

MINUTES

MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By CHAIRMAN ETHEL HARDING, on March 6, 1995,
at 10:00 A.M.

ROLL CALL

Members Present:

Sen. Ethel M. Harding, Chairman (R)
Sen. Kenneth "Ken" Mesaros, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Don Hargrove (R)
Sen. Mike Foster (R)
Sen. Vivian M. Brooke (D)
Sen. Bob Pipinich (D)

Members Excused: Sen. Jeff Weldon (D)

Members Absent: N/A

Staff Present: David Niss, Legislative Council
Gail Moser, Committee Secretary

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

Committee Business Summary:

Hearing: HB 494, HB 392, HB 306
Executive Action: HB 306 BE CONCURRED IN
HB 392 BE CONCURRED IN
HB 494 BE CONCURRED IN

{Tape: 1; Side: A; Approx. Counter: 57.4}

HEARING ON HB 306

Opening Statement by Sponsor:

REP. HARRIET HAYNE, House District 86, Dupuyer, explained HB 306 proposed the revision of the service retirement benefits payable under the Sheriff's Retirement System. HB 306 would change the number of years of service required, eliminate the age requirement and salary limit, increase the benefit paid to survivors, and increase the employer and employee contributions to fund the benefit changes. She stated there were several reasons the bill should be considered; the most important was

because law enforcement was a high risk position. She reported the life expectancy of law enforcement officers was shorter than other public employees. HB 306 addressed the special needs of sheriffs and deputies across the State of Montana. She informed the Committee the Sheriff's Retirement System was created in 1975, and during the past 20 years, the system had been part of the Public Employees' Retirement System. **REP. HAYNE** added HB 306 would be the first change in the contribution share of deputies and counties since the system's creation. She reported the actuary report as of June 30, 1994, reflected no unfunded liability in the system.

Proponents' Testimony:

Kathy McGowan, Montana Sheriff's and Peace Officer's Association, read her written testimony (**EXHIBIT 1**).

Bill Fleiner, Montana Sheriff's and Peace Officer's Association, presented **EXHIBIT 2**, detailing and summarizing the changes in HB 306. He read **Gallatin County Sheriff William Barnes'** testimony, **EXHIBIT 3**.

Gordon Morris, Director of the Association of Counties, reported sheriffs and sheriffs' deputies were currently entitled to a 1% per year longevity increase and explained the assumption had been made that the longevity savings on the basis of shortening the retirement year from 24 to 20 would be more than offset by the savings realized in terms of long term longevity savings. He claimed the price was small to pay for the well-being of our public safety officers in the state.

Greg Hintz, Missoula County Deputies' Association, read his written testimony, **EXHIBIT 4**.

Linda King, Public Employees Retirement Division, presented her written testimony, **EXHIBIT 5**.

Tom Schneider, Montana Public Employees Association, informed the Committee he had helped draft the original Sheriff's Retirement System and recalled that the System had undergone many changes to meet the necessary financial requirements to enact the System. He noted in the 20 years the System has been in place only one change had been made: reducing the number of years of service from 25 to 24 because sheriffs terms are 4 year terms. He stated the members of the System and the interim committee had worked to come to a compromise in HB 306 and he believed it was a good bill.

Kurt Seward, Rosebud County Sheriff, expressed support for HB 306 and reported Rosebud County had only had one deputy sheriff retire, and he had died 18 months after retirement. He insisted a person should be able to retire early enough to enjoy the time after retirement.

Rick Seidlitz, Meagher County Sheriff's Department, expressed support for HB 306.

Errol Wilson, Gallatin County Sheriff's Office, rose in support of HB 306.

Don Houghton, Gallatin County Sheriff's Office, stated support for HB 306.

Rob Christie, Gallatin County Sheriff's Department, urged support for HB 306.

Gary Fjelstad, Rosebud County Under Sheriff, asked the Committee for their support of HB 306 and conveyed support for HB 306 from **Steve Wilkins, Treasure County Sheriff.**

Paul Williams, Chouteau County Sheriff, stated support for HB 306.

Chuck O'Reilly, Lewis & Clark County Sheriff, expressed support for HB 306.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. MACK COLE asked how many people were retired on the sheriff's system. **Bill Fleiner** reported there were currently 111 receiving some sort of benefit, including those receiving disability benefits. **SEN. COLE** asked what the cost was to maintain the 111 people. **Linda King** stated the system currently had no unfunded liability. There was more being contributed than was required resulting in the minimal cost of implementing HB 306 in conjunction with the GABA bill. She explained the GABA figures shown on the fiscal note in terms of coordination would actually be significantly lower due to the GABA proposal being amended from the current 2% to 1½%.

