



STATE ADMINISTRATION AND VETERAN AFFAIRS INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Mike Cuffe
Janet Ellis
Douglas (Doug) Kary
Edith (Edie) McClafferty

HOUSE MEMBERS

Marta Bertoglio
Julie Dooling
Jessica Karjala
Kelly Kortum
Wendy McKamey
Marvin Weatherwax

COMMITTEE STAFF

K.V. Aldrich - Attorney
Alexis Newcomer - Secretary
Rebecca Power - Research Analyst

MINUTES LOG

May 25, 2022
Room 102 and Zoom
Helena, Montana

Please note: This document is a Minutes Log and provides annotation 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 recording 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 the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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MEMBERS PRESENT:

Sen. Janet Ellis, Chair (D)
Rep. Marta Bertoglio, Vice Chair (R)
Sen. Mike Cuffe (R)
Rep. Julie Dooling (R)
Sen. Douglas (Doug) Kary (R)
Rep. Kelly Kortum (D)
Sen. Edith (Edie) McClafferty (D)
Rep. Wendy McKamey (R)
Rep. Marvin Weatherwax (D)

MEMBERS EXCUSED:

Rep. Jessica Karjala (D)

MEMBERS ABSENT:

STAFF PRESENT:

K.V. Aldrich, Attorney
Alexis Newcomer, Secretary

Rebecca Power, Research
Analyst

AGENDA [\(Attachment 1\)](#)

VISITORS' LIST [\(Attachment 2\)](#)

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

08:01:19 Sen. Janet Ellis called the meeting to order at 8:01 AM. The committee secretary took roll.

Introduction – Rebecca Power, Research Analyst

08:03:49 Rebecca Power, Research Analyst, Legislative Services Division

HJ 8: INTERIM STUDY OF MT'S PUBLIC PENSION SYSTEMS

TRS & MPERA Experience Study Results

08:05:14 Rebecca Power, Research Analyst, Legislative Services Division [\(Exhibit 1\)](#)
[\(Exhibit 2\)](#)

08:06:16 Rep. McKamey has arrived.

Todd Green, President, Cavanaugh Macdonald Consulting, LLC

08:06:44 Todd Green, President, Cavanaugh Macdonald Consulting, LLC [\(Exhibit 3\)](#)

Committee Questions & Discussion

08:24:13 Sen. Cuffe asked Mr. Green if the presentation was based on history or projections.

08:24:55 Sen. Kary asked Mr. Green about COVID-19's impact on mortality rates.

08:26:59 Rep. Dooling asked Mr. Green about the impacts of early retirement.

09:00:02 Sen. Cuffe asked Mr. Green for clarification on demographic assumptions.

09:08:33 Sen. Ellis asked Mr. Green about variables for assumptions.

09:15:02 Rep. Weatherwax joined the meeting.

09:16:21 Rep. Garner asked Mr. Green if the study takes recent legislation into account.

09:16:57 Rep. Garner asked Mr. Green if changes are assumed going forward.

09:17:32 Rep. Garner asked Mr. Green about investment returns.

09:18:55 Rep. Garner asked Mr. Green about the impact of inflation on reduced amortization.

09:21:35 Rep. Garner asked Mr. Green if expense averages are considered.

09:22:40 Rep. Kortum asked Mr. Green about the measurement of value of working from home as a benefit.

09:23:40 Sen. Kary asked Mr. Green for clarification on the correlation on mortality rate and drop-in rate.

09:26:04 Sen. Kary asked Mr. Green to compare mortality rates versus dropping employment rates.

09:27:42 Sen. Kary asked Mr. Green on clarification on unfunded liabilities.

09:31:10 Sen. Ellis asked the panel about adopting assumptions in the studies.

09:31:34 Mr. Graham responded.

09:31:48 Mr. Schwinden responded.

09:32:00 Sen. Ellis asked the panel about Montana's rate of return compares to other states.

09:32:22 Mr. Green responded.

09:33:12 Sen. Ellis asked the panel about Montana's amortization rate compared to other states.

09:33:37 Mr. Green responded.

09:36:06 Sen. Ellis asked Mr. Green about the effect of the start date of pension legislation on the studies.

