



**State Administration and Veterans' Affairs Interim Committee**  
**63rd Montana Legislature**

**SENATE MEMBERS**

DEE BROWN--Chair  
LARRY JENT  
DAVE LEWIS  
SUE MALEK

**HOUSE MEMBERS**

BRYCE BENNETT--Vice Chair  
JOANNE BLYTON  
DOUG KARY  
KATHY SWANSON

**COMMITTEE STAFF**

SHERI SCURR, Lead Staff  
GINGER ALDRICH, Staff Attorney  
PAMELA ROSSI, Secretary

## MINUTES LOG

August 20, 2013 Meeting  
Room 137, State Capitol  
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This 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 summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

### **COMMITTEE MEMBERS PRESENT**

SEN. DEE BROWN, Chair  
REP. BRYCE BENNETT, Vice Chair

SEN. DAVE LEWIS  
SEN. SUE MALEK

REP. JOANNE BLYTON  
REP. DOUG KARY  
REP. KATHY SWANSON

### **COMMITTEE MEMBERS EXCUSED**

SEN. LARRY JENT

### **STAFF PRESENT**

SHERI SCURR, Lead Staff  
GINGER ALDRICH, Staff Attorney  
PAMELA ROSSI, Secretary

## **AGENDA & VISITORS' LIST**

Agenda ([Attachment 1](#)).

Visitors' list ([Attachment 2](#)).

## **COMMITTEE ACTION**

- Voted 6-1 to change the October 24, 2013 SAVA meeting date to October 21, 2013.
- Voted 7-0 to withdraw the objection to the Secretary of State's rule concerning ballot form and uniformity.
- SEN. DEE BROWN appointed a SJR 14 subcommittee to explore the technical feasibility of combining elections.
- Voted 7-0 to adopt SJR 14 study plan Option B as amended.
- Voted 7-0 to adopt HJR 1 study plan Option B as amended.
- SEN. BROWN appointed SEN. LEWIS and SEN. JENT as SAVA's delegation to attend the TRS Board meeting on September 27, 2013, and the PER Board meeting on October 10, 2013.

## **AGENDA ITEM #1: CALL TO ORDER AND ROLL CALL**

00:00:01 SEN. BROWN called the meeting to order at 9:04 AM. The secretary took the role ([Attachment 3](#)). SEN. LARRY JENT was excused.

00:01:03 **Ms. Sheri Scurr**, Lead Staff, Legislative Services Division (LSD), reviewed the meeting schedule and agenda ( see Attachment 1).

### Committee Questions and Discussion

00:06:48 SEN. BROWN

00:07:01 SEN. SUE MALEK requested that the October meeting dated be changed to October 21.

00:07:31 Ms. Scurr handed out a review of the work plan priorities and meeting dates ([Exhibit 1](#)).

00:09:42 SEN. BROWN

00:09:52 REP. BRYCE BENNET

00:09:59 REP. KATHY SWANSON

00:10:36 SEN. BROWN

00:10:59 SEN. MALEK

00:11:23 SEN. BROWN

00:11:46 REP. DOUG KARY

00:11:54 Ms. Scurr

### Committee Action

00:12:09 **SEN. BROWN** moved to change the October 24, 2013 SAVA committee meeting date to October 21, 2013. The motion passed 6-1 by roll call vote ([Exhibit 2](#)), with REP. KARY voting no. SEN. JENT was excused.

## **AGENDA ITEM #2(A): RULE REVIEW ACTIVITY**

00:13:49 **Ms. Melanie Symons**, Chief Legal Council, Montana Public Employees Retirement Board (MPERA) gave a report on the temporary emergency rule status ([Exhibit 3](#)).

### Committee Questions and Discussion

00:18:50 SEN. DAVE LEWIS  
00:19:43 Ms. Symons  
00:20:04 SEN. BROWN  
00:20:33 Ms. Symons  
00:21:00 SEN. BROWN

00:21:07 **Ms. Ginger Aldrich**, Staff Attorney, Legislative Services Division (LSD), discussed emergency rules ([Exhibit 4](#)).

