

MINUTES

MONTANA SENATE 55th LEGISLATURE - REGULAR SESSION

CONFERENCE COMMITTEE ON SENATE BILL 296

Call to Order: By CHAIRMAN DON HARGROVE, on April 14, 1997, at
9:00 a.m., in Room 331

ROLL CALL

Members Present:

Sen. Don Hargrove (R)
Sen. Greg Jergeson (D)
Sen. Daryl Toews (R)
Rep. Antoinette R. Hagener (D)
Rep. Betty Lou Kasten (R)
Rep. Doug Mood (R)

Members Excused: None

Members Absent: None

Staff Present: Serena Andrew, Committee Secretary
Sheri Heffelfinger, Legislative Services Division

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

Committee Business Summary:

Hearing & Date Posted: Conference Committee on SB 296
POSTED 4/11/97

HEARING ON SB 296

{Tape: 1; Side: A; Approx. Time Count: 9:06 a.m.}

SENATOR DON HARGROVE, SD #16, Bozeman, said the bill was originally intended to address a problem for a very few people; it allowed former Extension Service employees to buy some retirement time under the Teachers' Retirement System (TRS).

He thought the House amendments represented poor employment and retirement policy. These amendments would allow certain persons in the Office of Public Instruction (OPI) to retire and return to work at full retirement and full salary. In addition to probable future costs, it could destroy employment opportunities at the bottom of the ladder and set a precedent for other agencies.

SENATOR GREG JERGESON said the bill was introduced to assist three Extension Service employees. At present, only one appears interested in buying one year because of the actuarial costs.

REPRESENTATIVE RAY PECK offered amendments on the floor. OPI has had a problem filling three supervisory positions. The amendments, rejected by the Senate, were directed toward expanding the pool of qualified applicants.

REPRESENTATIVE BETTY LOU KASTEN said she personally disliked the concept of a bill for one or two people. She said she would like to strip the amendments. If that could not be done she wouldn't vote for the bill.

{Tape: 1; Side: A; Approx. Time Count: 9:15 a.m.}

SENATOR DARYL TOEWS stated that there was a problem at OPI, but he wasn't sure this bill was the solution. He agreed some people should come back to work, but didn't think they should return while collecting full retirement.

David Senn, Administrator, Teachers Retirement Division, said the bill, plus amendments, would allow retirees to work at OPI at full salary and full retirement. The retirement board is opposed to these amendments because it feels this would be a poor retirement policy.

Gail Gray, OPI, said her department can't fill three \$29,000 positions because the applicant pool is limited. She was talking about people coming to OPI for the first time, not people returning. There are qualified people, but they would not take a \$29,000 position unless they could use their retirement benefit as well. OPI would sign a memorandum of agreement that they would pay the actuarial benefit for these people. Also, the amendment states that it would sunset in 1999.

REPRESENTATIVE ANTOINETTE HAGENER asked if the bill and amendments would impact any other plans.

Sheri Heffelfinger, Legislative Services Division, said the bill would only cover the positions at OPI, but the retirement board is afraid it might set a precedent if other agencies requested the same thing.

{Tape: 1; Side: A; Approx. Time Count: 9:20}

REPRESENTATIVE HAGENER asked if it could affect other plans. **Ms. Heffelfinger** said it could.

REPRESENTATIVE HAGENER said she was interested in the memorandum of understanding. **Gail Gray** said **Mr. Senn** had been concerned about the unfunded liability and OPI had agreed to pay the actuarial costs if the committee passed the amendment.

SENATOR JERGESON said he was concerned that an agency would volunteer to pay a cost like that. If other agencies came in, the legislature might require it. He didn't like that suggestion.

REPRESENTATIVE RAY PECK said his subcommittee had related this to the Future Farmers of America (FFA) program. They had not been able to hire anyone because of the salary structure, and asked what could be done. Restructuring or reclassification was discussed and rejected because of the effect on other agencies. He didn't like people getting into two retirement systems, either.

{Tape: 1; Side: A; Approx. Time Count: 9:25}

SENATOR HARGROVE requested a motion from the committee.

Notion: **REPRESENTATIVE MARY LOU KASTEN** moved to **STRIKE** the House amendments.

REPRESENTATIVE DOUG MOOD said he had some serious concerns about setting precedent.

SENATOR JERGESON commented that the Senate had rejected the House amendments and a majority of the House people was also willing to remove them. A problem has been identified, but the amendments didn't appear to be the solution.

SENATOR HARGROVE said he was aware of the Vo Ag problem, but was also concerned about setting precedents. His position would be to find another solution.

SENATOR TOEWS concurred.

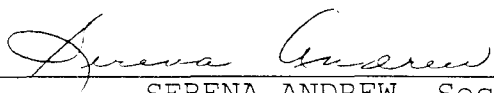
Vote: **SENATOR JERGESON** voted **NO**; the remainder of the committee voted **AYE** and the motion carried.

ADJOURNMENT

Adjournment: 9:30 a.m.



SEN. DON HARGROVE, Chairman



SERENA ANDREW, Secretary