

STATE ADMINISTRATION
JANUARY 15, 1981
RM 436

The meeting of the House State Administration Committee was called to order at 8:00 a.m. on January 15, 1981 with Chairman Jerry Feda presiding. All members were present except representative Azzara who was absent.

Chairman Feda opened the hearing on House Bill 23.

HOUSE BILL 23-SPONSOR, REPRESENTATIVE GENE DONALDSON, introduced the bill to the committee. This bill terminates the state airplane pool by removing some of the Department of Community Affairs' aeronautical powers and duties and requires the department to transfer, retain, or sell certain airplanes and hangars. Representative Donaldson passed out a copy of proposed amendments to HB 23 and a copy of the bill as it would read with the amendments. This proposal is attached and is EXHIBIT 2 of the minutes.

PROPOSONENTS

DAVE WANZENRIED, Dept. of Community Affairs, stated their support of the bill with the proposed amendments.

LEE BAKER, Montana Pilots Assoc., arose in support of the bill but felt that a couple things should be pointed out to the committee. He said that the trade in of the "Queen Air" was purchased with trust fund money and aviation fuel tax money. He stated that the pilots would like to see the value of the "Queen Air" given back to the trust fund. He said that in a meeting with the Department of Community Affairs and the Office of Budget and Program in September, they agreed that this value would be \$76,000. Another point, he stated, concerned a T-41 Cessna that was returned to the aeronautics division that had a reserve account of \$7,378 that went to the airplane pool when the account was transferred over but has not been returned.

There were no other proponents testifying on HB 23.

OPPONENTS

There were no opponents to House Bill 23.

Chairman Feda opened the hearing to questions from the committee.

Representative Sales asked Mr. Baker how the pilots

feel about doing away with the airplane pool. Mr. Baker said they were all for it but they would like to get some of the money back into their account.

Also discussed was the uses of the money in the account.

Representative Donaldson, in reply to Mr. Baker's statement about replacement of funds, said that they had asked the aeronautics division for a paper accountability of this thing but they never received one.

Brian McCullah, Centralized Services Division Dept. of Community Affairs, answered some questions for the committee concerning the reserve account and how they arrived at the figures.

Representative Donaldson closed on House Bill 23

Chairman Feda opened the hearing on House Bill 115.

HOUSE BILL 115-SPONSOR, REPRESENTATIVE NORDTVEDT, introduced the bill to the committee. Currently the Public Employees' and Teachers' Retirement Boards are authorized to set the rate of regular interest for the retirement systems. This bill removes the authority of the board to set this rate and defines regular interest as the interest rate earned on the overall portfolio for the retirement fund in the previous fiscal year minus administrative expenses. Representative Nordtvedt said that the reason for this bill is simple equity. A fiscal note (EXHIBIT 3) is attached.

PROPOSERS

TOM SCHNEITER, Montana Public Employee's Assoc., submitted written testimony to the committee. A copy is attached and is EXHIBIT 4 of the minutes.

HOWARD REINHARDT, representing the University Teachers' Union, expressed support for HB 115. He stated that if employees are forced to invest in the teachers' retirement system they should receive the highest possible interest.

There were no other proponents testifying on HB 115.

OPPONENTS

LARRY NACHSHIEM, P.E.R.D., submitted testimony in opposition to HB 115. A copy is attached and is EXHIBIT 5 of the minutes.

BOB JOHNSON, Montana Teachers' Retirement Assoc., gave testimony in opposition to HB 115. He said that HB 115 would have two effects on the Teachers' Retirement System. The first, he stated, would be increased payments to members who will terminate membership and withdraw their accounts, (the costs of which are shown on the fiscal note). The second effect would be to increase the dollar amount of refunds of retired members who have died prior to receiving their account balance. In addition, he stated, the investment philosophy of the retirement system is that of a long term nature. Refunds of member deposits are usually made to members who have been employed for a relatively short period of time, the average being around 2¹/₂ years. This bill could guarantee a long term interest rate to short term members. He stated that for these reasons and the increased cost of the bill they are in opposition to HB 115.

There were no other opponents to House Bill 115.

Chairman Fedas opened the hearing for questions from the committee.

Discussion of the bill followed.

Representative Nordtvedt closed on House Bill 115.