SEN. COLE asked who would benefit from HB 306. **Ms. King** stated the members of the Sheriff's Retirement System were the elected sheriffs, undersheriffs, all the regularly appointed and acting deputy sheriffs, the employees of the Gambling Enforcement Division and Criminal Investigations Bureau of the Department of Justice.

SEN. KEN MESAROS referred to the retirement benefit amount of 41.668% of the member's salary and asked how that amount compared with the firemen's retirement. **Ms. King** stated the firemen, police, and highway patrol receive 2½% and, therefore, received 50% after 20 years. The sheriffs' amount was less because they received social security in addition to their retirement benefits while firemen, police, and highway patrol did not. **SEN. MESAROS**

clarified the social security benefits would then equate the retirements. **Ms. King** stated that was basically what the formula was designed to do.

SEN. DON HARGROVE referred to the fact not many officers retire from being a sheriff or deputy sheriff and asked if many of the officers moved to another department of the county until retirement and then proceed to receive their county retirement. **Mr. Hintz** clarified that Senator Hargrove was referring to a transfer from the sheriff's retirement and replied he had not seen that situation occur.

SEN. VIVIAN BROOKE asked if the changes in provisions and requirements for retirement in HB 306 would affect the costs of the GABA proposal. **Ms. King** replied they would and referred to the coordination instructions on the back of the fiscal note.

SEN. BROOKE noted the numbers on the front of the fiscal note were much higher than the numbers on the back. **Ms. King** explained the numbers on the front reflected the costs of HB 306 without the GABA bill. The numbers on the back were the combined costs of HB 306 and the GABA bill with the GABA at 2%. She further explained the actual figures would be 25% lower due to the GABA being amended to 1½%.

Closing by Sponsor:

REP. HAYNE stressed the Sheriff's Retirement Fund was actuarially sound and urged the Committee's support.

HEARING ON HB 392

Opening Statement by Sponsor:

REP. BILL RYAN, House District 44, Great Falls, stated HB 392 had been requested by an undercover police officer who did not vote because his address would be placed on a mailing list at the Clerk and Records Office. In the interest of his family's safety, the officer did not want his name and address on any list that was, by law, public information. HB 392 would change current statute to provide that a law enforcement officer, for security reasons, could request that his address be omitted from the list, but his name would still appear on the Board of Registrations. The Clerk and Records Office would still have the address, but it would not be included in the public information. He added there would be no fiscal impact from HB 392.

Proponents' Testimony:

Robert Throssell, Montana Association of Clerk and Recorders, stated Clerk and Recorders and Election Administrators believed on a limited basis, for security reasons, arrangements could be made to remove addresses from the list. He explained the voter registration was one of the most public pieces of information maintained by local government and expressed concern that if too many names had to be carved out, the process could become difficult. He stated in this particular instance, members of the Association were willing to try the security arrangement.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. BROOKE explained she had a bill, SB 278, addressing domestic violence and originally it was to include a section recommending the omission of the addresses of victims of domestic violence from the voter registration list. **Mr. Throssell** expressed concern that other groups may come and wish to be omitted. He explained the system was currently set up to be very public, and to start taking people off in counties where the systems were still manually maintained may not be an issue, but in larger counties where computer databases are used, pulling names off the list and manually maintaining the records, confidentiality would become a problem and would accrue additional costs. **SEN. BROOKE** clarified the exception was okay for the one small group but would not be okay for others. **Mr. Throssell** replied that was correct. He explained election administrators would not have a problem accommodating a few people, but when the list of people granted exception grew, the process would become more difficult and more expensive.

SEN. HARGROVE asked if any difficulty was foreseen in protecting the confidentiality of the addresses. He noted SB 278 required a written request and asked how the letters and addresses would be secured to prevent a compromise in the security.

Mr. Throssell replied each election administrator would manually keep the information in a safe spot in their desks. The information would be kept between the Clerk and Recorder, Election Administrator, and the individual. He stressed with HB 392 the list would be short, and he added that the breakdown of the security provisions would occur if the list became too extensive.

Closing by Sponsor:

REP. RYAN summarized HB 392 was designed for law enforcement officials and Fish and Game officers who were undercover. He informed the Committee that the House had tried to amend the bill to include other groups of people and the amendment had been resisted.

