



State Administration and Veterans' Affairs Interim Committee

59th Montana Legislature

SENATE MEMBERS

JOSEPH TROPILA--Chair
KEITH BALES
KELLY GEBHARDT
CAROLYN SQUIRES

HOUSE MEMBERS

RALPH HEINERT--Vice Chair
VERDELL JACKSON
RALPH LENHART
VERONICA SMALL-EASTMAN

COMMITTEE STAFF

DAVE BOHYER, Lead Staff
JOHN MACMASTER, Staff Attorney
FONG HOM, Secretary

MINUTES

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

June 22, 2006

Capitol Building, Room 102
Helena, Montana

COMMITTEE MEMBERS PRESENT

SEN. JOSEPH TROPILA, Chair
REP. RALPH HEINERT, Vice Chair

SEN. KEITH BALES
SEN. KELLY GEBHARDT
SEN. CAROLYN SQUIRES

REP. VERDELL JACKSON
REP. RALPH LENHART
REP. VERONICA SMALL-EASTMAN

STAFF PRESENT

DAVE BOHYER, Research Director
JOHN MACMASTER, Staff Attorney
FONG HOM, Secretary

Visitors List and Agenda

Visitors' list (**Attachment 1**)
Agenda (**Attachment 2**)

COMMITTEE ACTION

- The minutes from the April 21, 2006 meeting were adopted.
- The Committee authorized the drafting of legislative concepts proposed by the Secretary of State, the Department of Administration, the Department of Military Affairs, the Montana Public Employees Retirement Administration, the Teachers Retirement System, the Commissioner of Political Practices, and the State Administration and Veterans Affairs Interim Committee.
- The Committee adopted LC 2005-03 as a committee bill for the 2007 Legislative Session.
- The Committee adopted LC9990 as a Committee request.

PART 1
TAPE 1A

CALL TO ORDER AND ROLL CALL

00:00:04 SEN. TROPILA called the meeting to order at 8:33 a.m. The Secretary noted roll visually (**ATTACHMENT 3**).

REP. LENHART moved for adoption of the minutes from the April 21 meeting. Motion passed.

00:01:07 DAVE BOHYER gave an overview of the meeting:

- The Committee will be reviewing legislation proposed by agencies under the purview of the Committee.
- The Committee has been asked to review retirement proposals regardless of the origin of those proposals.

00:03:20 **OFFICE OF SECRETARY OF STATE - Mark Simonich and Janice Doggett**
Mr. Simonich gave an overview of proposed legislation (**EXHIBIT 1**) from the Secretary of State's Office.

QUESTIONS

SEN. SQUIRES asked for clarification on Secretary of State's request to amend 13-12-211, to allow not only misspellings of names to be listed on the declaration for write-in candidates but also variations of the candidate's name. JANICE DOGGETT said that the issue is that you file a declaration of nomination and declare that you are a write-in candidate to make the public aware of the write-in and to make sure that those candidates who have filed are aware of it. Currently, you can indicate some misspellings but you cannot indicate improper pronunciations or improper language or spellings. This bill would expand it so that individuals could indicate on that declaration of nomination what those variations are so that when the election officials are counting the ballots, they could count those variations as well.

MOTION

REP. LENHART moved to authorize the drafting of legislation proposed by the Secretary of State's Office. MOTION PASSED.

00:31:15

DEPARTMENT OF ADMINISTRATION - Janet Kelly, Director

Ms. Kelly gave an overview of proposed legislation (**EXHIBIT 2**) from the Department of Administration.

TAPE 1B

QUESTIONS

SEN. SQUIRES asked how certain licensing; e.g., payday lenders or the mortgage and broker loan originator licensing act, have become the concern of the Department of Administration. MS. KELLY said that the banking division of the Department of Administration has enforcing requirements for the law and in some of these instances, they go in and examine these institutions for compliancy with the law. Ms. Kelly also said that this packet of proposals is to provide better consumer protection for those individuals who are seeking loans and to provide appropriate enforcement procedures and restitution to those who may have been harmed by those institutions failing to comply with the laws.

