

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By CHAIR JAN BROWN, on February 19, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Jan Brown, Chair (D)
Vicki Cocchiarella, Vice-Chair (D)
Beverly Barnhart (D)
Gary Beck (D)
Ernest Bergsagel (R)
Fred "Fritz" Daily (D)
Ervin Davis (D)
Jane DeBruycker (D)
Roger DeBruycker (R)
Gary Feland (R)
Gary Forrester (D)
Patrick Galvin (D)
Harriet Hayne (R)
Betty Lou Kasten (R)
John Phillips (R)
Richard Simpkins (R)
Jim Southworth (D)
Wilbur Spring (R)
Carolyn Squires (D)

Staff Present: Sheri Heffelfinger, Legislative Council
Judy Burggraff, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion:

CHAIR BROWN announced the Retirement Subcommittee would be meeting upon adjournment in Room 312-1. She requested the Subcommittee look at the following bills heard today and return with a recommendation by Thursday, February 21: HB 595, HB 724 and HB 760.

HEARING ON HB 650

Presentation and Opening Statement by Sponsor:

REP. CAROLYN SQUIRES, House District 58, Missoula, introduced HB 650, "a good government bill" to encourage citizens to

participate in the state's democratic process at all levels without the fear of having their job taken away from them. This bill would send a message to all Montana employees and employers that this Legislature is serious about their right to participate in the proceedings of city, county and state government. HB 650 would allow employees elected to public office to receive the same status upon their return without a penalty of a downgrade or loss of seniority.

Proponents' Testimony:

Tom Schneider, Montana Public Employees Association, said they want to go on record for supporting HB 650 for all the reasons mentioned by Rep. Squires. The present law, while good, leaves an employee at the whim of their employer as to how they participate and operate in the legislative process. He would not like to see a Legislator's placement on their previous job subjected to how they voted on certain bills while serving. That potential exists. Once a provision has been put into law that decrees that an employee can return to their previous position, it makes it clear they are free to serve the way they were elected to serve.

Don Judge, Montana AFL-CIO, said the original bill granting people the right to take a leave of absence or to be excused from their office for 180 days a year was passed because of Rep. Joseph Magone, Mineral County, who worked for a lumber mill. He was having difficulties obtaining time off to serve following his election. He introduced a bill to guarantee that anyone in Montana would have the right to take up to 180 days leave per year to serve in public office if elected. It does not apply to the time it takes to run for office; campaigning is still done on an individual's own time. HB 650 will resolve the problem with what happens after 180 days when the Legislator returns to his job. The present law does not guarantee the same or comparable position with the same employer. Anyone who takes the time out to serve as a Legislator, should be guaranteed their same position. This is a good bill and deserves a DO PASS.

Mark Langdorf, Field Representative, American Federation of State, County and Municipal Employees, testified that HB 650 "takes one more rock out of the road for those people who serve as our Legislators." Since it would lift a burden from their minds, it would make them more efficient at doing their job and they could better serve us.

John McCarthy, Lobbyist, Common Cause\Montana, presented written testimony. EXHIBIT 1

Opponents' Testimony: None

Questions From Committee Members: None

Closing by Sponsor:

REP. SQUIRES said there is an amendment to HB 650 in the title to strike "OR SIMILAR POSITIONS," and insert "POSITION," and following "positions" to strike the remainder of line 20 through "positions," on Pg. 1, Ln. 21. EXHIBIT 2 It is imperative that an individual who so chooses to serve in the Legislature not only receives their same seniority, status or full-time equivalencies, but they be guaranteed their job upon their return. "It is a real disheartening and upsetting situation . . . (if faced) with the possibility of being placed in another position."

HEARING ON HB 784**Presentation and Opening Statement by Sponsor:**

REP. MARK O'KEEFE, House District 45, Helena and Unionville, introduced HB 784 at the request of the secretary of state's office. It is identical to the bill introduced last session that passed the House on a vote of 91 to 7, and was then "indefinitely postponed in the Senate by one vote." HB 784 develops a centralized-voter list to allow for the convenient access of the information by Montanans. It will rid counties of the workload and financial burden of distributing the voter information pamphlets. The fiscal note had not been distributed, so he gave the following brief rundown: The cost savings to counties will be approximately \$100 thousand for the biennium. General Fund revenue will be approximately \$79,218 for the biennium. "It is a money-making bill . . ."

Proponents' Testimony:

Doug Mitchell, Chief Deputy, Secretary of State, said he appeared before the Committee on an identical bill last session. He clarified that the \$79,218 was not a revenue figure but an expenditure figure; 99 percent of the money is for postage. The state will pick up the cost of mailing the voter information pamphlets. HB 784 does two things: 1) it will allow for the secretary of state to maintain a centralized file so that individuals and party candidates wishing a copy of the file of all registered voters in the state may go to only one place instead of 56 in order to obtain it; 2) it will allow the secretary of state to mail the voter information pamphlets. Currently, the secretary of state's office prepares the pamphlets and then mails them to the counties which in turn mails them to everyone. The state can do a more efficient mailing with a centralized list using the lowest bulk rates and by culling the list to make sure only one is mailed to every household. The function is state mandated; it is not fair for the counties to have to pay for it.

Tootie Welker, Montana Alliance for Progressive Policy (MAPP), said one of the goals of MAPP is to register voters and to get them to the polls. The state-wide voter file will help in

preventing and discovering any voter fraud. By having the state-wide voter list in place, it would simplify the process of changing the closing of the registration date to ten days prior to election day or the day of registration. The clerks and recorders would be able to call the secretary of state's office to check to see if a person was on the voter roll which would alleviate the fears of voter fraud. "We feel this bill is an important part of voter reform, and hope the Committee will pass it."

Brad Martin, Executive Director, Montana Public Interest Research Group, (MontPIRG), a student and citizen nonpartisan organization working on environmental concerns, good government and other issues, said HB 784 "is an important tool for good government to allow the state an efficient means of identifying the registrants of the state It can encourage citizen participation at a broader level, particularly on those issues involving grass-roots citizen initiatives. We also support it because it saves money . . . (and) it clearly increases the flexibility in which you can address the issues involving voter registration, election fraud and many concerns that come before the Committee."

Betty T. Lund, Clerk & Recorder/Election Administrator, Ravalli County, presented written testimony. **EXHIBIT 3**

Jane Murphy, Executive Director, State Democratic Party, said she supports HB 784 for all of the previously stated reasons and for a "purely practical matter." Both the Democratic and Republican parties go through the "time consuming and expensive process of compiling a centralized-voter file. This bill would make it much easier and quicker for both The money that we now spend, some of it out of state, would be spent here, in Montana."

Don Judge, Montana AFL-CIO, stated the AFL-CIO also supported the same legislation two years ago. "It was a fluke of last-minute rush in the Senate that killed the bill. Last session it passed with strong bi-partisan support. There is one Democrat and one Republican co-signing the bill. "For us, it is merely a matter of economics. We have to try to obtain voter registration lists in order to check our membership to see if (they) are registered to vote. It would be much easier for us to try and obtain one list . . . than to go to each county and have to obtain separate lists."

Opponents' Testimony: None

Questions From Committee Members:

REP. PATRICK GALVIN questioned if the use of social security numbers would infringe on the Right to Privacy Act. **REP. O'KEEFE** said he did not believe that social security numbers were in the files. **Mr. Mitchell** responded by saying that social security numbers are used in a number of counties as the voter identification number. "We would obtain those, but they are not

distributed as public information. If you were to go into a clerk and recorder's office and request to look at the cards, the likelihood is they would use some method to prevent you from looking at the social security numbers."

REP. RICHARD SIMPKINS asked if the voter information list could be "down loaded on microcomputer disks." Mr. Mitchell said they would be using a "couple of media." The numbers in the fiscal note represent the purchase of a machine that would be able to translate certain computer media. There are also small counties, where that is not convenient; we would be able to use a scanning device to bring that information from the paper. "If certain counties do not have the ability to take computer tape and take it to ASCI where we could read that information, we will be most happy to take that information on a paper form." REP. SIMPKINS asked if the information would be available to the public that contains the birth date and so forth. Mr. Mitchell responded, "We would like to get as much information on that file as is reasonable . . . for a couple of reasons. We think it is reasonable to be able to check, for example, if we have the name Chris Christianson in two different counties so we could check to see if they are male or female or whether or not they share the same birth date. We also feel it is reasonable for the public to expect the same level of public information from the state file that they would get from the local county file." REP. SIMPKINS questioned if an individual candidate could obtain a list, for example, of six precincts within a county, or would they still have to go to the county for the information. Mr. Mitchell answered by saying, "This is an issue we discussed at some length with the Clerk and Records' Association. It is a very good question. The intent of the central file is that it becomes cost effective to provide a state-wide list or a multi-county list. Counties do get some income, that is somewhat significant, by selling individual lists to candidates." Probably, it would be quicker for county candidates to obtain the lists from the county.

Closing by Sponsor:

REP. O'KEEFE stated the information that would be on the proposed file is now available. The bottom line is that in political campaigns, you're either going to build your own voter file or you're going to have access the central-voter file. Sen. Burns' and Sen. Baucus's campaigns "did wonderful jobs doing that. . . . This makes it a little bit easier for them. But the point of the bill is to distribute voter-informational pamphlets much more easier and cheaper. If the bill dies, the political candidates will still build that voter file. . . . It will cost a little bit more and it will take a little bit longer, but they will still build it." Rep. Thomas was unable to be present for the hearing, but he will help Rep. O'Keefe on the floor if it comes out of Committee.

HEARING ON HB 606Presentation and Opening Statement by Sponsor:

REP. MARK O'KEEFE, House District 45, Helena and Unionville, introduced HB 606, which has been in "the works for about three years." Jim Zion, formerly with the Human Rights Commission in Montana, called him from the Navajo Reservation in Arizona. Mr. Zion informed Rep. O'Keefe that the voter turnout had almost doubled on the reservation within two years due to the "Kid-Vote Program." HB 606 would establish a Youth Voting Program to educate the children in the state about the political process, and the necessity and responsibility of the members of society to vote. The bill will cost the state nothing; it will be funded by private corporations and entities. "I have talked to people in the last two years that are involved in banking, retailing and industrial (fields) . . . and there are a number of entities . . . that will be interested in getting involved in funding the (program)." HB 607 allows the secretary of state and the superintendent of public instruction to develop and coordinate a program for the Youth Voting Program. The kids would learn about voting in school; they would learn about the issues; they would learn about the Constitution and the Legislature and the governorship. If they bring a parent, or an adult -- who votes -- to the polls, they will be able to go into their own set of voting booths and vote on the same ballot as the adults have. The kids would actually be involved in selecting their representative, governor and Supreme Court justices. The vote would not be binding; it would take the place of youth-voting projects that individual districts currently have. Arizona did show a significant increase in the voter turnout since 1988 because of the Youth Voting Program. The fiscal note shows a long-term impact to make Montana number one as far as voter turnout. He has talked to kids, and they are excited about the bill.

Proponents' Testimony:

Mike Cooney, Secretary of State, presented written testimony.
EXHIBIT 4

John McCarthy, lobbyist, Common Cause\Montana, presented written testimony. EXHIBIT 5

Tootie Welker, Montana Alliance for Progressive Policy (MAPP), said one reason they are involved in nonpartisan voter projects is to help overcome voter apathy "that is running amuck in this country. That is why MAPP supports HB 606, the youth voting bill. It serves two purposes; it involves Montana's youth in the democratic process while . . . encouraging more adults to actually exercise their right to vote. . . . It is hoped that by encouraging Montana's youth at an early age in the democratic process, they will continue this involvement as adults."

