

HOUSE BILL NO. 590

INTRODUCED BY E. MCCLAFFERTY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATEWIDE RISK POOL AND STATEWIDE  
5 HEALTH BENEFIT PLAN FOR PUBLIC SCHOOL DISTRICTS AND EDUCATION COOPERATIVES;  
6 REQUIRING CERTAIN SCHOOL DISTRICTS TO PARTICIPATE; PROVIDING OPTIONS FOR HEALTH PLANS  
7 AND CORE BENEFITS; MAINTAINING A COLLECTIVE BARGAINING ROLE IN DISTRICTS THAT HAVE  
8 COLLECTIVE BARGAINING; ALLOWING RETIREES AND TRUSTEES TO ELECT COVERAGE THROUGH  
9 THE RISK POOL; CREATING AN ADMINISTRATIVE BOARD ATTACHED TO THE DEPARTMENT OF  
10 ADMINISTRATION; PROVIDING BOARD DUTIES AND EXEMPTING BOARD STAFF FROM THE STATE PAY  
11 PLAN; PROVIDING FOR A STATUTORY APPROPRIATION TO OPERATE THE STATEWIDE HEALTH  
12 BENEFIT PLAN; PROVIDING FOR A BOARD OF INVESTMENT LOAN AND LINE OF CREDIT FOR STARTUP  
13 COSTS AND INITIAL RESERVES; DESCRIBING REPAYMENT TERMS; AMENDING SECTIONS 2-18-103,  
14 17-5-1608, AND 17-7-502, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17  
18 NEW SECTION. **Section 1. Purpose.** The purpose of [sections 1 through 7] is to:

- 19 (1) create a uniform statewide health benefit plan for K-12 public school and education cooperative  
20 employees in which employers provide health care coverage and core benefits to employees who were eligible  
21 to be enrolled in a district's or a cooperative's health plan in the prior school fiscal year and employees who are  
22 determined by a district or education cooperative to be eligible to participate in the statewide health benefit plan;
- 23 (2) offer vision, dental, disability, life insurance, and other related group benefits for members and their  
24 dependents in an efficient manner, at the employer's and member's election, and at an affordable cost;
- 25 (3) mitigate and eliminate previously experienced erratic annual health care insurance premium  
26 increases for members and employers by spreading health care cost experience over a larger and more stable  
27 statewide public school and education cooperative risk group while reducing administrative expenses associated  
28 with small health insurance groups;
- 29 (4) provide members with access to health insurance coverage and provide equitable access to  
30 affordable health care; and

1 (5) effectively allow employers and members through the public school and education cooperative  
2 benefits board an opportunity to negotiate medical cost containment, quality assurances, and managed care  
3 measures with health care providers in an effort to insulate school district budgets and members' income from  
4 escalating health care costs.

5  
6 **NEW SECTION. Section 2. Definitions.** For the purposes of [sections 1 through 7], the following  
7 definitions apply:

8 (1) "Basic plan" means a plan adopted by the board that provides core benefits for each member and  
9 the member's dependents, that provides lower premiums and higher member cost sharing than under the  
10 standard plan, and that provides benefits that are actuarially equivalent to 80% of the value of benefits provided  
11 to state employees on July 1, 2010, under the traditional plan offered by the state group insurance program  
12 authorized pursuant to Title 2, chapter 18, part 8.

13 (2) "Board" means the public school and education cooperative benefits board established in [section  
14 4].

15 (3) "Composite-rate premium" means the average premium cost for an enrollee based on all local district  
16 or education cooperative members who are otherwise enrolled in the statewide core benefits or other group  
17 benefits plans pursuant to the tiered-rate premiums established by the board.

18 (4) "Core benefits" means group hospitalization, health, medical, and surgical insurance benefits offered  
19 by employers for members and their dependents on a statewide basis pursuant to [sections 1 through 7].

20 (5) "Department" means the department of administration provided for in 2-15-1001.

21 (6) "Employee" means:

22 (a) a person who is employed by a public elementary or high school district as defined in 20-6-101, a  
23 K-12 school district as defined in 20-6-701, or an education cooperative as described in 20-7-451 and who in the  
24 prior school fiscal year was eligible to be enrolled in the school district's or cooperative's health plan, other than  
25 a health plan provided by a multiple employer welfare arrangement as defined in 29 U.S.C. 1002 or a local school  
26 district self-funded health benefits plan; or

27 (b) a member of an identifiable group of employees who are determined by a district to be eligible to be  
28 enrolled in the statewide health benefit plan.

