

11:00 a.m.  
March 21, 1977

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

The meeting of the State Administration Committee was called to order by Chairman Thomas Towe on the above date in Room 410 of the State Capitol Building.

ROLL CALL: All members were present.

CONSIDERATION AND DISPOSITION OF HOUSE BILL 804.

Representative Helen O'Connell, District 34, stated she was chief sponsor of this bill. She stated in 1975 when the public employees were given the right to run for public office they left out some public employees, such as Highway Patrol and Fish and Game. This bill will include all public employees to participate in the Public Retirement System. She stated this would be retroactive to include this legislative session, January 3, 1977, so they will not lose that time.

She stated one of the reasons this was brought to her attention is they have a Representative who was a highway patrolman. After he got here he learned he wasn't involved in this. So they decided to put in a bill to cover all employees. This would be paid out of pocket and not by payroll.

Senator Roskie moved that HB 804 Be Concurred In. Senator Devine seconded. All were in favor.

Senator Roskie will carry the bill on the floor.

CONSIDERATION OF HOUSE BILL 719.

Representative Mike Meloy, District 29, is the chief sponsor of this bill. He stated two years ago the Legislature passed a bill which standardized the reimbursement of employees. In that bill they included sections which had in them different payments for travel, lodging and food. There were a number of sections that were missed. HB 719 brings into conformance the intent of the Legislature. He stated he was asked to carry this bill.

Senator Roskie stated they wrestled with the mileage thing on another bill. Is there anything in this bill relating to this?

Representative Meloy stated this would not affect this at all. He stated the only substantive change is 538-539, but it is really only designed to conform to the changes made in 1975.

Senator Blaylock made a motion that this bill Be Concurred In. However, the committee wanted to amend 62-1927 to clarify payments to board members. Chairman Towe stated that this bill would be held up until John Hollow could draft language for this matter.

Hearing closed on HB 719.

#### CONSIDERATION OF HOUSE BILL 741.

Representative Russell Baeth, District 15, stated HB 741 deals with retirement for the Fish and Game between the PERS and Game Warden retirement system.

Wes Woodgerd representing the Fish and Game spoke in favor of the bill. His testimony is attached. (Exhibit #1)

Tom Schneider, MPEA, stated he represents the game wardens and was involved in the drafting of this piece of legislation. It is exactly as Wes Woodgerd has stated. He stated it is necessary in a death or remarriage to allow for a beneficiary to be changed and this bill allows for this. If an employee who is already under PERS goes under law enforcement, he will be able to continue under the PERS system. He urged concurrence of this bill.

Chairman Towe stated a new person hired as a game warden must go under the Warden Retirement System. What about the person who has prior state experience and then is hired as a game warden?

Mr. Woodgerd stated if he has prior state experience then he probably has investment in PERS and he will be able to stay there.

Senator Roskie asked if there were significant differences or possible advantages of one system over another?

Mr. Woodgerd stated the warden retirement system had a number of advantages over PERS. There have been improvements in PERS so the two systems are coming close and closer together and now there is really not that much difference.

Chairman Towe asked the difference between the game wardens and PERS. The State puts in 7% for PERS and what does the State put in for the game wardens?

Mr. Schneider stated 6%.

Chairman Towe asked what does the employee put in?

Mr. Schneider stated 6% PERS and 7% game warden.

Senator Story asked what does this bill do to the other bill in the House?

Mr. Woodgerd stated there is no affect on it.

Chairman Towe stated the figure on page 5 (7%) if the other bill passes this will jump to 11% for the employer. Employee contributions will stay the same.

Tom Schneider stated the bill does not take money out of other funds. If a game warden is paid out of anything but earmarked revenue funds then he is ineligible for the retirement system. If the employee is paid out of earmarked funds then employee contributions will come out of earmarked funds.

Senator Devine stated the difference of 11% and 7% is 4%. Where does that come from.

Mr. Schneider stated that comes totally out of earmarked funds and forfeitures.

Hearing closed on House Bill 741.

#### CONSIDERATION OF HOUSE BILL 765.

Representative John Driscoll, District 91, is the chief sponsor of this bill. This bill consists of two parts. (1) Effort on the part of the Teachers' Retirement System to bring this up to snuff so that this will continue in its priviledged exempt status. (2) Page 16 - this is his main purpose of introducing the bill. Lines 9 - 17 you will find language for a teacher who has been teaching for 30 or more years will be able to retire and collect a partial retirement at the end of those 30 years. This will allow them to collect the retirement and will allow no fiscal impact.

Representative Driscoll introduced Elton Hendrickson representing Teacher's Retirement Board.

Mr. Hendrickson stated the IRS has legislation on the books that states all retirement systems must meet their standards before they will be qualified. He stated most of the states have taken the position of forget IRS so they were not concerned about it. However, the IRS did go into Missouri and did give them a limited number of days to get their plan qualified or they would be disqualified. They were retained by the Teachers' Retirement to get this into a qualified plan.

