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As of: May 11, 2006 (12:21pm)

LC9997

**** Bill No. ****

Introduced By *****

By Request of the State Administration and Veterans' Affairs

Interim Committee

A Bill for an Act entitled: "An Act providing for the qualifications of the executive director of the public employees' retirement board; amending section 19-2-404, MCA; and providing an applicability date."

WHEREAS, the Public Employees' Retirement Board (PERB) administers, and manages the assets of, 10 separate retirement plans, with combined trust fund assets of over \$4.2 billion and benefit payments of over \$180 million to more than 18,000 retirees annually, according to the PERB; and

WHEREAS, the day to day operations of those 10 retirement plans and those assets are administered and managed by the Public Employees' Retirement Administration, headed by an Executive Director, who manages a staff of more than 30 employees and deals in such subjects as: planning and strategic development; public, agency, and legislative relations; agency administration; agency staff management, and other duties as assigned; and

WHEREAS, these responsibilities require that the Executive Director be familiar with such subjects as: statistics; law; management theory; legislative process; public administration; human, public, labor, and media relations; outreach and communications; economics; fiscal planning, budgeting, and

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administration; negotiations; actuarial evaluation; information technology; contracts; collective bargaining; counseling and disciplinary actions; and professional training; and

WHEREAS, the PERB and its Executive Director have the fiduciary responsibility to manage the assets of the 10 retirement plans in a manner that ensures efficient administration and the best possible investment policy; and

WHEREAS, the Legislature has the responsibility to oversee the administration and fiduciary operations of the PERB and the Retirement Administration staff to ensure that those fiduciary obligations are fulfilled, on behalf of the future and current retirees of the plans administered by the Board; and

WHEREAS, because of the complexity of the PERB and Retirement Administrative operations and the Legislatures oversight functions, it is imperative that the individual acting as Executive Director be the best person qualified for that position; and

WHEREAS, the State Administration and Veterans' Affairs Interim Committee believes that an important part of fulfilling its oversight functions for the management and fiduciary operations of the PERB is to provide minimum qualifications in law for the position of Executive Director of the PERB.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 19-2-404, MCA, is amended to read:

"19-2-404. Appointment and compensation of administrative

staff -- qualifications of executive director. (1) The board shall hire and fix the compensation of an executive director and other necessary employees to assist the board in administering the retirement systems. The compensation of the executive director and employees must be established in accordance with Title 2, chapter 18.

(2) An individual must possess the following qualifications to hold the position of executive director:

(a) a college degree or equivalent educational background or training in business, public administration, program planning and administration, fiscal administration or a directly related area of study; or

(b) two or more years of administrative or executive experience that must include primary duties related to managing an enterprise, department, or subdivision of an enterprise, in which the individual customarily and regularly directed the work of two or more full time employees or their equivalent."

{ Internal References to 19-2-404:
x 2-15-1009 }

NEW SECTION. **Section 2. Applicability.** [This act] applies to individuals hired as executive director, as provided in 19-2-404(1), after [the effective date of this act].

- END -

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