29 (7) "Employer" means the governing board of any public elementary or high school district as defined  
30 in 20-6-101, a K-12 school district as defined in 20-6-701, or an education cooperative as described in 20-7-451.

1 (8) "Group benefits" means core benefits and dental, vision, disability, accidental death and  
2 dismemberment, life, and other similar and related benefits offered to members and dependents on a statewide  
3 basis pursuant to [sections 1 through 7].

4 (9) "Health plan" means a plan of coverage for medical care and items and services paid for as medical  
5 care offered to employees or their dependents directly or through insurance, reimbursement, or otherwise.

6 (10) "Managed care plan" means a plan provided by a health care provider network that is subject to  
7 review and regulation as a health maintenance organization pursuant to Title 33, chapter 31, and that provides  
8 health care or other benefits on a local, regional, or statewide basis.

9 (11) "Medicare supplement plan" means a plan adopted by the board that offers core benefits for  
10 members and their dependents who are enrolled in medicare and that supplements benefits provided under the  
11 medicare program. The term may include a medicare managed care plan.

12 (12) "Member" means an employee, retiree, or trustee who is eligible for enrollment in the statewide  
13 health benefit plan.

14 (13) "Retiree" means:

15 (a) an employee who has terminated employment with an employer and who, at the time of termination,  
16 was continuously employed for a period of 10 or more school years, was 55 years of age or older, and was  
17 enrolled in a school district, cooperative, or statewide public school health plan and at the time of termination of  
18 employment elected continued enrollment in the school district, cooperative, or statewide public school health  
19 plan;

20 (b) an employee who has terminated employment with an employer and who, at the time of termination,  
21 was enrolled in a school district, cooperative, or statewide public school health plan and was eligible for normal  
22 retirement pursuant to law or the rules of the public employees' retirement system or the teachers' retirement  
23 system and at the time of termination of employment elected continued enrollment in the school district,  
24 cooperative, or statewide public school health plan;

25 (c) an employee or trustee who was enrolled prior to July 1, 2012, as a retiree under terms of the  
26 employer's school district or cooperative health plan; or

27 (d) a trustee who terminated board trusteeship with a school district and who, at the time of termination,  
28 was continuously enrolled in the school district, the education cooperative, or the statewide health plan and at  
29 the time of termination of employment elected continued enrollment in the school district, the cooperative, or the  
30 statewide public school health plan.

1 (14) "Self-funded health benefits plan" means a local school district-operated plan established and  
2 operated pursuant to 2-18-702.

3 (15) "Standard plan" means a plan adopted by the board that for each member and the member's  
4 dependents provides core benefits, a standard premium, lower member cost-sharing arrangements than that  
5 provided under the basic plan, and benefits that are actuarially equivalent to health benefits provided on July 1,  
6 2010, under the comparable traditional plan offered by the state group insurance program authorized pursuant  
7 to Title 2, chapter 18, part 8.

8 (16) "Statewide health benefit plan" means the health plan offered through the statewide public school  
9 and education cooperative risk pool, as provided for in [section 3].

10 (17) "Tiered-rate premium" means the premium established by the board that is necessary to fund  
11 members enrolled as single individuals, single and dependents, two-party, family, and other enrollment categories  
12 established by the board.

13 (18) "Trustee" means a member of a public school board who, by a local board policy, is made eligible  
14 for participation and who has elected to be enrolled in the statewide health benefit plan.

15

16 **NEW SECTION. Section 3. Statewide health benefit plan -- enrollment -- collective bargaining of**  
17 **employer contributions.** (1) To implement the statewide health benefit plan, by April 1, 2012, the board shall  
18 adopt and maintain:

19 (a) a basic plan, a standard plan, one or more locally available managed care plans, and one or more  
20 medicare supplement plans as an option for coverage for each member and the member's dependents. The  
21 benefit plans adopted by the board must be operating and available to all employers and members by no later  
22 than July 1, 2012. The board shall offer the basic plan on a statewide basis. The board may additionally authorize  
23 establishment of actuarially equivalent network health plans for employee election in designated geographic  
24 regions of the state.

