



STATE ADMINISTRATION AND VETERAN AFFAIRS INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

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

HOUSE MEMBERS

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

COMMITTEE STAFF

Rebecca Power - Research Analyst
Bri Nordhagen - Secretary
Ginger Aldrich - Staff Attorney

MINUTES LOG

November 04, 2021

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Helena, Montana

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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)
Rep. Wendy McKamey (R)

MEMBERS EXCUSED:

MEMBERS ABSENT:

STAFF PRESENT:

K.V. Aldrich, Attorney
Bri Nordhagen, Secretary
Rebecca Power, Research
Analyst

AGENDA (Attachment 1)

NO VISITORS' LIST

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL/Overview of Agenda

08:31:34 Presiding Officer, Janet Ellis called the meeting to order at 8:31 a.m. The Committee Secretary took roll.

HJ 8: Interim Study of MT's Public Pension Systems

Introduction of LFC Members – Senator Ellis

Introduction of presentations & SAVA Oversight – Rebecca Power

08:35:43 Research Analyst Rebecca Power, Legislative Services Division (LSD), revised the Pension Oversight and Check & Balances materials.

LAD Role in Pension Oversight – Angus Maciver, Kelly Zwang, Shenae Stensaas

08:40:08 Angus Maciver, Director of the Legislative Auditor Division, gave a presentation on Pension Oversight.

08:43:22 Sen. Kary joined the meeting.

08:45:40 Kelly Zwang, Financial Compliance Auditor Supervisor, discussed the audit process of Montana's Public Pension Plans and reviewed the "Sensitivity to Future Experience" handout, [\(Exhibit 1\)](#).

09:07:31 Sen. Ellis asked Ms. Zwang what the best way was to approach the audit report, to get the last year's report, and go through the summary information. Asked for recommendations.

LFD Role in Pension Oversight – Sam Schaefer

09:10:45 Sam Schaefer, Legislator Fiscal Division Role in Montana's Pension Oversight – PowerPoint, [\(Exhibit 2\)](#).

09:15:45 Sen. Kary asked for clarification on the 1% Cap of employer contribution.

09:20:10 Sen. Cuffe pointed out the 2013 pension system and asked for clarification on the source of the funding.

09:28:33 Sen. Kary requested an explanation to Schwinden about employer contribution at the City of Browning.

09:32:15 Rep. McKamey questioned Dir. Schwinden about resolving employees' payment problems with some privatized health entities.

09:38:07 Sen. Ellis asked for an explanation from Mr. Schaefer on prioritizing resources from the legislator to increase funding to a pension system.

09:41:52 Sam Schaefer discussed the article "Dear Actuary", [\(Exhibit 3\)](#).

09:43:15 Rep. Karjala referred to the closed/opening funds terms.

Pension Boards' Role in Pension Oversight – Dore Schwinden, Shawn Graham

09:43:51 Shawn Graham, Executive Director of the Teachers Retirement System, gave a presentation on Governance and Oversight, Pension Boards' Role in "TRS" handout, [\(Exhibit 4\)](#).

09:59:19 Dore Schwinden, Executive Director of Montana Public Employee Retirement Administration, introduced the "MPERA" handout, [\(Exhibit 5\)](#).

10:13:54 Sen. Ellis expressed concern about the IRS-required minimum distribution and the submittal schedule/procedure on the approved Green Sheets.
10:17:14 Ms. Power informed that the reports will be available online: [\(Exhibit 6\)](#) and [\(Exhibit 7\)](#).

Draft Green Sheets – Rebecca Power

10:19:25 Sen. Cuffe requested the location of the 2021 Green Sheets and the previous years.
10:29:13 Rep. Kortum enquired about the disadvantages of House Bill 172 to the Highway Patrol Officers' retirement funds.
10:31:40 Sen. Ellis drew attention to the amortization period and funded ratio.
Sen Cuffe (10:36:03) informed the Committee of the pension plan, Judicial Retirement Program.

BREAK

10:37:48 BREAK
10:56:26 Reconvene

Committee Work Session – HJ 8: Interim Study of MT's Public Pension Systems **Public Comment* on HJ 8**

10:57:06 Sarah Piper, Montana Federation of Public Employees (MFPE).
10:59:39 Tim Burton, Executive Director of the Montana League of Cities and Towns.
11:03:42 Joel Gaertig, Montana State Firemen's Association.
11:05:42 Mr. Gassenberger from Reason Foundation "How Watchdogs and Researchers View PERS" handout.
11:06:57 Sen. Ellis asked Mr. Burton about the parameters that might be considered if pensions did not amortize.
11:09:43 Rep. Kortum asked Mr. Schaefer about the ending fund balance.
11:12:56 Sen. Cuffe referred to Mr. Burton and commented about the pension program.