09:39:26 Sen. Ellis asked the panel about process of recommending adjustments to amortization to the Legislature.

09:39:59 Mr. Schwinden responded.

09:41:39 Sen. Ellis asked Mr. Schwinden about adjusting the trajectory of amortization.

09:42:51 Rep. Dooling asked Mr. Green about projections of rate of return.

Public Comment* on HJ 8

09:45:04 Sarah Piper, Montana Federation of Public Employees.

09:48:07 Zachary Christensen, Pension Integrity Project. ([Exhibit 4](#))

Additional Committee Discussion, Potential Committee Action, & Instructions to Staff

None.

BREAK (reconvene at 10:18:59)

HJ 8: INTERIM STUDY OF MT'S PUBLIC PENSION SYSTEMS (CONTINUED)

Pension Funding History – Rebecca Power, Research Analyst

10:19:54 Rebecca Power, Research Analyst, Legislative Services Division.
([Exhibit 5](#)) ([Exhibit 6](#))

Committee Questions & Discussion

10:29:22 Sen. Cuffe asked Ms. Power for clarification on 2017 onward regarding PERS.

10:30:13 Sen. Cuffe asked Ms. Power about coal fund trust money.

Public Comment* on HJ 8

None.

Additional Committee Discussion, Potential Committee Action, & Instructions to Staff

10:33:16 Rep. Garner requested information on recommendations from the studies discussed.

10:33:56 Ms. Power provided an explanation of recommendations. ([Exhibit 7](#))

10:35:33 Rep. Garner commented on putting recommendations in the Legislator Pension Guide.

10:35:55 Sen. Cuffe commented on the timeline of recommendations.
 10:36:36 Sen. Ellis asked Ms. Power about the timeline for reviewing recommendation information.
 10:38:10 Sen. Ellis asked panel members for a timeline on study results.
 10:38:25 Mr. Graham responded.

BALLOT ISSUES & POSSIBLE REVISIONS TO THE BALLOT ISSUE SUBMISSION TIMELINE

Introduction – Ginger Aldrich, Staff Attorney

10:40:20 Ginger Aldrich, Staff Attorney, Legislative Services Division ([Exhibit 8](#))

Committee Questions & Discussion

11:06:09 Sen. Kary asked Ms. Aldrich about MCA statute guidelines for petition filing.
 11:08:19 Sen. Kary asked Ms. Aldrich about working with the Constitution referring to initiative petitions.
 11:09:00 Sen. Kary commented on the differences between the Constitution and the MCA.
 11:10:20 Rep. Kortum asked Ms. Aldrich about the timeline of gathering signatures.
 11:12:15 Rep. Kortum commented on the ability to use Constitutional guidance on initiative petitions.
 11:12:38 Sen. Ellis commented on the process of referendum process and the recommendations to update the process.
 11:13:36 Rep. Kortum requested a proposal to review at the next committee meeting.
 11:14:30 Sen. Kary asked Ms. Aldrich about the process of Constitutional changes.
 11:15:06 Sen. Ellis commented about process updates being in statute.
 11:15:57 Sen. Kary asked about petition signature verification.
 11:16:02 Sen. Ellis requested information on historical data on referendums.
 11:16:19 Sen. Kary commented on the adjustments of the timeframe.
 11:17:40 Rep. Dooling asked Ms. Aldrich about the volume of impacted referendum petitions.
 11:20:43 Sen. Cuffe asked Ms. Aldrich for clarification on the process of constitutional amendments.
 11:21:43 Sen. Cuffe asked Ms. Aldrich for clarification of amendments being on voting ballots every 20 years.
 11:22:10 Sen. Cuffe asked about article 5 in relation to the Montana constitution.

Public Comment* on Ballot Issues and Possible Revisions to the Ballot Issue Submission Timeline

None.

Additional Committee Discussion, Potential Committee Action, & Instructions to Staff

11:23:23 Sen. Ellis commented on the next steps to be taken by the committee and provided recommendations to the committee.
 11:25:33 Sen. Ellis asked the committee about interest in a study resolution.
 11:26:56 Rep. Dooling commented on conducting study resolution.
 11:27:15 Sen. Ellis confirmed requests with committee staff.

