MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairperson Eleanor Vaughn, on February 14, 1991, at 10 A.M. in room 331

ROLL CALL

Members Present: Eleanor Vaughn, Chairman (D) Bob Pipinich, Vice Chairman (D) John Jr. Anderson (R) Chet Blaylock (D) James Burnett (R) Bill Farrell (R) Harry Fritz (D) Bob Hockett (D) Jack Rea (D)

Members Excused: Senator Bernie Swift

Staff Present: David Niss (Legislative Council).

- Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.
- Announcements/Discussion: A 5th grade class from Malta was introduced by Jim Grady, their teacher and their principal, Mr. Knudson.

HEARING ON SENATE BILL 243

Presentation and Opening Statement by Sponsor:

Senator Joe Mazurek, Senate District 23, Helena, said Senate bill 243 will make the Chief Water Judge a member of the judges' retirement system. He explained the background and need for creating the position of Chief Water Judge. When that was done, there wasn't any thought of a retirement plan included. There is a plan in the state to quantify and adjudicate all the existing water rights, which began in 1973 with the passage of the Montana Water Use Act. In 1976 they set the general adjudication process. This was to have those in place so that we didn't rely purely on the doctrine of prior appropriation in the sense that if you had been using the water that was sufficient In order to protect Montana water rights against down record. stream claims and also in an effort to involve federal claims, Indian Reserve Water Rights and reserve rights of federal

SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 2 of 9

agencies, they created water courts in District Court divisions. There are 4 different basins, and they created the position of Water Judge in each of those basins. Each Water Judge is a sitting District Judge. The legislature realized adjudicating water rights was a much more monumental task, than originally thought. In 1981 they created the position of Chief Water Judge. Judge Leslie retired from District Court and accepted the position of Chief Water Judge because he was recognized for his expertise in water law. The qualifications were the same as a District Court Judge. In 1987 they changed the qualifications to a 4 year term appointed by the Chief Justice every 4 years. Bruce Loble was selected this past year after going through a selection process. He found that he had no provision for retirement in this position. He is a judge and should be a member of the Judges' Retirement System. He supervises the 4 water judges in the state. He offered 2 amendments and explained how they propose to fund the retirement for this judge. He asked the committee to please pass this bill. (Exhibits 2 and 3)

Proponents' Testimony:

Bruce Loble explained that the Water Court is composed of 4 divisions with water judges presiding. There are 85 basins throughout the State. 45 of the basins have been decreed already. The retirement issue is important because it is functioning as a District Court. It is a branch of the District Court and should have all the same regulations surrounding the position.

Opponents' Testimony:

Larry Natchsheim, Administrator of the Public Employees Retirement Division, said the Judge's Retirement system provides the highest benefit accrual of any benefit system that he administers. The judges receive 3 1/3% of salary for each year of service up to 15 years of service, which is half pay in 15 As of July 1, 1990 there were 42 active judges, 4 vested years. members and 26 retirees. Current contribution is provided by 7% from the member, 6% by the State and 31% of the Court fees. Last session there was an amendment so that service after 15 years to increase from 1% per year to 1.785%, which is the factor that you find in the PERS. This amendment also provided an additional 3.71% of salaries payable from the court fees, and the benefit would be provided after the judge retires after 1991. The PERD had to get supplemental funding for this retirement system. Currently all the District Court fees that they receive do not provide 31% of salaries. This year it will be less that 20%. The current balance of the shortfall in the Judges' Retirement System as of Jan. 1, 1991 was \$831,877. By the end of the biennium, fiscal year 1993, it will approximate \$1.23 million. This bill proposes to add an additional member to the Judges' The cost, based on 34.71% of salary is about Retirement System. \$38,768 for the biennium. The bill has no funding in it, and he opposes Senate Bill 243 on that basis. Based on the funding of

SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 3 of 9

the system he would like to see both amendments passed. Increasing the Judges' Retirement System from 68% to 70% of Court fees would help. He'll run some numbers. The system is not in trouble. They have had some good investment results. They have advised the judges about the court fees not coming in, but the system is financially sound. When you have a system with 42 members, and add 1 or 2, and if something happens to 1 judge, it's the same affect as if you add 1,000 people in the big system. A single occurrence is a much more volatile consideration. If you put both amendments on it, the PERB would withdraw their opposition to the bill.

