



## State Administration and Veterans' Affairs Interim Committee

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### 61st Montana Legislature

#### SENATE MEMBERS

JOE TROPILA--Chair  
JOE BALYEAT  
LARRY JENT  
DAVE LEWIS

#### HOUSE MEMBERS

GORDON HENDRICK--Vice Chair  
TIMOTHY FUREY  
PAT INGRAHAM  
ROBERT MEHLHOFF

#### COMMITTEE STAFF

RACHEL WEISS, Research Analyst  
DAVID NISS, Staff Attorney  
FONG HOM, Secretary

# MINUTES

June 24, 2010

Room 137, Capitol Building  
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

### **COMMITTEE MEMBERS PRESENT**

REP. GORDON HENDRICK, Acting Presiding Officer

SEN. JOE BALYEAT  
SEN. LARRY JENT  
SEN. DAVE LEWIS

REP. TIMOTHY FUREY  
REP. PAT INGRAHAM  
REP. ROBERT MEHLHOFF

### **COMMITTEE MEMBERS EXCUSED**

SEN. JOE TROPILA

### **STAFF PRESENT**

RACHEL WEISS, Research Analyst  
DAVID NISS, Staff Attorney  
FONG HOM, Secretary

### **Visitors**

Visitors' list, Attachment #1.

## **COMMITTEE ACTION**

- The April 22-23, and May 19, 2010 minutes were approved with a change in the April 22, 2010 minutes.
- Members of the committee requested legislation to make changes to Senate Bill 90, subsections (8)(a) and (8)(b).
- Members of the committee voted to forward for bill drafting purposes, proposed legislation from the Office of the Commissioner of Political Practices, the Department of Administration, and the Department of Military Affairs.
- Members of the committee approved the request from the Association of Clerks and Recorders to request a draft bill containing language from their Resolution 2009-1.
- Members of the committee voted to forward for bill drafting purposes, proposed legislation from the Secretary of State's Office but segregating those proposals regarding filling a vacant Senate seat and youth election judges.
- Members of the committee voted to forward for bill drafting purposes, proposed legislation from the Montana Public Employees' Retirement Board and segregation three funding proposals.

## **CALL TO ORDER AND ROLL CALL**

00:00:01 The meeting was called to order by Rep. Hendrick, Acting Presiding Officer, at 9:00 a.m. The secretary called roll. Sen. Tropila was excused.

00:01:07 The minutes of the April 22-23, 2010, and May 19, 2010, minutes were approved with a change in the April 22 minutes correcting "...money and would therefore elect not to remain in PERS..." to read "...money and would therefore elect to remain in PERS...".

## **AGENDA**

- **MEETING OVERVIEW - Rachel Weiss, Research Analyst, LSD**

00:03:21 Ms. Weiss gave an overview of the meeting's agenda.

- **POTENTIAL AMENDMENTS TO SB 90 - David Niss, Staff Attorney**

00:07:12 Mr. Niss discussed possible amendments to SB 90 (**Exhibit 1**) which clarified the requirements for notification of the primary sponsor of legislation in the administrative rulemaking process. The issues before the committee are who should maintain the legislative contact list and the contact methods required when a sponsor must be notified of impending agency rulemaking.

00:16:59 **Motion by Sen. Balyeat**  
SEN. BALYEAT **moved** to amend the portion of the section that once contact has been made, there is no further need to proceed.

After further discussion by the committee, SEN. BALYEAT **withdrew** his motion.

**Mr. Niss** said that those are the only two places in SB 90 where he noticed the possibility for potential amendments. It would be up to the committee whether

they wish to request legislation to amend that subsection in either or both instance.

**Motion by Sen. Balyeat**

SEN. BALYEAT **moved** to make changes in subsection (8)(a) and subsection (8)(b).

00:17:14 REP. INGRAHAM asked if the change is going to be "and/or upon contact". She asked about documenting the phone calls. **Secretary of State McCulloch** said that they are in agreement with Mr. Niss and realize that there were some inconsistencies and room for errors. She outlined steps taken to address Rep. Ingraham's concerns.