11:28:49 Sen. Ellis commented on the work the committee will need to do.
11:29:28 Sen. Kary commented on completing the process through referendum.
11:30:04 Sen. McClafferty requested two bills to vote on.

Motion

11:30:45 Sen. Ellis motioned to have 2 committee bills drafted for clean-up and a ten-day deadline after regular session to submit initiatives.

Vote:

11:30:45 Carried unanimously by voice vote.

Committee Questions & Discussion

11:31:22 Sen. Ellis asked Ms. Aldrich if a vote would need to be done for the second part of the initiatives.
11:31:50 Sen. Ellis commented on the public understanding the initiative process.
11:32:26 Sen. Cuffe asked for clarification on the suggested bill drafts.
11:34:37 Sen. Ellis asked the committee if there was consensus.

Rule Review

11:35:47 Ginger Aldrich, Staff Attorney, Legislative Services Division ([Exhibit 9](#))

Committee Questions & Discussion

11:37:28 Sen. Ellis asked Ms. Aldrich about the MARA meeting 72-hour notice requirement.
11:39:18 Sen. Ellis asked Ms. Aldrich for clarification on public notice requirements.
11:40:07 Sen. Ellis asked Ms. Aldrich who chooses independent third-party assessors.
11:41:50 Sen. Ellis asked Ms. Aldrich about requirements for assessors.
11:42:48 Rep. McKamey commented on the requirement Sen. Ellis referred to.
11:43:39 Rep. McKamey asked Ms. Aldrich about security evaluations of assessors.
11:44:25 Rep. McKamey asked Ms. Aldrich about the timeline of the evaluation requirement.
11:45:28 Rep. Kortum commented on the process of removing a signature of petition and asked Ms. Aldrich how to object a rule.
11:45:35 Rep. Kortum asked Ms. Aldrich about the process of withdrawing a signature from a petition.
11:47:33 Sen. Ellis requested that Ms. Aldrich explain the process of objecting a rule.
11:48:14 Rep. Kortum moved to object the rule.
11:49:54 The motion was withdrawn.

LUNCH (reconvene 13:01:19)

AGENCY UPDATE – OFFICE OF THE SECRETARY OF STATE

Angela Nunn, Chief Deputy, Office of the Secretary of State

13:0137 Angela Nunn, Chief Deputy, Office of the Secretary of State

Committee Questions & Discussion

13:12:12 Rep. Kortum asked Ms. Nunn if parallel testing was done for school board elections.

13:13:02 Sen. Cuffe asked Ms. Nunn asked about Secretary of State staffing.

13:13:39 Sen. Cuffe asked Ms. Nunn if the staff is working on ElectMT.

13:14:14 Sen. Cuffe asked Ms. Nunn the number of lawsuits the office is currently handling.

13:14:37 Sen. Cuffe expressed appreciation for the office of Secretary of State.

13:15:20 Sen. Ellis asked Ms. Nunn about rule 44-2-55.

13:18:50 Sen. Ellis asked Ms. Nunn how checkups on assessors are ensured to happen.

AGENCY UPDATE – OFFICE OF THE COMMISSIONER OF POLITICAL PRACTICES

13:21:06 Jeff Mangan, Commissioner of Political Practices

Committee Questions & Discussion

13:36:26 Sen. Kary asked Mr. Mangan about public threats to election officials.

13:37:35 Sen. Kary asked Mr. Mangan asked about charges filed due to threats.

13:38:08 Sen. Kary asked Mr. Mangan asked about law enforcement involvement in this topic.

13:39:11 Sen. Kary commented on the safety of election officials.

13:40:28 Sen. Cuffe asked Mr. Mangan for clarification of threats of election officials.

13:42:50 Rep. Kortum asked Mr. Mangan for comment on disinformation and misinformation.

AGENCY UPDATE – DEPARTMENT OF ADMINISTRATION

13:44:25 Misty Ann Giles, Director, Department of Administration ([Exhibit 10](#))

Committee Questions & Discussion

13:55:10 Rep. Kortum asked Ms. Giles about the hiring process for the Broadband Director position.