Questions From Committee Members:

Senator Blaylock asked Larry Nachtsheim if these amendments would make the fund actuarialy sound? Mr. Nachtsheim said they would help a great deal.

Senator Mazurek said the first amendment covers the amount of the fiscal note out of the Water Development Fund. The longer amendment provides a cushion through the court fees that is actually required. He told Linda King he would come in with an amendment to fund this bill.

Senator Blaylock asked where does the money from the Water Development Fund come from? Senator Mazurek responded that is where the funding from the Water Court comes. Judge Loble said the Water Development Fund comes from 30% of the Resource Indemnity Trust Income, 1.25% from coal severance tax, and then some debt service.

Senator Hockett asked Larry Nachtsheim if he administers this? L. Nachtsheim responded that their department administers 8 different retirement systems, and PERS is the biggest. Senator Hockett asked why there isn't just one retirement system? This is much more beneficial to judges than to other employees. Mr. Nachtsheim responded that over a period of years different groups have created their own retirement system. Judges did that in 1962.

Senator Burnett asked what is the advantage of passing both amendments? Larry Nachtsheim said the problem is the law actually provides all the funding they need. Yet, the court fees should generate 34.7% of the salaries, but the court fees aren't coming in. Mr. Nachtsheim responded that it is only fair that the Water Court pay for the Water Judge position.

Senator Farrell asked if there are any appointed judges? Senator Mazurek responded that the Workers' Compensation Judge is a member of PERS by statute. Senator Farrell asked if this is a temporary position whenever the adjudication job is done? Senator Mazurek responded that was correct. It's a 4 year position appointed by the Chief Justice and can be terminated anytime. SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 4 of 9

Senator Farrell asked if the legislature terminates this at the end of 4 years, would he would get 3 1/3 of his salary per each year of service up to 15 years? Senator Mazurek said yes.

Senator Farrel'1 asked Larry Natchsheim what the unfunded liability is this year in the Judges' Retirement and how the actuary arrived at that figure? Mr. Natchsheim responded that the actuary has to go on assumptions of what the law says they are going to receive. In 1989 there was a change in the court fee structure that provided we would get these monies and for a period of time, they did receive closer to the amounts they were to get in relation to the 31% of salaries. In the 1990s the judges got a raise and the court fees didn't go up so the percentage becomes smaller. The money source doesn't necessarily grow at the same rate as the salaries grow. The Board of Investments has done a good job of keeping the fund sound. Larry Natchsheim suggests that the court fees go into the general fund and the general fund send them the amount required by law, thereby the general fund would pick up the shortfall.

Closing by Sponsor:

Senator Mazurek thinks there are some problems in the contribution rates of the Judges' Retirement. This bill funds the cost of this change and it is a fair treatment of the Chief Water Judge. One amendment will fund this bill and the other amendment will address the actuarial soundness question. Younger judges don't draw on the system, they contribute, so that will help the system also.

EXECUTIVE ACTION ON SENATE BILL 243

Discussion:

There was lengthy discussion and several amendments needed to be studied so the committee decided to wait until Friday to take action on Senate Bill 243.

Senator Fritz questioned if one of the amendments was an appropriation, and whether that could be done in this committee.

HEARING ON SENATE BILL 295

Presentation and Opening Statement by Sponsor:

Senator Steve Doherty, Senate District 20, Great Falls, said Senate Bill 295 is an act requiring the Department of Justice to offer driver licensing examinations on Saturdays. This is brought about by people who dislike waiting to get their driver's license. They find it difficult to leave their jobs during the week. What they expect will be a short visit to the exam station turns into several hours and makes the person frustrated.

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SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 5 of 9

Government ought to serve the people, not the other way around. He doesn't know what the fiscal impact would be.