SEN. SQUIRES asked if Ms. Kelly is looking at setting up the basic language to allow vacation leave to be contributed into the sick leave fund. MS. KELLY said that part of the process is to make sure that they establish an appropriations for the negotiated pay and benefit raises and that it specifically speaks to the state working with the various collective bargaining units in the various unions. Part of their mission is to listen to their customers and asking how they can better manage annual leave and payouts, better management of sick leave, vacation hours, providing opportunities for employees who are suffering from a long term illness to be able to continue to receive pay. She said that it is only a concept at this time but seems to have some promise and worthy of further research.

REP. JACKSON and Ms. Kelly discussed Proposal 2, the stranded 9-1-1 fees. Rep. Jackson said that he has a concern that after that equipment is installed that money would still be collected for the installment of equipment and that a tax will be there after the purpose is gone.

SEN. BALES wanted to know if the 9-1-1 enhanced facilities are in all Montana counties. MS. KELLY said that the 9-1-1 enhanced facilities are not in all counties but in June of 2002, 13 of the 58 Public Safety Answering Points (PSAPs) had approved e9-1-1 plans. With some consolidation, there are now 57 PSAPs, 24 PSAPs have deployed e9-1-1 services, all other PSAPs have approved plans for their enhanced services with the exception of Northern Cheyenne, Rocky Boy, and Gardiner/Cooke City.

SEN. BALES asked how the Department of Administration is planning on changing statutory appropriation to allow for distribution of the 9-1-1 funds. PAT MCNAMEE, Department of Administration, said that they are required to pay out the entire amount and they have to request a budget amendment if they receive more funds than what is currently in the budget. She said that by making a statutory appropriation, it would facilitate the methods that they go through with the budget office.

SEN. TROPILA asked about the contribution of vacation leave to the sick leave fund, and whether the Department intend to include comp time. MS. KELLY said

that they haven't thought about that, but she will make a note of that and they will consider that as well. She said that this was something that came to them late and seemed to have merit worthy of further exploration and research. Leave and management of leave can be problematic.

SEN. GEBHARDT said that Ms. Kelly needs to look at the fact that annual leave expires where sick leave never does, so you have to have a mechanism to put money aside to fund that sick leave bank because you will end up with a lot more expenditures from sick leave with this proposal. MS. KELLY said that they have been looking at that. In cases of large agencies, this proposal may be revenue neutral, it could work to the advantage or disadvantage of a smaller agency, but his points are well taken.

MOTION

REP. LENHART moved to authorize the drafting of legislation proposed by the Department of Administration. MOTION CARRIED.

01:11:10

DEPARTMENT OF MILITARY AFFAIRS - Col. Bradley Livingston

Col. Bradley Livingston spoke about the Montana National Guard's accomplishments in providing safety to the state's citizens from acts of terrorism or natural disasters, and their support to the State of Montana and to sister states during fire and hurricane season. He introduced Col. Joe Foster, Director of Veterans Affairs who will provide testimony on legislative proposals.

PROPOSED LEGISLATION

Col. Joe Foster spoke on the Department of Military Affairs' Proposed Legislation 8: "Patriotism" License Plat Authorization for "Apportioned" Fleet Vehicle **(EXHIBIT 3)** and noted that the proposed legislation had been disapproved by the Governor's Office.

Col. Joe Foster talked about Proposed Legislation 12: Board of Veterans' Affairs Meeting Frequency. He said that the statute says that the board will meet four times per year. The Board voted in 2005 to meet at least three times a year because there was not enough information to discuss to warrant the 20-board members to travel to the different areas where board meetings were conducted. He said that they would have to find someone to carry the bill.

QUESTIONS FROM THE COMMITTEE

SEN. TROPILA asked if the Department would like to withdraw Proposal 8. Col. Foster said that he would withdraw Proposal 8.