Nancy Coopersmith, Administrator, Department of Curriculum Services, Office of Public Instruction (OPI), stated, "Effective citizenship education does not just happen. We as educators, Legislators and parents must make it happen. Superintendent Keenan believes that HB 606 has the potential to bring about a greater awareness of our democratic process through education. A more informed public is more enlightened and participatory."

Brad Martin, Executive Director, Montana Public Interest Research Group, (MontPIRG), a student and citizen nonpartisan organization working on environmental concerns, good government and other issues, said MontPIRG has been very active in registering students to vote at the university campuses. Part of MontPIRG's program is to teach students the real skills of citizenship. Their program is very effective, important and nonpartisan, but it is too late. Students should graduate from high school knowing the skills that MontPIRG teaches at the universities. "HB 606 is a simple, cost-effective way to increase involvement, awareness and education in our political process. It is a nonpartisan way of teaching to young people the mechanics of our democracy." Those mechanics are very critical since the missing of the deadline for registration keeps them from voting. From the experience in Arizona, we know the program "spills over" into the home. It becomes a priority to debate the issues of elections. "We think that debate would be healthy in Montana. Montana has state-wide programs in nutrition and physical education; we would not accept a video game as a replacement for a basketball game. We would not accept an educational film as a replacement for a school lunch. We cannot accept simple book learning as an alternative to active participation. HB 606 can do something to facilitate that participation."

Jan Wright, Montana Education Association (MEA), said MEA supports HB 606 because it is an educational tool that teaches children and reminds parents that voting is an integral part of being a responsible American citizen.

Betty Lund, Clerk & Recorder/Election Administrator, Ravalli County, presented written testimony. EXHIBIT 6

Opponents' Testimony: None

Questions From Committee Members:

REP. ERVIN DAVIS questioned what grade levels would be included in the bill. Mr. Cooney responded, "Third grade on up. There is a point where it . . . it seems to work well. . . . That is the level where kids starts talking about current events."

REP. ROGER DEBRUYCKER questioned if a "little bit of discrimination would be practiced" when the schools are chosen to participate in the program according to Pg. 2, Lns. 14 - 15.

REP. O'KEEFE said Rep. DeBruycker was correct; the bill would

discriminate. He will distribute amendments during his closing statement to cover that problem.

REP. SIMPKINS said that mock elections are now run in Great Falls in the fifth and sixth grades. He questioned if doing so was not permissible under the OPI rules or whether or not they were violating any existing laws. Ms. Coopersmith said, "No, it is not violating a state law. . . . This bill will provide a more comprehensive program than we have in existence . . . and much more realistic than what a teacher . . . can provide in a single classroom." REP. SIMPKINS asked if this was a departure from OPI's previous decision that they do not want the Legislature involved in dictating curriculum in the schools. Ms. Coopersmith said she "hesitates to touch that question" I don't know that you would be dictating curriculum; . . . you would be allowing a structured program to happen." REP. SIMPKINS asked if Maine has a mail-in ballot program, where anybody desirous of voting, can elect to mail in a ballot rather than going to the polls. Mr. Cooney said, "I am not sure Maine does. They have other programs in place which Montana does not . . . (such as) same-day voter registration, youth voting and Motor Voter." Maine's secretary of state informed Mr. Cooney that the reason for Maine's great voter turnout last time was because they were able to offer their voters such easy access to the process. REP. SIMPKINS asked if Mr. Cooney had the authority to have a Youth Voter Program without making it a law. Mr. Cooney responded that there are "fairly strict guidelines on how we run our polling places. Some people argue that without legislation, we legally could not allow children to participate in a program like this at the polls." It was decided to "be on the safe side so someone could not challenge us for providing a program like this in a polling place, it would be best . . . to have the Legislature's blessing." REP. SIMPKINS asked if there would be problems with parents having to run "cross town to pick up their kids" so they can go to their poll to vote, and if this would detract from academic programs. Ms. Coopersmith said she would assume it could be arranged to vote before or after school hours.

REP. GARY FORRESTER commented that polling places are crowded now. He wondered how the logistics would be handled. REP. O'KEEFE said he did not think all of the details have been worked out. Some polling places are crowded; others may have some problems. "Those problems will be worked out by the county election administrators in cooperation with the schools. In some instances, the kids may actually vote in another physical location. Once they obtain their "I voted sticker" with mom at the poll, they may go next door to vote. "The whole country of Costa Rica does this, and they get 94 percent turnout all the time."

Closing by Sponsor:

REP. O'KEEFE said, "We can find problems with any bill that is put in front of us." The state of Arizona said they had

approximately 8 percent increase in voter turnout due to the program. People who were interviewed said they would not have voted if it wasn't for "Kid Vote." Ninety-two percent of the registered voters in Arizona are aware of the program and like it. Ninety-six percent of the registered voters with children want the program to continue; 77 percent of the people indicated that their children (3 - 12 grades) initiated discussion at home about this year's candidate races and propositions. Three percent of the voters said it was the only reason they went to the polls. Ninety-five percent of the teachers want the program to continue; 86 percent of the school superintendents accepted the program; 700 thousand students had the opportunity of being instructed by the program by 17,500 teachers. On election day, 131,256 students went to the polls and cast their votes. Rep. O'Keefe distributed amendments to HB 606. EXHIBIT 7

HEARING ON HB 727

Presentation and Opening Statement by Sponsor:

REP. DIANA WYATT, House District 37, Great Falls, introduced HB 727, which she considers to be a "fairness bill in retirement." It will bring public employees' retirement in line with other retirements, particularly teacher's retirement. Both are public service areas within the government and educational system. HB 727 would take the retirement system from 30/60th to 25/60ths.

Proponents' Testimony:

Tom Schneider, Montana Public Employees Association (MPEA), said HB 727 is a bill that has been around before and it is already provided for in the teachers' system where it has worked well. It is a good bill and MPEA supports it.

Mark Langdorf, Field Representative, American Federation of State, County and Municipal Employees, said they support HB 727.

Terry Minow, Montana Federation of State Employees, presented written testimony. EXHIBIT 8

Opponents' Testimony:

Larry Nachtsheim, Administrator, Public Employees' Retirement Division, Department of Administration, presented written testimony. EXHIBIT 9

Questions From Committee Members:

REP. FRITZ DAILY said Mr. Nachtsheim testified that the majority of the teachers take advantage of the 25-year provision, and he did not think that was correct. He asked for the statistics regarding that. Mr. Nachtsheim said he would give them to Rep. Daily.

Closing by Sponsor:

REP. WYATT said if the state ends up having to tax state employees and the members of PERS's retirement system because of the test case in terms of the federal retirement, this is one way to make up for their lost revenue and also to "provide for our promise to state employees." Their salaries have very little money. The opponents' testimony stated that 54 percent of the people will not, or cannot, take advantage of the benefit which may be incurred with this legislation. "If that is true, then the cost of the legislation, itself, will be cut." Active military people, who leave teaching and go into the military, have their contributions to teachers' retirement automatically paid, for up to five years; this is not true for PERS. This is another inequity that exists within the two systems. "We passed an equity bill for sheriffs (by) giving them a difference in their retirement. . . . I ask you, if people working for the state -- (who) make \$15 and \$20 thousand -- wish to retire on \$7,500 or \$10 thousand, if. . . we should give them that option and vary the age downward."

CHAIR BROWN asked if there was a fiscal note for HB 727. REP. WYATT said she didn't have one, but there should be one.

HEARING ON HB 595Presentation and Opening Statement by Sponsor:

REP. WILLIAM STRIZICH, House District 41, Great Falls, introduced HB 595 to propose a change in the retirement benefit system provided for municipal police officers in Montana by allowing all officers to retire without age limitation after 20 years of service. "There are many very solid reasons for this." The present retirement system provides two separate age limitations within the same system in regard to the time a police officer may retire and qualify for a retirement benefit. An officer who began work after July 1, 1975, is now eligible to retire and receive benefits after completing 20 years of service and reaching 50 years of age. An officer who began work prior to July 1, 1975, is eligible to retire after 20 years of service, regardless of whether or not the officer has reached 50 years of age. The bill would provide an additional long-term benefit for police officers, who, without question, deserve this consideration. This will help lessen turnover among officers who are leaving Montana for higher paying positions with better retirement plans in other states. It will also provide equity within the system. There is no reason for an officer who began work after July 1, 1975, to receive a lesser retirement benefit than an officer that began work prior to that date. Amendments have been prepared that remove Sects. 9 - 13 from HB 595. These sections extended the provisions of the bill to a limited number of officers (six), who work in small communities around Montana. Those small communities have chosen to keep their independent

retirement systems separate from the state's system. Therefore, they are not part of the state-managed retirement system. The amendment restricts HB 595 to the officers who come under the state plan. **EXHIBIT 10** There are 434 police officers working in 17 communities. The number of officers per community and the cost of the bill are listed on the fact sheet distributed to the Committee. **EXHIBIT 11** HB 595 provides a funding mechanism for the \$282,455 cost per year to the system. The cost is divided among the municipality, state and officers.

Proponents' Testimony:

Tim Shanks, Police Officer, Great Falls, presented written testimony. **EXHIBIT 12** In addition, he has talked with **Alec Hansen, League of Cities and Towns (LCT)**, who was unable to attend the hearing. Mr. Hansen told Mr. Shanks LCT would not oppose HB 595. The LCT does feel the funding should come out of the insurance premium tax; but, if that could not be done, they would not oppose the bill.

Marc Racicot, Attorney General, said he became aware of the problem when he received a request for an attorney general's opinion about one year ago. The request focused upon the sections contained in Sect. 6, Lns. 7 - 13 and Sect. 8, Lns. 2 - 25 up to the top of Pg. 12. His understanding is there were a number of members of municipal police forces around the state who believed they would be eligible for retirement because that had been the practice and procedure for a substantial number of years. "By looking at the language, you can tell that when the Legislature amended those sections, they meant to also impose -- in addition to a 20-year retirement -- a minimum age of 50 years and to include an automatic election period for each officer who was not yet 50 to continue on until service at age 50 before they would become eligible for their retirement." Believing that we had to construe the language exactly as it was written, the opinion was issued that indicated that officers entering service after July 1, 1975, had to serve 20 years in service AND be age 50 before retiring. Attorney General Racicot has spent 18 years working with law enforcement officers, 15 of which were in Montana, in about every county and city in the state. "They are without exception an extremely dedicated and committed group of people who provide an extraordinary service to the state of Montana. They do not receive a great deal of recompense for the job they do. . . . It is a matter of equity . . . that these officers, who now would be faced with a different retirement system, have the opportunity to secure a retirement benefit . . . as those who preceded them."

Bill Ware, Police Chief, Helena, Legislative Chair and Immediate Past President, Montana Association of Chiefs of Police, said he supports HB 595 and has been a law enforcement officer in Montana since 1966. When he joined, there was a 20-year retirement; that changed in 1975. He, as an administrator of a law enforcement agency, does not believe that an officer who is in their mid-

forties, fifty or even fifty-five "has any business out on the street wrestling with twenty and twenty-five year-old drunks and weight lifters and people who are much in better shape than we are." Age does take its toll. It worries Chief Ware that officers starting out at age thirty-five will be working until age fifty-five and still be on the streets. Administrators in law enforcement agencies in Montana don't just sit behind the desk all the time; they are called out in critical instances. An officer who started after 1975, is paying more per month for retirement than those officers prior to 1975. There is no equity.

