

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park, Rm 218
Helena MT 59620

Board Legislative Committee Minutes
Tuesday, March 29, 2011
10:30 am

Committee Members (present via telephone):

Dianna Porter, Chair
John Nielsen
Terrence Smith

Other Board Members (present via telephone):

Timm Twardoski
Darcy Halpin

Staff:

Roxanne Minnehan
Melanie Symons
Barbara Quinn
Patricia Davis
Rena Justice
Jenny Weigand
Mike O'Connor
Ralph Pommichowski

Public:

Tom Schneider, MPEA

I. Roll Call

II. Public/Member Comment – No public comment.

III. Approval of March 22, 2011 Legislative Committee Meeting Minutes

The minutes of the Board Legislative Committee meeting of March 22, 2011, were presented.

Motion: Member Terrence Smith moved to approve the minutes of the March 22, 2011, Board Legislative Committee meeting with corrections.

Second: Chairwoman Dianna Porter

Vote: 2/0 (Member John Nielsen abstained due to his absence from last week's meeting.)

IV. Legislation Requiring Board Position

A. LC0492 – Generally Revise Retirement Systems – Rep Wayne Stahl

This bill has still not been released in draft form so Ms. Minnehan had nothing new to report.

B. HB 603 – Provide for Public Charter Schools – Rep Mark Blasdel

This bill allows charter schools to contract for retirement coverage. Teachers are concerned about this bill because they feel that a charter school can open its doors, which will affect the public school's funding in that area, but then just as quickly they can close them. It could have a negative long-term impact on the continued qualification of PERS if public charter schools are not governmental agencies but are given the right to participate. The teachers also oppose the bill because a teacher could retire from the Teachers Retirement System and then become employed at a charter school and draw both retirement and earn income. Ms. Minnehan indicated that she felt we needed to check for IRS qualification on charter schools. Member Terrence Smith noted that the fact that charter schools are not perpetual is enough reason for the Board to oppose this bill.

Motion: Member Terrence Smith moved to oppose House Bill 603.

Second: Member John Nielsen

Vote: 3/0

Rationale: There is a lack of continued funding with charter schools and they are not perpetual entities. They may come and go. Charter schools are non-profit, private entities; not public entities. There may also be a qualification issue.

C. LC2216 (SR 6) – Confirm certain Governor's appointees – Jim Shockley

Ms. Minnehan noted that this bill confirms the appointments of Member Scott Moore and Member Timm Twardoski. It was asked why Member Terrence Smith was not included in this bill and Ms. Minnehan said she would have to research this and report her findings at the next Legislative Committee meeting.

Motion: Member John Nielsen moved to support LC2216.

Second: Chairwoman Dianna Porter

Vote: 3/0

V. Legislation Update

A. HB 192 – Adjust Exempt Retirement Amounts for Individual Income Tax – Rep Jerry O'Neil

There is nothing new to report at this time.

B. HB 317 – Sunset Statutory Appropriations Over Certain Periods – Rep Rob Cook

This bill was transmitted to the Senate on March 24, 2011. There is no hearing scheduled yet.

C. HB 508 – Require Payment of Partial Salary to Injured Rural Firefighter – Rep Mary McNally

This bill was concurred in Senate on March 25, 2011.

D. HB 585 – Require public disclosure of contracts with outside counsel for state agencies – Rep Gerald (Jerry) Bennett

That bill came out too late for us to testify when it was in the House

Administration. It has since been transmitted to the Senate but a hearing has not been scheduled yet. This bill had been discussed briefly at the last Board meeting. Ms. Minnehan asked that the Committee take a position on the bill.

Motion: Member John Nielsen moved to oppose House Bill 585.

Second: Chairwoman Dianna Porter

Vote: 3/0

Rationale: This bill is onerous and slows down the process. There are numerous timeframe constraints and this bill creates another level of bureaucracy. Plus there is already a review process in place.

- E. **HB 587** – *Provide option for associate water court judge*
This bill was transmitted to the Senate on March 24, 2011.
- F. **HB 608** – *Close retirement systems and provide for annuity benefit program – Rep Wayne Stahl*
This bill was tabled in Committee on March 23, 2011.
- G. **HB 632** – *Use spendable portion of coal severance tax to pay down UAL in the PERS, TRS and SRS*
This bill passed the second reading on the floor on March 28, 2011 by a vote of 55 to 44. It also passed the third reading this morning by a vote of 56 to 42.
- H. **SB 120** – *Publishing of Appointed Members to all State Agency Boards – Rep. John Brenden*
This bill has been returned to the Senate with Amendments.
- I. **SB 223** – *Revise Volunteer Firefighter Pensions – Sen Ryan Zinke*
This bill had a second reading on March 29, 2011.
- J. **SB 229** – *Revise Laws Relating to State-Tribal Coop Agreements Act and PERS – Sen. Jon Sonju*
There is nothing new to report.
- K. **SB 328** – *Require PERS new hires to be in DC Plan – Sen Lewis*
This bill passed the Senate floor on March 24, 2011. The vote was 26 to 24 on March 25, 2011. It was referred to House State Administration on March 25, 2011. A hearing is scheduled for March 30, 2011.

VI. PERB Legislation

- A. **HB 70** – *General Revisions Bill – Rep Mike Menahan*
This bill was transmitted to the Governor on March 22, 2011.
- B. **HB 119** – *VFCA Revision Bill – Rep. Gordon Hendrick*
This bill was signed by the Governor on March 25, 2011.
- C. **HB 122** – *PERS Funding Bill – Rep Sue Malek*
This bill was sent back to the House floor due to amendments.
- D. **HB 134** – *GWPORS Funding Bill – Rep Carolyn Squires*
This bill was returned from enrolling on March 28, 2011.
- E. **HB 135** – *SRS Funding Bill – Rep Carolyn Squires*
This bill was sent to enrolling on March 28, 2011.

Discussion Items

VII. Other Retirement Legislation

None.

VIII. The meeting was adjourned at 11:35 a.m. by Chairwoman Dianna Porter. The next meeting will be on Tuesday, April 5, 2011, at 10:30 a.m.