25 (b) an actuarially sound schedule of tiered-rate and composite-rate premiums for each adopted plan that  
26 offers the option of selecting a premium payment method to all employers and employees by collective bargaining  
27 or to nonbargaining members by board policy. The board shall, by April 15, 2012, and each succeeding April 15,  
28 notify each school district and the department of the adoption of the premium structure for each plan.

29 (2) By June 1, 2012, and by each succeeding June 1, employers shall notify the board of the selections  
30 by employees of the basic plan, the standard plan, or the managed care plan and of the employer's selection of

1 the premium payment method for all eligible employee, retiree, and trustee members.

2 (3) Subject to the election provisions in 2-18-702, by the later of either July 1, 2012, or the expiration of  
3 a collective bargaining agreement that is in effect prior to [the effective date of this act] and that extends beyond  
4 July 1, 2012, and includes provisions that specifically restrict or are otherwise in conflict with the provisions of  
5 [sections 1 through 7], an employer, other than an employer operating a self-funded health benefits plan or a  
6 multiple employer welfare arrangement, as defined in 29 U.S.C. 1002, for identified employees, shall:

7 (a) enroll each eligible employee in the statewide health benefit plan and provide core benefits under  
8 the basic plan, the standard plan, or the managed care plan as elected by the employee; and

9 (b) enroll each retiree and trustee member who is eligible under [sections 1 through 7] and who elects  
10 benefits coverage under the basic plan, the standard plan, the managed care plan, or the medicare supplement  
11 plan.

12 (4) Local school districts operating a self-funded health benefits plan for employees or providing some  
13 identified employees with health benefits provided by a multiple employer welfare arrangement as defined in 29  
14 U.S.C. 1002 may, pursuant to local bargaining obligations, irrevocably elect into the statewide health benefit plan  
15 as of July 1 of any year beginning July 1, 2012.

16 (5) Except as provided in subsection (8) and unless otherwise prohibited by law, an employer shall, by  
17 July 1, 2012, and monthly after that date, transfer to the board from any budgeted fund or nonbudgeted fund, as  
18 defined in 20-9-201, the premium amount determined by the board to be necessary to:

19 (a) insure and provide core benefits on behalf of each employee enrolled under the basic plan, the  
20 standard plan, or the managed care plan selected by the employee;

21 (b) repay the board of investments for loans provided for under [section 7]; and

22 (c) implement the plan, pay administrative costs, and establish reserves.

23 (6) (a) For an employee whose employment is covered by a collective bargaining agreement under Title  
24 39, chapter 31, both the employer's selection between a tiered-rate or composite-rate premium structure for core  
25 benefits and other group benefits and the contribution level for the employer and the employee for  
26 employee-selected core benefits and other group benefits, as provided in subsection (2) or (3), must be  
27 determined by collective bargaining between the employer and the exclusive representative of the bargaining unit.

28 (b) For an employee whose employment is not covered by a collective bargaining agreement pursuant  
29 to Title 39, chapter 31, the employer policy must specify the option of a tiered-rate or composite-rate premium  
30 structure for core benefits and other group benefits as well as the level of the employer's and employee's

1 contributions for locally selected core benefits and other group benefits made pursuant to subsection (2) or (3).

2 (7) A trustee or a retiree may, at the time of retirement and at the trustee's or retiree's expense, elect to  
3 be enrolled in the statewide health benefit plan and receive health benefits under the basic plan, the standard  
4 plan, or the managed care plan as offered by the district or may, if eligible, enroll in the medicare supplement  
5 plan.

6 (8) If by a collective bargaining agreement, the employer agrees to make payments for health and related  
7 insurance benefits for retired public school or education cooperative personnel, the employer shall continue to  
8 provide benefits and make payments to the board pursuant to the terms of the collective bargaining agreement.

9 (9) The board shall deposit all reserve funds and premiums paid to the statewide health benefit plan. The  
10 money deposited is statutorily appropriated, as provided in 17-7-502, to the department to be expended for  
11 claims, payment of administrative costs, and loan repayments under the plan and to maintain actuarially sound  
12 reserves considered necessary for the plan.

13 (10) If premiums and other income collected in a fiscal year are insufficient to fully fund the claims  
14 liabilities and all expenses incurred for that year, premiums for the ensuing year must be increased to collect the  
15 revenue necessary to repay losses.

16 (11) If premiums and other income collected in a fiscal year exceed the amount necessary to fully fund  
17 the claims liabilities and all expenses incurred during that year, premiums for the ensuing fiscal year must be  
18 reduced to return the surplus to plan participants.