00:20:46 Mr. Niss said the phone call is not made by the Secretary of State's Office. The phone call is made by an agency proposing the rule. The issue isn't how does the Secretary of State track the phone call, but how each individual agency tracks the phone call.

00:22:38 REP. FUREY asked what constitutes a contact. **Mr. Niss** said that the only instance in which no actual contact is allowed but a best effort is considered sufficient if the agency uses all three methods and still hasn't actually spoken to the member, the member hasn't read the letter, or the member hasn't read the email.

SEN. BALYEAT **withdrew** his motion.

**Public comment**

None.

**Motion by Sen. Balyeat**

00:28:17 SEN. BALYEAT **moved** to amend subsection (8)(a) and draft it into a committee bill. The motion **passed**.

**Motion by Sen. Balyeat**

00:29:42 SEN. BALYEAT **moved** to amend subsection (8)(b) and draft it into a committee bill.

00:30:03 REP. INGRAHAM and David Niss further discussed documentation of contacts. SEN. LEWIS said that the way he reads the language, it is clear to him that any legislator that wants to veto a rule as proposed simply doesn't answer the telephone. Mr. Niss said that if the agency only chose to use the telephone to contact you and you chose not to answer the telephone, that method would be thwarted.

00:39:33 REP. HENDRICK asked if U.S. mail would be considered registered certified? **Mr. Niss** said that is not specified in the statute and he doesn't recall that it is in the Secretary of State's rule implementing the section.

00:40:23 Secretary of State McCulloch asked at what point have obligations been met in

trying to contact the legislators.

00:44:07 SEN. LEWIS said a legislator should have the right to veto a rule adoption. **Mr. Niss** said that a legislative body does not have the constitutional authority to veto an agency rule. If the committee members are thinking that vetoing a rule adoption through an amendment to this subsection, that is legally suspect.

00:48:03 **The motion was to change subsection (8)(b) by adding language that if an agency is successful with one method of contact, they do not have to proceed through with the other two methods of contact. The motion passed.**

- **MONTANA ASSOCIATION OF CLERKS AND RECORDERS REQUEST FOR COMMITTEE BILL - Linda Stoll, Montana Association of County Clerks and Recorders**

00:49:32 Ms. Stoll discussed Resolution 2009-01 (**Exhibit 2**), clarifying when ballots will be mailed, and how to handle inactive and provisional electors for the 2011 Legislature.

**Questions**

00:55:59 REP. FUREY asked Ms. Stoll to clarify her request. **Ms. Stoll** said that the Montana Association of Clerks and Recorders are asking that staff develop a bill based on the language contained in Resolution 2009-01, to allow the Clerks and Recorders to engage the public in a process in the next four months on the issues associated with mail balloting. In the future they will be asking for a draft committee bill, but today they are only asking to start the process.

00:57:30 SEN. JENT asked if the bill allows a county, if it chooses, to conduct any election, including a federal and state election, by a mandatory mail ballot alone. **Ms. Stoll** said no. Montana law already allows counties to run mail ballots for everything but a federal election. What they are talking about is extending that law to include federal elections.

00:59:01 SEN. JENT said that what the Clerks and Recorders want to do by their resolution is give the counties the option to conduct any election solely by mail ballots and to eliminate polling places on election day. **Ms. Stoll** said that is not necessarily the case, depending upon how each county plans emerge, that there may be no polling places. In the discussions that the clerk and recorders have had, some desire to leave open their county election offices for people who want to come to a poll.

01:00:15 SEN. JENT asked where in the resolution it says that you can still vote at the polling place if you do a mail ballot. **Ms. Stoll** referred the members of the committee to 13-19-205, MCA, subsection (a)(i), that states that the plan is opened locally but it would include drop off sites for ballots and a description of any other voter services to be provided at those sites.... and subsection (b) identifies any specific effort designed to increase or enhance the ability of a person to participate in the election. The proposal before the committee isn't saying it would all have to be by mail all the time and there would be no

exceptions or there would be no place for a person to go whole.