PROPOSED LEGISLATION

LT. COL. JAMES P. MORAN, discussed the Department of Military Affairs' proposed legislation **(EXHIBIT 4)**.

TAPE 2A

QUESTIONS FROM THE COMMITTEE

SEN. BALES asked if there was any thought given to making the amount for death benefit that same as the federal amount, and regarding Proposal 14, is there any provision on those individuals who are not working for the state yet get

called on active duty. LT. COL. MORAN said that when they initially looked at the death benefit, the federal program was \$12,000. Last year they increased it to any deaths while on duty or \$100,000. He said that the Department would be open to speaking with anyone proposing to increase the amount. In answering Sen. Bales second question, Lt. Col. Moran said that they have not looked into legislation requiring that this program be imposed on private employers.

There was discussion between Rep. Jackson and Lt. Col. Moran on Priority 4 and the Montana National Guard Life Insurance Reimbursement Program. Lt. Col. Moran said that under the federal system, service members group life insurance was set up so that each military person would sign up for \$250,000 worth of coverage, the program reimburses service members who go into the combat zone up to \$16.25 per month for each month that they paid a premium for insurance coverage. If they declined coverage, went out there without any coverage, there was no reimbursement. The federal benefits are going to intermesh if there is ever a time where the federal death benefit, plus any premiums that the federal government will subsidize, gives the service members \$250,000 worth of coverage and the statute sunsets. The sunset provision has not occurred yet but this will extend it pass the 2009 biennium.

DAN LEEBERG, Deputy Administrator of Disaster and Emergency Services Division, discussed Priority 5, HazMat Response Team, which was a request on the behalf of the State Emergency Response Commission and noted that the proposal was not approved by the Governor.

QUESTIONS

SEN. GEBHARDT asked what amount of money was involved in the proposal. MR. LEEBERG said that for the biennium it was \$814,000.

REP. JACKSON asked if Mr. Leeberg would comment on how piecemealing this proposal together would be better than going through the regular budgeting process to get the funds. MR. LEEBERG said that he preferred to go through the budgeting process but the recommendation from the State Emergency Response Commission is to do the way he is presenting it.

SEN. TROPILA asked they wanted to withdraw Priority 5. MR. LEEBERG said that since the Governor disapproved it, they would withdraw Priority 5.

PUBLIC COMMENT

RICHARD SALYER, Founder of Montana Homeless Stand Down, said that he has been involved with homeless veterans. He appreciated the support from members of the Committee and was sad to see that the license plate proposal (Priority 8) was not approved by the Governor. He would like the Committee to support the insurance issue.

MOTION

SEN. BALES moved to authorize the drafting of legislation proposals by the Department of Military Affairs, including Priority 8.

Discussion on whether to include Proposal 5, HazMat Response Team. Mr. Bohyer said that it can be By Request of the Committee but it cannot be by request of the Department of Military Affairs because they have withdrawn it.

Discussion was held on passing department proposals as a package with some proposals that might need to go through a budgeting process and why the committee is looking at department proposals in this manner. Rep. Jackson said that he would like some guidance from the Sen. Tropila on what their responsibility is in terms of where they are supposed to be scrutinizing the proposals but passing them through as a package. Dave Bohyer said that the exercise envisioned under the statute is to try to get the agency bills into the process, drafted and out of the way as soon as possible so that after the elections in November, with the limited amount of drafting, staff can focus on the bill requests that legislators bring in immediately after the election, submit them into the system to be assigned an LC number. The purpose of the committee review is to get a heads up on what the departments are proposing. Mr. Bohyer talked about the retirement proposals that will be heard later and the committee's responsibilities will differ in that the committee is required to make recommendations on each of those bills, prepare a report on each of those bills listing analytical conclusions that they come to.

SEN. BALES moved a substitute motion to authorize the drafting of the Department of Military Affairs' proposals that have been submitted. MOTION PASSED.