Jerry Williams, Police Officer, Butte, and Representative of Montana Police Protective Association, presented written testimony. EXHIBIT 13

Frank Garner, President, Kalispell Police Association and Member of Legislative Committee for the Montana Police Protective Association, said one of the negative comments he heard regarding HB 595 was that policemen must have been aware of the potential change in 1975 when the retirement system restricted the ability of officers to retire prior to age 50. In Mr. Garner's research, he was unable to find anyone who was employed as an officer in 1975 that was aware of the ramifications of the age. When he was hired in 1986, it was the popular belief that retirement prior to age 50 was possible. In 1987 an opinion was sought from the attorney general's office. The change does not mean that it was appropriate, or permanent, or fair -- nor that it can't be changed. He requested the Committee to "accept the proposal on its face" without going into the argument of retirement comparisons. The profession we have chosen is "a drastic life-style change. Most of us choose police work as a career for the job itself and not because we'll receive some large financial benefit. We have accepted what we believe to be a fair share of the financial responsibility in paying for a full one-third of the cost of this bill." Many of his young colleagues have left Montana to pursue their career in other states where "they can work for more money for fewer years (by) retiring before their age restricts their ability to work efficiently and effectively."

Gene Harada, Lieutenant, Havre Police Department, presented written testimony. EXHIBIT 14

Troy McGee, Helena Police Department, Member, Police Protective Association, Member of Legislation Committee of the Montana Police Protective Association, said he has been with the Helena police department for 16 years. He started 30 days after the new retirement date went into effect and must work about 30 years before he can retire. For many years, law enforcement was treated as a different occupation in Montana -- including retirement. One of the first retirements set up in the state was for the law enforcement officers. . . . "Police work is both physically and mentally hard on an officer. After 20 years, it is enough. It is a different type of occupation than other

occupations where you can go on after 20 years." He reiterated the problems with age being difficult. Police officers in Montana do not pay into social security. If you must wait until you are fifty years old, it is very difficult to get another job -- especially with the background as a police officer -- in another area so you can obtain another retirement. There are two officers in the Helena police department that are under the 20-year retirement system who will be up for retirement in the next year or two. Both officers indicated they would be willing to pay the extra money to the retirement system, even though the retirement benefit wouldn't affect them. The police officers have talked to the city manager of Helena, who has indicated he would not oppose HB 595.

Jim Berhofer, Missoula Police Department, and Vice-president, Chiefs of Police Association, commented that he had already served 20 years. "In the 21 years I have served on the . . . police department, I have been through two back surgeries on job-related injuries." He does not want to go out and fight the drunks in the bars but will do it if he has to. If he does, he will probably hurt his back again. "There are only so many administrative jobs in the Missoula police department of 65 officers." He stated he could not live on the retirement pay he will be eligible to draw and would have to find something else to supplement his income when he retires.

Tom Schneider, Montana Public Employees Association (MPEA), speaking on behalf of the police officers in Billings and Missoula, pointed out the following two considerations: 1) There still will not be an equity. Those hired prior to 1975 will only pay 6 percent of their salary which was in effect at the time the law was changed; those hired after 1975 will pay 8.4 percent of their salary because they are willing to contribute money out of their own pocket to make the changes required in HB 595. 2) If HB 595 is not passed, you are saying the business of law enforcement was easier prior to 1975. All the reasons why we used to allow people to retire with 20 years of service, regardless of age, ended then. The job is easier now so they can work until they are age 50. "That probably is the opposite. The job of being a police officer today is a lot more difficult and stressful than it used to be."

Mel McCarver, Bozeman Police Department, Member of the Police Protective Association, testified that when they hire out to a department they are looking for a career and to move "up through the ranks in promotion." The next sergeant openings (in Bozeman) could be filled by people on the current system, which would give them up to 17 more years to serve before retiring. This will make the Bozeman police system "pretty much stagnant." The new officers hired will not have anything to look forward to regarding further promotion. They may start looking for a career elsewhere.

Martin Ludemann, Officer, Missoula Police Department, President, Missoula Police Association, said HB 595 will directly affect 47 of the 65 members of the Association. "We understand that we will have to put our lives on the line at times. We do not shirk that responsibility one iota. . . . Under the new system, I will have to work for eight more years. Missoula's police department has six administrative positions where an officer does not have to do a daily-function job interacting with the public on the street." He took the job to protect the public and wonders if he will, in the next eight years, be the person the public needs. "I don't believe at the age of forty-two or fifty years of age, I can perform as well as a younger officer can."

Cloyd Grove, Great Falls Police Department, Vice-president of the Great Falls Police Protective Association and President of the Montana Police Protective Association, said there are 61 members on the Great Falls police department. Twelve are under the 20-year retirement system; 49 officers must work until age 50. He is a first-line supervisor and has "real concern with officers who are going to be out on the streets until they are 50 years old." He recently talked to a retired police officer, age 47, who pointed out there was no way he would want to be out in a patrol car at age fifty. There are no longer any positions where a person could get off the streets as there are only 10 administrative position in the department. Two positions are locked up by those under the 50-year age retirement. All 49 officers remaining will have to be in a patrol car doing regular patrol functions. He is in a supervisory position but will not be able to retire until age fifty-five. "We all rely on each other out on the streets to protect (one another). If we can't do our job and protect each other, we are in real trouble."

Frank Cole, Member, Retired Police Officers' Association, said he worked for 20 years. Seven police officers he knows of have a heart condition that was caused by hypertension. "You cannot say directly that this was the entire cause." He had to have heart surgery at age 50 and was told to cut his work day down. Studies have been done that show people under tension have health-related problems.

Bill Yeager, Helena, Association of Montana Highway Patrolmen, urged the Committee's support for HB 595. "Law enforcement is . . . a profession with increasing danger and increasing stress. HB 595 is an important incentive in order to retain and hire good officers in the future."

Toni Petzak, Officer, Great Falls Police Department, said she was the only female police officer on the road testifying in support of HB 595.

Mark Langdorf, Field Representative, American Federation of State, County and Municipal Employees, said he represents departments in the state in behalf of their collective bargaining. He said the testimony has been overwhelming on the

high level of stress that police officers go through. They enter the profession in their early twenties; they do fine until they reach around age thirty-five. Then the stress becomes overpowering. Sometimes they are forced to change careers due to health reasons; primarily the change is due to the mental fatigue they suffer. "These public servants, like Legislators, are in the public fish bowl syndrome -- the good guy, bad guy scenario -- where no matter which way they turn they're the good guy but maybe the bad guy in the same person's eyes." It is reasonable they should be offered their retirement when they are in their forties, after 20 years of services to either pursue other careers or to take life easy for awhile.

Opponents' Testimony:

Linda King, Assistant Administrator, Public Employees; Retirement Division, presented written testimony. EXHIBIT 15

Questions From Committee Members:

REP. JOHN PHILLIPS questioned where the funds stand right now as far as their unfunded liability. Ms. King answered that the Municipal Police Officers have a \$35,565,454 total unfunded liability to the system, which is 339.8 percent of their annual payroll.

REP. BETTY LOU KASTEN asked if there would not be an impact if the police officers start drawing at age 50 rather than at any age. Ms. King said that is correct.

Closing by Sponsor:

REP. STRIZICH stated the reasons he brought the bill are fairly clear -- we're talking about equity among members of a single retirement system. We are talking about benefits, not so much for officers, but for the administration state wide. Employee turnover is a problem. Our police agencies are not large; therefore, it is not uncommon for a person between forty-five and fifty years of age to be behind the wheel of a squad car on "change shift." That person, at that point in their career, is as near to being abused by the system as anyone. He encouraged a DO PASS, and said they would work with the Committee on anything needed.

HEARING ON HB 274

Presentation and Opening Statement by Sponsor:

REP. WILLIAM STRIZICH, House District 41, Great Falls, home of the shortest river, introduced HB 274 at the request of the police officers of Montana. It provides that a police officer may qualify certain work for occupations other than that of a police officer in order to meet the requirements that the officer work at least 20 years prior to his retirement. Among the work

that qualifies, is work such as: a sheriff's deputy, a game warden or as a member of the military. The officer must pay a fixed fee, which is equal to the value of the retirement benefits he would have paid during that time. HB 274 will help several officers who are currently working in Great Falls and Helena. Those officers have worked for several years as sheriff's deputies prior to becoming police officers. There is no cost associated with the bill.

Proponents' Testimony:

Tom Schneider, Montana Public Employees Association (MPEA), stated the service "we are talking about, as far as the actuary is concerned, is nonidentifiable. When the actuary looks at "costing" the system, whether it is a person who has had two years as a police officer or two years as a fish and game warden, it doesn't show up in the actuarial evaluation because it is creditable service. Under the current law, it simply cannot be used to qualify. There is no cost to the bill because the officer will pay just as much as would have been paid in the process of serving time as a police officer. This is a good bill. The same subject is in a bill that has already passed the Senate and will be before the Committee.

Larry Nachtsheim, Administrator, Public Employees' Retirement Division, Department of Administration, presented written testimony. EXHIBIT 16

Tim Shanks, Police Officer, Great Falls, Legislative Committee, Montana Police Protective Association, asked for the Committee's support on HB 274 since it would affect some officers of the state of Montana.

Bill Ware, Police Chief, Montana Association of Chiefs of Police, said Chief Jim Oberhofer from Missoula asked Mr. Ware to speak for him today. They wanted to go on record as supporting HB 274 for qualifying service.

Opponents' Testimony: None

Questions From Committee Members:

REP. SIMPKINS asked if a person were in the state game wardens account, would their money be transferred to the police officers' account if they decided to become a police officer. **Mr. Nachtsheim** answered, "Yes, if they have an account there; if they have taken a refund, they would have to pay the refund back and PERS would transfer the employer's amount to the police officers' fund. **REP. SIMPKINS** questioned what would happen to an individual serving in the military since the individual is the only one contributing. Would a military individual only have to put in the same amount he would have put in during the period of time he was with the military or would we require a formula for the same basis as in the other retirement plans? **Mr. Nachtsheim**

responded, "It is dependent on the military service. The actual cost to a police officer when called into the military service is different than if he is buying retroactive service. In the case of a police officer involved in Desert Shield, the officer would be required to pay the contributions based on the officer's salary at the point in time when he/she went into the operation and the employer, the state and the money in the premium fund would be based on the salary at the time he/she went into the service. The Public Employees Retirement Board had a concern about members of the system called up for Desert Shield. In October the Board passed a resolution which said that anybody in that situation would not have to pay until they returned. The Board did not define how they would pay because they did not know how long they would be gone. **REP. SIMPKINS** said he was referring to a person serving for four years as an airman at Malmstrom Air Force Base in Great Falls receiving a job as a police officer. How would that person buy retirement time? **Mr. Nachtsheim** answered that he was not sure of the provisions on the buying back of the military service. He said he would check it out. **REP. PHILLIPS** referred to Sect. 2, Ln. 16, and said, "He has to contribute the actual cost for his military time which can be bought." **Mr. Nachtsheim** answered, "In order to be able to buy service in the police system" by a person who was in the military, he must have a minimum of 15 years of other service, than in the police system, and then pay the actuarial cost which is about 20 percent of salary.

Closing by Sponsor:

REP. STRIZICH thanked the Committee for their patience and asked them "to look favorably on this bill as well as the last one."

HEARING ON HB 760

Presentation and Opening Statement by Sponsor:

REP. BERVYL KIMBERLEY, House District 90, Billings, introduced HB 760 to equalize disability retirement in the Unified Firefighters' Retirement System. The bill brings the formula into line as it was prior to July 1, 1981.

Proponents' Testimony:

Tim Bergstrom, Montana State Firemen's Association, said HB 760 will correct a disparity when disability retirements are calculated. Firefighters who were hired prior to July 1, 1981, receive a disability retirement equal to one-half of their last month's regular salary. Those who were hired after July 1, 1981, receive an amount equal to one-half of their average salary of the previous 36 months. This bill changes the method of calculating the disability benefit. It's a fairness issue.