Chairman Fedas opened the hearing on House Bill 125.

HOUSE BILL 125-SPONSOR, REPRESENTATIVE BARDANOUVE, introduced the bill to the committee. Currently highway patrolmen's salaries must be paid from the Department of Highways' account in the earmarked revenue fund. This bill makes payment from this fund permissive rather than mandatory. He stated that with a 15 to 20 percent inflation problem and only a 3 or 4 percent growth in income the department has run into some problems.

PROPOSERS

JIM MANION, Montana Auto Assoc., arose and stated their support of the bill.

There were no other proposers to House Bill 125.

OPPOSERS

There were no opposers to House Bill 125 present.

Chairman Feda opened the hearing to questions from the committee.

Brief discussion by the committee followed.

Representative Bardanouve closed on House Bill 125.

Chairman Feda opened the hearing on House Bill 122.

HOUSE BILL 122-SPONSOR, REPRESENTATIVE HAL HARPER, explained the bill to the committee. This bill provides that the distribution of revenue generated by a 1 cent increase in the gasoline license tax and the tax on diesel fuel and volatile liquids as provided in section 5 of chapter 632, laws of 1979, will be effective for fiscal years 1980 and 1981 only. He stated that the only purpose of this bill is to correct an incorrect reference that was overlooked in the original bill.

PROPOSERS

There were no proposers to House Bill 122.

OPPOSERS

There were no opposers to House Bill 122.

Chairman Feda opened the hearing to questions from the committee.

A clarification of the revision was called for by representative Mueller. Representative Harper went over the revision again.

Following brief discussion by the committee, Representative Harper closed on House Bill 122.

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JANUARY 15, 1981
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EXECUTIVE SESSION

HOUSE BILL 81

DO NOT PASS

Representative Mueller made a motion that House Bill 81 DO NOT PASS. The motion was seconded by Representative Winslow.

Discussion followed. It was stated during discussion that this bill would only add more bureaucratic paper work to these business' and that a better method of controlling the quality of service can be found.

Question being called, a vote was taken and carried 16 YES and 2 NO with one absent. Representatives Hanson and Kanduch voted NO.

HOUSE BILL 139

DO PASS

Representative O'Connell made a motion that House Bill 139 DO PASS. The motion was seconded by Representative Smith. Question being called, a vote was taken and carried unanimously that HB 139 DO PASS.

HOUSE BILL 117

DO NOT PASS

Representative Briggs recommended that the committee give a DO PASS to HB 117. Representative Kropp agreed with this motion.

Discussion of the fiscal impact of the bill followed.

Question being called, a roll call vote was taken. Motion failed 6 YES and 12 NO and 1 absent.

Representative McBride made a motion to reverse the decision. Motion carried unanimously.

HOUSE BILL 23

DO PASS AS AMENDED

Representative Sales made a motion to adopt the proposed amendments. (A final copy of the amendments is attached to the minutes and is EXHIBIT 6.) Representative Kropp seconded the motion.

Lois Menzies, Researcher, went through the amendments with the committee for clarification.

A vote was taken and carried unanimously to accept the amendments.

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JANUARY 15, 1981
Page 6

EXECUTIVE SESSION (CONT.)

Representative Sales made a motion that House Bill 23 DO PASS AS AMENDED. Representative Briggs seconded the motion. Question being called, a vote was taken and carried unanimously.

HOUSE BILL 115

DO NOT PASS

Representative O'Connell made a motion that House Bill 115 DO NOT PASS. Representative Mueller seconded the motion.

Representative McBride suggested to the committee that action on the bill be held off until the committee could have an actuary come in and explain the public retirement system. Representative Dussault agreed that she hesitated to make judgements when she has so little knowledge of the subject.

Question was called and a vote taken on the motion that HB 115 DO NOT PASS. Motion carried with 14 YES and 4 NO and 1 absent. Representatives Spilker, Sales and Dussault voted NO.

HOUSE BILL 122

DO PASS

Representative Kanduch made a motion that House Bill 122 DO PASS. Representative O'Connell seconded the motion. Question was called and a vote taken. Motion carried unanimously.

A motion was made to adjourn. Meeting adjourned at 10:35 a.m., next meeting to be held at 8:00 a.m., January 16, 1981 at the S.R.S. auditorium.

