



State Administration and Veterans' Affairs Interim Committee

65th Montana Legislature

SENATE MEMBERS

SUE MALEK--Chair
DOUG KARY--Vice Chair
DEE BROWN
FRANK SMITH

HOUSE MEMBERS

DENISE HAYMAN
FORREST MANDEVILLE
WENDY MCKAMEY
KATHY SWANSON

COMMITTEE STAFF

SHERI SCURR, Lead Staff
K. VIRGINIA ALDRICH, Staff Attorney
JENNI CARR, Secretary

MINUTES LOG

January 18th, 2018
Room 137, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

SEN. SUE MALEK, Chair
SEN. DOUG KARY, Vice Chair
SEN. DEE BROWN
REP. DENISE HAYMAN
REP. FORREST MANDEVILLE
REP. WENDY MCKAMEY
REP. KATHY SWANSON

COMMITTEE MEMBERS EXCUSED

SEN. FRANK SMITH

STAFF PRESENT

SHERI SCURR, Lead Staff
K. VIRGINIA ALDRICH, Staff Attorney
JENNI CARR, Secretary

VISITORS' LIST(Attachment 1)

AGENDA (Attachment 2)

COMMITTEE ACTIONS

CALL TO ORDER AND ROLL CALL

00:00:02 Sen. Malek brought meeting to order. The secretary took roll. ([Attachment 3](#))

POLITICAL PRACTICES, CAMPAIGN CONTRIBUTIONS, ETHICS, AND REJECTED BALLOTS--INFORMATIONAL BRIEFINGS

Constituent services accounts - Susan Fox, Executive Director, Legislative Services Division; Jeff Mangan, Commissioner of Political Practices (COPP)

00:01:06 Ms. Fox explained the guidance on the Legislative Stipend and Reimbursement for Constituent Services. ([Exhibit 1](#)) ([Exhibit 2](#))

00:04:46 Sen. Brown asked if the legislators would be able to take responsibility for their own taxes instead of letting legislative services control it.

00:06:58 Ms. Fox discussed the difference between the IRS and the Montana law, specifically the differences between an accountable plan and a non-accountable plan.

00:17:10 Rep. Hayman pointed out the confusion since it's taxed as an income against the legislators as individuals, but is used for constituent services.

00:19:52 Rep. Mandeville stated his opinion that the law establishing this should be repealed.

00:20:57 Sen. Brown offered her opinion in support of the law.

00:21:46 Sen. Kary stated that the bill was meant as a reimbursement, and legislators shouldn't get anything unless they submit an expense for it.

00:24:02 Sen. Malek asked for clarification on the financial accounts.

00:28:07 Sen. Malek asked for clarification on the primary and secondary stipends and what they could be used for.

00:29:27 Rep. Hayman asked about mileage rates.

00:30:12 Sen. Malek asked for a final clarification on the secondary amount.

00:30:51 Commissioner Mangan offered input on the constituent stipends.

00:35:09 Sen. Malek asked if it was being suggested that there would be one account for all of the money.

Review of court decisions - Commissioner Mangan

00:38:32 Commissioner Mangan began his review on campaign finance limits. ([Exhibit 3](#))([Exhibit 4](#))

00:40:51 Jaime MacNaughton began her presentation on the finance limits.

00:43:32 Sen. Malek asked if there was any inflation consideration.

00:44:17 Rep. Mandeville asked if legislation for the 2019 session could solve the contribution issue.

00:45:20 Ms. MacNaughton clarified there was no violation for having the wrong amount on their contribution envelopes since contribution limits are constantly changing.

00:46:18 Commissioner Mangan offered clarification on the contribution limits and how they change.

00:47:14 Sen. Malek asked if accepted contribution limits were still available.

00:48:19 Sen. Kary asked how the contributions would be effected by the change in law.

00:51:15 Commissioner Mangan explained Tshida v. Mangan and the court's decision on that. ([Exhibit 5](#)) ([Exhibit 6](#))

00:53:08 Sen. Brown asked for clarification on the press involvement if any ethics complaints do fall on Mr. Mangan's desk.

00:56:03 Rep. Hayman asked what the response would be to an individual filing a complaint on the stipend accounts.

00:57:12 Sen. Kary asked for clarification on what "making it public" entails.