Break

02:25:18

MONTANA PUBLIC EMPLOYEES' RETIREMENT ADMINISTRATION - Roxanne Minnehan, Executive Director

Ms. Minnehan discussed MPERA's proposed legislation (**EXHIBIT 5**).

QUESTIONS FROM THE COMMITTEE

SEN. SQUIRES asked if the PERA has been working with the Governor's Office in regard to the their request for addressing the unfunded liability in the four retirement systems.

MR. BOHYER discussed the statutes that requires the SAVA Interim Committee to review the retirement legislation, including the obligation to not only review that legislation but to make a recommendation to the 60th Legislature.

TAPE 2B

PUBLIC COMMENT

TOM SCHNEIDER, Montana Public Employees Association, said that the position of the Montana Public Employees Association, through unanimous vote on a resolution at their convention, will support the proposal that funds the retirement systems that are actuarially unsound. As long as there is legislation to properly fund these systems, MPEA will support that legislation and will not submit other legislation in that area.

QUESTIONS FROM THE COMMITTEE

SEN. SQUIRES asked how much funding it would take to actuarially fund the

three underfunded plans in the PERS. MR. SCHNEIDER said that to fully fund all of the systems, it would cost \$1.3B, but that changes and he cannot give an absolute figure today because they have to review the current actuarial report that will be out in September. MS. MINNEHAN said the net impact on the general fund balance is \$1.2M in fiscal year 2006 and another \$1.2M for 2007. In the next biennium, with the phased-in approach of the employer contributions, it will double.

MR. BOHYER said that he had sent out a letter with Sen. Tropila's signature to the Teachers Retirement Board and the Public Employees Retirement Board requesting actuarial analysis regarding one-time infusions of money, periodic infusions of money, and changes to the employer contribution rates. He has received responses from the Boards and will provide copies to the Committee members.

SEN. TROPILA asked Mr. Schneider if cities and counties are affected. MR. SCHNEIDER said that half of PERS is local government, so contributions also would be assessed against local governments, and that's the other half of the funding that is necessary to fund PERS. When we talk about increase in contribution rates, we are talking about an increase to both the state and local governments.

SEN. BALES asked if the contribution rates are increased, how will that work on a county that is up against the cap, are they then authorized to levy additional mills in order to pay that, or are they bound by that cap and did they have to take it out of something else, and how does that work. MS. MINNEHAN said that she could not answer that question. SEN. GEBHARDT said that when a county runs up against that cap, they have to put it to the vote of the people and if the people approve it, they can levy the mills to cover that expenditure.

SEN. BALES asked about the effect if the county chooses not to adopt that additional mill levy to pay for the retirement, then how does that work and how does that work as far as equality within the retirement system. SEN. GEBHARDT said that at that point the county has to operate with a balanced budget, so they have to cut some expenditures somewhere else.

MOTION

SEN. BALES moved to authorize the drafting of legislation proposed by MPERA. MOTION PASSED.

02:51:40

TEACHERS' RETIREMENT SYSTEM - David Senn, Executive Director

MR. SENN presented and discussed TRS' proposed legislation (**EXHIBIT 6**).

PUBLIC COMMENT

TOM BILODEAU, Research Director, MEA/MFT, said that they stand in support with all three proposals brought forward by the TRS Board, as well as the funding proposals brought forward by PERS. They would like to see the proposal to raise employer contribution rates and to make adjustments in definition of income as proposed by TRS moved forward. He said that he would urge the members of

the Committee to look at the response provided by the pension systems, particularly concerning the transition costs of moving to the defined contribution plans only and how difficult and expensive that would be.

QUESTIONS

SEN. SQUIRES asked what kind of an impact would raising employer contribution have on taxes. MR. BILODEAU said that about 70% of employer costs of funding the TRS is paid for directly by county retirement levies. The remaining 30% is paid for by state guaranteed tax base assistance, i.e., costs would go back to county retirement levies.