Ed Flies, Member, Helena Fire Department, Montana State Council, Professional Firefighters, distributed a handout to illustrate the disparities between the two benefit levels in the pension system. EXHIBIT 17 The handout compares two firefighters hired one month apart, one eligible for the pre-1981 system and one eligible for the post-1981 system. Both firefighters hold the same rank and pay grade. It is assumed the two firefighters are employed by the Helena Fire Department. The hypothetical salary schedule assumes a salary of \$2,388 per month with an increase each year of 3 percent with both firefighters forced into retirement by a disability in 1996. Two different formulas are used to calculate their pension allowance. Mr. Flies used the year 1994 because it would put a person hired after 1981 midway through their career. The pre-1981 person would receive half of his last months' salary, which would be \$1,194; the post-1981 person would receive half the average of his last 36 months salary, which would be \$1,160 per month. This is a difference of \$34 per month. To an individual living on a fixed income with no social security, this is a significant amount -- \$408 per year.

Opponents' Testimony:

Linda King, Assistant Administrator, Public Employees' Retirement Division, presented written testimony. EXHIBIT 18

Questions From Committee Members:

REP. SIMPKINS stated the employee contribution is 6.0 percent. He asked if firefighters were paying into social security and Medicare. Mr. Bergstrom said new employees are paying into Medicare; older firefighters are not. No firefighters pay into social security. REP. SIMPKINS asked if the firefighters are willing to pay an increase of .09 above the 6.0 percent in order to fund the increased benefit. Mr. Bergstrom said that was not their original intent. The rationale behind that was the firefighters have been watching the fund go from \$10 million in 1981 to nearly \$36 million today. "We thought that was a fairly rapid rate of growth. With the small amounts involved here, for only those individuals who would become disabled, we felt the system could absorb the increase." The .0029 would be an additional state contribution. "We had not contemplated increasing our rate." We do make a 7 percent contribution to the Pension system -- 6 percent actually goes to the fund itself. The additional 1 percent was part of the reorganization of the Firefighters' Pension System. For years they carried a life insurance policy on our members that was administered locally. In order to not lose that, the firefighters applied an additional 1 percent towards that obligation. REP. SIMPKINS stated that many disability system payments are exempt from federal tax. Is this exempt from federal tax? Ms. King said there is a formula for exclusion in federal tax returns for people who are disabled. It depends on overall income and how much of the disability income is excludable. Many factors are taken into consideration when computing the tax. REP. SIMPKINS questioned what would

happen if Pg. 2, Lns. 4 and 5 were changed from "the last month received" to "the highest consecutive three years." Ms. King replied that the Workers' Comp. issue is really not an issue here. If the Workers' Comp. actually reduced the final average salary computation, it would more than reduce the last month.

REP. KASTEN asked Ms. King to explain why the firefighters are paying 7 percent when the charts only show 6 percent. Ms. King said they pay 6 percent of salaries into the retirement system; 7 percent is withheld from each firefighters' pay, 1 percent of which goes to the Firefighters' Advisory Council to pay for the insurance and for other expenses of the organization.

Closing by Sponsor:

REP. KIMBERLEY pointed out that the firefighters, beside their normal functions, provide emergency medical treatment. This might be an even bigger item than the actual fire fighting services. "My contention, regarding the discussion as to whether the firefighters should be assessed .0029 to pay for the small increase for the discrepancy in the formula, is that they should not have to pay for it. The system is perfectly capable of absorbing that." He suggested that it is "only reasonable that the firefighters retiring with disability benefits have their benefit calculated on equal formulas."

EXECUTIVE ACTION ON HB 274

Motion: REP. GARY FELAND MOVED HB 274 DO PASS.

Motion/Vote: REP. FELAND moved the amendments suggested by Mr. Nachtsheim that would be effective on passage and approval. Motion carried unanimously.

Motion/Vote: REP. FELAND MOVED HB 274 DO PASS AS AMENDED. The motion carried unanimously. EXHIBIT 18A

EXECUTIVE ACTION ON HB 650

Motion: REP. CAROLYN SQUIRES MOVED HB 650 DO PASS.

Motion/Vote: REP. SQUIRES moved her amendment to strike "similar" so an individual could go back to their original position. The motion carried 17 to 2 with Reps. Roger DeBruycker and Simpkins voting no.

Motion: REP. CAROLYN SQUIRES MOVED HB 650 DO PASS AS AMENDED.

Discussion:

REP. SIMPKINS said if a person ran for a job, such as a county commissioner, a job would have to be held open for him until he

served as county commissioner. REP. SQUIRES said the bill only deals with the 180 days that would be allocated to an elected official. REP. SIMPKINS said, "If the county commissioner retires four or five months prior to an election, and an individual is appointed to fill that position and then runs for office and loses, he would be eligible to go right back to his job again." REP. SQUIRES said, "Yes, he would be able to go back to his position."

REP. BARNHART said HB 650 does not have anything to do with running for office; it has to do with "if you are elected to office." If you are appointed to an office and you don't "win" it, you can't go back to the same office. REP. SIMPKINS used the following example: You were working for the county assessor's office as a clerk. The county commissioner retired five months before the election. You are then appointed as county commissioner and run for the office. If you were to lose the election, you would be entitled to go back to the clerks' position in the county assessor's office. REP. SQUIRES said if they are within the 180 days per year that you are allowed as an elected official, then you would return to your original position.

REP. SOUTHWORTH commented that seems "very broad. Weren't you just trying to cover the Legislature?" REP. SQUIRES said, "Basically that is true." But it affects all entities (in the bill). They were included to open up government to people who want to run for elected positions. "Normally this applies more to the Legislature than it does to the city (and) county positions."

REP. SIMPKINS asked if Rep. Beck received concurrence of (Montana Power), his employer, before running for office. REP. BECK said his employer has a policy that encourages their employees to be involved in political processes. His direct supervisor was not too happy about his running, but he did not consult him. He wrote him a letter and informed him of the policy. He did not have any trouble with his company whatsoever. REP. SIMPKINS said companies can afford to let their employees go for a short period. He said he is "speaking against this bill . . . because the independent, small business people . . . who cannot afford to go themselves . . . must hire a temporary (employee) to take the position without any guarantees of keeping the person on so the individual leaving may have a job when he comes back." He did not think it was fair for small business.

REP. BARNHART spoke in favor of the bill. She has permission to go back to her job. She is interested in seeing a Legislature that is "not just business people or farmers or lawyers . . . but a Legislature that has some working people on it. They don't run because their job is often in jeopardy."

REP. BECK said he has worked for his company for 26 years. He thought about running for public office about 10 or 15 years ago.

"Those things addressed in this bill do go through your mind. A company can have a policy, but the people you work for within a company have a large effect (on an individual). There are times, even in a big company, when I elected not to run because I didn't want to get involved in the hassle." He spoke in favor of the bill.

REP. SOUTHWORTH said he thinks the bill is "an excellent idea."

REP. SQUIRES said the law has been in effect that an individual would get the full-time equivalency or whatever your status was when you left your employer. "What I am asking is that you get the same position (when you return). The law has been on the book for two things, what I am doing is changing it to the same position. I think that is only fair." She did speak to her employer before running and asked if it would affect her job. She was told, "no." But there are other people that are not under a collective bargaining arrangement who are jeopardized if they have garnered a position such as a secretarial person. . . . We don't have many people in the Legislature . . . that are shift workers. It is imperative the bill be passed to protect the blue and pink collar-type workers."

Vote: HB 650 DO PASS AS AMENDED. The motion carried 9 to 8 with Reps. Spring and Daily absent for the vote. EXHIBIT 19 and EXHIBIT 19A

EXECUTIVE ACTION ON HB 606

Motion: REP. SOUTHWORTH MOVED HB 606 DO PASS.

Motion/Vote: REP. SOUTHWORTH moved the sponsor amendments. The motion carried unanimously.

Discussion:

REP. GALVIN commented on a situation that happened in Great Falls during the last election when the GREAT FALLS TRIBUNE published a pamphlet on drugs. Within the pamphlet were two political ads, one Democratic and one Republican. The pamphlet was sent home with the school children. He stated it is illegal to send political ads home with school children. "I wanted that brought out in Committee. I am in favor of the bill."

REP. FELAND said he is in favor of the bill, but wants to state that they cannot take a day off of school to go to the polls.

REP. SIMPKINS said he did not want to see a bill where "lollipops and milk shakes were given to come and vote." He said that is what he thinks is happening with HB 606. It would be nice if voters turned out because of the issues and the problems facing the state. "I do not think this bill is necessary. Setting up junior booths could be taken up in the election laws. I am

amazed at the amount of resistance I receive in the Education Committee as soon as we even breathe the idea of curriculum in any bill. This bill embraces curriculum." He would like to see a program set up within the school with the voting booths located there.

CHAIR BROWN said the researcher pointed out that the word "curriculum" was replaced with "programs."

REP. SOUTHWORTH said the reason for the bill was to involve the children with the parents to get more interest in voting. "It is a good program, we should be favoring it."

REP. BECK said the bill is trying to get more voters "out there," and it will help educate young voters to the process and how it works. He could see that it might be difficult to get in to vote in some voting areas as they are "really congested." He believes the overall idea of the bill is good.


Vote: HB 606 DO PASS AS AMENDED. Motion carried 10 to 6 with Rep. Beck abstaining and Reps. Daily and Spring absent for the vote. EXHIBIT 20 and EXHIBIT 21


EXECUTIVE ACTION ON HB 784

Motion/Vote: REP. ERVIN DAVIS MOVED HB 784 DO PASS. The motion carried 14 to 3 with Reps. Bergsagel, Kasten and Daily voting no.

ADJOURNMENT

Adjournment: 11:19 a.m.


JAN BROWN, Chair


JUDY BURGGRAFF, Secretary

JB/jb

HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION COMMITTEE

ROLL CALL

DATE 2/19/91

NAME	PRESENT	ABSENT	EXCUSED
REP. JAN BROWN, CHAIR	✓		
REP. VICKI COCCHIARELLA, VICE-CHAIR	✓		
REP. BEVERLY BARNHART	✓		
REP. GARY BECK	✓		
REP. ERNEST BERGSAGEL	✓		
REP. FRED "FRITZ" DAILY	✓		
REP. ERVIN DAVIS	✓		
REP. JANE DEBRUYCKER	✓		
REP. ROGER DEBRUYCKER	✓		
REP. GARY FELAND	✓		
REP. GARY FORRESTER	✓		
REP. PATRICK GALVIN	✓		
REP. HARRIET HAYNE	✓		
REP. BETTY LOU KASTEN	✓		
REP. JOHN PHILLIPS	✓		
REP. RICHARD SIMPKINS	✓		
REP. JIM SOUTHWORTH	✓		
REP. WILBUR SPRING	✓		
REP. CAROLYN SQUIRES			

HOUSE STANDING COMMITTEE REPORT

February 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 650 (first reading copy -- white) do pass as amended .

Signed: Jan Brown
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 6.

Following: "SAME"

Strike: "OR SIMILAR POSITIONS"

Insert: "POSITION"

2. Page 1, lines 20 and 21.

Following: "positions"

Strike: remainder of line 20 through "positions" on line 21

Feb 19 1991

HOUSE STANDING COMMITTEE REPORT

February 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 606 (first reading copy -- white) do pass as amended.

Signed: Jan Brown
Jan Brown, Chairman

And, that such amendments read:

1. Page 2, line 9.

Following: "solicit"

Insert: "county election administrators and"

2. Page 2, lines 12 and 13.

Following: "the" on line 12

Strike: remainder of line 12 through "officers" on line 13

Insert: "participating county election administrators"

3. Page 2, lines 14 and 15

Following: "shall"

Strike: remainder of line 14 through "program" on line 15

Insert: "facilitate the participation of as many schools in the program as available funds and other circumstances allow"

4. Page 2, line 18.

Strike: "Curriculum"

Insert: "Program"

5. Page 2, line 20.

Strike: "curriculum"

Insert: "program"

6. Page 3, line 7.

Strike: "curriculum"

Insert: "program"

HOUSE STANDING COMMITTEE REPORT

February 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report that House Bill 274 (first reading copy -- white) do pass as amended.