### Committee Questions and Discussion

00:24:36 REP. KARY  
00:25:00 Ms. Aldrich  
00:25:27 REP. KARY  
00:25:34 Ms. Aldrich  
00:27:01 SEN. BROWN

## **AGENDA ITEM 2(B):**

00:27:13 Ms. Aldrich gave an update on the status of the Secretary of State's rule, MAR Notice No. 44-2-181, RULE I BALLOT FORM AND UNIFORMITY and committee objection ([Exhibit 5](#)).

00:29:48 Jorge Quintana, Chief Legal Council, Secretary of State (SOS), indicated that the Secretary of State's office has made the corrections to the rule proposal as stated by Ms. Aldrich.

### Committee Action

00:30:44 **REP. BENNETT moved to withdraw the objection to the Secretary of State rule concerning ballot form and uniformity. The motion passed by unanimous voice vote.**

## **AGENDA ITEM #2(C)**

00:31:17 Ms. Aldrich gave a summary of other rule review activity ([Exhibit 6](#)).

## **AGENDA ITEM #8: COMMITTEE WORK ON PENSION PRINCIPLES**

00:32:13 Ms. Scurr discussed principles I and II of the public employee retirement systems ([Exhibit 7](#)).

00:36:53 SEN. MALEK  
00:37:20 Ms. Scurr

00:38:42 Ms. Scurr discussed principles III and IV of the public employee retirement systems.

### **AGENDA ITEM #3: SJR 14 - STUDY OF COMBINING PRIMARY AND SCHOOL ELECTIONS**

00:42:22 SEN. BROWN

00:43:22 Ms. Scurr discussed the legislative background brief ([Exhibit 8](#)).

00:52:19 REP BENNETT

00:52:55 Ms. Scurr

00:53:58 Ms. Scurr continued to summarize the bills and how they affected the elections.

00:59:26 SEN. BROWN

01:00:04 REP. BENNETT

01:01:26 SEN. LEWIS

01:01:58 Ms. Scurr discussed the briefing report on laws related to election dates([Ex 9](#))

...

01:04:17 SEN. MALEK

01:05:33 REP. JOANNE BLYTON

01:06:46 Ms. Scurr discussed the four designated election dates.

01:07:26 SEN. BROWN

01:07:43 Ms. Scurr continued the discussion on elections and election dates.

01:13:48 SEN. MALEK

01:14:02 Ms. Scurr

01:14:30 Ms. Scurr gave a summary of legislation enacted in other states.

01:19:06 Ms. Scurr discussed SJR 14 - study plan options ([Exhibit 10](#)).

01:23:25 SEN. BROWN

01:23:49 Ms. Scurr

01:25:46 REP. BENNETT suggested forming an exploratory SJR 14 subcommittee on combining elections.

01:26:55 SEN. BROWN asked REP. BENNETT to chair the subcommittee and requested that two other members be on the subcommittee.

01:27:57 SEN. MALEK

01:28:55 SEN. BROWN

#### Public Comment

01:29:08 **Mr. Steve Malloy**, Montana School Board Association (MTSBA) stated his support for exploring the technical issues to combine the elections.

01:31:50 **Ms. Mary Beveridge**, Helena, Montana, commented on school elections in Helena.

01:35:05 **Ms. Shantil Siaperas**, Montana Association of Counties (MACo), voiced support for the study to combine elections and indicated they would like to be involved in the discussion and offered to provide their resources.

01:35:46 Ms. Scurr spoke on behalf of Linda Stoll, representing Montana Association of Clerk and Recorders and Election Administrators, who offered their support for the study and desire to be included in the discussions.

01:36:25 SEN. BROWN

01:36:38 Ms. Scurr discussed the formation of the subcommittee.

01:37:18 SEN. BROWN

01:37:45 Break

01:58:49 SEN. BROWN called the meeting back to order at 11:00 A.M.

