

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

January 9, 1985

The second meeting of the State Administration Committee was called to order at 10:00 a.m. on January 9, 1985, by Chairman Jack Haffey in Room 331 of the Capitol Building.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL 23: SENATOR TED NEUMAN, District 21, told the committee that this was a bill to appoint a commission to oversee all the bills relating to pensions to be introduced in the legislature. The commission would research the bills and make its recommendations to the legislature as a whole. The cost of this commission would be approximately \$121,000, but it would be less with staffing from the Legislative Council. He went on to make the example that if you give one retirement system a cost-of-living raise, the members of the other systems will demand a cost-of-living raise and it has ramifications on all of them. This way, one body would oversee the whole thing and help develop a consistent and comprehensive retirement policy plan. However, this body would not have the say over the systems. In Section 8, it limits the board to hearing those bills introduced by the 5th day in order to urge people to get their bills in early. Then the commission would have to report what type of action should be taken. SENATOR NEUMAN felt that if you were not reelected, or resigned, or some other way left the Senate or House, you would no longer be a part of this Commission. However, LOIS MENZIES said that was not the way it was intended to read and she explained that once appointed, you served for four years regardless. SENATOR NEUMAN further stated that this bill had a sunset provision and if it was not a good commission it would terminate. He urged the members to give it a chance.

PROPOSERS: No other proposers were there.

OPPOSERS: Bob Johnson, Teacher's Retirement System. Mr. Johnson felt that this bill would affect the Teacher's Retirement System and would be a duplication of duties already handled.

SENATOR LYNCH asked why they would need another six people to look these pensions over, and SENATOR NEUMAN said that in this way during the interim, these men could become experts. There followed a discussion regarding member resignations or not getting reelected. SENATOR HARDING asked if this Commission would replace the Boards now in existence. SENATOR NEUMAN replied no that this Commission would serve as a clearing house and look at the ramifications of bills on all systems. SENATOR HIRSCH was worried that this would be like most Commissions where they do their work and the Senators don't take their advice anyway. SENATOR NEUMAN felt that they are stumbling around in the dark as far as these pension systems, and since this Commission will not be tied to any system

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it can be fair minded.

SENATOR HIRSCH then asked if every pension system had its own Board. LARRY NACHTSHIEM, Public Employees Retirement System, replied that they have 1 board over 7 systems and the Teacher's Retirement System has its own Board.

SENATOR HAFLEY noted that there would have to be a fiscal note attached to this bill. LOIS MENZIES said that a note was needed and it would be completed. SENATOR LYNCH then asked how it was to be financed and SENATOR NEUMAN said through Legislative Council.

SENATOR HAFLEY further stated that the Boards administering these funds have great success through their bills. SENATOR NEUMAN agreed that 80-90% success ratio. There was more discussion on the bill regarding members that would no longer be a part of the legislature.

SENATE BILL 23 was then closed for discussion.

SENATOR HAFLEY said that he would open for action on SENATE BILL 23.

SENATOR MANNING made a motion that SENATE BILL 23 be held pending receipt of a fiscal note. SENATOR LYNCH felt they should have a discussion because if a do not pass was recommended, there was no reason to hold it up. SENATOR CONOVER agreed and said there are already thousands of boards and they don't need another. SENATOR LYNCH said he opposed it because it included the Teacher's Retirement System and there were already experts available if you had questions.

SENATOR HAFLEY then recommended that executive action be taken on SENATE BILL 23. SENATOR LYNCH moved that SENATE BILL 23 do not pass. SENATOR CONOVER seconded the motion as he felt that the Teacher's Retirement System should be left alone. SENATOR MANNING said question and SENATOR HAFLEY called for a vote.

It was unanimously voted that SENATE BILL 23, DO NOT PASS.

The Chairman then mentioned the executive action meeting on Friday.

The meeting was adjourned at 11:00 a.m.

  
SENATOR JACK HAFLEY, CHAIRMAN





## STANDING COMMITTEE REPORT

*January*  
~~September~~ 9 19 85

MR. PRESIDENT

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 23

CREATING A PENSION POLICY COMMISSION TO TERMINATE IN 1989

Respectfully report as follows: That SENATE Bill No. 23

DO NOT PASS

~~DO PASS~~

*Exhibit "A"*

*SB-23*

*(See Legislative Council Minutes  
of Historical Society)*

# **Assisting the Legislature in Pension Decisionmaking**

## **A Report to the 49th Legislature Joint Interim Subcommittee No. 3**

**December 1984**



**Montana Legislative Council**

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