Proponents' Testimony:

None

Opponents' Testimony:

Duane Tooley, Chief of the Driver Services Bureau, stated that the bill sounds like a very good idea. The don't have the staff nor the facilities to handle Saturday operations. They have resident examiners in 14 areas in the state. The majority of examining stations are in county court houses, which are closed on weekends. Saturday openings are very attractive and people do appear, but the lack of staff makes the Saturday openings hectic and difficult. There are 3 stations in the state that have 2 resident examiners, which are Billings, Kalispell and Bozeman and assignments could be offset. They are experimenting with early opening and late closing. The early opening works fairly well. The late closing is not used. They have requested funds to set up express stations in the major markets, which would separate out renewals, identification work, etc. This would be funded by a raise in driver license fees. This bill needs work because it only applies to examinations, and should include the other services given at the station. It should be amended to limit the service to where there is a facility available.

Questions From Committee Members:

Senator Rea asked what the increase in fees will be and how many personnel would be needed? Mr. Tooley responded in major markets you need 10 or 15 people. Senator Rea asked about the other services that are offered? Mr. Tooley responded they offer renewals, commercial licenses, driver improvement services, and identification cards.

Senator Fritz asked if he would support another \$4.00 to keep the stations open? Senator Doherty said he wasn't looking for additional people. He thought of flopping days around. He isn't certain there is a need to hire additional people.

Senator Pipinich said he went in for a renewal in Missoula and it took him 2 hours. Senator Fritz did the same thing and it took him 2 minutes. Mr. Tooley said it depends on the time of day you go in.

Senator Hockett asked the department if it could close on Wednesday and open on Saturday? Like the liquor division? Is it possible to make appointments? There are creative ways of dealing with the public. It's archaic to make people sit and wait. SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 6 of 9

Mr. Tooley said the Courthouses, where most exam stations are in Montana, aren't open on Saturdays. The appointment system would be ideal. Other states tried that and had poor attendance. They do appointments for commercial licenses testing and about 40% do not show up.

Closing by Sponsor:

Senator Doherty said there ought to be a way to serve the public in a more efficient, satisfactory manner. It is a contact point between citizens and government that is a very aggravating point. With that he closed the hearing on Senate Bill 295.

EXECUTIVE ACTION ON SENATE BILL 295

Motion:

Senator Burnett moved to TABLE SENATE BILL 295.

Discussion:

None

Amendments, Discussion, and Votes:

None

Recommendation and Vote:

The VOTE was UNANIMOUS to TABLE Senate Bill 295.

HEARING ON SENATE BILL 301

Presentation and Opening Statement by Sponsor:

Senator Blaylock, Senate District 43, said this bill impacts upon legislators. Senate Bill 301 allows former legislators to continue membership in the State Group Health Insurance Plan. It has a retroactive applicability date. If a legislator is under 50 years of age and would like to remain in the State Group Health Insurance Plan and is a vested member in a State Retirement System, he can remain in the health group and pay his own premiums. If he has another plan, or is employed and eligible for another plan, he cannot belong to this one. It is a relatively small cost to the system, \$2,788, and it would help some legislators.

Proponents' Testimony:

Scott Seacatt, Legislative Auditor, and Legislative Branch Representative of the Group Benefits Advisory Council, and on behalf of the legislators he supports this bill.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Rea asked if a 4 year legislator would be eligible? Senator Blaylock responded that you have to be vested, which is 5 years so you would have to be reelected, and you must be under 50 years of age.

Senator Fritz asked who decides if you are a member of another plan with substantially the same benefits. Scott Seacatt said that decision would be made by the Personnel Division of the Department of Administration. They presently administer the Group Benefit Health Plan for the state.

Senator Rea asked Senator Blaylock if it could be changed to a 4 year legislator, if they pay their own premiums? Senator Rea asked why not let all legislators in if they pay their premiums? Senator Blaylock said he doesn't know what kind of impact that would have on the system. Senator Farrell said private insurers would not like allowing all legislators into the State Group Health Plan. If a legislator has vested rights the private insurers can't bother the legislator.