Signed: Jan Brown
Jan Brown, Chairman

And, that such amendments read:

1. Title, line 9.

Following: "AM"

Insert: "IMMEDIATE"

2. Page 7, line 17.

Strike: "July 1, 1991"

Insert: "on passage and approval"

HOUSE STANDING COMMITTEE REPORT

February 19, 1991

Page 1 of 1

Mr. Speaker: We, the committee on State Administration report
that House Bill 734 (first reading copy -- white) do pass .

Signed: _____
Jan Brown, Chairman

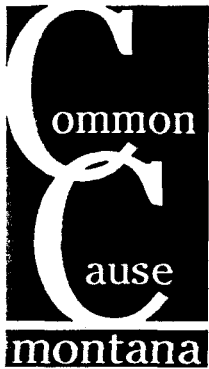


EXHIBIT 1
DATE 2/19/91
HB 650

Testimony of Common Cause\Montana

In Support of HB 650

19 February 1991

P.O. Box 623
Helena, MT
59624
406/442-9251

Madame Chairwoman and members of the House State Administration Committee, for the record my name is John McCarthy, lobbyist for Common Cause\Montana. On behalf of the members of our organization, we would like to speak in support of passing House Bill 650.

House Bill 650 is a good government bill. It will help produce people in government who at one time would have been hesitant to take a position because of the fear of losing their place in their profession. People entering into public service should not be penalized professionally for their donation of time and effort to the citizens of Montana.

Please support House Bill 650.

EXHIBIT 2
DATE 2/19/91
HB 650

Amendments to House Bill No. 650
First Reading Copy

Requested by Representative Squires
For the Committee on State Administration

Prepared by Sheri S. Heffelfinger
February 18, 1991

1. Title, line 6.
Following: "SAME"
Strike: "OR SIMILAR POSITIONS"
Insert: "POSITION"

2. Page 1, lines 20 and 21.
Following: "positions"
Strike: remainder of line 20 through "positions" on line 21

10011 money 100 110 107

COUNTY OF RAVALLI

EXHIBIT 5
DATE 2/19/91
HB STATE 784
OF
MONTANA



HAMILTON, MONTANA 59840

February 19, 1991

House State Administration
Capitol Station
Helena, MT 59620

RE: HB 784 - An act requiring the Secretary of State to compile and maintain a list of all registered electors et seq.

Madam Chairman and Members of the Committee:

For the record, my name is Betty T. Lund, Ravalli County Clerk & Recorder/Election Administrator.

I rise in support of HB 784. I believe this bill will save money for the counties for in its implementation the Secretary of State will be mailing the Voter Information Pamphlet. The counties will lose the revenue created by the sale of voter registration lists to the statewide candidates. However the voter pamphlet mailings far exceed the income from the candidates.

We do have a few problems with the deadlines. On page 6 in even numbered years, we will send a complete list to the Secretary of State by July 1. On page 7 line 6, we must send a supplement 30 days prior to the close (which will be in early September) and finally line 8 instructs us to send another supplement no later than 10 days following the close (which will be early October). Three lists to the Secretary of State within 4 months seems to be over zealous. Usually the statewide candidates request list of registered voters early in the year and do not bother with updates. Therefore, my amendments. Strike the rest of line 25 page 6 following the date of July 1. Strike lines 1 through lines 9 to the end of the sentence. You could make it optional that if a county had a large voter registration between the primary and the general, the election administrator could send a supplemental listing.

Thank you for your DO PASS for HB 784 with amendments.

Sincerely,

Betty T. Lund

Betty T. Lund
Ravalli County Clerk & Recorder

SECRETARY OF STATE
STATE OF MONTANA

EXHIBIT 4
DATE 2-19-91
HB 606



Mike Cooney
Secretary of State

Montana State Capitol
Helena, MT 59620

Testimony on House Bill 606
Secretary of State Mike Cooney
February 18, 1991

Madam Chairman and members of the Committee, for the record, my name is Mike Cooney, and it is my pleasure to appear before you today as Secretary of State and to rise in support of House Bill 606.

Voting is the foundation of our democracy. More than almost any country in history, America owes its very existence to a group of men and women who simply would not be denied fair access to representative government. And each year in America, Montana is among the leaders in helping our citizens to exercise their precious right to vote. These are proud traditions, and we must make sure that they continue well into the future.

House Bill 606 will establish a Youth Voting program that will encourage young people in Montana's schools to learn first hand about the voting process. They will get a chance to learn about the registration process, they will be encouraged to discuss the issues of the day, and on election day, they will be able to actually go to the polls and cast a mock ballot.

For those of you who may be concerned about chaos in the polling place and fraud in the election process, let me lay your fears to rest right away. The system for Youth Voting will be administered in strict adherence to the wishes of local election administrators.

Youth Voters will vote in a location within the polling place separated from the regular voting booths, and their ballots will be substantially different than the standard ballot to prevent any potential for fraud.

In addition, Youth Voters will have to be accompanied by an adult voter. Not only will this help prevent any difficulties, but statistics show that in other states currently using the Youth Voting program it also brings many adults to the polls who would not have voted had it not been for their child's involvement in the Youth Voting program.

Many people will try and tell you that I support this bill only because it will help me win my lobster bet with Secretary of State Diamond of Maine. And while I would like nothing more than to teach Secretary Diamond a lesson in participatory democracy, I support House Bill 606 because it represents the best aspects of good government.

Good government is government that listens to the needs, hopes and goals of the people it serves, and develops meaningful programs to meet these needs.

House Bill 606 will meet two needs. First, it will help us to attack a real problem...namely the lack of interest many young people are showing in our electoral process. National figures show that the age group least likely to vote is the group of Americans between the ages of 18 and 24. We can and we should try to attack this problem, and House Bill 606 will make a meaningful contribution to getting our young people interested in the process.

Second, and perhaps more important to me personally, is that over the past few months I have had a chance to visit both one on one and in groups with literally hundreds of young people. During these visits I have asked them if they think a Youth Voting program would be a good idea. They want to become involved, and their excitement and enthusiasm about this idea makes me confident that we are on the right track with this bill.

House Bill 606 will bring voters to the process, and it will help us to teach our young people about the electoral system. I look very forward to working the Superintendent of Public Instruction, and local election and school officials to develop and implement what I know will become known as the best Youth Voting program in the country.

Through programs like this one we can help to ensure that future generations of Montanans continue to actively participate in and enjoy our right to vote. I thank you for your time this morning, and I urge you to give favorable consideration to House Bill 606.

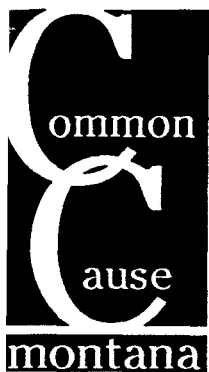


EXHIBIT 5
DATE 2/19/91
HB 606

Testimony of Common Cause\Montana

In Support of HB 606

19 February 1991

P.O. Box 623
Helena, MT
59624
406/442-9251

Madame Chairwoman and members of the House State Administration Committee, for the record my name is John McCarthy, lobbyist for Common Cause\Montana. On behalf of the members of our organization, we would speak in support of passing House Bill 606.

Voting is the single most important act to be taken on by a citizen in a democratic society. Government is only truly representative when all of the constituents it serves participate in the election of its leaders and decide on ballot issues. There has been a continuing drop of Americans at the polling place in the last several years. One of the reasons cited for this drop is the lack of civil responsibility instilled in the younger members of our communities. This bill works to amend this deficiency of democratic ideals in our populace through the use of education in our youth.

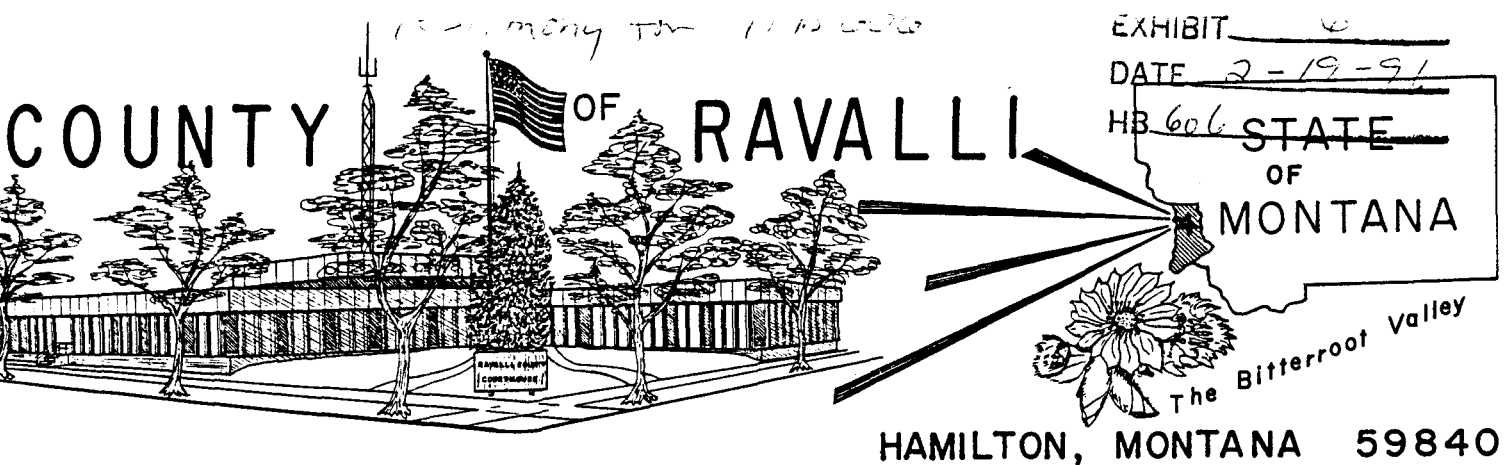
By allowing our children the opportunity to participate in Montana elections we are giving valuable experience and a hands on understanding of how our system works. The involvement will cause discussion among the youth on subjects pertinent to the issues of the day as

well as show how their own personal vote does effect the outcome of elections. Also, it will show how an issue facing the public is determined by their own participation. Experience in Arizona, which does have a youth voting program, showed a heightened awareness of citizens rights and responsibility by the student electors in a democratic society. The pervading thought among supporters of this legislation is that this experience will educate those who are participating, instilling ideals of civil responsibility and importance in voting that when the youth are of voting age they will participate in elections.

As a result of the student's participation in mock voting there may be an increase in the participation of adults in Montana elections. Students will bring home to their parents discussion and questions about candidates and issues which may in turn arouse the interest of the student's parents in the elections. This may cause the parents to register and vote in Montana elections.

Good character and democratic ideals such as voting can be taught through experience. Sound government and good leaders depends on voters turning out at the polls and making educated choices in their voting practices. House Bill 606 insures that the youth of Montana will be exposed to the influences which will produce better citizens later.

For these reasons we urge your support for House Bill 606.



February 19, 1991

House State Administration
Capitol Station
Helena, MT.

Madam Chairman and Members of the Committee:

For the record, my name is Betty T. Lund, Ravalli County Clerk and Recorder.

I rise in support of HB 606. I do have some serious questions about this bill as to who trains the judges for this election, who counts the votes, who supplies the voting booths, ballot boxes, supplies. I believe the Secretary of State and the Superintendent of Public Instruction will work out the kinks.