SEN. BALES asked if the 30% that is GTB is also property tax. MR. BILODEAU said that the guaranteed tax base subsidy is actually a payment directly out of the state general fund to school district general funds for the general fund budgets, but also to the county retirement levy.

SEN. BALES asked if the GTB comes out of the 95 mills of property tax that comes direct to the state. MR. BILODEAU said that the 95 mills produce less than \$200M in annual revenue currently and the state provides more than \$450M in state support annually to the general fund and something in excess of \$30M in retirement GTB, so those 95 mills are one revenue source for the state, but they are actually less than half of the total revenues needed by the state to fund state contribution for school costs.

MOTION

SEN. SQUIRES moved to authorize the drafting of legislation proposed by the TRS. MOTION PASSED.

RECESS FOR LUNCH
PART 2

00:00:01

DISCUSSION OF LC 2005-03 - Dave Bohyer (EXHIBIT 7)

MR. BOHYER said that the Committee had requested in November 2005, that legislation be introduced into the December 2005 Special Session that would have increased the employer contributions and allocated approximately \$125M in one-time money to the retirement systems. He said that the bill was ruled outside the call and consequently it couldn't be introduced. He asked if the Committee wanted to reiterate its request for LC 2005-03.

REP. LENHART asked if there was any reason why they should not accept this. MR. BOHYER said that it may be handled by some of the other bills that have already been considered today. MR. BOHYER discussed the risk of whether or not one of the other bills that were put in the mix today will continue to go forward in a manner that the committee believes is going to turn out good. If those other bills don't go forward, then the Committee will not have a vehicle in the session. If the committee requests LC 2005-03, it will be drafted, pre-introduced, a member of the committee would most likely carry the bill, and then it would be a duplicate.

SEN. GEBHARDT referred to page 16 that identifies the amount of money that will be put into the different systems and asked if those numbers remain appropriate today. MR. BOHYER said no, they will be different for a number of reasons. One is that the legislature put \$100M into the TRS and \$25M into PERS, plus there will be a new actuarial evaluation at the end of the June.

MOTION

SEN. GEBHARDT moved that LC 2005-03 be drafted as a committee bill for the 2007 Legislative Session. MOTION PASSED with Sen. Squires voting no.

00:08:08

COMMISSIONER OF POLITICAL PRACTICES - Gordon Higgins

MR. HIGGINS presented and discussed the legislative proposals of the Commissioner of Political Practices (**EXHIBIT 8**).

QUESTIONS ON PRIORITY 1. Revise the definition of lobbying.

SEN. GEBHARDT asked if each legislator would have to register as a lobbyist. MR. HIGGINS said that it does not have anything to do with whether a legislator registers. The statute needs to say that if a lobbyist or a principle comes up and provides testimony or engages in activity to influence you as a legislator, they actually need to tell the Commissioner's Office.

SEN. TROPILA asked that if the bill passes, would this negate the rule that a legislator cannot lobby two years after they leave their office. MR. HIGGINS said that it is not his practice to comment on initiatives that haven't been voted on.

TAPE 3A

QUESTIONS ON PRIORITY 2. Revise campaign finance reporting requirements.

SEN. SQUIRES asked what is meant by "choose to do if they want". MR. HIGGINS said that the real purpose behind the statute is that it is inconvenient to come to the Commissioner's Office and look through the source documents if you are seeking out information on financial disclosure. Part of the reason is if you put that same filing with the county elections officer, you don't have to travel to Helena. If you are filing electronically, there isn't a good reason why you have to make a paper copy and drop it off at your elections administrator.

QUESTIONS ON PRIORITY 3. Require that certain candidates and political committees file finance reports electronically.

REP. JACKSON asked why they did not require that all candidates file electronically. MR. HIGGINS said he wants to make sure technology works before they sent that out.

QUESTIONS ON PRIORITY 4. Establish civil penalties of late filing of campaign finance reports.

There were no questions.