#### **AGENDA ITEM #4: HJR 1 - STUDY OF OFFICE OF POLITICAL PRACTICES**

01:59:21 Ms. Scurr provided an overview of HJR 1 Study Legislative History on the Office of the Commissioner of Political Practices (**Exhibit 11**).

02:23:53 SEN. LEWIS

02:24:10 Ms. Scurr

02:25:53 SEN. LEWIS

02:26:30 SEN. MALEK

02:26:56 Ms. Scurr

02:28:10 Ms. Aldrich, provided a legal opinion on whether the Legislature can delegate the appointment of the Commissioner of Political Practices from the Executive Branch to another branch (**Exhibit 12**).

02:35:23 Ms. Scurr discussed the report completed by Megan Moore regarding the Ethics Office (**Exhibit 13**).

02:39:00 SEN. BROWN

02:39:32 Ms. Scurr

02:39:42 REP. KARY

02:40:01 Ms. Scurr

02:40:20 Ms. Scurr discussed the HJR 1 study plan options (**Exhibit14**).

02:43:42 REP. KARY

02:44:01 Sheri Scurr

02:44:39 SEN. BROWN

02:47:00 SEN. MALEK

02:47:57 SEN. BROWN

02:48:39 SEN. LEWIS

02:48:50 Jonathan Motl, Montana Commissioner of Political Practices, introduced himself.

02:49:06 SEN. LEWIS

02:49:37 Mr. Motl

02:50:18 SEN. BROWN

02:50:31 Mr. Motl

02:50:56 REP. BENNETT  
02:52:22 Ms. Scurr  
02:53:48 REP. BENNETT  
02:54:24 REP. KARY  
02:54:56 SEN. BROWN  
  
02:56:32 LUNCH  
  
03:57:54 SEN. BROWN called the meeting back to order at 1:00 P.M.

#### **AGENDA ITEM #5: PENSION PLAN OVERSIGHT**

03:58:20 **Mr. David Senn**, Executive Director, Teachers' Retirement System (TRS), reviewed the TRS funding policy ([Exhibit 15](#)).

04:06:40 SEN. LEWIS  
04:07:43 Mr. Senn  
04:09:51 SEN. MALEK  
04:10:17 Mr. Senn  
04:11:39 SEN. BROWN  
04:12:04 Mr. Senn  
04:12:17 REP. BENNETT  
04:12:29 Mr. Senn  
04:12:56 REP. BENNETT  
04:13:01 Mr. Senn

04:13:34 **Ms. Melanie Symons**, Chief Legal Counsel, Public Employees Retirement Board MPERA, discussed MPERA's Funding and Benefit Policy ([Exhibit 16](#)) and Actuarial Valuation Assumptions and Methods ([Exhibit 17](#)).

04:21:51 SEN. LEWIS  
04:22:26 Ms. Symons  
04:22:49 SEN. BROWN  
04:23:17 Ms. Symons  
04:24:07 SEN. MALEK  
04:24:46 Ms. Symons

#### **AGENDA ITEM #3: DISCUSSION OF SJR 14 SUBCOMMITTEE**

04:26:47 SEN. BROWN opened discussion on the SJR 14 subcommittee.  
04:27:16 REP. BLYTON volunteered to serve on the subcommittee.  
04:27:21 REP. SWANSON  
04:27:35 REP. BENNETT  
04:27:52 REP. SWANSON volunteered to serve on the subcommittee.  
04:28:02 SEN. BROWN

#### **AGENDA ITEM #5: PENSION PLAN OVERSIGHT**

04:28:50 Ms. Scurr discussed the Montana Public Retirement Plans Investment Policy Statement ([Exhibit 18](#)).

04:36:43 SEN. BROWN  
04:36:53 Ms. Scurr  
04:37:03 SEN. LEWIS  
04:37:58 SEN. BROWN  
  
04:38:16 Ms. Scurr discussed the Aug. 12, 2013, letter from Mr. Ewer, regarding Montana Board of Investments 'Pension Investment Principles" ([Exhibit 19](#)).  
  