HEARING ON HB 494Opening Statement by Sponsor:

REP. BOB CLARK, House District 8, Ryegate, stated HB 494 would create a memorial for Highway Patrol Officers killed in the line of duty and would be placed on the north side of the Capitol. He stated the monument would memorialize four officers killed in the line of duty and any officer killed in the future. He listed the specific officers and the circumstances surrounding their deaths:

- On November 2, 1946, 11 years after the Highway Patrol was formed, two officers located some armed robbery suspects between Billings and Laurel, there was a shootout and one of the officers, Bob Steele, was killed. He was the first Highway Patrol Officer to die in the line of duty.
- On July 24, 1954, on Bozeman Hill, Officer Jim Anderson had stopped a vehicle and was talking to the driver when another vehicle drove by and struck the officer, killing him.
- On July 19, 1973, near Kalispell, a young officer who had gone through the training academy was working with a training Highway Patrol Officer, Richard Headstrom. They had stopped a DUI driver. The training officer was in the process of putting the drunk driver in the patrol car when the patrol car was struck from behind by another drunk driver. Officer Headstrom was killed.
- In April of 1978, in Eureka, Officer Mike Renn and a deputy sheriff were attempting to arrest an individual who came out of his pickup with a hunting rifle and shot Officer Renn in the chest killing him.

REP. CLARK distributed EXHIBIT 6, plans for the memorial.

Proponents' Testimony:

Colonel Craig Reap, Montana Highway Patrol, informed the Committee many cities and towns had memorials for their local officers who had been killed in the line of duty. There was not a memorial for the Montana Highway Patrol Officers. He added HB 494 would be an opportunity for citizens to donate to finance the memorial; there would be no cost to the state.

Laurie Ekanger, representing Governor Racicot, expressed the Governor's support of HB 494.

Tom Schneider, Montana Public Employees Association, related to the Committee in 1993, the Association named a state building in memory of an employee of the Department of Labor who was killed while working in the Shelby area. The Association raised the money and completed the project. He stated the Association was committed to raising the private funds for the building of the memorial as well as the maintenance. He explained the bill had

been rewritten in the House Committee to address concerns regarding the historical preservation of the Capitol grounds.

Arnie Olsen, Administrator of the State Parks Division, explained his Division was responsible for maintenance of the Capitol grounds and supports HB 494.

Chris Imhoff, citizen, stated she had been involved in the project and believed the monument would be a way for the members of the officers' families to reach some sort of closure with their deaths.

Opponents' Testimony: None.

Questions From Committee Members and Responses: None

Closing by Sponsor:

REP. CLARK emphasized HB 494 contained no cost to the state. He referred to Exhibit 6 and explained it was a diagram of what the memorial would look like. He further explained one of the fundraising methods to be used would be the selling of engraved bricks for \$60.

{Tape: 1; Side: B; Approx. Counter: 4.7}

EXECUTIVE ACTION ON HB 494

Motion/Vote: SEN. MESAROS moved that HB 494 BE CONCURRED IN. The MOTION CARRIED UNANIMOUSLY on oral vote. SEN. COLE will carry the bill on the Senate floor.

EXECUTIVE ACTION ON HB 392

Motion/Vote: SEN. BROOKE moved that HB 392 BE CONCURRED IN. The MOTION CARRIED UNANIMOUSLY on oral vote. SEN. BILL WILSON will carry the bill on the Senate floor.

EXECUTIVE ACTION ON HB 306

Motion/Vote: SEN. COLE MADE THE MOTION HB 306 BE CONCURRED IN. The MOTION CARRIED UNANIMOUSLY on oral vote. SEN. GARY FORRESTER will carry the bill on the Senate floor.

ADJOURNMENT

Adjournment: CHAIRMAN ETHEL HARDING adjourned the meeting at
11:00 a.m.


ETHEL M. HARDING, Chairman


GAIL MOSER, Secretary


TINA PRICE, Transcriber

EMH/gem/tp

MONTANA SENATE
1995 LEGISLATURE
STATE ADMINISTRATION COMMITTEE

ROLL CALL

DATE _____

Mar 3-95

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SEN:1995
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 6, 1995

MR. PRESIDENT:

We, your committee on State Administration having had under consideration HB 392 (third reading copy -- blue), respectfully report that HB 392 be concurred in.

Signed: Ethel M. Harding
Senator Ethel M. Harding, Chair

SA Amd. Coord.

Sec. of Senate

Wilson
Senator Carrying Bill

521127SC.SPV

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 6, 1995

MR. PRESIDENT:

We, your committee on State Administration having had under consideration HB 494 (third reading copy -- blue), respectfully report that HB 494 be concurred in.

Signed: Ethel M. Harding
Senator Ethel M. Harding, Chair

SR

Amd. Coord.
Sec. of Senate

Cole
Senator Carrying Bill

521125SC.SPV

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 6, 1995

MR. PRESIDENT:

We, your committee on State Administration having had under consideration HB 306 (third reading copy -- blue), respectfully report that HB 306 be concurred in.