01:03:20 REP. MEHLHOFF asked Ms. Weiss about the content in the resolution, and if the committee wanted to do a draft bill, would it be better to have a public forum first to discuss the content of the bill. **Ms. Weiss** said that as Ms. Stoll stated, their request is for a draft bill. Ms. Weiss expressed her concerns over the timeline needed to draft a bill.

### **Public Comment**

01:07:33 **Secretary of State McCulloch** talked about the working group that was formed to discuss the mail ballot issues.

01:10:24 REP. HENDRICK asked if the SAVA committee could get a report of the working group's findings, and if any legislators could attend the working group meetings.

01:16:14 REP. MEHLHOFF asked if the working group could use the resolution as a starting point to what they are doing and make necessary amendments. **Secretary of State McCulloch** said that when they had their first meeting, they looked at both the county option bill and the pilot bill, and found problematic issues in both bills. The intent is to continue with the issues and through those issues before deciding on a bill.

01:23:42 SEN. JENT asked about the equal protection problem in section 3(2), whether or not to conduct mail ballots when there is a federal election. **Jorge Quintana, Chief Legal Counsel, Secretary of State's Office**, said that one of the things that he looked at was a 2002 memo written by David Niss, in which Mr. Niss said that it wasn't an equal protection question.

01:34:25 **Michael DesRosier, Commissioner of Glacier County**, supports mail ballot bill.

01:37:58 **Jeanne Souvigney, MCVEF/MCV**, said they could support the resolution with amendments. She was surprised when she saw that this topic was on the agenda and didn't know a working group was taking up this contentious issue and that a bill was being considered. She said that they would like to continue the process with Secretary of State McCulloch.

01:43:26 A **letter from Rep. Augare** regarding the mail ballot issue was submitted as public comment (**Exhibit 3**). The letter urged the committee to not consider a committee bill regarding the mail ballot issue.

01:50:52 **Terry Minow, MEA/MFT**, said they support the process of the working group and would like the process to continue. She said that the goal is to maintain access for individual voters to make sure that nobody is disenfranchised in exercising their right to vote.

01:52:42 **Glenda Hall, Clerk and Recorder, Glacier County**, supports the mail ballot and urged the committee to move the resolution forward.

01:58:22 **Rina Moore, Clerk and Recorder, Cascade County**, commented on the confusion they had in past elections when they conducted mail ballots.

2:04:00 SEN. JENT asked if Mr. Niss' memo regarding his equal protection analysis was based on an experimental bill to look at the cost reduction and efficiency of a pilot project on mail ballot. **Mr. Niss** discussed the pilot project on mail ballot that the State Administration and Veterans' Affairs Committee came up with from the last interim.

## **BREAK**

02:31:17 The meeting reconvened at 11:32 a.m.

**Motion by Sen. Balyeat**  
02:31:40 SEN. BALYEAT **moved** that staff come up with a draft bill of the Clerk and Recorders' Resolution 2009-1 to be reviewed by the committee for further consideration. The motion **passed** with Sen. Jent opposing, Rep. Mehlhoff voting aye with reservations, and Sen. Tropila voting aye by proxy.

## • **REVIEW OF AGENCY LEGISLATIVE PROPOSALS**

### ▶ **Background - Rachel Weiss**

02:39:09 Ms. Weiss explained the process of reviewing agency proposed legislation.

### ▶ **Office of Secretary of State - Linda McCulloch**

02:41:25 Secretary of State McCulloch presented the Secretary of State's legislative proposals (**Exhibit 4**). She said that the proposed legislation for records management is cancelled.

### **Questions**

02:48:02 REP. INGRAHAM asked if the Secretary of State could give her a list of all proposed amendments for Title 13 as proposed in the clean up bill for election statutes.

