"  
Strike: "warrant"  
Insert: "payment"
10. Page 2, line 5.  
Strike: "warrant"  
Insert: "payment"
11. Page 2, line 7.  
Strike: "auditor"

Insert: "agency"

12. Page 2, line 8.

Strike: "of" through "warrant"

Strike: "auditor"

Insert: "agency"

13. Page 2, line 9.

Strike: "and mail"

Strike: "warrant"

Insert: "claim"

14. Page 2, line 10.

Strike: "auditor"

Insert: "agency"

15. Page 2, line 11.

Strike: "warrant"

Insert: "payment"

16. Page 2, line 12.

Strike: "warrant"

Insert: "payment"

Strike: "mailed"

Insert: "issued"

17. Page 2.

Following: line 12

Insert: "(4) If a finance officer of a county receives a payment under subsection (2) or a notice of issuance under subsection (3), he shall notify the county clerk and recorder that the payment or notice has been received."





VISITORS' REGISTER

STATE ADMINISTRATION COMMITTEE

BILL NO. HB 421

DATE February 7, 1989

SPONSOR REP. R. NELSON

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Alice Otten	Retired Teachers Assn	✓	
Tom Blodgett	Teachers Rt. Brch	✓	
Clare Thomas	Retired Teachers	✓	
Gene W Long	S.A.M.	-	
William C Howard	Retired Teachers	✓	
Dennis Hemmen	Retired Teachers	✓	
Helen Martin	Retired Teacher	✓	
W.D. Cooper	Retired Teachers	✓	
Owen Warren	AARP	✓	
Les Bray	Ass of mt. Retired Public Emp	✓	
Dick Williams	"	✓	
Roy Kallies	Retired Teachers	✓	
Bill Kowczek	Retired Teachers	✓	
Jack E. Cohn	Retired Teachers	✓	
William W Bennett	Retired Teacher	✓	
Larry Nachtsein	PERD	✓	
Bob Gow	Ass. of Mt. Ret. Pub. Empls	✓	
Ther Owens	AMRPF	✓	
David Sam	Teachers Retirement		
Eric Sam	MEA	✓	
Tom Schrader	MPER	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

TOM BLODEAU  
CS-33 J. HENRY BADI

MEA  
MACSS

✓  
✓

ROLL CALL VOTE

STATE ADMINISTRATION

COMMITTEE

DATE 2-7-89

BILL NO. HJR 16

NUMBER 1

NAME	AYE	NAY
Jan Brown	✓	
Helen O'Connell	✓	
Vicki Cocchiarella		✓
Ervin Davis		✓
Floyd "Bob" Gervais		✓
Janet Moore	✓	
Angela Russell	✓	
Carolyn Squires		✓
Vernon Westlake		✓
Timothy Whalen	✓	
Bud Campbell	✓	
Duane Compton	✓	
Roger DeBruycker	✓	
Harriet Hayne	✓	
Richard Nelson	✓	
John Phillips	✓	
Rande Roth	✓	
Wilbur Spring, Jr.	✓	

TALLY

12      5

Judy Biergraft  
Secretary

Jan Brown  
Chairman

MOTION: As Passed as amended

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





ROLL CALL VOTE

STATE ADMINISTRATION

COMMITTEE

DATE Feb. 7, 1989 BILL NO. HB 407 NUMBER 1

NAME	AYE	NAY
Jan Brown	✓	
Helen O'Connell	✓	
Vicki Cocchiarella	✓	
Ervin Davis	✓	
Floyd "Bob" Gervais	✓	
Janet Moore	✓	
Angela Russell	✓	
Carolyn Squires	✓	
Vernon Westlake	✓	
Timothy Whalen	✓	
Bud Campbell		✓
Duane Compton		✓
Roger DeBruycker		✓
Harriet Hayne		✓
Richard Nelson		✓
John Phillips		✓
Rande Roth		✓
Wilbur Spring, Jr.		✓

TALLY

10    5

Judy Burzgraff  
Secretary

Jan Brown  
Chairman

MOTION: as amended De Pass

---



---



---



---



---

ROLL CALL VOTE

STATE ADMINISTRATION

COMMITTEE

DATE 2-07-89

BILL NO. HB 101

NUMBER 1

NAME	AYE	NAY
Jan Brown		✓
Helen O'Connell		✓
Vicki Cocchiarella		✓
Ervin Davis		✓
Floyd "Bob" Gervais		✓
Janet Moore		✓
Angela Russell		✓
Carolyn Squires		✓
Vernon Westlake		✓
Timothy Whalen		✓
Bud Campbell	✓	
Duane Compton	✓	
Roger DeBruycker	✓	
Harriet Hayne	✓	
Richard Nelson	✓	
John Phillips	✓	
Rande Roth		✓
Wilbur Spring, Jr.	✓	

TALLY

7      11

Judy Burroughs  
Secretary

Jan Brown  
Chairman

MOTION: Substitute motion  
Do Not Pass

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ROLL CALL VOTE

STATE ADMINISTRATION

COMMITTEE

DATE 2-07-89 BILL NO. HB 101 NUMBER 2

NAME	AYE	NAY
Jan Brown	✓	
Helen O'Connell	✓	
Vicki Cocchiarella	✓	
Ervin Davis	✓	
Floyd "Bob" Gervais	✓	
Janet Moore	✓	
Angela Russell	✓	
Carolyn Squires	✓	
Vernon Westlake	✓	
Timothy Whalen	✓	
Bud Campbell	✓	
Duane Compton		✓
Roger DeBruycker		✓
Harriet Hayne		✓
Richard Nelson		✓
John Phillips		✓
Rande Roth	✓	
Wilbur Spring, Jr.		✓

TALLY 12      4

Judy Burggraf  
Secretary

Jan Brown  
Chairman

MOTION: Do Pass As Amended.

---



---



---



---



---