Signed: Ethel M. Harding
Senator Ethel M. Harding, Chair

RV
Amd. Coord.
Sec. of Senate

FORRESTER
Senator Carrying Bill

521220SC.SPV

Testimony in Support of House Bill 306

Presented by Kathy McGowan

On Behalf of the Montana Sheriff's and Peace Officer's Association

This past year ten meetings were held across the state of Montana by the Montana Sheriff's and Peace Officer's Association. In addition, a questionnaire returned by the membership who attended those meetings clearly stated the priority for MSPOA for the 1995 Legislation Session. That priority was to change the status of the current retirement system to a twenty year eligibility.

Law enforcement in Montana generally has the same mission. The mission is to serve and protect. The priority of the law enforcement mission is to save life and property. Sheriffs in the state of Montana have the broadest scope of authority. All other law enforcement entities have limited scope of authority.

Sheriffs' offices are the primary resource the Legislature empowers to fulfill enforcement mandates. They are responsible for the myriad of court orders, both civil and criminal, and for incarceration. Sheriffs' offices are the detention and correction officers in their counties. Other duties may include those of coroner, humane officer, disaster and emergency services coordinator, and fire warden. These other functions may or may not be law enforcement related and are reimbursed at the counties' discretion.

An individual who makes up his or her mind to enter into the law enforcement profession usually will have done so based upon an encounter he or she would have experienced --- maybe with another law enforcement officer who he or she respected, or maybe because of being a victim or a witness to a criminal activity. That person made the decision to do something where he or she could make a difference. The importance of retirement usually does not become a factor to the individual until his or her twelfth or fifteenth year of service, when that person suddenly realizes that he or she will not be able to continue this line of employment forever.

Law enforcement in many ways can be likened to professional athletics. In fact, a study was conducted which compared different professions to athletic professions, and it was determined that law enforcement personnel are very similar to football players. For this reason, it behooves

a community to employ the law enforcement person at a youthful age and to enable that person to move on to other employment at a young age as well.

The generally accepted norm of longevity after retirement is five to eight years for law enforcement officers who fall within the range of senior citizen status. You will hear more specifically from the other presenters about what is occurring with both active members and retirees within the Sheriffs' Retirement System. You will learn that in about the twentieth year of a law enforcement officer's career there will be a rapid decline in productivity, not because of a dislike for his or her profession, but more as a result of physiological changes. One of the items that most impacts those changes is shift work.

Finally, I will leave you with two additional pieces of information:

- 1) Counties benefit by this proposal, and they support it. When a sheriff or a deputy retires after twenty or more years, there is a direct cash return to the county by virtue of the fact that the county no longer pays longevity or tenure for the retiring individual. What increases are proposed to the contributors of the system are offset by a new officer who would be hired at a substantially lower rate of salary.
- 2) The 1993 Legislature allowed criminal investigators for the Department of Justice to be members of the Sheriff's Retirement System. This was done so that when the Department of Justice was recruiting experienced investigators who are called to assist local law enforcement agencies, they would not be leaving a retirement system which required longer service time for the equivalent benefits. Recruitment for experienced investigators generally occurs at the local level. This is not a third funding source for the Sheriffs' Retirement System. The investigators would be mandated to pay into a retirement system --- the purpose of the investigators' participation is to the benefit of the state in their recruiting effort.

House Bill 306 is the product of several years' work and cooperation by a good many folks who saw a need and set out to find a solution. On behalf of MSPOA, I thank you for your positive acknowledgement of their labors.

- I. Current Sheriffs' Retirement Systems benefits:
- A. 2.0834% credit for each year of service
 - B. After 24 years the % of credible service drops to 1.35% for every year thereafter
 - C. The % of salary that can be earned is capped to a maximum of 60%
 - D. Members who entered the system prior to July 1, 1989 have no age limitation when they become eligible at 24 years of service
 - E. A member who entered the system on July 1 or after must have 24 years of membership service and reached the age 50 to retire on a service retirement benefit
 - F. Eligibility for early retirement occurs when the member has 15 years of membership service
 - G. If a member retires at 20 years currently this would be an early retirement and with the actuary reduction he would receive about 31% of the member's salary

II. . HB306 proposes:

- A. 2.0834% credit for all years of service
- B. Eliminate the 60% cap
- C. Eliminate the age requirement
- D. Eligibility for retirement is after 20 years of service
- E. The member would retire at about 41.668% of the member's salary when the become eligible after 20 years of service
- F. The member will still have to work 24 years to receive a 50% of salary retirement benefit