Respectfully submitted,



Rep. G. C. "Jerry" FEDA, Chairman

Cathy Martin-Secretary

HOUSE STATE ADMINISTRATION

BILL SUMMARIES

January 15, 1981

- HB 23 (DONALDSON): This bill, requested by the Legislative Finance Committee, terminates the state airplane pool by removing some of the Department of Community Affairs' aeronautical powers and duties and requires the department to transfer, retain, or sell certain airplanes and hangars.
- HB 115 (NORDTVEDT): Currently the Public Employees' and Teachers' Retirement Boards are authorized to set the rate of regular interest for the retirement systems. This bill removes the authority of the board to set this rate and defines regular interest as the interest rate earned on the overall portfolio for the retirement fund in the previous fiscal year minus administrative expenses.
- HB 122 (HARPER): This bill provides that the distribution of revenue generated by a 1 cent increase in the gasoline license tax and the tax on diesel fuel and volatile liquids as provided in section 5 of chapter 632, laws of 1979, will be effective for fiscal years 1980 and 1981 only.
- HB 125 (BARDANOUE): Currently highway patrolmen's salaries must be paid from the Department of Highways' account in the earmarked revenue fund. This bill makes payment from this fund permissive rather than mandatory.

AMENDMENTS TO HB 23

Page 1, line 6
Following: "POOL"
Strike: "AND"
Insert: ", "

Page 1, line 7
Following: "HANGARS"
Strike: ";"
Insert: "AND APPROPRIATIONS TO ALLOW TERMINATION;"
Page 1, line 10
Following: "airplanes"
Strike: "and"
Insert: ", "

Page 1, line 7
Following: "MCA"
Strike: "."
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Page 1, line 11
Following: "hangars"
Strike: "."
Insert: ", and cash balances."

Page 1, line 22
Following: (3)
Strike: "travel"
Insert: "convey to the office"

Page 1, line 22 through line 23
Following: "governor"
Strike: "and" and line 23 through "designate"

Page 1, line 24 through page 2, line 2
Following: "Duke"
Strike: "or" through "basis;"
Insert: "."

Page 2, line 3 and line 4
Following: "(4)"
Strike: "dispose of, at the best terms available to the state and at not less than their appraised value,"
Insert: "convey to the aeronautics division of the department of community affairs"

Page 2, line 5
Following: "Bonanza"
Strike: "and regular use Cessna 180 airplanes,"

Page 2, line 6 through line 8

Following: "pool,"

Strike: "with the proceeds of the sale to be applied to reduce the balance of the loan from the aviation fuel tax fund to the state airplane pool."

Insert: "and \$38,888 from the airplane capital replacement account."

Page 2

Following: Line 8

Insert: "(5) convey to the department of natural resources the regular Cessna 180, serial number 18052167."

(6) Deposit all remaining cash from operations and capital replacement accounts into the general fund after airpool debts, excluding the loan to the aviation fuel tax earmarked revenue account, are paid."

Page 3,

Following: line 1

Insert: "NEW SECTION. Section 3. Appropriating funds to repay the state airplane pool loan.

General fund of \$158,039 is appropriated to repay the airpool loan from the aviation fuel tax earmarked revenue account of the aeronautics division within the department of community affairs.

"NEW SECTION. Section 4. Appropriating travel money to the Governor's office.

General fund of \$45,000 is appropriated to the Governor's office to pay for maintenance, Duke loan payments, one pilot, and related travel costs of operating the Duke for the remainder of fiscal 1981.

"NEW SECTION. Section 5. Effective Date. This bill is effective upon passage and approval."

amend

A BILL FOR AN ACT ENTITLED: "AN ACT TO TERMINATE THE STATE AIRPLANE POOL, TO AUTHORIZE SALE OR TRANSFER OF CERTAIN AIRCRAFT AND HANGARS, AND APPROPRIATIONS TO ALLOW TERMINATION, REPEALING SECTIONS 67-2-203, 67-2-204, 67-2-205, MCA IN THEIR ENTIRETY; AMENDING SECTION 67-2-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Disposal of airplanes, hangars, and cash balances.