19 (12) If the board acts to add or eliminate benefits from any plan, the premiums for the plan must be  
20 increased by amounts actuarially required to pay for increased benefits or decreased by amounts actuarially  
21 determined to be saved by elimination of benefits.

22 (13) A local district with a self-funded health benefits plan is required to use reserves of the self-funded  
23 health benefits plan to pay claims and other liabilities of the district's self-funded health benefits plan. Upon  
24 enrollment in the statewide health benefit plan, any remaining reserves must be maintained by the district under  
25 the provisions of 19-20-501 and must be used to pay for employee benefit costs incurred by the employer under  
26 the statewide health benefit plan pursuant to 20-3-330.

27 (14) The provisions of Title 33 do not apply to the board when exercising the powers and duties provided  
28 for in this section.

29 (15) The provisions of [sections 1 through 7] may not be construed to require a specific contribution by  
30 either an employer or an employee toward the cost of core benefits and other benefits provided in [sections 1

1 through 7].

2

3 **NEW SECTION. Section 4. Board -- composition -- appointment.** (1) There is a public school and  
4 education cooperative benefits board.

5 (2) (a) The board consists of nine members appointed to 5-year staggered terms by the governor. Two  
6 appointees must be public school board trustees. Two appointees must be public school or education cooperative  
7 administrators. Four appointees must be members of a labor organization as defined in 39-31-103. One  
8 appointee must be a retiree from a school district or education cooperative.

9 (b) To implement the staggered terms, the governor's initial appointments must be for three members  
10 to serve 3-year terms, three members to serve 4-year terms, and 3 members to serve 5-year terms.

11 (3) (a) The members of the board must be appointed from lists submitted to the governor as provided  
12 in subsections (3)(b) through (3)(d).

13 (b) The two public school board trustees and two public school or education cooperative administrators  
14 must be appointed from a list of up to eight nominees submitted jointly by the Montana school boards association,  
15 the Montana rural education association, the school administrators of Montana, and the Montana association of  
16 school business officials. Of those nominees, at least one administrative and one trustee nominee must be from  
17 a first-class district and at least one administrative and one trustee nominee must be from a second-class or a  
18 third-class district as defined in 20-6-201 and 20-6-301.

19 (c) The four appointees from a labor organization must be appointed from a list of up to eight nominees  
20 submitted by MEA-MFT. Of those nominees, at least two must be classified personnel. As used in this subsection  
21 (3)(c), "classified personnel" means persons not required to be certified under Title 20, chapter 4.

22 (d) The one retiree appointee must be from a list of up to three nominees jointly submitted by the  
23 organizations listed in subsections (3)(b) and (3)(c).

24 (4) When a vacancy occurs, the governor shall notify the organizations responsible for submitting a list  
25 of nominees. Within 30 days of receiving notification, the organizations responsible under subsection (3)(b),  
26 (3)(c), or (3)(d) shall submit a list of nominees to the governor. If a submission of nominees is not made within  
27 30 days, the governor may designate any person meeting the requirements of the vacancy to fill the position.

28 (5) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121,  
29 except that the provisions of 2-15-121(2)(d) requiring agency personnel to staff the board do not apply.

30 (6) The board is designated as a quasi-judicial board for the purposes of 2-15-124, except that the

1 requirement for at least one member to be an attorney does not apply.

2

3 **NEW SECTION. Section 5. Board duties.** (1) The board shall:

4 (a) serve in a fiduciary capacity as the financial and benefits monitor for the statewide health benefit plan  
5 and contract with plan and claims payment administrators, plan benefit managers and advisers, and actuaries,  
6 as needed;

7 (b) meet at least six times annually and review monthly enrollment, claims, claims payment, and fund  
8 financial status information;

9 (c) establish, review, and revise provisions of core benefit plans, local managed care plans, and local  
10 network provider agreements and establish, review, and revise provisions of other group benefit plans offered  
11 by the board;

12 (d) annually determine benefit provisions and set premiums needed to fund core benefits, repay board  
13 of investments loans needed to implement [sections 1 through 7], provide reserves, and set premiums necessary  
14 for all other group benefit plans offered by the board;

15 (e) conduct claims and any financial and operational reviews that are necessary to properly monitor the  
16 performance of the group benefit plan vendors; and