III. Contribution costs to the system:

CURRENT

<u>Sheriff/Deputy</u>	<u>County</u>
7%	7.67%

Increase to contributions by contributors:

7.865%	8.535%
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Total cost to contributors: 1.73%

IV. Impact to Sheriffs' Retirement System as a result of the
annual benefit adjustment (GABA):

CURRENT

<u>Sheriff/Deputy</u>	<u>County</u>
7%	7.67%

Increase to contributions by contributors:

8.67%	9.34%
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Total cost to contributors: 3.34%

PRESIDENT

Barry Michelotti
Great Falls, MT 59401
761-6842

PAST PRESIDENT

Rick Ross
Billings, MT 59101
256-2930



LEGISLATIVE STATE ADMIN.
EXHIBIT NO. 3
DATE 03-06-95
BILL NO. HB3306

SECRETARY-TREASURER

Tony Harbaugh, Sheriff
1010 Main Street
Miles City, MT 59301
Office: 232-2237

OFFICIAL PUBLICATION
"THE MONTANA SHERIFF"

Sheriffs and Peace Officers Association

Mr. Chairman and members of the committee, my name is William Barnes. I am a deputy in the Gallatin County Sheriff's Office and member of the legislative committee of the Montana Sheriffs and Peace Officers Association, and president of the Deputy Sheriffs Association of Gallatin County.

During the years 1988 through 1993 there have been 204, or 37%, of our members, quit. Not retire, but quit. A 37% turnover rate in six years is frightening.

There are currently 552 active members in the Sheriff's retirement system. One hundred eleven persons currently get some sort of

retirement benefit. Of that one hundred eleven only 68, or 61%, are retired members. The balance is made up of thirty one receiving a disability retirement; twelve receive survivor benefits and nineteen receive a benefit because they were vested into the program before they quit and elected not to withdraw their contributions. Of the sixty eight members drawing retirement only twenty six, 23%, are members who had twenty four or more years of service.

Of the current five hundred and fifty two active members two hundred twenty six, or 41%, have been sheriff's or deputies less than four years. Only 8% of all the sheriff's and deputies in the state have twenty or more years of service.

In Gallatin County, where I am from, we have thirty officers. There is one drawing retirement. Missoula County has forty seven officers and there is one drawing retirement. Lewis and Clark County has twenty five officers and there is one drawing retirement. Only one of these retired officers retired with twenty four or more years of service.

Law enforcement is a demanding profession. Not only physically, but mentally and emotionally. Law enforcement officers have the highest rate of divorce in the nation, estimated at forty per cent. In Lewis and Clark County, of the officers that have ten or more years of service, 60 % are divorced. In Gallatin County, of the officers with ten or more years of service 80 % are divorced.

I have been in law enforcement almost fourteen years. Most of that has been as a deputy sheriff. I have seen many people come into this profession and I've seen many leave it. I have personally never known one to leave by retiring with twenty four years of service.

Clearly the vast majority of persons who became, or will become, sheriff's and deputies, will not, or could not, survive this occupation long enough to retire from it.

We desperately need a twenty year retirement plan. Thank you for your time and consideration.

Wm. B. —



J. Gregory Hintz

Lieutenant

MISSOULA COUNTY SHERIFF'S DEPARTMENT

200 W. Broadway
Missoula, Montana 59802

(406) 721-5700, Ext. 3302
523-4757 After Hours
721-8575 FAX
9-1-1 Emergency

SENATE STATE ADMIN.

EXHIBIT NO. 4

DATE 03-06-95

BILL NO. HB 306

Testimony in Support of H.B. 306
Presented by the
Montana Sheriffs and Peace Officers Association
March 6, 1995

By: Lt. T. Gregory Hintz, Missoula Co. Sheriff's Department
Member of the Board of Directors for the Sheriff's and
Peace Officer's Association.

The Montana Sheriff's and Peace Officer's Association does support House Bill 306, affecting the Sheriff's Retirement System.

Of those who belong to our current retirement system the average age of the membership is age 40. The average age of these officers when gaining employment, and placed in this retirement system is 31 years of age. Most of them only serve 8 years in the system and earning an average salary of \$28,748.

Of those who retire from the system the average retiree in the system is 68 years of age. What's remarkable when comparing our system to others is that the average age is 60 before our members are able to retire, with an average benefit of \$771 per month.

Page 2.

When comparing the death rate of those Active members in our system, our numbers are substantially higher than any other similar retirement system for other law enforcement in the state, i.e. judges, wardens, highway patrol, metropolitan police and fire fighters.

As you are well aware of our current members also pay into the Social Security System during their careers. Because of the average benefit of only \$771 a month many officers are working far past their prime and capabilities required for this profession.