I would offer one amendment at this time. Under Sec. 13-1-201, the Chief Election Officer is the Secretary of State and to confer with oneself could be a bit confusing. Therefore, my amendment on page 2, lines 12 and 13, is to change the words chief election officers to county election administrators as I believe this program will need all the help it can get from the county election personnel.

Thank you for your attention to this brief amendment.

Sincerely,

Betty T. Lund
Betty T. Lund
Ravalli County Clerk & Recorder/
Election Administrator

Proposed Amendments to House Bill 606

Amendment Number One

Page 2, Line 9, following "shall solicit", add:

county election administrators and

Amendment Number Two

Page 2, Line 12, following "with the", amend to read:

participating county election administrators ~~chief election officers~~

Amendment Number Three

Page 2, Line 14, following "schools, shall", amend to read:

~~designate which schools may participate in the program~~
facilitate the participation of as many schools in the program
as available funds and other circumstances will allow.

Amendment Number Four

Page 2, Lines 18, and 20, and Page Three, Line 7, replace "curriculum" with "program"

There is existing curricula with which the program can be implemented, therefore the term curriculum should be replaced by the term program.



MONTANA FEDERATION OF STATE EMPLOYEES

AFT, AFL-CIO

P.O. Box 1246

Helena, Montana 59624

ARTCRAFT, BUTTE

DATE 2-19-91

(406) 442-2123

JIM MCGARVEY
President



TESTIMONY OF TERRY MINOW, MONTANA FEDERATION OF STATE EMPLOYEES,
GIVEN BEFORE HOUSE STATE ADMINISTRATION COMMITTEE IN SUPPORT OF
HB 727, FEBRUARY 19, 1991

The Montana Federation of State Employees supports HB 727, Rep. Diana Wyatt's bill to reduce the number of years that a member of the Public Employee's Retirement System must serve before becoming eligible for service retirement benefits regardless of her or his age.

The bill allows members of PERS to retire after twenty-five years of service regardless of age. It also allows members with twenty years of service to retire under the early retirement provisions of the bill.

This legislation brings PERS into line with TRS on early retirement. Similiar legislation to change TRS was passed in 1983 with one important difference. The legislation for twenty-five year retirement in TRS was funded under a roughly equal split in increased contributions between employers and employees. HB 727 only increases the employers' contribution rate.

I would like to spend a few minutes on the history of this bill. In 1987 this bill, with an equal split between additional employer and employee contribution rates, was passed by this legislature. It passed in spite of heavy lobbying against the bill by the administration of Governor Schwinden. One of the Govenor's major arguments against the bill was that women would have to increase their contribution rates but many of them would not get any direct benefit under the early retirement sections of the bill.

We still disagree with the argument--retirement systems are not bank accounts to draw on but are based on the contributions of members who are working now being used to pay benefits to those who are already retired. However, the argument is laid to rest by requiring the employer to pay the entire increased contribution rate.

To complete the history of the previous early retirement bill, it was vetoed. We were not able to muster the votes necessary to override the veto, and the bill died. While several bills on PERS passed last session, this bill was not attempted. The issue has not gone away, and so we are here before you again.

What does this bill do? It removes the penalty for retiring with twenty five years of service, and it allows PERS members with twenty years of service to retire with a penalty. It increases the employers' contribution rate by 1.52% to pay for the change. With the increased contribution rate, the system remains sound.

Why change the law? There are a number of reasons, including:

1. It would make the system more consistent with other state retirement systems.

2. It would allow a few people at the top of the salary schedule to retire, creating real vacancy savings in some agencies, creating advancement opportunities for other employees and creating job vacancies to be filled or left vacant depending upon the needs of the agencies.

3. It would make the PERS system more attractive to employees deciding whether to apply to or remain with state employment.

4. It would allow employees to retire who feel they have to bide their time until they have put in their thirty years. State employees suffering from health problems (either their own or their spouses) are one group that might like to retire but can't with the current penalties in place.

5. Long-time state employees who lose their jobs as a result of privatization, closure or retrenchment would have another option available to them.

6. Last, and most importantly, its the right thing to do.

The state of Montana has used, and abused, its employees for too long now. Inadequate pay raises, pay freezes, vacancy savings, inadequate budgets for personnel, training and equipment, an increased public demand for services . . . state employees have been treated very poorly for the last decade.

Inadequate pay has a permanent impact on the retirement benefits of state employees, because retirement benefits are figured on a formula which includes the highest thirty six consecutive months of salary averaged. This bill will mitigate some of the damage done by past pay freezes.

In summary, HB 727, and the employees of the state of Montana, counties, cities and the university system deserve your support. Thank you for your consideration.

TESTIMONY ON HB 727

Larry Nachtsheim, Administrator
Public Employees' Retirement Division
Department of Administration

House Bill 727 proposes two changes to the Public Employees' Retirement System.

(1) It will reduce the eligibility requirements for normal service retirement from 30 years of service, regardless of age, to 25 years of service without an actuarial reduction in benefits.

(2) It will create a new eligibility for early retirement for those members with 20 years of service prior to age 50, with an actuarial reduction of 30%.

It will not provide "half-pay" at 25 years of service.

Funding for these provisions will be provided by increasing employer contributions to the system from the state and its political subdivisions. The increased contribution of 1.52% of salaries is expected to be \$7.52 Million in FY 92 and \$7.86 Million in FY 93, with continuing increases in future years.

The Department of Administration opposes this bill.

This is essentially the same bill vetoed by Governor Schwinden in 1987 because it was inequitable. The only change is that increased contributions will be paid by employers rather than by employees.

As we all know, amounts budgeted for personal services are divided between salaries and benefits. Any increase in the cost of benefits directly decreases what is available to be expended on salaries.

At an annual cost equal to a 1.52% increase in salaries for all members, an estimated 2/3 of 1% of the active PERS membership may retire each year with increased benefits. It could create a potential eligibility for earlier and increased retirement benefits for up to 46% of the current membership at some point in the future, depending on whether or not those people continue working for the state on a full-time basis with no breaks in service and depending on whether or not they actually retire earlier than age 60. However, 54% of the PERS membership would never have these options available to them. And, realistically speaking, most of those who could potentially take advantage of earlier retirement will not.

If this bill is enacted, over \$7 Million each year, which could have been used to fund salary increases for all members, will be used to fund earlier and increased retirement benefits which less than half the members will ever have a possibility of receiving.

If the same 1.52% were instead granted as a salary increase each year to all PERS members, then 100% of the membership will see both immediate increases in their take-home pay plus increases benefits at the time they retire because their Final Average Salary will increase as their actual salaries increase. Putting this funding into immediate salary increases will also increase lump-sum payouts of sick and annual leave for all terminating members.

HB 727 is not a good retirement proposal.

If enacted, the proposal will run contrary to the purposes of the Public Employees Retirement System as stated in 19-3-102, MCA. It will provide an economic incentive for the most qualified members of PERS to leave state and local government service in order to move to private sector employment or employment in another state. No one in their early to mid-40's can actually retire on the 25% of salary provided to a member who retires with 20 years of service. However, well qualified employees can "bank" their retirement benefits and use the expertise they have acquired in 20 years of public service in Montana to gain comparable full-time employment (in either the private sector or another state) and begin working toward a second retirement.

I am not aware of any public retirement system in this nation, with the exception of those covering hazardous occupations in law enforcement and fire protection, which provide early retirement benefits with only 20 years of service, regardless of age.

The last time this proposal was discussed (during the 1987 Legislature), it was argued that the Teacher's Retirement System had normal retirement after 25 years of service and, therefore, so should PERS. It is worth noting that the average teacher retires with over 26 years of service. The majority of their retirees can and do use this provision. However, the average PERS member retires with only 18 years of service at age 60. The average PERS member will never reach 20 or 25 years of service, yet still receives a "full" retirement benefit.

If HB 727 is enacted, it will create a higher level of benefits in PERS than is available in TRS, both in terms of a higher formula and earlier retirement eligibility. TRS does not allow early retirement to members with 20 years of service regardless of age.

The important differences between TRS and PERS membership were recognized during the last Legislature when two PERS proposals were introduced by one of the employee organizations. The two proposals, supported by the Public Employees' Retirement Board, were:

- 1) A 14% increase in the PERS retirement formula (granting 1/56 of FAS per year of service instead of the 1/60 of FAS per year of service). This resulted in an increased retirement benefit for all members who retired on or after May 1, 1989. Funding for the benefit enhancement was shared by both employers and employees.

- 2) The right to purchase 1 years of additional service for each 5 years of PERS membership service, up to a maximum of 5 years, to every PERS member employed before July 1, 1989. Any person with 25 years who wants to retire can purchase 5 years and retire as if they had 30 years of service in the system - with no actuarial reduction. HB 727

These two enhancements are important because they provide a benefit increase to all retiring members. Those retiring with 5 years, 10 years, 20 years, 30 or 35 years receive an increase because of the first enhancement.

The second enhancement which allowed persons to purchase 1 additional year of service for each 5 years of membership service was important because, while it allowed members to retire earlier with increased retirement benefits, only the member who uses this enhancement pays for it. Under this provision, PERS members who do not use this benefit are not required to pay for it.

Finally, this proposal will negatively affect the state's (and all other local government employers') group health insurance plans. For every individual who retires early and exercises their right to continue on their former employer's group plan, a new member will be added to the public work force and to the group plan. There will be two individuals, and probably their families, who will participate in the benefits of the plan. With health costs rising at a rate of 12 to 20% per year, much higher than the national inflation rate, earlier retirement creates greater numbers of persons covered by, and therefore greater usage, of group health benefits.

The Department of Administration opposes HB 727 because:

- 1) It is not good retirement policy for a retirement system whose average retiree has only 18 years of service at age 60.
- 2) It uses scarce funding for personal services which could otherwise be used to increase the salaries of all members to instead fund a windfall benefit for approximately 91 state and local employees each year who will leave state service to start a second career.
- 3) It distorts the parity between the PERS and the TRS.
- 4) It will result in unfunded liabilities to the PERS.
- 5) It will increase costs to already overburdened group health plans for public employees.

The Department of Administration solicits your opposition to HB 727.

AMENDMENT

HOUSE BILL 595

STRIKE AND RENUMBER

1. p. 11, line 13
Strike: Section 9 in its entirety
Renumber: subsequent sections
2. p. 12, line 3
Strike: Section 10 in its entirety
Renumber: subsequent sections
3. p. 12, line 17
Strike: Section 11 in its entirety
Renumber: subsequent sections
4. p. 13, line 13
Strike: Section 12 in its entirety
Renumber: subsequent sections
5. p. 14, line 8
Strike: Section 13 in its entirety
Renumber: subsequent sections

Fact Sheet
House Bill No. 595

House Bill 595 proposes to change the retirement benefit system provided for Municipal Police Officers in Montana by allowing all officers to retire, without age limitation, after 20 years of service.

EXISTING POLICE OFFICERS' RETIREMENT SYSTEM

The existing retirement system covers 434 police officers working in 17 Montana cities. [Source of information is the most recent PERS actuarial valuation of the Municipal Police Officers Retirement System provided July 1, 1990.] The Officers' retirement system is a statewide plan defined at Chapter 9 of Title 19 of the Montana Code.

The Officers' retirement system provides that a police officer is eligible to retire and receive retirement benefits so long as that officer has 20 years of service as a police officer and, for those officers who began work after July 1, 1975, so long as the officer is at least 50 years of age. See, § 19-9-801(2), MCA. An officer who began work prior to July 1, 1975 is eligible to retire after 20 years, regardless of whether the officer has reached 50 years of age. See, § 19-9-801(1), MCA.

PROPOSED CHANGES IN POLICE OFFICERS' RETIREMENT SYSTEM

House Bill 595 proposes to allow all officers, including those hired after July 1, 1975, to retire after 20 years of service regardless of age.