00:59:02 Ms. MacNaughton explained that ethics procedures are very different than finance procedures and offered clarification on the matter.

01:01:05 Sen. Malek asked how the stipend issue would arise.

01:04:38 Sen. Kary asked for clarification about who a campaign finance complaint would be filed against, whether it's the candidate or the individual who misused funds.

Rejected ballots during elections - Sheri Scurr, research analyst, Legislative Services Division (LSD); Ginger Aldrich, staff attorney, LSD; Mr. Mangan

01:06:18 Ms. Scurr summarized a Nov. 28, 2017 meeting between the Secretary of the State's office and a working group of county election administrators formed to collect information on ballots that were rejected during the May 2017 special election.

01:07:52 Ms. Aldrich shared her notes on a Dec. 5 meeting of the working group in regards to the rejected ballots, and their findings on why the ballots were rejected, and what they could do to simplify absentee voting.

01:15:24 Rep. Mandeville asked if there was any discussion on updating the signatures.

01:17:17 Regina Plettenberg, Ravalli County election administrator, clarified that they do scan in new signatures as frequently as possible.

01:19:00 Commissioner Mangan added explained the role of the COPP.

01:21:24 Sen. Malek added that she did attend the meeting, and that everyone seems to be working together to rectify rejected ballots, but there are voter responsibilities

BREAK (reconvened 10:35am)

PUBLIC PENSION PLANS

Background and legislative history - Ms. Scurr

01:33:53 Ms. Scurr began her presentation on pension plans. ([Exhibit 7](#))([Exhibit 8](#))([Exhibit 9](#))([Exhibit 10](#))

01:58:08 Sen. Brown stated that legislation needs to be careful about how benefits are crafted for state employees. Sen. Brown also asked for clarification on retirement benefits and beneficiaries.

02:04:21 Rep. Hayman offered a personal experience on the issue.

Actuarial valuation results - Dore Schwinden, Executive Director, Montana Public Employees Retirement Administration (MPERA); Shawn Graham, Executive Director,

02:05:25 Mr. Schwinden began his presentation on the 2017 actuarial valuation. ([Exhibit 11](#))

02:21:30 Sen. Brown asked what they're proposing for the game wardens for the coming session.

- 02:23:41 Rep. Hayman asked how the reduction of state employees would impact the system.
- 02:24:41 Sen. Malek asked when the last time a 3.25% pay increase had been provided to state employees.
- 02:25:59 Sen. Malek asked if they could cap the amount a retiree could get.
- 02:27:35 Mr. Graham began his presentation on the Montana Teachers' Retirement System Valuation Results for 2017. ([Exhibit 12](#))
- 02:38:55 Sen. Brown asked if Mr. Graham would anticipate the investment income shown in red on page 12 accelerated at a faster rate from 2016 to 2017.
- 02:39:52 Sen. Malek asked if Mr. Graham would be bringing forth any legislation this spring.

Background presentation on basics of pension fund investments - Ms. Scurr

- 02:41:40 Ms. Scurr began her presentation on investments 101. ([Exhibit 13](#))
- 03:02:14 Sen. Brown commented on page 4.

Montana Board of Investments - David Ewer, Executive Director

- 03:04:07 Mr. Ewer introduced himself and Joe Cullen, Chief Investment Officer, and then commented on the Board of Investments and pension funds.
- 03:07:24 Sen. Brown asked how much more money is being paid out as benefits than is coming into retirement funds.
- 03:10:27 Mr. Cullen responded.
- 03:11:25 Sen. Brown asked for data on two years of income into the systems compared to what's going out to retirees.
- 03:13:15 Sen. Malek expressed her concern about the rate of inflation and the volatility of the market.

Public comment

No comment

LUNCH (Reconvene 1:00pm)

- 04:02:02 Ms. Scurr provided additional information about the pensions. ([Exhibit 14](#)) Ms. Scurr also referenced hand-outs regarding the voting systems. ([Exhibit 15](#)) ([Exhibit 16](#))([Exhibit 17](#))

VOTING MACHINES

Demonstration of AutoMark, deep dive into how it currently works, contracts - Regina Plettenberg, Ravalli County election administrator, legislative liaison, Montana Clerk and Recorders and Election Administrator's Association; Charlotte Mills, Gallatin County election administrator; Travis Hoffman, disability community representative

- 04:06:05 Ms. Plettenberg, Ms. Mills, and Mr. Hoffman introduced themselves. Ms. Plettenberg began her presentation on the AutoMark, and how dated the equipment is.
- 04:10:01 Sen. Malek asked for clarification on where the ballot receipt came from.
- 04:12:10 Mr. Hoffman demonstrated the two machines.