Even though it may be their ambition, many officers may never reach the opportunity of a promotion and a permanent desk job or Administrative Position; many simply retire as patrol officers. The ageing process and the stress of this type of employment takes a terrific toll' on them and their families. This often produces mental illness, alcoholism and heart failure.

When retiring at 60 years of age, these members are usually unable to find other employment to supplement their meager retirement income, and the several years of waiting for the opportunity to draw benefits from Social Security certainly puts a financial strain on the retiree and family.

For instance I will not be able to draw benefits from Social Security until I reach the age of 66. Every year there is talk by our government of either raising the age of Social Security to age 70, before benefits can be drawn or eliminating it all together.

EXHIBIT 4
DATE 3-6-95
HB 306

Page 3.

Because of all these factors it is important for our membership in the Sheriff's Retirement System to have the opportunity and benefit of retiring after 20 years of service.

This will allow them to get into a job market at a younger age and supplement their retirement income.

Your support in this legislation is important!!!

Thank You.

TESTIMONY IN SUPPORT OF
HB 306
on behalf of the
PUBLIC EMPLOYEES' RETIREMENT BOARD

SENATE STATE ADMIN.

EXHIBIT NO. 5

DATE 03 06 95

BILL NO. HB 306

Presented by
Linda King, Administrator
Public Employees' Retirement Division

On behalf of the Public Employees' Retirement Board which administers the Sheriffs' Retirement System, I am here to support HB 306. The bill addresses significant equity issues between the SRS and the other hazardous duty retirement systems in this state. Those equity issues are:

- Retirement eligibility at 20 years of service, regardless of age
- Elimination of the 60% maximum benefit limitation
- Increasing the benefit accrual rate after 24 years of service (from 1.35%/year to 2.0834%/year).

Retirement Eligibility. In 1991 the Legislature removed the age 50 requirement for normal service retirement in the Municipal Police Officers' Retirement System. That requirement had been imposed back in 1977 when the statewide system was formed. The reason for imposing the age 50 eligibility requirement was simply to reduce the cost of retirement benefits in that system. Similarly, when the Highway Patrol Officers', Sheriffs', and Firefighters' systems were formed, similar age constraints were enacted. In 1993, the Legislature removed the age 50 eligibility requirement in the Highway Patrol System. Two bills were introduced this session to equalize the retirement eligibility criteria in the remaining two hazardous duty retirement systems: the Sheriffs' bill (HB 306) and the Firefighters' (SB357) which you have already approved.

Currently, SRS members elected or appointed before July 1, 1989 must have completed 24 years of service and those who became members after that date must have completed both 24 years of service and have reached age 50 in order to be eligible for regular service retirement. This bill will allow all members to retire after 20 years of service regardless of age.

Elimination of 60% maximum benefit limitation. This limitation was also removed by previous legislatures from the Police and Highway Patrol Systems. In the interest of equity, the limitation should also be removed from the remaining hazardous duty retirement systems.

Increasing benefit accrual rates after 24 years of service. Currently, SRS members accumulate 2.0834% of FAS per years of service up to 24 years and then the rate drops to 1.35% of salary for years after 24.

In 1991 and 1993, the Legislature removed benefit accrual reductions from the Police and Highway Patrol Systems. In the interest of equity, this session should also favorably consider this proposal which would increase the benefit accrual after 20 years -- not to 2.5%, but to a more modest 2.0834% per year of service since members of the SRS are also eligible and receive Social Security benefits for their service.

Equity Issues. The Board opposed a 1991 bill which removed these restrictions from the Municipal Police Officers' Retirement system because of the equities which would be effected between the hazardous duty systems. It was the Board's position that the full impact of the 1991 decision would not be realized until all hazardous duty systems were equalized. In spite of the Board's opposition, the 1991 legislature removed the age restrictions and increased benefit accruals in the Police. As predicted, in 1993, a bill was introduced, and passed, to eliminate the age restrictions and increase benefits in the Highway Patrol System.