QUESTIONS ON PRIORITY 5. Require that lobbying-related civil penalties be paid prior to making payments to influence the legislature.

SEN. SQUIRES asked if Mr. Higgins would be able to respond to complaints in this election cycle. MR. HIGGINS said electronic filing will cut down on the

number of complaints in terms of compliance.

MOTION

REP. HEINERT moved to authorize the drafting of legislation proposed by the Commissioner of Political Practices. MOTION PASSED.

00:38:43

MEA/MFT - Tom Bilodeau

MR. BILODEAU presented MEA/MFT proposed legislation (**EXHIBIT 9**).

Priority 1.

Amend 19-21-203(1) MCA.

Priority 2.

Amend 19-20-731(1)(a) MCA.

QUESTIONS

REP. JACKSON asked if the increase of the contribution amount would make it more difficult to solve the unfunded liability problem. MR. BILODEAU said that it is clearly an additional state costs that might otherwise have been spent in a direct appropriation towards unfunded liability in the systems.

SEN. TROPILA asked if their second priority, amending 19-20-731, would raise taxes on counties. MR. BILODEAU said that it would.

PUBLIC COMMENT

DAVID SENN, TRS, commented on the proposal regarding the 1/3 earnings limitation and working retirees. He said LC2005-03 had provisions that addressed those same issues. He suggested putting those two together.

MOTION

REP. LENHART moved to authorize the drafting of legislation proposed by MEA/MFT. MOTION FAILED FROM LACK OF A SECOND.

00:55:59

MONTANA POLICE PROTECTIVE ASSOCIATION - Jim Kembel

MR. KEMBEL discussed the proposed legislation from the Montana Police Protective Association (**EXHIBIT 10**).

Priority 1.

DROP Plan.

TAPE 3B

QUESTIONS

SEN. BALES asked when they are saying that the city and state will continue to pay and the employee will not and after the five years, will the employee will be able to get that money back. MR. KEMBEL said that when they choose to retire, the lump sum that has been paid into the account for their retirement up to five years would be then paid to the employee.

SEN. BALES said that the employee is not required to put anything in but the city and state will put in money and the employee is getting a higher salary because they get all that money back at the end of the time and with no costs or obligation on their part. MR. KEMBEL said that they are not getting any benefit of that money that is being paid in by the city or state; that goes to the retirement system

and into their account as additional cash to work with. But that amount of money would not go to the employees. The only thing that would go to the employees is their normal retirement payment that is put into an account for them until they have served out the 5 years of DROP.

- Priority 2. Definition of final compensation.
- Priority 3. Mandatory MPORS requirement.

PUBLIC COMMENT

ROXANNE MINNEHAN, Executive Director of MPERA, said that MPERA staff would need to work with Mr. Kembel and talk to the actuary to make sure that there is no unfunded liability that arises from their proposals and that there is funding available for those proposals.

MOTION

There was no motion regarding the proposals from the Montana Police Protective Association.

01:10:10

MONTANA RETIRED POLICE OFFICERS' ASSOCIATION - Frank Cole

MR. COLE discussed proposed legislation from the Montana Retired Police Officers' Association (**EXHIBIT 11**).

PUBLIC COMMENT

MELANIE SYMONS, Legal Counsel for MPERA, informed the Committee that she told Mr. Cole that his proposal would cost a lot of money and that MPERA would not be drafting his bill and that it would be up to his Association to do that.

QUESTIONS

SEN. TROPILA asked Ms. Symons if the 6.5% in Mr. Cole's proposal is across the whole state. MS. SYMONS said that it is for the Montana Police Officers' Retirement System.

MOTION

No motion was brought forward regarding proposals from the Montana Retired Police Officers' Association.

01:27:08

MISC RETIREMENT PROPOSALS - Ray Jacobs, Candidate for HD 2

MR. BOHYER spoke to retirement proposals from Mr. Ray Jacobs (**EXHIBIT 12**) which were not on the agenda but were put in the meeting packet. Mr. Jacobs' proposals were not discussed.