13:56:15 Rep. Kortum asked Ms. Giles about who oversees the ARPA committee.

MILITARY INTERSTATE CHILDREN’S COMPACT COMMISSION (MIC3)

Overview & Update – Elsie Arntzen, Superintendent of Public Instruction

13:59:30 Elise Arntzen, Superintendent, Office of Public Instruction

Committee Questions & Discussion

14:07:54 Sen. Ellis asked Superintendent Arntzen if the MIC3 is envisioned as a state-wide program.

Public Comment* on Military Interstate Children's Compact Commission

None.

Additional Committee Questions & Discussion, Potential Committee Action, Instructions to Staff

None.

BREAK (reconvene at 14:29:17)

Agency Update – Department of Military Affairs

14:28:36 Sandy West, Deputy, Department of Military Affairs
14:33:18 Major Todd A Wayne, Deputy Staff Advocate, Montana National Guard

Committee Questions & Discussion

14:40:33 Sen. Ellis asked Major Wayne asked about training the National Guard for fire service.

Agency Update – Montana Veterans' Affairs Department

14:41:47 Kelly Ackerman, Montana Veteran's Affairs Department ([Exhibit 11](#))

Committee Questions & Discussion

14:52:06 Sen. Ellis asked Ms. Ackerman for an update on the reporting program from Ravalli county.
14:53:31 Sen. Ellis asked Ms. Ackerman about the budget for the program office.
14:54:13 Sen. Cuffe asked Ms. Ackerman to recount events at the Veterans' Affairs' 100th anniversary.
14:56:07 Sen. Cuffe commented on the event.

Public Comment* on Any Topic under the Committee's Jurisdiction

15:00:31 Roger Hagan, Montana Department of American Legion.

Committee Work Session

15:04:51 Sen. Cuffe stated there was no further information needed on pensions.
15:05:21 Rep. Dooling commented on the information on the defined contribution plan.
15:07:05 Rep. Kortum commented on the timeline for draft legislation.
15:07:23 Sen. Ellis asked staff to provide information on draft legislation timeline.
15:09:02 Sen. Ellis commented on preliminary draft legislation that the committee will get from the pension boards.
15:09:36 Rep. Kortum requested to draft bills for the next meeting.

Motion

15:11:00 Rep. Kortum motioned that a bill be drafted for Game Warden employer contributions to be brought up to employee contributions.

Vote:

15:11:00 Carried unanimously by voice vote.

Committee Questions & Discussion

15:11:08 Sen. Kary requested scenarios regarding the bill drafting.
15:12:03 Sen. Ellis referred to scenarios previously provided.
15:13:45 Sen. Cuffe asked about the Game Wardens' pension.
15:15:07 Sen. Ellis clarified committee requests to staff.
15:16:03 Sen. Cuffe commented on the draft being a proposal and asked about the Game Wardens' pension.

15:16:53 Sen. Kary commented on the history of the Game Wardens' employer contributions.
15:17:34 Sen. Kary requested to wait until actuaries are reviewed in December.
15:18:06 Sen. Ellis asked Ms. Power about the process of updating data and if data is updated during session.
15:20:00 Rep. Kortum's motion

Vote:

15:20:00 Carried unanimously by voice vote.

Committee Questions & Discussion

15:20:46 Rep. Kortum asked about transferring from the general plus surplus to pensions.
15:21:49 Sen. Cuffe commented on progress of fixes

Motion

15:23:16 Rep. Kortum motioned that a bill be drafted for Game Warden employer contributions to be brought up to employee contributions.

Vote:

15:23:16 Carried unanimously by voice vote.

Committee Questions & Discussion

15:23:34 Rep. Dooling asked Sen. Ellis if a legislator can personally sponsor the bill.

Vote:

15:24:04 Failed 5 - 4 by voice vote with Rep. Kortum, Rep. Weatherwax, Sen. Ellis, Sen. McClafferty, voting yes.