Scott Seacatt said there was a narrow gap for potential health insurance coverage for legislators and that was the legislator under 50 years of age, who was retiring for whatever reason, who couldn't find alternative health insurance and has vested rights. Under this bill the legislator would pay about \$400 per month. The premiums for retirees is twice as much as for active people. The fiscal impact shifts to the pool that pays for the plan.

Senator Farrell asked who they thought were the 3 people who were eligible? Scott Seacatt said when they did the fiscal note they thought 4 legislators from last session would be eligible, and 1 would probably have insurance.

Senator Vaughn said if you didn't have the vested part in the bill, that would include House members after 2 years service. Scott Seacatt said that is correct.

Senator Rea said if they are paying the correct premium rate, why would there be a fiscal impact? It looks very attractive to a new legislator to take this state plan, then in the interim he becomes uninsurable, then when he's done, he can't get other insurance. Scott Seacatt said that is correct. The criteria was to make the vesting the same as the retirement system. If you want to open this up to all legislators, you could do that. There are many statutes that tie benefits to the retirement system requirements. Surviving spouses who are eligible for retirement benefits have continuing rights in the health plan. There is a move to tie continuing rights to length of service more than in the past.

Senator Anderson asked if they still have to have the 5 years vested and be under 50 years of age and cannot get health insurance? That is correct.

Closing by Sponsor:

Senator Blaylock closed the hearing on Senate Bill 301.

EXECUTIVE ACTION ON SENATE BILL 264

Motion:

Senator Fritz moved to accept the AMENDMENTS prepared by David Niss in exhibit 4.

Discussion:

Senator Fritz gave a letter, one of the stronger arguments, to the committee from a proponent. (Exhibit 1)

Senator Pipinich said these people should stay in the current plan. Senator Fritz said they paid ransom to get out of TRS. He said they need an independent examination of the unfunded liability to determine exactly how much they are responsible for.

Senator Farrell asked Scott Seacatt if he is aware that the Legislative Auditor is included in this bill? Scott Seacatt will be happy to serve as mediator in this legislation. He would contract with an independent person to review the actuary's assumptions on a periodic basis and we can roll this into the work.

Senator Fritz asked David Senn from the Teachers Retirement System to comment on the amendments.

David Senn said the amendments provides that the Regents contribute up to the combined Teachers Retirement rate, 14.5% to the ORP. The second part of the amendments repeals the law requiring the Board of Regents to fund the unfunded liability in the TRS at 4.5%. It will provide \$1.5 million over the biennium and that is \$1 million short of what is required at the 4.5% level. Thirdly the amendments provides for a study. Having taken away the 4.5%, why are they going to come back to the 1993 legislature with a proposal that cannot be tied to property tax. What is left? The unfunded liability must be funded for those from the University System that remain in the plan.

Mr. Schramm said that neither side is ready to concede on the points as outlined.

SENATE STATE ADMINISTRATION COMMITTEE February 14, 1991 Page 9 of 9

Senator Vaughn asked about the \$1 million short as testified by Mr. Senn? Senator Fritz said that current unfunded liability is \$500,000 and that projects up to \$1,5 million over the biennium.

Senator Blaylock asked if we just cut loose the University System from the TRS, what would happen? No one wants that. This is a tough problem.

Amendments, Discussion, and Votes:

The VOTE to ACCEPT the AMENDMENTS was 1 yes and 8 no. The amendments failed. Senator Fritz will prepare another amendment by tomorrow.

Recommendation and Vote:

None

ADJOURNMENT

Adjournment At: 12: Noon

Eleanor Vace

ELEANOR VAUGHN, Chairman

HARRIS, Secretary DOLORES

EV/dh

ROLL CALL

STATE ADMINISTRATION COMMITTEE

DATE <u>Jeb-141991</u>

52 LEGISLATIVE SESSION

| NAME | PRESENT | ABSENT | EXCUSED |
|------------------------|---------|--------|---------|
| | | | |
| SENATOR ELEANOR VAUGHN | Х | | |
| SENATOR BOB PIPINICH | X | | |
| SENATOR JOHN ANDERSON | · × | | |
| SENATOR CHET BLAYLOCK | X | | |
| SENATOR JAMES BURNETT | , X | | |
| SENATOR "BILL" FARRELL | X | | |
| SENATOR HARRY FRITZ | X | | |
| SENATOR BOB HOCKETT | Χ | | |
| SENATOR JACK "DOC" REA | X | | |
| SENATOR BERNIE SWIFT | | | excused |
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Each day attach to minutes.