01:28:19

LC 9990

MR. BOHYER passed out LC9990 (**EXHIBIT 13**). LC9990 amends provisions of the Montana Administration Procedure Act to clarify statutes regarding a poll of the legislature concerning administrative rules.

MOTION

SEN. SQUIRES moved to adopt LC9990 as a Committee request. MOTION PASSED.

01:32:09

PUBLIC COMMENT

BOB VOGEL, Montana School Board Association, spoke on behalf of the School Administrators of Montana and the Montana Rural Education Association about their concerns about TRS and PERS and their stability and the impacts they have on school districts.

01:36:10

COMMITTEE WORK SESSION

DAVE BOHYER talked about the bill draft request list (**EXHIBIT 14**) that lists the bill draft requests that have already been received from holdover or unopposed legislators. There are 16 bills logged into the system concerning retirement. Sen. Stapleton has two; Sen. Shockley has 13 proposals on behalf of Rep. Sinrud; and LC140 is a request from Legislative Council. He said that the Committee will need to make a recommendation on each of the proposals.

DISCUSSION ON ADOPTION OF PRINCIPLES AND GUIDELINES

SEN. BALES said that the Principles and Guidelines were tentatively adopted at the last meeting and that the Committee would re-review them and permanently adopt them at some subsequent meeting and asked if they should be the ones to be used when evaluating proposed legislation. MR. BOHYER said that Committee had considered both these (Exhibit 14) and the form used by the MPERA (Exhibit 15) and that he tried to accommodate both sides on the suggestion by the Committee that they use the PERS form and try to reflect all 26 guidelines. He said the statute says the Committee needs to adopt Principles and Guidelines. He discussed the long format and the short format (**EXHIBIT 15**) and asked that the Committee decide which format they wished to follow.

TAPE 4A

MOTION

SEN. GEBHARDT moved to adopt the draft Principles and Guidelines from the April meeting and evaluate each proposals on the basis of those Principles and Guidelines. MOTION PASSED.

MR. BOHYER said that the form will be posted to the SAVA website.

OTHER DISCUSSIONS

There was discussion regarding changing the Senate State Administration Committee to a Class A committee.

FUTURE MEETING

MR. BOHYER said that it is difficult for him to anticipate the length of time it is going to take for the committee to deal with any of these issues (draft legislation). He suggests that they try to assess and see if they can do it all on September 11, and if they can't, this committee should consider whether or not to meet later in the fall.

REP. LENHART asked if a day and a half would work. MR. BOHYER suggested asking the Budget Office if they could have the proposal for that meeting on the 11th and 12th regarding the Teachers and Public Employees and then they could have the heads up that this Committee wants to see what's happening.

MOTION

REP. HEINERT moved to have the Budget Office's proposal on PERS and TRS for the September 11 meeting. MOTION PASSED.

DAVID SENN said that on the retirement systems, under contract, their actuaries are required to have the information to them by the first of October. They are going to push to have that by the middle of September, preliminary numbers for the Committee's meeting on the 11th, asking the Budget Office to have a specific proposal to you would be very tight. Mr. Bohyer's suggestion of a later meeting to look at those two funding proposals would allow the Committee to have better information and OBPP, MPERA, TRS, et al., could better answer questions.

SEN. BALES asked if the meeting could be re-scheduled. MR. BOHYER said that there is a Legislative Council policy that says interim committee work is supposed to be done by September 15. If this committee wants more legislation that would come by request of the State Administration and Veterans' Affairs Interim Committee, they would need to know that and should do that at that meeting, have the discussion and actually formally request that.

MR. BOHYER said that the action the Committee took today will result in a formalized request that a bill be drafted for each one of the proposals that the Committee moved through the process today.

SEN. TROPILA said that it is the consensus of the Committee to meet on November 28 and 29, 2006.

02:07:49

ADJOURNMENT

SEN. TROPILA adjourned the meeting at 3:11 p.m.

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