04:42:08 Ms. Scurr discussed the Montana Board of Investments CEM Benchmarking Results (for the 3-year period ending December 31, 2012) ([Exhibit 20](#)).  
04:46:14 SEN. BROWN  
04:47:03 SEN. LEWIS  
04:47:29 SEN. BROWN

Public Comment

04:48:50 **Mr. Kevin Nelson**, Billings, Montana commented on the diversion of retirement funds by the tax increment districts in Montana ([Exhibit 21](#)).  
  
04:55:26 Mr. Senn responded.  
  
04:57:19 BREAK  
  
05:17:20 SEN. BROWN called the meeting back to order at 2:21 pm.

**AGENDA ITEM #6: AGENCY OVERSIGHT - STATE EMPLOYEE HEALTH CLINIC**

05:17:52 **Mr. Russ Hill**, Administrator, Health Care and Benefits Division, Department of Administration, gave a PowerPoint presentation on the issues facing the current sick care system, issues facing the state of Montana as an employer, strategies used by the state focusing on the Montana Health Center, results so far and next steps ([Exhibit 22](#)).  
  
05:48:59 SEN. LEWIS  
05:55:33 Mr. Hill  
05:55:40 SEN. BROWN  
05:57:42 Mr. Hill  
05:58:05 SEN. MALEK  
06:00:24 Mr. Hill  
  
06:00:44 Ms. Scurr discussed a memo addressed to Kris Wilkinson from Julie Johnson, Legal Services Office, regarding a legal analysis of administrative costs for the state employee group benefit plan ([Exhibit 23](#)).  
  
06:04:20 SEN. LEWIS  
06:05:07 SEN. BROWN  
06:05:33 SEN. MALEK  
06:05:48 SEN. LEWIS

## **AGENDA ITEM #7: GENERAL PUBLIC COMMENT**

- 06:06:22 **Ms. Charlotte Hafer**, employee, Health Care and Benefits Division, expressed appreciation for care received by her son at the Montana Health Center.
- 06:11:45 **Dr. Richard Sargent**, private Helena physician, who works at the Montana Health Center one day a week, indicated that the health center is a prepaid plan and is not a free clinic. He said that the focus is on long term savings with disease prevention.
- 06:15:06 **Ms. Diane Fladmo**, MEA-MFT, said that they support the Montana Health Care Center.
- 06:16:24 SEN. BROWN discussed the redistricting map provided by Joe Kolman, Legislative Environmental Analyst..

## **AGENDA ITEM #8: COMMITTEE WORK ON PENSION PRINCIPLES**

- 06:16:58 Ms. Scurr discussed policy guidelines adopted by the 2011-2012 State Administration and Veterans' Affairs Interim Committee. (see Exhibit 5).
- 06:39:58 SEN. BROWN asked the committee to provide comments regarding the principles and guidelines to Ms. Scurr so that they can be discussed and adopted by the committee at the October meeting.
- 06:40:36 Ms. Scurr
- 06:42:24 Ms. Scurr discussed the publication, ' A Legislator's Guide to Montana's Public Retirement Systems 2008' ([Exhibit 24](#)).

### Committee Questions and Discussion

- 06:44:10 SEN. BROWN
- 06:44:31 Ms. Scurr
- 06:45:36 SEN. BROWN asked the committee members to read through the publication and bring back their suggestions.

## **STUDY PLAN OPTIONS**

- 06:46:09 Ms. Scurr discussed the work plan priorities that were adopted at the last SAVA meeting (see Exhibit 23) and asked the committee members for their priorities for the HJR 1 and SJR 14 studies. She said there seemed to be a consensus to adopt Option B for the SJR 14 study and asked for committee input on the HJR 1 study.
- 06:48:16 SEN. BROWN commented that most of the work for the SJR 14 study will be done by the subcommittee allowing more time for the SAVA committee to work on the HJR 1 study. She said that under Issue Area #1 the committee wanted to know what other states were doing (listed under Option B) and also looking at the data on the number of cases being handled and receiving stakeholder testimony to identify problems (listed under Option A).



06:51:15 REP. BENNETT said that surveying other states and obtaining data from the Commissioner's office regarding how many lobbying, ethics and campaign complaints they are currently dealing with would address Issue Area #1.

06:51:53 SEN. BROWN said that after looking at what other states are doing and comparing that with what Montana is doing will determine what changes should be made in the Commissioner's office and how to better serve the people running for public office and the Montana taxpayers.

06:52:25 REP. KARY said that he agreed.

06:52:38 Ms. Scurr summarized that the committee wanted to limit work on Issue Area #1 to examining data on the number of cases currently handled in each duty area under Option A. She asked the committee if they wanted to research other states and models listed under Option B.

06:53:23 REP. BENNETT thought that the committee should focus their efforts on other things rather than examining whether to replace the commissioner with a commission or separation of duties into separate offices.

06:53:57 SEN. BROWN said that the committee will focus their efforts on making the Office of the Commissioner of Political Practices more efficient and user friendly.

06:54:43 REP. BLYTON commented that after reviewing what other states are doing the committee may want to reconsider looking at Task 1.

06:55:16 Ms. Scurr asked the committee for their priorities on Issue Area #2, the selection process and qualifications.

06:55:42 SEN. BROWN said that it would depend on the information received from other states.

06:56:09 Ms. Scurr told the committee that she was developing a survey to send to other states and asked what information they wanted the survey to focus on and if they wanted information on selection process and/or structure of the office.

06:57:18 SEN. BROWN said that the selection process was important, but not the office structure.

06:57:33 Ms. Scurr asked if the primary focus should be on campaign duties of the Commissioner or on how they select the ethics commission.

06:58:08 SEN, BROWN thought that the committee wanted to know how other states look at campaign practice.

06:58:28 SEN. MALEK said that without knowing the success that other states are having the data is not that useful.

06:59:31 Ms. Scurr asked the committee what they wanted to focus on for Issue Area #2, under Option B, research of other states.

- 07:00:44 REP. BENNETT said they should focus on getting a broader perspective of how people are appointed.
- 07:02:00 REP. BLYTON reminded the committee members that the bill came as a result of ethics issues within the Office of Commissioner of Political Practices.
- 07:02:17 SEN. LEWIS thought it would be important to find out how salaries are set.
- 07:02:43 SEN. BROWN said that the study bill was the result of past practices and is meant to focus on how to make the Office of the Commissioner of Political Practices a better office for candidates and for the state of Montana and to ensure that everyone is playing by the same rules.
- 07:03:59 Ms. Scurr asked the committee about the study plan option for Issue Area #3, the process for handling complaints.
- 07:06:09 REP. KARY thought that the research from other states will be important in determining how in depth the committee will need to go.
- 07:06:34 REP. BENNETT agreed with Rep. Kary and the idea of a round table and recommended Option B.
- 07:07:16 SEN. MALEK agreed it was important to have an open discussion and recommended Option C.
- 07:07:47 SEN. BROWN advised the committee to use Option B and the committee can reevaluate after seeing what other states are doing. She recommended a round table discussion at a future meeting.
- 07:08:13 Ms. Scurr asked the committee about Issue Area #4, resources, staff and budget and if it should be integrated into the survey. The committee agreed that it should be part of the survey.
- 07:09:34 Ms. Scurr summarized the work plan changes made by the committee:  
Issue Area #1: limited to examining data on cases currently being handled in each duty area.  
Issue Area #2: Option B adding a salary component to the survey.  
Issue Area #3: Option B adding to keep everyone informed about the process and education research of other states and round table discussion with stakeholders.  
Issue Area #4: looking at staff and budget of the office.

Committee Action

- 07:10:54 **REP. BENNETT moved to adopt the work plan as amended. The motion passed by unanimous voice vote.**
- 07:11:31 SEN. BROWN adjourned the meeting at 3:17 PM.