REASONS FOR HB 595

There are three primary reasons to support HB 595. First, the bill provides a long-term employment benefit for officers. In 1990 the average officer's annual compensation was \$24,194 (July 1, 1990 PERS actuarial report). This modest annual salary, coupled with long work hours, often worked under trying conditions, causes a considerable number of officers to leave their jobs to take other work. The

increased retirement benefit offers an additional reason for an officer to make a long term commitment to a career as a police officer.

Second, the bill makes practical sense because it recognizes that a police officer's job involves instances of high physical stress which are more likely to cause injury to an older officer rather than a younger officer. Police officers who are now retiring generally do so prior to the age of 50. Those officers who began work prior to July 1, 1975 (and therefore can retire without age limit) are now retiring at an average age of 48 years with 21 years of service (July 1, 1990 PERS actuarial report).

Third, the bill corrects an unfair distribution of benefits within the existing retirement system. The officers who first began work after July 1, 1975, will begin to be eligible for retirement during the fall of 1995. There is no logical reason why those officers should be treated more harshly upon retirement than the officers who retired at some point during the preceding 20 years.

At this time, the average officer is 37 years of age, began work at age 27 and has completed 9.8 years of service as a police officer (July 1, 1990 PERS actuarial study).

COST OF HB 595

The cost of HB 595 is \$282,455 per year (PERS actuarial study). It is proposed that the cost of funding be split equally among the officers, the state of Montana and the City employing the officer. The state of Montana's source of funding is the special premium tax on motor vehicle property and casualty insurance policies (see, § 19-9-702, MCA). Originally, designed as a tax earmarked to fund police and firefighter retirement plans, the tax has traditionally run a substantial surplus which has been placed into and used as part of the state general tax fund. According to the State Auditor's Office (Jan. 29, 1991 memo), the insurance premium tax fund took in \$6,594,004 in FY 1990 and paid out \$1,553,232 in retirement fund disbursements leaving \$5,040,772 available for General Fund use in FY 1990.

The specific cost breakdown (using July 1, 1990 PERS actuarial study data) is as follows:

MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM
Cost increase for 20 year retirement, regardless of age.
(2.69% of each active members compensation, equal split, state, city, member)

City	Active Members	Annual Salary	Annual Cost To City	Annual Cost To State	Annual Cost to Officers	Total	Annual Cost Per Officer
Anaconda	16	349,304	3,132	3,132	3,132	9,396	196
Baker	4	94,639	849	849	849	2,546	212
Billings	103	2,585,625	23,183	23,183	23,183	69,553	225
Bozeman	24	609,531	5,465	5,465	5,465	16,396	228
Butte	39	1,052,661	9,438	9,438	9,438	28,317	242
Glasgow	6	127,105	1,140	1,140	1,140	3,419	190
Glendive	12	247,177	2,216	2,216	2,216	6,649	185
Great Falls	56	1,417,538	12,710	12,710	12,710	38,132	227
Havre	15	320,989	2,878	2,878	2,878	8,635	192
Helena	36	828,619	7,429	7,429	7,429	22,290	206
Kalispell	23	598,622	5,367	5,367	5,367	16,103	233
Lewistown	10	190,811	1,711	1,711	1,711	5,133	171
Livingston	10	189,291	1,697	1,697	1,697	5,092	170
Miles City	13	278,496	2,497	2,497	2,497	7,492	192
Missoula	60	1,489,307	13,353	13,353	13,353	40,062	223
Plains	1	20,424	183	183	183	549	183
Red Lodge	6	100,037	897	897	897	2,691	149
Total	434	\$10,500,176	\$94,145	\$94,145	\$94,145	\$282,455	
Average	25.5	\$617,657	\$5,538	\$5,538	\$5,538	\$16,615	\$201

Source of HB 595

HB 595 originated as a concern expressed by the Montana Police Protective Association, MPPA. The MPPA is the association of active police officers from cities throughout Montana. At its summer 1990 convention the MPPA made the equalization of no age limit retirement benefits its first legislative priority.

The members of the MPPA legislative committee are the following police officers: Frank Garner (Kalispell PD), Melvin McCarver (Bozeman PD), Troy McGee (Helena PD), Timothy Shanks (Great Falls PD), Jerry Williams (Butte PD), Blair Martinson (Miles City PD), Brad Doney (Lewistown PD), and Gene Havada (Havre PD).

**Timothy Shanks
February 19, 1991
House Bill 595
State Administration Committee**

Good morning. Madame chairwoman and members of the committee.

My name is Tim Shanks and I am a police officer for the City of Great Falls. I have been an officer since May of 1980. I am also serving as legislative chairman of the Montana Police Protective Association, the organization of police officers from communities around Montana.

There are officers from several communities at this hearing. I ask that the officers from Havre please stand for the committee, then Kalispell, Butte, Helena, Missoula, and Great Falls.

In August of 1990 the Montana Police Protective Association held its annual meeting in Great Falls, Montana. At that meeting the Officers discussed their retirement plan and agreed that their primary concern was in addressing the 50 year retirement age limit placed on officers who were hired after July 1, 1975. The Officers voted to request that the legislature change that part of the retirement plan to allow the no age limit retirement now provided presently retiring officers.

We believe the no age limit retirement benefit is an important incentive to keep police officers engaged as career employees of an municipal police force. In Great Falls when I was hired in 1980 I was assigned badge number 88. Today we are at badge number 161. This means that 74 new officers have joined the Great Falls force during the past 10 years. During that time the

total number of officers on the force has remained around 60 officers, meaning that there has been a large number of officers have come and gone from the police force during that time. I know that a number of these officers have left the Great Falls police force because they took better paying positions in other states.

I encourage this committee to adopt the no age limit retirement benefit set out in HB 595. It provides a direct incentive for an officer to stay on the job and serve his community for 20 years. The more officers we have making this career commitment the better law enforcement will be in Montana.

Thank you.

EXHIBIT 13
DATE 2/19/91
HB 595

House Bill 595
House State Administration Committee
February 19, 1991
Testimony of Jerry Williams, Butte

Good morning Madam Chairwoman, members of the House State Administration Committee. I appear today in support of House Bill 595, introduced by Representative Willaim Strizich.

I am here today as a representative of the Butte Police Officers, and as a representative of the Montana Police Protective Association. I speak in favor of HB 595 because it corrects an unfairness which exists within the current retirement system. Butte has a police force of 38 officers, and all of them are in favor of HB 595.

HB 595 allows a police officer the opportunity to retire after 20 years of service. Present law requires an officer hired after July 1, 1975 to serve at least 20 years and be at least 50 years of age in order to qulaify for a service retirmenet.

The unfairness within the present law creates two groups of police officers. The difference between the two groups is the date that they were hired; those officers hired before July 1, 1975, and those hired after July 1, 1975. The second group of officers are required to work more years in order to qualify for retirement.

Butte now has 16 officers who qualify for a service retirement after 20 years of service, and 22 officers who must work 20 years and be 50 years of age in order to qualify for a service retirement. Of those 22 officers there are two who must work 31 years in order to qualify for a service retirement. HB 595 makes all officers equal when it comes time to retire.

The Chief Executive of Butte-Silver Bow, and the Sheriff have each informed us that they support HB 595 and urge its passage.

Chairwoman Jan Brown and Representatives.

My name is Gene Harada and I am a Lieutenant with the Havre Police Department. I am a 16 year veteran with that department. I'm here to address you regarding the 20 year retirement bill, HB 595.

This bill will not directly affect me, as I was employed by Havre January 1, 1975 and I am under a 20 year plan. That leaves me with 3 years, 10 months and 10 days in which I will have a choice to continue to work in the law enforcement field or retire and start another career.

When I was hired at the age of 20, I was very excited to get a job in the field that I had went to college and earned an Associate degree in Criminal Justice for. The last thing on my mind upon entering into this career was retirement. I wanted to be a cop forever. I felt that a career in law enforcement would be very exciting and rewarding. I would be able to have a direct impact on the community in which I live in and be associated with a group of professionals that I am proud to call my brother officers.

For me, the law enforcement field has been a very rewarding and exciting career. But now, with over 16 years in this profession, I can truly see that this is an occupation in which really wears on you. It is hard to comprehend the stress on the law enforcement officer and his family. I could go into gory details, but I do not feel that this is an appropriate place and time for such details. Statistically, this profession carries with it a high alcoholism, suicide and divorce rate. The longer a person is in this occupation, the more likely he will become one of these statistics's. These statistics include present officers in the 20 year retirement system and retire out at an of average 21 years of service. Imagine what may happen to these statistics by leaving the retirement system as it is? Presently in my department of 16 officers, 5 of these officers will have to serve an average of over 26 years to be eligible to retire. This is an injustice to these professionals.

As I told you in the beginning, I do feel very fortunate that I have a choice in retiring when I do complete my 20 years. I did mention that this bill does not affect me directly, but indirectly it will, as a citizen in Havre, Mt. The law enforcement professional will not have the same choice I had and will be forced to work many years longer.

DATE 2/19/77
HE 595

As with anything like this benefit, there is a price tag.
It has been explained to you where the funding will come
from, the officers, Cities and Insurance Premium Tax.

I am looking forward to my choice of retirement or
continuing on in this challenging and rewarding career.

TESTIMONY ON HB 595

EXHIBIT 13
DATE 2/19/91
HB 595

Presented by: Linda King, Asst. Admin.,
Public Employees' Retirement Division

On behalf of the Public Employees' Retirement Board, I appear today in opposition to HB 595, which would eliminate age 50 as a requirement for retirement eligibility for those members of the MPORS first hired on or after July 1, 1975.

The Board opposes this legislation because it would create inequity between the hazardous duty retirement systems in Montana.

Currently, all of the systems which cover members of hazardous duty professions -- Game Wardens, Sheriffs, Highway Patrol Officers, Firefighters, and Police Officers -- require members to attain both a certain period of service (no less than 20) and a certain age (no less than 50) prior to receiving full service retirement benefits.

The only exceptions to this rule were "grandfather" clauses which were included to cover members of other retirement systems when they were first brought into the new statewide systems.

To completely change a specific state policy which requires full retirement benefits only after a certain minimum age will affect not only the Municipal Police Officers' Retirement System, but the other four statewide hazardous duty retirement systems as well - - and at no small cost to employers and the state.

I would also bring to your attention the fact that the fiscal impact as shown in the fiscal note for HB 595 is in error. This fiscal note does not show actual fiscal impacts on cities who are members of the MPORS and to the state General Fund caused by this proposed legislation.

Cities will pay increased contributions to the retirement system equalling \$101,230 in FY 92 and \$105,785 in FY 93. The state insurance premium tax fund will also pay increased contributions of \$101,230 in FY 92 and \$105,785 in FY 93 to the retirement system. Since the General Fund receives as revenue any funds remaining in the insurance premium tax fund, these additional contributions will directly decrease state General Fund revenues.

This bill also would impact retirement eligibility and benefits paid by the local police pension funds. However, through a technical error, it provides no additional funding for cities with local police pension plans to pay for these benefit enhancements.

If local police benefits are increased without adequate funding for cities, the excess unfunded liabilities will threaten the actuarial soundness of these local police pension plans.

TESTIMONY ON HB 274

EXHIBIT 10
DATE 2/19/91
HB 274

Presented by Larry Nachtsheim, Administrator
Public Employees' Retirement Division

The Public Employees' Retirement Board supports HB 274.

Section 3 of this bill amends section 19-9-801 of the Municipal Police Officers' Retirement Act to permit police officers who have worked in other public service or the military, and who have paid the actuarial cost of crediting this service into the MPORS, to include this service as part of the 20 years need to retire.

This bill has no actuarial cost to the system since each individual officer is required to pay the full cost of qualifying this service into the MPORS.