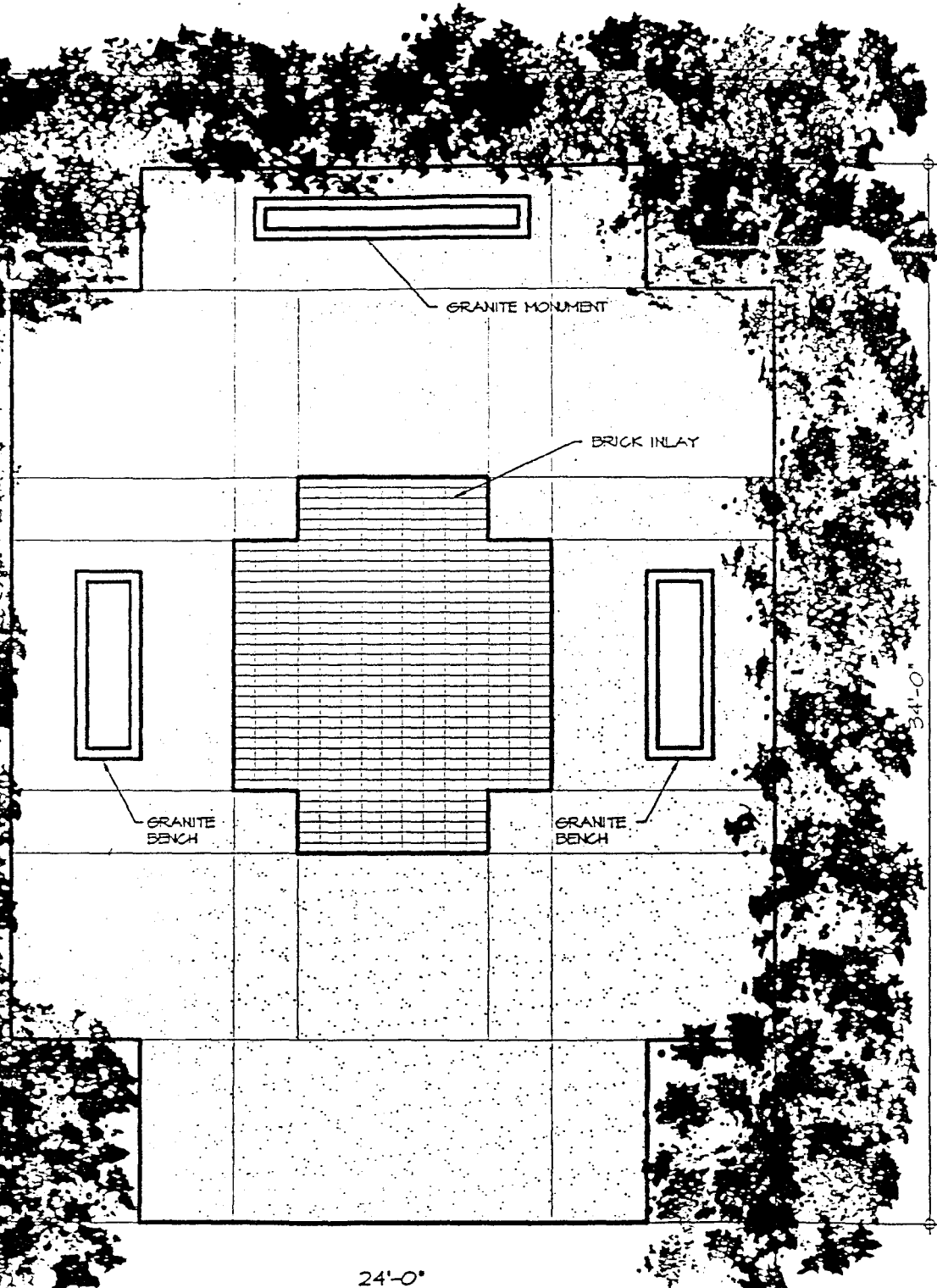
Equalization bills have arrived for the two remaining hazardous duty retirement systems. The Senate has already approved the equalization bill for the Firefighters'. The Board urges that you complete the process begun in 1991 by passing this legislation, granting 20 year retirement to all members of the Sheriffs' Retirement System. The bill is actuarially funded and will address important equity issues between the retirement systems.

SENATE ST. ADMIN.