(1) convey to the department of fish, wildlife, and parks the special-use Cessna 180 airplane and two hangars, all of which were acquired under House Bill 921, Laws of 1979, for the consideration of \$61,774, less depreciation since June, 1979, such funds to be deposited in the general fund;

(2) convey to the department of highways the hangar acquired under House Bill 921, Laws of 1979, for a consideration of \$61,230, less depreciation, since June, 1979, such funds to be deposited in the general fund;

(3) convey to the office of the governor the twin engine, pressurized-cabin plane known as the Duke;

(4) convey to the aeronautics division of the department of community affairs the Bonanza, heretofore part of the state airplane pool, and \$38,888 from the airplane capital replacement account;

(5) convey to the department of natural resources the regular Cessna 180, serial number 18052167;

(6) deposit all remaining cash from operations and capital replacement accounts into the general fund after airpool debts, excluding the loan to the aviation fuel tax earmarked revenue account, are paid.

Section 2. Section 67-2-202, MCA, is amended to read:

67-2-202. Rules enforcement. The department is hereby delegated the power and authority to formulate and enforce reasonable rules governing the use and operation of all airplanes under control of the department.

NEW SECTION. Section 3. Appropriating funds to repay the state airplane pool loan.

General fund of \$158,039 is appropriated to repay the airpool loan from the aviation fuel tax earmarked revenue account of the aeronautics division within the department of community affairs.

NEW SECTION. Section 4. Appropriating travel money to the governor's office.

General fund of \$45,000 is appropriated to the governor's office to pay for maintenance, Duke loan payments, one pilot, and related travel costs of operating the Duke for the remainder of fiscal 1981.

amend
NEW SECTION. Section 5. Repealer. "Section 67-2-203 through section 67-2-205, MCA are repealed."

NEW SECTION. Section 6. Effective Date. This bill is effective upon passage and approval.

AMENDMENTS TO HB 23

Page 1, line 6
Following: "POOL"
Strike: "AND"
Insert: " , "

Page 1, line 7
Following: "HANGARS"
Strike: " ; "
Insert: "AND APPROPRIATIONS TO ALLOW TERMINATION; REPEALING
SECTIONS 67-2-203, 67-2-204, AND 67-2-205, MCA IN THEIR ENTIRETY;"

Page 1, line 7
Following: "MCA"
Strike: " . "
Insert: " ; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE. "

Page 1, line 10
Following: "airplanes"
Strike: "and"
Insert: " , "

Page 1, line 11
Following: "hangars"
Strike: " . "
Insert: " , and cash balances. "

Page 1, line 22
Following: (3)
Strike: "travel"
Insert: "convey to the office"

Page 1, line 22 through line 23
Following: "governor"
Strike: "and" and line 23 through "designate"

Page 1, line 24 through page 2, line 2
Following: "Duke"
Strike: "or" through "basis;"
Insert: " . "

Page 2, line 3 and line 4
Following: "(4)"
Strike: "dispose of, at the best terms available to the state and at not less
than their appraised value,"
Insert: "convey to the aeronautics division of the department of com-
munity affairs"

Page 2, line 5
Following: "Bonanza"
Strike: "and regular use Cessna 180 airplanes,"

Page 2, line 6 through line 8

Following: "pool,"

Strike: "with the proceeds of the sale to be applied to reduce the balance of the loan from the aviation fuel tax fund to the state airplane pool."

Insert: "and \$38,888 from the airplane capital replacement account."

Page 2

Following: Line 8

Insert: "(5) convey to the department of natural resources the regular Cessna 180, serial number 18052167."

(6) Deposit all remaining cash from operations and capital replacement accounts into the general fund after airpool debts, excluding the loan to the aviation fuel tax earmarked revenue account, are paid."

Page 3,

Following: line 1

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General fund of \$45,000 is appropriated to the Governor's office to pay for maintenance, Duke loan payments, one pilot, and related travel costs of operating the Duke for the remainder of fiscal 1981.

NEW SECTION. Section 5. Repealer. Section 67-2-203 through section 67-2-205, MCA are repealed."

NEW SECTION. Section 6. Effective Date. This bill is effective upon passage and approval."

Part 3

STATE OF MONTANA

REQUEST NO. 67-81

FISCAL NOTE

Form BD-15

In compliance with a written request received 1-11, 19 80, there is hereby submitted a Fiscal Note for H.B. 115 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF LEGISLATION:

H.B. 115 sets the interest rate credited to employee contribution based on the yield earned by the system in the previous year.

Assumption: 1. Assume yield remains the same over next two years at 8.78%.
2. Present interest rate 7.50%
3. Increase in interest refunded \$100,889 per year.

FISCAL IMPACT

The cost to the retirement fund over the next two years could be in excess of \$300,000. In addition, there would be increased liability for lump sum death payments and refund of the balance of a member account on a regular retirement which will be approximately \$311,000 per fiscal year.

PUBLIC EMPLOYEES:

	<u>FY 82</u>	<u>FY 83</u>	<u>Total</u>
Cost to the Retirement System	\$ 411,000	\$ 512,000	\$ 923,000

TEACHERS:

Cost to the Retirement System	\$ 50,782	\$ 56,369	\$ 107,151
Total Cost			<u>\$1,030,151</u>

COMMENT:

The retirement funds will be, over the next several years, refunding at a higher rate, however, should the yield earned by the fund decrease, the interest credited could be greater than the interest being earned.

Daniel M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

PUBLIC

January 15, 1981

EMPLOYEES**ASSOCIATION**

TO: The State Administration Committee
FROM: Thomas E. Schneider, Executive Director
RE: House Bill 115

The Montana Public Employees Association would like to express its support for House Bill 115. Over the past year many attempts have been made to get the Retirement Board to set the interest rate closer to the rate earned by the system. During the sixteen year that I worked for the Teachers Retirement System the Board had a rule of thumb of setting the interest at $\frac{1}{2}\%$ below the earned rate but as you can see from the fiscal note PERD currently earns 1.28% above the credited rate and that is only after much pressure to raise the present rate to 7.5%.

FISCAL NOTE

The fiscal note attached to this bill is grossly in error. It further is written in such a way as to confuse the figures which are presented. First of all 3. under Assumption must be the increase in interest which PERD would be required to pay out. I went to the PERD actuary and using my calculations the figure would be more like \$ 49,000 the first year. I think this is born out by the fact that the TRD would pay out \$ 50,782 the first year.

Secondly, the cost shown for FY 82 and FY 83 for PERD must be the increase in credited interest and not the amount the system would actually pay out. Credited interest is not anything more than a paper cost unless the member withdraws as retirement is calculated on years of service and average salary and NOT on the amount of money in the retirees account.

Eastern Region

(Mailing Address) 502 Nelson
Billings, Montana 59102
(Phone) (406) 652-3530

Western Region

(Mailing Address) 1420 Jackson
Missoula, Montana 59801
(Phone) (406) 728-4768



Thirdly, the fiscal note doesn't even reflect the fact that the system will recover a large amount of the increase paid out by this bill by the fact that when employees who have withdrawn return to work and choose to replace the amount withdrawn including interest plus they must also pay the system the interest which would have been credited had the money not be withdrawn in the first place. IN OTHER WORKS IF THE INTEREST RATE IS HIGHER the amount replaced will be higher thus when you consider that some 1800 employees have chosen to replace money withdrawn in just the past couple of years must of the cost being stated in this fiscal note will be recovered.

MPEA has been a staunch protector of the retirement funds and an active supporter of adequate funding for them since the inception of the systems. We do not feel that this is a raid on the fund. It makes sense to pay the employees who leave public service the amount that their money earned. REMEMBER, the fund still retains both the employer contribution and the interest earned on it. ALSO, the investment board is currently earning at a rate close to 15%. So we can look at a first year employee who contributes for one year, the system takes the contribution and invests it at 15% but still under this bill that employee will only receive the amount earned by the portfolio which is currently 8.78% so I don't think this bill is asking for too much.

Thank you for the opportunity to testify and I hope you will support House Bill 115.

Mr. CHAIRMAN, MEMBERS OF THE COMMITTEE:

THE STATED PURPOSE OF THIS BILL IS TO REMOVE THE AUTHORITY FOR THE SETTING OF INTEREST RATES FROM THE PUBLIC EMPLOYEES' RETIREMENT BOARD AND THE TEACHERS' RETIREMENT BOARD AND REVISING A FORMULA WHEREBY THIS INTEREST RATE WILL BE PREDETERMINED.