Because this bill has a retroactive applicability date of January 1, 1991, we would recommend the effective date in Section 5 be amended to "upon passage and approval."

The Board solicits your support for this bill.

FIRE FIGHTERS
DISABILITY PENSION
COMPARISON

	1994	1995	1996	1997	1998
FIRE FIGHTER 3	\$2251	\$2318	\$2388	\$2460	\$2533
"PRE 81 SYSTEM"			\$1194	\$1194	\$1194
"PST 81 SYSTEM"			\$1160	\$1160	\$1160
DIFFERENCE PER MONTH			\$34	\$34	\$34
DIFFERENCE PER YEAR			\$408	\$408	\$408

A PRE 81 MEMBER RETIRES AT 50% OF THEIR LAST MONTHS SALARY.

A POST 81 MEMBER RETIRES AT 50% OF THE AVERAGE OF THEIR LAST 36 MONTHS OF SALARY.

TESTIMONY ON HB 760

EXHIBIT 760
DATE 2/19/91
HB 760

Presented by: Linda King, Asst. Admin.,
Public Employees' Retirement Division

On behalf of the Public Employees' Retirement Board, I am here today in opposition to HB 760 as introduced.

This bill proposes to increase disability benefits by 15 to 25% for those firefighters who became members of the Firefighters' Unified Retirement System on or after July 1, 1981. An actuarial valuation of the retirement system has calculated that the cost of this benefit enhancement will be an additional .29% of all active members' compensation. However, the bill does not provide for this additional contribution to fund the benefit enhancement.

The Public Employees' Retirement Board is opposed to the bill as introduced because it will result in additional unfunded liabilities to this retirement system which will continue to increase each year in the future.

The 1990 actuarial valuation of the FURS showed a \$1 Million increase in this system's unfunded liabilities over the 1988 level of unfunded liabilities. Current unfunded liabilities for this system total \$55,689,839. Even without the additional unfunded liabilities proposed in this bill, it will take 33.54 years to amortize the current unfunded liabilities of this system, making it the weakest system administered by the Board.

The Board sincerely requests this committee continue all efforts necessary to retain the actuarial soundness of this retirement system. We request you do not pass this bill without amendments which will provide for additional contributions of no less than .29% of salaries. If the bill is amended to adequately fund the benefit enhancements, the Board will withdraw its opposition to the bill.

EXHIBIT 1011
DATE 2/19/91
HB 274

Amendments to House Bill No. 274
First Reading Copy

Requested by House Committee on State Administration

Prepared by Sheri S. Heffelfinger
February 19, 1991

1. Title, line 9.

Following: "AN"

Insert: "IMMEDIATE"

2. Page 7, line 17.

Strike: "July 1, 1991"

Insert: "on passage and approval"

WDT 19
DATE 2/19/91
HB 650

HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION COMMITTEE

ROLL CALL VOTE

DATE 2/19/91 BILL NO. HB 650 NUMBER 1

MOTION: On Pass As Amended

NAME	AYE	NO
REP. VICKI COCCHIARELLA, VICE-CHAIR	✓	
REP. BEVERLY BARNHART	✓	
REP. GARY BECK	✓	
REP. ERNEST BERGSAGEL		✓
REP. FRED "FRITZ" DAILY		
REP. ERVIN DAVIS	✓	
REP. JANE DEBRUYCKER	✓	
REP. ROGER DEBRUYCKER		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER		✓
REP. PATRICK GALVIN	✓	
REP. HARRIET HAYNE		✓
REP. BETTY LOU KASTEN		✓
REP. JOHN PHILLIPS		✓
REP. RICHARD SIMPKINS		✓
REP. JIM SOUTHWORTH	✓	
REP. WILBUR SPRING		
REP. CAROLYN SQUIRES	✓	
REP. JAN BROWN, CHAIR	✓	
TOTAL	9	8

EXHIBIT 19A
DATE 2/19/91
HB 650

Amendments to House Bill No. 650
First Reading Copy

Requested by Representative Squires
For the Committee on State Administration

Prepared by Sheri S. Heffelfinger
February 18, 1991

1. Title, line 6.
Following: "SAME"
Strike: "OR SIMILAR POSITIONS"
Insert: "POSITION"

2. Page 1, lines 20 and 21.
Following: "positions"
Strike: remainder of line 20 through "positions" on line 21

EXHIBIT 20
DATE 2/19/91
HB 606

HOUSE OF REPRESENTATIVES

STATE ADMINISTRATION COMMITTEE

ROLL CALL VOTE

DATE 2/19/91 BILL NO. HB 606 NUMBER 1
MOTION: On Pass As Amended

NAME	AYE	NO
REP. VICKI COCCHIARELLA, VICE-CHAIR	✓	
REP. BEVERLY BARNHART	✓	
REP. GARY BECK	<i>absent</i>	
REP. ERNEST BERGSAGEL		✓
REP. FRED "FRITZ" DAILY		
REP. ERVIN DAVIS	✓	
REP. JANE DEBRUYCKER	✓	
REP. ROGER DEBRUYCKER		✓
REP. GARY FELAND		✓
REP. GARY FORRESTER	✓	
REP. PATRICK GALVIN	✓	
REP. HARRIET HAYNE		✓
REP. BETTY LOU KASTEN		✓
REP. JOHN PHILLIPS	✓	
REP. RICHARD SIMPKINS		✓
REP. JIM SOUTHWORTH	✓	
REP. WILBUR SPRING		
REP. CAROLYN SQUIRES	✓	
REP. JAN BROWN, CHAIR	✓	
TOTAL	10	6

Amendments to House Bill No. 606
First Reading Copy

Requested by House State Administration Committee

Prepared by Sheri S. Heffelfinger
February 19, 1991

1. Page 2, line 9.
Following: "solicit"
Insert: "county election administrators and"
2. Page 2, lines 12 and 13.
Following: "the" on line 12
Strike: remainder of line 12 through "officers" on line 13
Insert: "participating county election administrators"
3. Page 2, lines 14 and 15
Following: "shall"
Strike: remainder of line 14 through "program" on line 15
Insert: "facilitate the participation of as many schools in the
program as available funds and other circumstances allow"
4. Page 2, line 18.
Strike: "Curriculum"
Insert: "Program"
5. Page 2, line 20.
Strike: "curriculum"
Insert: "program"
6. Page 3, line 7.
Strike: "curriculum"
Insert: "program"

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 650

DATE 2/19/91

SPONSOR(S) REP. SQUIRES

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Henshaw Robbins	MISS. Dev. Corp		X
Tom Schneider	IMPEA	✓	
MARK LANGDORF	AFSCME	X	
Melvin Smith	MT. Palm Bld. Assoc	X	
Dow Judge	MT STATE AFL-CIO	✓	
John McCarthy	Common Cause	X	
Serge Hagerman	AFSCME	✓	
Jan Wright	MEA	✓	
DAN EDWARDS	OCAW	X	

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 784

DATE 2/19/91

SPONSOR(S) REP. O'KEEFE

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Joetie Welker	MAPP	✓	
Sharon Grier Shivers	HAPP	X	
Kristin Page	MontPIRG	X	
Broad MARTIN	MontPIRG	X	
Betty T Lund ^{Betty Lund}	MACR	✓	
Jane C. Murphy	MT Democratic Party	✓	
Don Judge	MT STATE AFL-CIO	X	
MARK LANGDOLF	AFSCME	✓	
DON EDWARDS	OCHW	X	
DOUG MITCHELL	SECRETARY OF STATE	X	
John McEntly	SC/MT	✓	

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 606

DATE 2/19/91

SPONSOR(S) REP. O'KEEFE

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Shawn GouShows	MAPP	X	
Tookie Welker	MAPP	X	
KRISTIN PAGE	MONTPIRG	X	
BRAO MARTIN	MONTPIRG		
Linda Vrooman Peterson	CPI	X	
Betty Lund	MACR	✓	
Nancy Coopersmith	OPI	✓	
John McCarthy	CE/MT	✓	
Jane C. Murphy	Montana Democratic Party	✓	
Jan Wright	Montana Education Assoc.	✓	
GREG AMSDEN-HAEGELE	MONTPIRG	✓	
MIKE COONEY	SECRETARY OF STATE	✓	

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 727

DATE 2/19/91

SPONSOR(S) REP. WYATT

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Terry Minow	MFSE	X	
Tom Schneider	MPBA	✓	
Jeresa Rendon	MFSE	X	
MARK LANGDOFF	AFSCME	X	
Larry Nachtmann	PERO		X

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

1 of 2

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 595

DATE 2/19/91 SPONSOR(S) REP. STRIZICH

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Tom Schauder	MPEA	X	
Wally Casaritto	MT. Police Prot. Assoc.	X	
MARK LANGDORF	MA. Police Prot. Assoc.	X	
Jim Shanks	AFSCME	X	
Jimmy Williams	MT Police Pro Ass	X	
GENE HARADA	MT Police Protective Assn.	X	
Shane Haberlock	Haure Police Dept.	X	
BILL WARE	Helena Police Dept.	X	
Kevin Clader	MONTANA ASSO OF CHIEFS OF POLICE	X	
MARK LERUM	Missoula Police Dept	X	
PETE HARTMAN	Helena Police Dept	✓	
Tray MS600	Helena Police Dept	✓	
Mel McCarver	Helena Police Prot. Assoc.	✓	
CLOYD GROVE	Bozeman Police Protective Assoc. MPPA	✓	
	GT FALLS Police Protective Assoc & MPPA	✓	

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ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**

2 of 2

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

State Administration

COMMITTEE

BILL NO. HB 595

DATE 2-19-91 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Toni PETZAK	GF. Police Protective Assoc	✓	
Michael STIMAC	GF. Police Protective Assoc	✓	
BILL YAEGER	ASSN OF MONTANA HIGHWAY PATROLMEN	X	
LINDA SANEM	Bozeman Police Dept	✓	
SHARON HOFMAN	Bozeman Police Dept	✓	
JIM LENARD	Bozeman Police Dept	✓	
_____	_____	_____	
JIM OBERHOFFER	Missoula Police Dept / MCOP	✓	
RICHT OCHSNER	MSLA POLICE	✓	
MARTIN LUDMANN	MSLA POLICE	✓	
Tim Bergstrom	MT. ST FIREMENS ASSOC	X	
VERN ERICKSON	" " " "	X	
ED FLIES	MT. ST. COUNCIL OF FIRE FIGHTERS	X	

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 274

DATE 2/19/91 SPONSOR(S) REP. STRIZICH

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Tom Schneider</i>	<i>MPRA</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Wally Casarotto</i> <small>WALLY CASAROTTO</small>	<i>MT. Police Prot. Assoc.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>MARK LANGDOFF</i>	<i>AFSCME</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Tim Shanks</i>	<i>MT Police Prot Ass.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Bill WARE</i>	<i>MT ASSO. of Chiefs of Police</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>MARK Lerum</i>	<i>Helena Police Dept.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>PETE Hartman</i>	<i>" " "</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Tray McGeer</i>	<i>Helena Police Prot. Assoc Montana Police Prot Assoc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>John D...</i>	<i>KALISPELL POLICE DEPT MONTANA POLICE PROT ASSOC</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Mel McCarty</i>	<i>Bozeman PD MPPA</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Larry Neeshoker</i>	<i>PERD</i>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

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**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

STATE ADMINISTRATION

COMMITTEE

BILL NO. HB 760

DATE 2/19/91

SPONSOR(S) REP. KIMBERLEY

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Tim BERGSTROM	MT. ST. FIREMENS ASSOC.	X	
VERN ERICKSON	MT. ST. FIREMENS ASSOC.	X	
ED FLIES	MT. ST. COUNCIL PROFESSIONAL FIRE FIGHTERS	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.