COMMITTEE ON

VISITORS' REGISTER

DATE

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(Please leave prepared statement with Secretary)

| SENATE STATI | E ADMIN. |
|--------------|----------|
| EXHIBIT NO | |
| DATE 2 | -14-9 |
| BILL NO S | 13264 |

February 11, 1991

Senator Harry Fritz State Capitol Capitol Station Helena, MT 59620

Dear Senator Fritz:

As a member of the MSU faculty, I am writing to ask you to support passage of SB 264 entitled

An Act providing that a member of the University System Optional Retirement Plan shall receive the full employer contribution to retirement programs.

The Optional Retirement Program (ORP) was created in 1987 to give Montana University System faculty the opportunity to join a national retirement system already in place at virtually every major university in the country. This additional freedom of choice was correctly viewed as an essential component for enhancing the University System's ability to compete for new faculty in a national market. However, the value of the ORP as a recruitment tool is seriously compromised by the extremely low rate of State contribution, which is by far the <u>lowest in the nation</u>: 2.956% versus the second lowest of 5.86% and a national average of over 9%. This low rate of State contribution applies <u>only</u> to <u>ORP members</u>; faculty in the Montana Teacher's Retirement System (TRS) receive a 7.459% State contribution. The difference of 4.503% is taken from ORP members and given to the TRS under the terms of the law which created the ORP. SB 264 is designed to end this discriminatory practice.

I was one of the MSU faculty who opted to leave TRS for the ORP in 1987, and I relinquished thousands of dollars in past State contributions to my retirement fund in order to do so. Those of us who joined the ORP left behind \$1.5 million, which will grow to over \$15 million during our average lifetimes. In addition, the TRS has collected the 4.503% tax on ourselves plus 312 new faculty since 1987, collecting over an additional \$4 million. The annuity value of these funds far exceeds our fair share of the TRS unfunded liability, which has been estimated at about \$8.2 million. Thus I and my colleagues have paid more than our fair share to support the TRS. Indeed, the 1987 law authorizing the ORP specifically directed the TRS to return any of these special payments found to be in excess of the value necessary to amortize the unfunded liability of active or retired members of the University System. The TRS has failed to uphold this law, and has not even determined what proportion of the unfunded TRS liability represents University System employees. Why should I continue to be selectively taxed to support the TRS for the rest of my life? Why should new faculty, who never participated in the TRS at all, be similarly taxed?

The continued imposition of the 4.503% penalty payment to the TRS will cost me hundreds of thousands of dollars in lost value from my retirement annuity. This discriminatory tax is being imposed even though I have relinquished all claims to any state retirement benefits (other than the ongoing contribution to the ORP during my employment). In addition to discriminating against me personally, this tax will weaken the University System by inhibiting recruitment of new faculty. Please help us to end this unfair treatment of one class of Montana State employees by sending SB 264 out of the Senate State Administration Committee with a favorable recommendation. Thank you for your consideration.

Sincerely,

ele M. Cal

Charles M. Paden 507 Ice Pond Road Bozeman, MT 59715

| SENATE STATE ADMIN. | |
|---------------------|--|
| EXHIBIT NO_2 | |
| DATE 2-14-91 | |
| BILL NO. 5/3243 | |

Amendments to Senate Bill No. 243 First Reading Copy

1. Title, line 5.
Following: "SYSTEM;"
Insert: "PROVIDING FUNDING;'

2. Page 1, line 19. Following line 18 Insert: <u>NEW SECTION.</u> "Section 2. Funding. The state of Montana shall contribute monthly from the water development account in the state special revenue fund to the judges retirement fund an amount equal to 34.71% of the salary paid to the chief water court judge." Renumber subsequent sections