17 (f) adopt rules to implement the provisions of [sections 1 through 7], including but not limited to rules to:

18 (i) determine timely and automated procedures for monthly enrollment of employee, retiree, and trustee  
19 members, bid specifications, claim forms and procedures, claims distribution, appeal procedures, and the general  
20 administration and operation of the statewide health benefit plan;

21 (ii) authorize the board to establish default selection and rate preference election for circumstances when  
22 an employer does not notify the board of locally bargained or otherwise determined choices by June 1 of each  
23 year; and

24 (iii) coordinate benefits with other health plans, participate in cooperative purchasing as provided in  
25 2-18-711, provide for dual enrollment of spouses enrolled in a health plan, the state employee group benefits  
26 plan, or the Montana university system health plans, and provide for an enrollment waiver based on an eligible  
27 employee's signed statement declining enrollment in the plan and acknowledging relinquishment of enrollment  
28 rights until the next fiscal year's general enrollment period as established by the board.

29 (2) The board shall hire and manage its own personnel, including an administrative accountant  
30 responsible for direct entry and access to the statewide accounting, budgeting, and human resource system



1 database, and may, by contract, hire personnel for all administrative services, including but not limited to:

2 (a) clerical and plan oversight and supervision services required by the board;

3 (b) with regard to enrollment of members the statewide health benefit plan, coordination of enrollment  
4 with school and education cooperative employer staff and payroll systems, preparation of descriptive materials,  
5 provision of member and employer information concerning plan benefits, enrollment, and claims processing  
6 procedures, and assistance as needed for claims submission and processing;

7 (c) claims processing and recordkeeping, full financial accounting, and reporting to the board;

8 (d) actuarial and plan design services, as needed;

9 (e) preparation of an annual report. The annual report must describe enrollment trends within the  
10 statewide health benefit plan, benefit provisions and premium structure of the statewide health benefit plan, and  
11 administrative experience relating to each plan available under the statewide health benefit plan. The annual  
12 report also must detail historical and projected program costs and the status of reserve funds. In addition the  
13 annual report must provide any recommendations for changes in the existing statewide health benefit plan,  
14 premium structures, or related matters.

15 (f) preparation of informational and educational services through local public school and education  
16 cooperative employers for members regarding the statewide health benefit plan;

17 (g) providing assistance and training to public school and education cooperative benefits and payroll  
18 administrators and to members regarding enrollment and premium payment procedures associated with the  
19 statewide health benefit plan; and

20 (h) providing assistance for members and employers to establish and maintain locally available wellness  
21 programs.

22 (3) The board shall include as costs of the statewide health benefit plan the costs of the board in  
23 administering each available plan and claims processing, repayment of the implementation and reserve loans  
24 as provided in [section 7], and other benefit consulting, actuarial, and auditing costs.

25 (4) The board is subject to the Montana Procurement Act provided for in Title 18, chapter 4.

26  
27 **NEW SECTION. Section 6. Annual audit.** The statewide health benefit plan provided for in [sections  
28 1 through 7] must be audited every year. The audit must cover the fiscal year that immediately follows the last  
29 audit and be conducted by or at the direction of the legislative auditor.

30

1            **NEW SECTION. Section 7. Loans and line of credit.** (1) If considered prudent under the provisions  
2 of 17-6-201, the board of investments may on July 1, 2011, provide to the board provided for in [section 4] a loan  
3 in the amount of \$2 million for the biennium beginning July 1, 2011, for the purpose of implementing the statewide  
4 health benefit plan.

5            (2) The board of investments may, prior to July 1, 2012, authorize and provide to the board provided for  
6 in [section 4] a line of credit in the amount of \$30 million to be available on or before July 1, 2012, to establish  
7 initial reserves for the statewide health benefit plan.

8            (3) The loans provided for in this section must be issued pursuant to the Municipal Finance Consolidation  
9 Act of 1983 provided for in Title 17, chapter 5, part 16. The repayment term established for a loan may not exceed  
10 10 years.

11           (4) For any loan or line of credit under this section, the board provided for in [section 4] shall establish  
12 and maintain a specific loan repayment account and shall repay the loan and line of credit from premiums  
13 charged for core benefits and other group benefits.