THE ACTUAL EFFECT OF THIS BILL IS TO PROVIDE GREATER INTEREST PAYMENTS TO TERMINATING EMPLOYEES AND INCREASE THE COST TO THE SYSTEMS BY EXTENDING THE PAYMENTS CERTAIN, FROM 7 TO 9 YEARS ON AN AVERAGE, TO THOSE RETIREES WHO ELECT THE REGULAR RETIREMENT OPTION.

THIS BILL PROVIDES NO GREATER RETIREMENT BENEFITS TO THOSE INDIVIDUALS WHO ELECT A SURVIVOR ALLOWANCE PROTECTING THEIR SPOUSE.

LIKE ANY OTHER PAYMENT INCREASE TO THE RETIREMENT SYSTEM, THESE PAYMENTS COST MONEY.

ANY INCREASE IN INVESTMENTS REFLECTIVE OF THE CURRENT ECONOMY ARE NORMALLY PARALLELED IN THE AREA OF SALARY INCREASES. THESE TWO FACTORS PROVIDE A MAJOR PORTION OF THE ACTUARIAL ASSUMPTIONS IN A RETIREMENT SYSTEM VALUATION.

THE PURPOSE OF THE PUBLIC EMPLOYEES' RETIREMENT ACT AS STATED IN SECTION 19-3-102, MCA:

"PURPOSE. THE PURPOSE OF THIS CHAPTER IS TO EFFECT ECONOMY AND EFFICIENCY IN THE PUBLIC SERVICE BY PROVIDING A MEANS WHEREBY EMPLOYEES WHO BECOME SUPERANNUATED OR OTHERWISE INCAPACITATED MAY, WITHOUT HARDSHIP OR PREJUDICE, BE REPLACED BY MORE CAPABLE EMPLOYEES AND, TO THAT END, PROVIDING A RETIREMENT SYSTEM CONSISTING OF RETIREMENT COMPENSATION AND DEATH BENEFITS."

IF THE PURPOSE IS NOW TO PROVIDE AN INVESTMENT SYSTEM OR A MUTUAL FUND FOR TERMINATING EMPLOYEES, THEN HOUSE BILL 115 IS THE PROPER VEHICLE TO DO THIS, IF THE ADDITIONAL FUNDING IS PROVIDED.

THE OTHER HAND, IF THE PURPOSE, AS STATED, IS "...TO EFFECT ECONOMY AND EFFICIENCY IN THE PUBLIC SERVICE BY PROVIDING..." RETIREMENT AND DEATH BENEFITS, THEN THE BILL IS COUNTERPRODUCTIVE.

TO EXPLAIN THE FISCAL IMPLICATION IN THE REFUND AREA, WE HAVE PREPARED THE FOLLOWING EXAMPLE: AN EMPLOYEE WHO IS FIRST EMPLOYED AND CONTRIBUTES DURING HIS FIRST YEAR OF EMPLOYMENT \$100.00, WILL RECEIVE \$3.75 IN INTEREST UNDER THE CURRENT COMPUTATIONS. THE SECOND YEAR OF HIS EMPLOYMENT, HE ALSO CONTRIBUTES A \$100.00. HE WILL RECEIVE, IN INTEREST FOR THE SECOND YEAR, A TOTAL OF \$7.78, OR TOTAL INTEREST ACCRUED TO HIS ACCOUNT AT THE END OF THE SECOND YEAR WOULD BE \$11.53. THESE COMPUTATIONS ARE MADE AT THE INTEREST RATE OF 7.5%. USING THE YIELD FIGURE AS OF THE LAST INVESTMENT REPORT WITH THE SAME ASSUMPTIONS OF \$100.00 PER YEAR PAYMENTS, FIRST YEAR THE EMPLOYEE WILL BE CREDITED WITH \$4.39 IN INTEREST AND THE SECOND YEAR \$9.20 IN INTEREST, FOR A TOTAL INTEREST AT THE END OF THE SECOND YEAR, \$13.59.

IF THE EMPLOYEE WERE TO TAKE A REFUND AT THE END OF THE FIRST YEAR OF EMPLOYMENT, HE WOULD RECEIVE AN ADDITIONAL \$.64. IF THE EMPLOYEE WERE TO TAKE A REFUND AT THE END OF TWO YEARS OF EMPLOYMENT, HE WOULD RECEIVE ADDITIONAL \$2.06.