| SENATE STATE ADMIN. |
|---------------------|
| EXHIBIT NO 3 |
| DATE 2-14-91 |
| BILL NO_ 513 243 |

Amendments to Senate Bill No. 243 First Reading Copy

Requested by Senator Mazurek

Prepared by Becky Barnhart February 6, 1991

1. Title, line 5.
Following: "SYSTEM;"
Insert: "PROVIDING FUNDING;"

2. Title, line 6. Strike: "SECTION" Insert: "SECTIONS" Following: "19-5-301" Insert: "AND 19-5-404"

3. Page 1.
Following: line 18
Insert: "Section

Section 19-5-404, MCA, is amended to read: "Section 2. "19-5-404. (Effective July 1, 1991) Contributions by the state. The state of Montana shall contribute monthly to the fund a sum equal to 6% of the salary of each member. In addition, the clerk of each district court shall transmit 68% 70% of certain filing fees as required under 25-1-201(2) and that portion of the fee for filing a petition for dissolution of marriage and a motion for substitution of a judge specified in 25-1-201(4) and (6) to the state, which shall first deposit in the fund an amount equal to 34.71% of the salaries paid to district judges and supreme court justices who are covered by the judges' retirement system and then deposit the balance in the state general fund. The clerk of the supreme court shall pay one-fourth of the fees collected under 3-2-403 to the public employees' retirement division of the department of administration to be credited to the fund."

Renumber: subsequent sections

1

| SENATE STATE ADMIN. |
|---------------------|
| EXHIBIT NO 4 |
| DATE 2-14-91 |
| BALL NO SB 264 |

Amendments to Senate Bill No. 264 First Reading Copy

For the Committee on State Administration

Prepared by David S. Niss February 14, 1991

1. Title, line 6 and 7.

Strike: "THE FULL EMPLOYER CONTRIBUTION TO THE RETIREMENT PROGRAM"

Insert: "AN EMPLOYER CONTRIBUTION DETERMINED BY THE BOARD OF REGENTS; REQUIRING THE BOARD OF REGENTS TO TRANSFER MONEY TO THE TEACHERS RETIREMENT SYSTEM; REQUIRING THE BOARD OF REGENTS AND THE TEACHERS RETIREMENT BOARD TO DETERMINE THE UNFUNDED LIABILITY OF THE TEACHERS RETIREMENT SYSTEM ATTRIBUTABLE TO THE MONTANA UNIVERSITY SYSTEM AND TO MAKE A RECOMMENDATION TO THE 53RD LEGISLATURE; "

2. Title, line 10. Following: "DATE" Insert: "AND A TERMINATION DATE"

3. Page 1, lines 17 and 18.

Strike: "an amount" on line 17 through "19-4-605" on line 18
Insert: "a uniform amount for each participant at a level
 determined by the board of regents. The employer
 contribution required by this subsection may not exceed the
 employer contribution required under 19-4-605, nor may the
 employer contribution, when added to the employee
 contribution, be less than 10% of the participant's earned
 compensation."

4. Page 2.

Following: line 15

Insert: "<u>NEW SECTION.</u> Section 2. Fayment by board of regents -determination of unfunded liability --legislative proposal "equired. (1) On both January 1, 1992, and January 1, 1993, the board of regents shall transie: \$750,000 to the ceachers retirement system.

(2) The reachers retirement board and the board of regents shall, in cooperation with the legislative auditor, attempt to determine the portion of the teachers retirement system unfunded liability incurred before July 1, 1987 attributable to the Montana university system and the amount of that unfunded liability that will be retired by Montana

SB026501.adn

university system employer contributions made pursuant to 19-4-605. The teachers retirement board and the board of regents shall present to the 53rd legislature a proposal to fund from sources other than local property tax levies the remaining portions of the unfunded liability attributable to the Montana university system.

Renumber: subsequent sections

5. Page 2. Following: line 19 Insert: "<u>NEW SECTION.</u> Section 5. Termination date. [Section 2] terminates June 30, 1993.

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| Eadah NO. | 5 |
| DATE | 2-14-91 |
| BILL NO | 5B243 |

TESTIMONY

SENATE BILL 243

Larry Nachtsheim, Administrator Public Employees' Retirement Div.