Presentation on ADA requirements, ballot uniformity, needs and concerns of disabled voters - Beth Brenneman, Disability Rights Montana

- 04:42:20 Beth Brenneman began her presentation on the "Help America Vote Act" and the needs of disabled voters. ([Exhibit 18](#))
- 04:50:20 Sen. Brown asked about the freeware being developed out of Los Angeles.
- 04:52:24 Rep. McKamey asked for clarification on whether the LA system has ever been hacked.
- 04:53:32 Sen. Malek asked if Montana law stipulates that there has to be a paper ballot.

Public comment

- 04:54:35 Nancy Leifer, Montana Legal Women Voters state president. ([Exhibit 19](#))

BREAK (reconvene at 2:10)

VETERANS AFFAIRS

Background on VA and Montana Veterans' Affairs Division (MVAD) and overall benefit claims process - Ms. Scurr

- 05:08:27 Ms. Scurr began her presentation on Veterans' Benefits and Services. ([Exhibit 20](#))
- 05:18:35 Sen. Brown commented on the topic of suicide prevention.

Role of MVAD veteran service officers (VSO), training and certification - Joe Foster, Administrator, MVAD; Kelly Ackerman, supervising VSO, Helena, MVAD; Koryn Van Eimeren, Veteran Service Center Manager, VA; Art Widhalm, past commander, VFW, Dept. of MT; George Blackard, American Legion, Billings

- 05:34:29 Sen. Malek began the discussion on the role of MVAD veteran service officers, and asked for clarification on the roles of volunteers and how they are helping veterans.
- 05:35:01 Mr. Foster introduced the panel before beginning his presentation on the veteran services programs. ([Exhibit 21](#))
- 05:51:21 Ms. Ackerman began her testimony. ([Exhibit 22](#))
- 06:03:55 Ms. Van Eimeren began her presentation on disability claims processing.
- 06:15:00 Mr. Widhalm began his testimony on the MVAD.
- 06:19:00 Mr. Blackard began his presentation as a veteran's advocate.

Committee questions

- 06:23:46 Rep. McKamey asked Ms. Ackerman if a VA specialist is the same as a VSO.
- 06:24:48 Rep. McKamey asked about the importance of a quality claim product and how they know if a poor quality claim has been submitted.
- 06:29:06 Rep. McKamey asked how long it takes to develop a well-trained VSO.
- 06:31:06 Sen. Brown asked if Mr. Foster has asked for a follow-up performance audit.
- 06:39:27 Rep. McKamey asked if there were personal safety issues in veterans service offices.
- 06:42:56 Sen. Malek asked where the poor claims advise is coming from.

Public comment

- 06:46:55 Mike Waters, director of veterans and military affairs for Congressman Gianforte.
- 06:48:05 Roger Hagan, National American Legion vice chair of the legislative council.

06:49:06 Jim Korth, specialist in veterans issues for U.S. Senator Danes.

Review of next meeting date and agenda

06:53:52 Ms. Scurr reviewed the proposed work plan. ([Exhibit 23](#))
06:58:22 Committee discussion.
07:04:55 Ms. Scurr pointed out another pension hand out. ([Exhibit 24](#))
07:05:30 Committee continued discussion.
07:23:10 Committee changed meeting from May 17, 2018 to May 16, 2018.

General public comment on any topic under SAVA jurisdiction

07:24:52 Eric Bryson, Executive Director, Montana Association of Counties. ([Exhibit 25](#))
07:30:45 Kelly Lynch, Deputy Director and General Council, Montana League of Cities and Towns, added her support for Mr. Bryson's comments

Rule review - Ginger Aldrich, staff attorney

07:32:40 Ms. Aldrich provided an overview on the rule reviews.

Adjournment

07:43:34 With no further business before the committee, Sen. Malek adjourned the meeting at 4:45pm

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