A plan was submitted to the IRS. You will find that the changes in the bill have been put in by the IRS. They have been assured that if this bill does pass it will be deemed as a qualified plan. Page 3 provides for part-time persons. In determining the benefits you must use at least a 3-year average period. This also provides that if someone becomes disabled his earnings will be used to determine his salary. On page 5 full-time services is more clearly defined than it has been in the past. It does provide if a person works a normal working period then they will get credit for one year. Part-time service is anything less than 9 months. On page 24-25 this is a change that can have an impact on the system but it is

a minor impact. They have to have a child under the age of 18 and must be retired. It is their findings that there will be a very minimal cost under this provision.

He stated these are most of the changes they needed to put in before they could get approval of the plan. With the passage of this bill the IRS will take the position that this is a qualified plan.

Senator Devine asked what is the definition of a part-time teacher?

Mr. Hendrickson stated by this bill it will be someone who works less than 9 months of a year.

Senator Jergeson stated he does a little bit of student teaching. Does he have to elect to come under this system?

Mr. Hendrickson stated if you work 30 days, you are under it.

Chairman Towe asked on page 11, lines 5-9, does this mean that we would not be able to provide that the monies in the retirement system can be invested in the State of Montana?

Mr. Hendrickson stated if that wording were put in it might be qualified.

Hearing closed on HB 765.

#### HOUSE BILL 745.

Representative Harold Gerke, District 62, recommended that the committee hang on to the bill pending the outcome of House Bill 122. This bill was introduced because they felt it should go along with HB 122. He stated if it was agreeable with the committee he would like to research this and then come back at a later date. He stated he didn't feel they needed the bill but there will be others who feel they do.

Al Samson stated they have no problem with holding the bill for further study. He feels there may be a problem if the bill does die. What will happen to the pension systems in Butte and elsewhere?

Dan Mizner stated if the bill goes through as is, page 2, line 22, this will put the pension laws affecting Lewistown and Glasgow immediately into second class cities. He would like this amended to 7500 instead of 5000. The same for page 3, lines 3 and 8. On page 3, line 9, this would be changed to 2500 and this would automatically become a third class city.

Chairman Towe stated they would not take action on the bill until they heard from Representative Gerke. They will not have another hearing on this bill but will hear Mr. Gerke before they take action.

Hearing Closed on HB 745.

HOUSE BILL 68.

Senator Roskie submitted the following amendments:

1. Amend page 16, section 14, lines 4 and 5.

Following: "appropriate"

Strike: "from the general fund of the county not to exceed  
~~fifteen-thousand-dollars-(\$15,000)~~ per year"

Insert: "funds"

2. Amend page 16, section 14, lines 7 and 8.

Following: "wages"

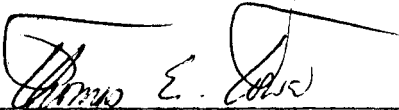
Strike: "to skilled operators of heavy mechanized equipment"

Senator Roskie will present this as an amendment on the floor.

HOUSE BILL 90.

Senator Jergeson suggested that they hold the Standing Committee Report until they hear what happens to House Bill 401.

ADJOURN: There being no further business, Chairman Towe adjourned the meeting at 12:30 p.m.

  
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THOMAS E. TOWE, CHAIRMAN

State Adm. COMMITTEE

Date 3-21-77

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SENATE STATE ADMINISTRATION COMMITTEE

BILL

## VISITORS' REGISTER

DATE 3/21/77

[illegible]

*Exhibit #1*

Statement in Support of HB 741  
Department of Fish & Game -- Wes Woodgerd, Consultant

The proposed legislation does some necessary housekeeping things. It strikes "in the earmarked revenue fund" wherever it occurs in the present statute.

When the law was enacted, wardens were paid entirely from this fund. Now with federal programs becoming more available, some of their salary is cost-shared with the Federal and Private Revenue Account. The proposed amendment makes this possible and legal.

Approval of this will would also solve a problem we have with transfer of employees between divisions. The current law does not allow anyone employed as a warden to belong to any other retirement system nor does it allow anyone who transfers from the enforcement division to continue in the warden retirement program.

The current law has caused problems with nomination of beneficiary. Presently there can be no reassignment after the time of retirement. This item has been of real concern and operates unfairly to retirees who for some reason wish to change beneficiaries after retirement.

All in all, we consider this bill to be needed legislation and urge its favorable consideration.



## COMMITTEE OF THE WHOLE AMENDMENT

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. 68, third reading, as follows:

1. Amend page 16, section 14, lines 4 and 5.

Following: "appropriate"

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~~fifteen-thousand-dollars-(\$15,000)~~ per year"

Insert: "funds"

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A handwritten signature, possibly "J. R. ...", is visible at the bottom right of the page.

# STANDING COMMITTEE REPORT

March 21

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MR. President

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE Bill No. 804

Respectfully report as follows: That HOUSE Bill No. 804

BE CONCURRED IN

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