

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

February 10, 1987

The twenty-first meeting of the State Administration Committee was called to order by Chairman Jack Haffey on February 10, 1987 at 10:00 a.m. in Room 331 of the State Capitol.

ROLL CALL: All committee members were present.

The hearing was opened on Senate Bill 279.

CONSIDERATION OF SENATE BILL 279: Senator Tom Keating, Senate District 44, Billings, was sponsor for this bill entitled, "AN ACT PROVIDING FOR SECURITY OF DATA AND INFORMATION TECHNOLOGY RESOURCES; ESTABLISHING THE RESPONSIBILITIES OF STATE AGENCIES, THE BOARD OF REGENTS, THE SUPREME COURT, AND THE DEPARTMENT OF ADMINISTRATION; AND AMENDING SECTION 2-15-102, MCA." He stated this bill was requested by the Legislative Audit Committee after an audit in 1985 revealed that there was some lack of security in the systems on the state mainframe usage. They discovered there were a number of departments that had information that could be easily accessed where information could have been destroyed, grades changed, transfers altered, income tax returns changed, etc. As a result they felt some additional security policies should be established along with existing procedures to make the systems more secure. He added this was not a new program just adding to the system already in place.

PROPOSERS: Jim Pellegrini, Deputy Legislative Auditor, noted the audit report had revealed that agency management was lax in assigning and reviewing security responsibilities. He also stated that under current Montana law, there is not a specific responsibility assigned to any entity for the security of state information stored or processed on computers. The audit meant to convey that the agencies who are responsible for the information being processed are also responsible for the security of that data.

OPPOSERS: Sara Parker, State Law Librarian, supported the concept behind the proposal but felt the bill as written would present some problems to small agencies such as the library. She felt there might be some problem with the term "information technology resources" because it goes beyond on what has been known as data processing and might include some items that were not really intended to be included. She noted much of their work is done on microcomputers. The way the bill is worded would require the same elaborate security measures for microcomputers which she felt was not really necessary. She also noted in small agencies it would be a burden on the existing personnel to assume these extra duties. She noted the library has much public information and would like it to remain very open.

Paul Dunham, Director of Research and Services for the University System, was uncertain there should be definitions of our security system in statute. He agreed that data needs to be preserved and protected but was concerned there was a lack of a definition of risk analysis. He felt it might be preferable to delete all of the specifics in the bill and just amend current statutes to include security measure requirements.

QUESTIONS ON SENATE BILL 279: There were none. Senator Haffey suggested that Sara Parker, Jim Pelligrini and Paul Dunham meet and discuss the concerns they had with Senator Keating and Eddy McClure before final committee action is taken on the bill.

Senator Keating noted the bill should be interpreted for its original intent which was to secure privileged information to prevent abuses. The hearing was CLOSED on SB 279.

The hearing was opened on House Bill 299.

CONSIDERATION OF HOUSE BILL 299: Representative Francis Bardanoue was sponsor of the bill entitled, "AN ACT TO SPECIFY THE FACTORS AND ASSUMPTIONS USED TO DETERMINE ACTUARIAL EQUIVALENCIES OF BENEFITS PROVIDED IN THE PUBLIC EMPLOYEES', TEACHERS', JUDGES', HIGHWAY PATROLMEN'S, SHERIFFS' AND GAME WARDENS' RETIREMENT SYSTEMS; AMENDING SECTIONS 19-3-104, 19-4-101, ...MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." The bill was being requested by the Public Employees' Retirement Board. Rep. Bardanoue noted this would make the pension plans qualified by spelling out exactly how the benefits are provided. It would bring our Montana pensions into conformity with the criteria set by the federal reform law on pensions. It would cover PERS, judges, highway patrolmen, teachers, sheriffs and game wardens retirement systems. He noted, however, that within 2 to 4 years this may have to be amended again in order to bring it up to requirements. If the plans are not qualified the earnings from the pension plans will be subject to assessment by Internal Revenue Service.

PROPOSERS: Linda King, from PERS, spoke in support of the bill. She noted it was necessary to specify the name of the mortality table and interest rates used by each of the boards in statute.

David Senn, Administrator of the Teachers' Retirement Division, noted they were in support of this legislation because it would keep the employee's investment earnings tax exempt and would be advantageous to have a qualified plan.

OPPOSERS: There were none.

QUESTIONS ON HOUSE BILL 299: Senator Farrell wondered if this was the same table that had been used and was told by Ms. King

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that it was, that the benefits would not change at all. Senator Harding asked if this had to be done to meet the new federal regulations and Ms. King explained that if the plan were not qualified there could be an assessment made on the investment earnings.

Rep. Bardanouve noted in CLOSING that it was very important to have the tables spelled out in order to bring this into compliance with federal regulations.

EXECUTIVE SESSION ON HOUSE BILL 299: Senator Lynch MOVED THAT HOUSE BILL 299 BE CONCURRED IN. Senator Harding seconded the motion. The motion passed unanimously. Senator Harding will carry the bill on the Senate floor.

The meeting was adjourned at 10:30 a.m.

cd



SENATOR JACK WAFFEY, Chairman

ROLL CALL

SENATE STATE ADMINISTRATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-10-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACK HAFNEY	X		
SENATOR WILLIAM FARRELL	X		
SENATOR LES HIRSCH	X		
SENATOR JOHN ANDERSON	X		
SENATOR J. D. LYNCH	X		
SENATOR ETHEL HARDING	X		
SENATOR ELEANOR VAUGHN	X		
SENATOR SAM HOFMAN	X		
SENATOR HUBERT ABRAMS	X		
SENATOR TOM RASMUSSEN	X		

Each day attach to minutes.

FEBRUARY 10, 1987

DATE

COMMITTEE ON SENATE STATE ADMINISTRATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppos
LINDA KING	Public Empl. Retirement Div	HB 299	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Dunbar	Int. Univ Sys	SB 279	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mike Trevor	D of A	SB 279	<input type="checkbox"/>	<input type="checkbox"/>
David L. Smith	Teachers Retirement	HB 299	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

FEBRUARY 10 19 87

MR. PRESIDENT

SENATE STATE ADMINISTRATION

We, your committee on

having had under consideration

HOUSE BILL No. 299

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DEFINING ACTUARIAL EQUIVALENT BY ACTUARIAL TABLES AND INTEREST RATES

Bardanoue

(Harding)

Respectfully report as follows: That

HOUSE BILL No. 299

BE CONCURRED IN

~~XXXXXX~~

~~DO NOT PASS~~

SENATOR JACK HAPPEY

Chairman.