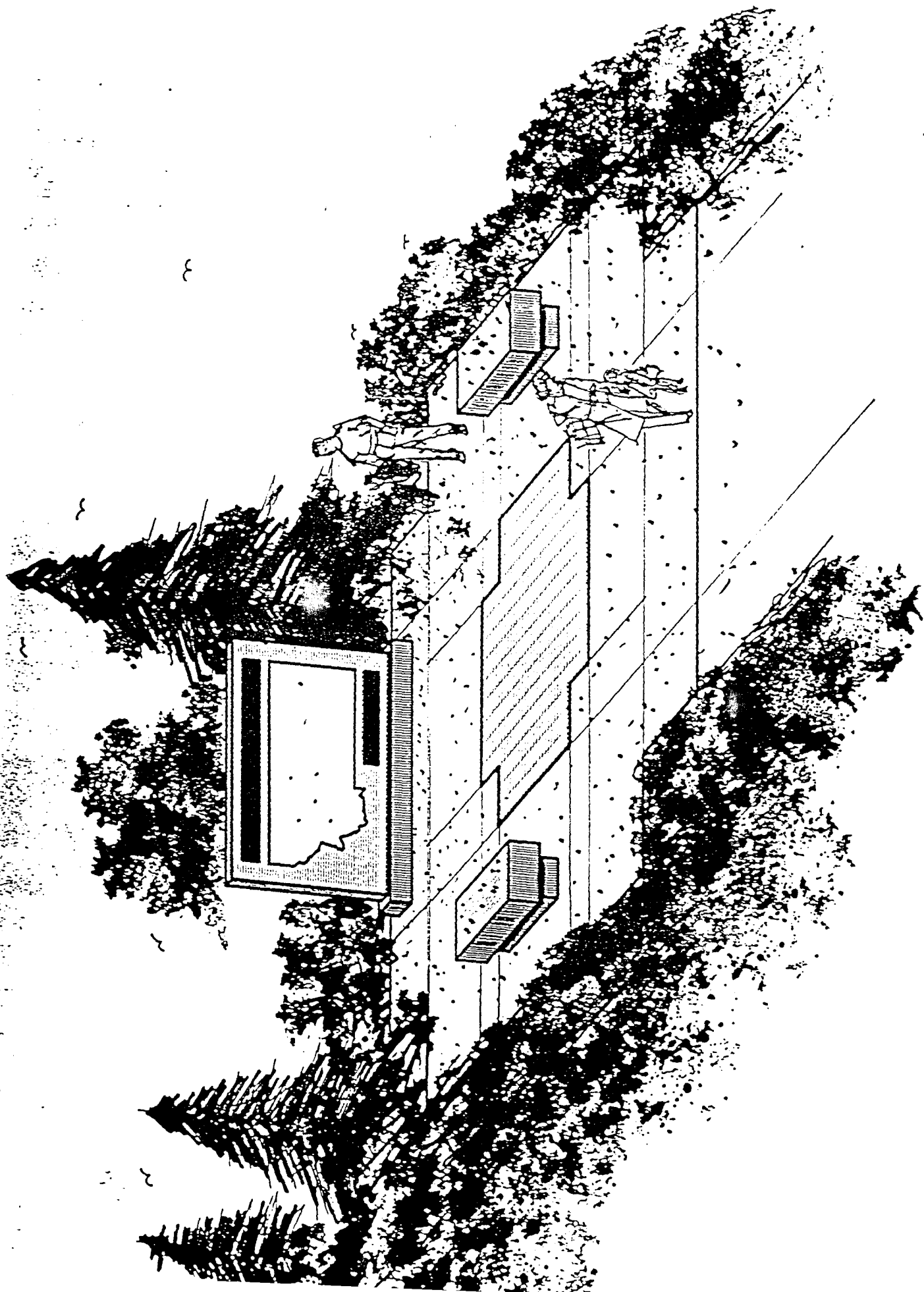
EXHIBIT NO. 6

DATE 03-06-95

BILL NO. HB 494



PROPOSED MONTANA HIGHWAY PATROL MEMORIAL



DATE Nov 03-06-95

SENATE COMMITTEE ON STATE ADMINISTRATION

BILLS BEING HEARD TODAY: HB306 / HB392 / HB494

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PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
Tom Schneider	MPER	HB306	X	
Bill Fleiner	Mont Sheriff's	494	X	
Bob Christie	Peace Officer	NR306	X	
Don Hollington	GALLATIN COUNTY SHERIFF DEPT	HB306	X	
CHRIS IMHOFF	Citizen	H.B.494	X	
Alexander Field	Flathead Co MAR	HB392		
ROBERT THROSSELL	MT Ass Cl & Rec	HB392	X	
T. Gregory Huntz	MISSOULA CO Dep. Asst	HB306	X	
ERROL Wilson	Mont Sheriff's / Peace Officer	HB306	X	
Kurt Seward	Gallatin County Sheriff's Office	HB306	X	
Pick Seidlitz	Rosebud County Sheriff	HB306	X	
Gary Fjelstad	Meagher County Sheriff's Office	HB306	X	
PAUL F. Williams	Rosebud County Sheriff's Office	HB306	X	
Linda King	PERD		✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE _____

SENATE COMMITTEE ON _____

BILLS BEING HEARD TODAY: _____

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PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
Gordon Morris	MACo	306	X	
Chas B. O'Rourke	MSPOA	306	X	
Gene Owen	FWP	494	✓	
Craig Reap	MHP	494	✓	
TOM B. Telle	MHP	494	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY