

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

Board Legislative Committee Minutes
Tuesday, May 3, 2011
10:30 am

Committee Members (present via telephone):

Dianna Porter, Chair
John Nielsen
Terrence Smith

Other Board Members (present via telephone):

Scott Moore

Staff:

Roxanne Minnehan
Melanie Symons
Barbara Quinn
Patricia Davis
Jenny Weigand
Flora Sebens
Ralph Pomnichowski

Public:

Tom Schneider, MPEA

I. Roll Call

II. Public/Member Comment – No public comment.

III. Approval of April 19, 2011 Legislative Committee Meeting Minutes

The minutes of the Board Legislative Committee meeting of April 19, 2011, were presented.

Motion: Member John Nielsen moved to approve the minutes of the April 19, 2011, Board Legislative Committee.

Second: Chairwoman Dianna Porter

Vote: 2/0 – Member Terrence Smith abstained due to his absence from the April 19, 2011 meeting.

IV. Legislation Update

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

This bill was transmitted to the Governor on May 2, 2011.

B. **HB 587** – *Provide option for associate water court judge*

House Bill 587 was transmitted to the Governor on April 26, 2011.

C. **HJ 38** – *Interim study of local fire protection, firefighters, and EMTs – Rep Kris Hansen*

This bill was filed with the Secretary of State's Office on May 2, 2011.

D. **SB 120** – *Publishing of Appointed Members to all State Agency Boards – Rep John Brenden*

Senate Bill 120 was signed by the Governor on April 20, 2011, and was also assigned a chapter on that date.

E. **SB 229** – *Reverse Laws Related to State-Tribal Coop Agreements Act and PERS – Sen Jon Sonju*

The Governor proposed an amendment for this bill and it was sent back to the House and Senate. Neither concurred with the amendment; therefore, it will go back to the Governor for final action.

V. PERB Legislation

A. **HB 122** – *PERS Funding Bill – Rep Sue Malek*

After being amended by the House and Senate Free Conference Committees, House Bill 122 was passed by both the House and the Senate. It was transmitted to the Governor on May 2, 2011. Ms. Minnehan noted that we receive a list of all the bills that are in the Governor's Office and we are able to provide input on them at that time. She let the Governor's Office know that although the funding had been removed from House Bill 122, the Board still approved it. She also informed them that although the minor tweaks are good for long term plan sustainability, PERS still has un-funded actuarial liability.

Member Terrence Smith asked for an over-view on what all the changes were that had been made to the bill. Ms. Minnehan responded that the biggest change was the actuarial equivalent for early retirement. This has been in our statutes all along but it included a formula that was the actuarial equivalent 30 years ago. House Bill 122 uses the current actuarial equivalent; therefore, it tightens actuarial controls. There was also an amendment that removed some funding by reducing employee contributions for new hires to 1% going forward instead of 1% each year. Another amendment stated that if a retiree returns to work they cannot return to a split position (i.e. PERS and TRS) where they can draw a TRS retirement and also contribute to PERS as a working retiree.

Discussion Items

VI. Other Retirement Legislation Information

A. **SR 6** – *Confirm certain Governor's appointees – Rep Jim Shockley*

This bill confirmed the appointment of Members Scott Moore and Timm Twardoski. It was filed with the Secretary of State's office on April 19, 2011.

B. **HB 13** – *State employee pay plan – Cynthia Hiner*

House Bill 13 failed to pass out of Committee from an amended motion on April 26, 2011. Ms. Minnehan was uncertain as to what was going to happen with this bill going forward. Chairwoman Porter questioned why this bill was not passing. Mr. Tom Schneider noted that he did not feel the bill would pass the way it was

currently drafted. House Bill 13 was now considered dead, although there are still ongoing discussions about the pay situation. The Governor and the unions are in negotiations.

C. SB 129 – *Provide limit to state employee salaries and benefits* – Rep Dave Lewis
This bill was tabled in Committee on April 19, 2011.

D. SB 54 – *Establish a hybrid tier in TRS for new hires only* – Sen Joe Balyeat
Senate Bill 54 was vetoed by the Governor on April 22, 2011. Member John Nielsen asked where this left the teacher's plan. Ms. Minnehan responded that they had two bills that passed: their general revisions bill and House Bill 116, where they tightened actuarial controls.

Ms. Minnehan noted that two bills came out of SAVA that TRS did not support: Senate Bill 54, the hybrid plan sponsored by Senator Balyeat; and Senate Bill 56, sponsored by Senator Jent, which was tabled early in the legislative session. Mr. Schneider added that the teachers championed their own bill, House Bill 189, which was sponsored by Representative Dave Barrett from Missoula.

VII. Over-view

Ms. Minnehan noted that the 62nd session of the Montana Legislature adjourned, sine die, April 28, 2011.

Chairwoman Porter noted that overall all we presented six bills to the Legislature and five were passed. The only bill that did not pass was the working retirees' bill. This bill has not passed the last two Legislative Sessions. Chairwoman Porter suggested using what we learned during this session and applying it towards the next Legislative Session in order to assist us with getting this bill passed. It was felt that the press releases and the coverage on Facebook were very beneficial. Chairwoman Porter suggested adding an agenda item to the Board retreat regarding what worked well during this session.

Chairwoman Porter extended a huge thanks to everyone who worked so diligently during the Legislative Session. Member Nielsen also extended a thank you to Mr. Mike O'Connor for his assistance during the session.

VIII. Adjourn

The meeting was adjourned at 12:50 p.m. by Chairwoman Dianna Porter. Because the Legislative Session has ended there will be no more Legislative Committee meetings.