Committee Questions & Discussion

15:25:45 Sen. Ellis commented on the Reason Foundation proposal and made a proposal based off this.
15:29:39 Sen. Kary commented on the suggestion.
15:30:37 Sen. Ellis commented on a conversation with Rep. Jones she had about this topic.
15:31:11 Sen. Kary commented on the wording of the bill.
15:32:28 Sen. Cuffe commented on the purpose of the adjustment.
15:33:46 Rep. Dooling commented on the exploration.
15:35:50 Sen. Cuffe asked to compare the Game Wardens' pension to other employees in other retirement plans.
15:36:15 Sen. Ellis commented on the Reason Foundation proposal.
15:37:41 Sen. Cuffe commented on the proposal and asked Sen. Ellis for clarification on her suggestion.
15:37:52 Sen. Ellis explained her suggestion.
15:38:54 Sen. Cuffe commented on the information provided.
15:39:18 Rep. McKamey requested additional information and input.

15:40:11 Sen. Ellis asked Rep. McKamey if she is requesting the information in the form of a bill draft.

15:40:12 Rep. McKamey commented on the possibility of a bill draft.

15:40:57 Sen. Ellis asked if Rep. McKamey was bringing a motion.

15:41:27 Rep. McKamey commented on variables that could be considered in bill draft and that it would be brought to motion.

15:41:45 Sen. Ellis explained the details of the bill draft and specified details of the draft.

15:42:17 Rep. McKamey confirmed Sen. Ellis' statement.

15:42:54 Sen. Ellis asked the staff if they understood the motion.

15:43:25 Rep. McKamey confirmed Ms. Power's explanation of staff requests.

15:43:41 Sen. Kary asked Ms. Power about the staff timeline through August.

15:44:12 Rep. Kortum asked for about the trigger regarding rates.

15:44:42 Sen. Kary explained the trigger and its impact on benefits.

15:45:07 Sen. Cuffe commented on the impact of benefits.

15:45:25 Sen. Ellis requested staff research the history of this topic.

15:47:59 Rep. McKamey withdrew her motion.

15:48:18 Sen. Ellis commented on legislation on the increase of employer contributions that expires in 2024.

15:50:11 Sen. Kary asked when this legislation started.

15:50:20 Sen. Ellis stated it started in 2017.

15:50:27 Sen. Kary asked about the percentage increase.

15:50:35 Sen. Ellis explained the percentage increase.

15:50:56 Sen. Kary suggested on extending the expiration date.

15:51:16 Sen. Ellis commented PERS versus TRS and requested information on extending the expiration by ten years.

15:51:55 Rep. McKamey requested clarification of the provided start date of the legislation.

15:52:02 Rep. McKamey made a recommendation of extending the expiration date.

15:52:59 Sen. Ellis asked Rep. McKamey for confirmation of her suggestion.

15:53:10 Sen. Ellis stated the suggested expiration date would be in 2034.

15:53:32 Sen. Kary asked about the percentage cap.

Motion

15:54:53 Rep. McKamey's motioned for a bill draft to extend the PERS DB pension .1% employer contribution each fiscal year to 2034.

Vote:

15:54:53 Carried unanimously by voice vote.

Committee Questions & Discussion

15:56:59 Sen. Ellis commented on the committee question on Veteran Reporting from Ravalli County.

15:57:17 Sen. Kary asked Sen. Ellis about the timeline of the yearly report from Ravalli County.
15:57:31 Sen. Ellis stated Ms. Ackerman said that information would be available before the August committee meeting.
15:58:11 Rep. McKamey commented on the request for an annual report.
15:58:38 Sen. Ellis responded to Rep. McKamey about the report request.
16:00:49 Rep. Kortum requested an update on parallel testing.

Public Comment* on Topics Discussed during Committee Work Session

None.

Additional Instructions to Staff

MEETING WRAP UP

Next Meeting – Wednesday, August 10 & Thursday, August 11, 2022

16:02:55 Sen. Kary suggested a timeline between meetings.
16:03:45 Sen. Ellis provided suggestions for a meeting timeline.
16:04:29 Sen. Ellis commented on having a two-day meeting in August.
16:05:06 Sen. Cuffe provided closing comments and commented on the current committee work.
16:05:57 Sen. Ellis confirmed meeting dates with the committee.

ADJOURNMENT

16:06:43 Sen. Ellis adjourned the meeting at 16:06.