IN FISCAL YEAR 1979, THE P.E.R.S. REFUNDED A TOTAL OF \$6,794,301 TO 7,370 PEOPLE. IN FISCAL YEAR 1980, A TOTAL OF \$7,374,900 WAS REFUNDED TO 7,006 PEOPLE.

THE PUBLIC EMPLOYEES' RETIREMENT BOARD OPPOSES THIS MEASURE BECAUSE NO FUNDING FOR ADDITIONAL BENEFITS IS PROVIDED. THE COST OF THIS BENEFIT, ON AN ACTUARIALLY FUNDED BASIS, IS ABOUT .15% OF SALARY OR \$466,500 PER YEAR FOR THE BIENNIUM AND WILL INCREASE AS SALARIES INCREASE.

6
AMENDMENTS TO HB 23

1. Title, line 6.
Following: "POOL"
Strike: "AND"
Insert: ", "
2. Title, line 7.
Following: "HANGARS"
Strike: ";"
Insert: ", AND TO APPROPRIATE FUNDS TO PERMIT TERMINATION;"
3. Title, line 7.
Following: "MCA"
Strike: ". "
Insert: "; REPEALING SECTIONS 67-2-203, 67-2-204, AND
67-2-205, MCA; AND PROVIDING AN IMMEDIATE
EFFECTIVE DATE."
4. Page 1, line 10.
Following: "airplanes"
Strike: "and"
Insert: ", "
5. Page 1, line 11.
Following: "hangars"
Strike: ". "
Insert: ", and cash balances."
6. Page 1, line 22.
Following: (3)
Strike: "retain for necessary travel"
Insert: "convey to the office"
7. Page 1, lines 22 and 23.
Following: "governor" on line 22
Strike: "and" through "designate" on line 23.
8. Page 1, line 24 through page 2, line 2.
Following: "Duke" on line 24
Strike: "or" through "basis" on line 2, page 2.
9. Page 2, lines 3 and 4.
Following: "(4)"
Strike: "dispose" through "value," on line 4.
Insert: "convey to the aeronautics division of the
department of community affairs"
10. Page 2, line 5.
Following: "Bonanza"
Strike: "and regular use Cessna 180 airplanes,"

11. Page 2, lines 6 through 8.
Following: "pool," on line 6
Strike: "with" through "pool." on line 8
Insert: "and \$38,888 from the airplane capital replacement account;"
12. Page 2
Following: Line 8.
Insert: "(5) convey to the Department of Natural Resources the regular Cessna 180, serial number 18052167; and (6) deposit all remaining cash from operations and capital replacement accounts into the general fund after airpool debts, excluding the loan to the aviation fuel tax earmarked revenue account, are paid."
13. Page 3,
Following: line 1
Insert: "Section 3. The following sums are appropriated from the general fund:
(1) \$158,039 to the aeronautics division of Department of Community Affairs to repay the inter-entity airpool loan from the airpool operation account to the aviation fuel tax earmarked revenue account of the aeronautics division; and
(2) \$45,000 to the Governor's office to pay for maintenance, loan payments, the compensation for one pilot, and travel costs for operating the twin-engine, pressurized-cabin airplane known as the Duke for the remainder of fiscal year 1981."

"Section 4. Repealer. Section 67-2-203 through section 67-2-205, MCA, are repealed."

"Section 5. Effective Date. This bill is effective upon passage and approval."

NAME Thomas E. Schneider BILL No. HB97
ADDRESS Box 5600 DATE 1/14/81
WHOM DO YOU REPRESENT MPHA
SUPPORT _____ OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Support amendments as proposed by
Division Administrators.*

NAME Thomas E. Schneider BILL No. Bill 98
ADDRESS Box 5600 DATE 1/14/81
WHOM DO YOU REPRESENT MPHA
SUPPORT _____ OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Support with amendments submitted
by Division Administrator.*

VISITORS' REGISTER

HOUSE

COMMITTEE

2ULL

HB 125

Date

1-15

 JNSOR[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE

COMMITTEE

RILL

ONSOR

Date

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.