Committee Discussion

11:16:36 Instructions to Staff. Committee Discussed possible actions.
11:18:20 Rep. McKamey asked Mr. Schaefer about the increase in funding and game wordings pension.
11:23:49 Rep. Karjala asked Dir. Schwinden about prison pay scale and game wordings pension system.
11:26:38 Sen. Ellis asked a question to Mr. Schaefer about the gradual increase of the employer /employee pension plan.
11:29:44 Sen. Kary proposed Dir. Schwinden to run some numbers to know the employer and employee contribution.

Potential Committee Action & Instructions to Staff

11:38:33 The Committee discussed action items, they looked at the 10-State Comparison Green handout [\(Exhibit 8\)](#).
11:45:50 Rep. Karjala asked Mr. Burton about implementing solutions of funds amortization to local government.

LUNCH

13:03:00 Reconvene

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

13:03:10 Scott Westlund, Sheridan Electric Co-Op
13:14:55 Rina Fontana-Moore, Cascade County Clerk and Recorder.
13:19:29 Regina Plettenberg, Development Committee.
13:22:04 Rep. Kortum asked Ms. Plettenberg the time available to implement the new voting system and when the next election will be.
13:23:13 Sen. Kary asked Ms. Moore "How long have you had the database "Elect MT"?"
13:31:35 Rep. Karjala thanked the suggestions of improvement made by Ms. More. Inquired Ginger Aldrich about ways to make sure the program is functioning before the election.
13:35:24 Rep. McKamey expressed concern about the MT Vote timeline.

Rule Review

Ginger Aldrich, Staff Attorney

13:36:39 Ms. Aldrich presented "Rule Review", ([Exhibit 9](#)).

Public Comment* on Rule Review Matters

13:42:06 Public comment – None.

Potential Committee Action & Instructions to Staff

13:42:24 Committee action and discussion will have a 10-day review once Ms. Aldrich gives a recommendation.

Committee Work Session – SJ 35: Interim Study of DPHHS Procurement Practices

Introduction – Rebecca Power

Ms. Power commenced her presentation by SJ 35 ([Exhibit 10](#)) and considerations for the next steps ([Exhibit 11](#)).

Q&A Session – Erica Johnston, Jennifer Garza, Meghan Holmlund

13:48:31 Erica Johnston, Executive Director of Department of Health and Human Service, and Megan Holmlund, Chief Procurement Officer of Department of Administration.

Public Comment* on SJ 35

13:50:31 Sen. Ellis referred to Ms. Johnston to the procurement process and the human service standardized issues dividing drug testing services into service categories.
13:59:57 Rep. Karjala gave her opinion about the Study bill and thanked the presenters for their work.

Committee Discussion

14:02:42 Rep. McKamey thanked the presenters (Ms. Johnston and Ms. Holmlund).
14:18:51 Roger Hagan represented The American Legion Department of Montana.

14:23:11 Rep. McKamey asked Mr. Hagan if it will work to dispense disabled veterans' plates to the ones that qualify under the three criteria.
14:25:14 Sen. Ellis is concerned about redesigning the license plates and the consequences of changing the current program. Asked, "How many individuals are granted licenses now?".
14:29:48 Ms. Power discussed OPRA Interstate (Exhibit 11), Data Sheet ([Exhibit 12](#)), Labor and Industry ([Exhibit 13](#)).
14:35:03 Ms. Power potential schedule and meeting chart changes ([Exhibit 14](#))

Potential Committee Action & Instructions to Staff

14:43:28 Roger Hagan thanked the committee for their efforts on the license issues for the veteran's military spouses.

Committee Work Session – Administrative Matters

14:45:29 The committee informed the plan for the December SAVA meeting.

Update on Member Issues – Rebecca Power

14:47:40 Sen. Ellis requested an update on the emerging issue, Elect MT.

BREAK

15:08:56 Reconvened Sen. Ellis committee discussed the next future steps for the December agenda.
15:15:20 Sen. Kary asked Ms. Moore the list of concerns about the electoral software and testing system.

Potential Schedule & Meeting Chart Changes – Rebeca Power

Public Comment * on Administrative Matters

Committee Discussion

Meeting Wrap Up

15:33:01 The Committee will add Elect MT at the agenda item for the next meeting.

Next Meeting – Thursday, December 16, 2021

Additional Instructions to Staff

ADJOURNMENT

The meeting was adjourned at 3:37 P.M.