The Judges' Retirement System provides the highest benefit accrual of any of the Montana public employee retirement systems; 3 1/3% of salary for each year of service up to 15 years, or half pay in 15 years, plus 1% of salary for each additional year of service past 15 years. Normal retirement age is 65. Retirement benefits are adjusted proportionately whenever current judges or justices receive an increase in salary. Members are covered under social security.

As of July 1, 1990 there were 43 active members, 4 vested members and 26 retirees. Current contributions provided by law as a percentage of salary are:

| | Member | 78 |
|---|---------------------|-----|
| | State | 6% |
| * | Court Fees | 318 |
| | Total % of Salaries | 448 |

* Effective July 1, 1991, an additional 3.71% of salaries is payable from court fees to fund the benefit enhancements granted by the Legislature in 1989 to judges retiring after July 1, 1991. The report required of the Public Employees' Retirement Board, filed with the Legislature on January 7, 1991, recommends supplemental funding for the system.

All district court fees paid into the Judges' system during the current fiscal year provided less than 20% of salaries and as of January 1, 1991, the contributions shortfall to the system is \$831,977 and will be approximately \$1.321 M by the end of FY 1993.

This bill proposes to add an additional member, the Water Judge, to the Judges' Retirement System which will require an additional \$38,768 in the upcoming biennium to fund the retirement liabilities associated with adding a new covered position to this system. No additional revenue is provided in this bill.

The Public Employees' Retirement Board requests your support in opposing this bill because it will only add to the liabilities of the system without providing any additional revenues.

Proposed Amendment to

SB 243

Prepared by: Public Employees' Retirement Division, February 15, 1990

Effect of proposed amendment to provide 70% (instead of 68%) of district court fees to be forwarded to state for payment of Judges' Retirement System contributions.

 FY 91 District Court Fees (July 1 - January 31):
 \$ 409,210

 Total projected as of FY end:
 \$ 759,962

 68% of FY 91:
 \$516,774

 70% of FY 91:
 \$531,973

Increased district court fees created by amendment: \$ 15,199 Amount required to fund 34.71% of chief water judge's salary: 19,152 Shortfall in district court fees to fund chief water judge: \$ 3,953

51st Legislative Session

STATE ADMINISTRATION COMMITTEE

PROXY VOTE

| | Bernie Swift | do hereby |
|------------------------------|-----------------------|---------------------|
| grant my proxy vote follows: | to Chairman Vaughn on | Secretary Harris as |

BILL NUMBER 58295

ł

MOTION

| Do Pass Yes | No |
|-------------------------------|----|
| Do Not Pass Yes | No |
| Indefinitely Postponed Yes | No |
| Tabled Yes | No |

B ornie Swift Signature

Date 2/13/91

i

51st Legislative Session

STATE ADMINISTRATION COMMITTEE

| i i | PROXY VOTE | • |
|---------------------------------|-----------------------|---------------------|
| I, Senator | Bernie Swift | do hereby |
| grant my proxy vote follows: | to Chairman Vaughn or | Secretary Harris as |

BILL NUMBER 58301

MOTION

| Do Pass Yes | No |
|-------------------------------|----|
| Do Not Pass Yes | No |
| Indefinitely Postponed Yes | No |
| Tabled Yes | No |

Barnie Swift Signature

Date <u>2/13/9/</u>

i

51st Legislative Session

STATE ADMINISTRATION COMMITTEE

| • | PROXY VOTE | • |
|---------------------|--------------------|--|
| I, Senator | Chairman Vaughn or | do hereby Secretary Harris as |
| follows: | | |
| BILL NUMBER | mand Suction | 77-2:306 MCA Parchased by Local Gov'l |
| MOTION | STAVE LANKS (| rarchaud by Local 600" |
| Do Pass Yes | No | |
| Do Not Pass Yes | No | |
| Indefinitely Yes | Postponed No | |
| Tabled Yes | No | |
| Date 2-12 | Bignatu | coc" Cey |
| | | |