14

15            **Section 8.** Section 2-18-103, MCA, is amended to read:

16            **"2-18-103. Officers and employees excepted.** Parts 1 through 3 and 10 do not apply to the following  
17 officers and employees in state government:

18            (1) elected officials;

19            (2) county assessors and their chief deputies;

20            (3) employees of the office of consumer counsel;

21            (4) judges and employees of the judicial branch;

22            (5) members of boards and commissions appointed by the governor, the legislature, or other elected  
23 state officials;

24            (6) officers or members of the militia;

25            (7) agency heads appointed by the governor;

26            (8) academic and professional administrative personnel with individual contracts under the authority of  
27 the board of regents of higher education;

28            (9) academic and professional administrative personnel and live-in houseparents who have entered into  
29 individual contracts with the state school for the deaf and blind under the authority of the state board of public  
30 education;

- 1 (10) investment officer, assistant investment officer, executive director, and five professional staff  
 2 positions of the board of investments;
- 3 (11) four professional staff positions under the board of oil and gas conservation;
- 4 (12) assistant director for security of the Montana state lottery;
- 5 (13) executive director and employees of the state compensation insurance fund;
- 6 (14) state racing stewards employed by the executive secretary of the Montana board of horseracing;
- 7 (15) executive director of the Montana wheat and barley committee;
- 8 (16) commissioner of banking and financial institutions;
- 9 (17) training coordinator for county attorneys;
- 10 (18) employees of an entity of the legislative branch consolidated, as provided in 5-2-504;
- 11 (19) chief information officer in the department of administration;
- 12 (20) chief business development officer and six professional staff positions in the office of economic  
 13 development provided for in 2-15-218;
- 14 (21) chief public defender appointed by the public defender commission pursuant to the Montana Public  
 15 Defender Act, Title 47, chapter 1, and the employees in the positions listed in 47-1-201(3)(a), who are appointed  
 16 by the chief public defender;
- 17 (22) employees of the public school and education cooperative benefits board established in [section 4]."

18

19 **Section 9.** Section 17-5-1608, MCA, is amended to read:

20 **"17-5-1608. Limitations on amounts.** The board may not issue any bonds or notes that cause the total  
 21 outstanding indebtedness of the board under this part, except for bonds or notes issued to fund or refund other  
 22 outstanding bonds or notes or to purchase registered warrants or tax or revenue anticipation notes of a local  
 23 government as defined in 7-6-1101, to exceed ~~\$190~~ \$222 million."

24

25 **Section 10.** Section 17-7-502, MCA, is amended to read:

26 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the  
 28 need for a biennial legislative appropriation or budget amendment.

29 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both  
 30 of the following provisions:

1 (a) The law containing the statutory authority must be listed in subsection (3).

2 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory  
3 appropriation is made as provided in this section.

4 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120;  
5 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312;  
6 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;  
7 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112; 17-3-212; 17-3-222; 17-3-241; 17-6-101;  
8 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506;  
9 19-20-604; 19-20-607; 19-21-203; 20-8-107; [section 3]; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105;  
10 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105;  
11 44-4-1101; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206; 60-11-115; 61-3-415;  
12 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518;  
13 81-10-103; 82-11-161; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205; 90-1-504; 90-3-1003; 90-6-331; and  
14 90-9-306.

15 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
16 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
17 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana  
18 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state  
19 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory  
20 appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion  
21 of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is  
22 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch.  
23 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and  
24 sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L.  
25 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the  
26 supplemental benefit provided by 19-6-709; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113  
27 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30,  
28 2013; and pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019.)"

29  
30 **NEW SECTION. Section 11. Codification instruction.** [Sections 1 through 7] are intended to be

1 codified as an integral part of Title 20, and the provisions of Title 20 apply to [sections 1 through 7].

2

3 NEW SECTION. **Section 12. Contingent voidness.** If the board of investments fails to provide the  
4 public school and education cooperative benefits board the \$2 million loan for the fiscal year beginning July 1,  
5 2011, and ending June 30, 2012, needed to implement the statewide health benefit plan pursuant to [section 7],  
6 then [this act] is void. The executive director of the board of investments shall notify the code commissioner by  
7 July 1, 2011, whether the loan was made.

8

9 NEW SECTION. **Section 13. Effective dates -- applicability.** (1) Except as provided in subsection (2),  
10 [this act] is effective on passage and approval and applies to contracts entered into on or after [the effective date  
11 of this section].

12 (2) [Section 9] is effective July 1, 2011.

13

- END -