02:55:01 The members of the committee asked Secretary of State McCulloch about filling congressional seats that were made vacant, who makes those appointments. REP. INGRAHAM requested a copy of the law regarding filling congressional seats should they become vacant.

02:56:36 REP. INGRAHAM had a question regarding giving the Secretary of State's Office the authority to make notary rules. **Secretary of State McCulloch** said that section 1-5-407 states what the Secretary of State's Office does regarding notaries.

## **Public Comment**

None.

03:04:30 **Motion by Sen. Baleyat**  
SEN. BALYEAT **moved** to forward for bill drafting purposes, the Secretary of State's Office's proposed legislation but segregate legislation regarding filling a vacant Senate seat until the committee gets more information on it.

03:05:09 REP. INGRAHAM said she wanted to also segregate the proposed legislation regarding youth election judges.

03:05:30 **Amended motion by Sen. Baleyat**  
SEN. BALYEAT **amended** his motion to forward for bill drafting purposes the Secretary of State's Office's proposed legislation but segregate proposed legislation regarding filling the Senate seat should it become vacant and youth election judges. The motion **passed**.

▶ **Office of the Commissioner of Political Practices - Mary Baker, Program Supervisor**

03:06:37 Ms. Baker presented the Office of the Commissioner of Political Practices' proposed legislation (**Exhibit 5**).

03:09:49 **Motion by Rep. Mehlhoff**  
REP. MEHLHOFF **moved** to forward the Office of the Commissioner of Political Practices' proposed legislation for bill drafting purposes. The motion **passed**.

▶ **Department of Administration - Janet Kelly, Director**

03:10:32 Ms. Kelly presented the Department of Administration's proposed legislation (**Exhibit 6**).

03:16:40 **Questions**  
SEN. JENT said he carried a bill for the banking commissioner that was safe act compliant. The mortgage brokers came in with their own bill, which passed. Is it correct to say that they are not safe act compliant? **Ms. Kelly** said yes.

SEN. JENT said that he will vote to advance the bill but he wanted it on public record that whether or not he decides to aid the mortgage broker industry will depend on the day in question.

**Public Comment**

None.

03:20:37 **Motion by Sen. Jent**  
SEN. JENT **moved** to forward the Department of Administration's proposed legislation for bill drafting purposes. The motion **passed** with Sen. Baleyat, Rep. Ingraham, and Rep. Hendrick voting no; Sen. Tropila voted yes by proxy.

▶ **Department of Military Affairs - Brigadier General John Walsh, Director**

03:21:56 Brigadier General Walsh presented the Department of Military Affairs' legislative proposals (**Exhibit 7**).

**Public Comment**

None.

03:43:06 **Motion by Rep. Furey**  
REP. FUREY **moved** to forward the Department of Military Affairs' proposed legislation for bill drafting purposes. The motion **passed**.

**LUNCH**

04:55:12 The meeting reconvened at 1:55 p.m.

04:55:28 Ms. Weiss distributed a copy of 13-25-202, MCA, regarding the issue of vacancy in the office of United States senator, as requested by Rep. Ingraham, but did not discuss it.

▶ **REPORT ON SALARY SPIKING WITHIN STATE GOVERNMENT - Dave Bohyer, Research Director, Legislative Services Division**

04:57:02 Mr. Bohyer presented a report on Salary Spiking within State Government (**Exhibit 8**).

**Questions**

05:14:25 SEN. BALYEAT asked for a better definition of "spike". **Mr. Bohyer** said that the literature that he has read connotes that the term "salary spike" is an illegitimate increase in pay solely for the purpose of increasing the retirement benefit.

05:35:01 SEN. BALYEAT asked if there was any way to obtain the 100 highest annual retirement benefit in state government. **Mr. Bohyer** said that that data might be available but might be subject to privacy protections under the constitution.

05:37:31 REP. MEHLHOFF asked if there was a cap on the Public Employees' Retirement System as far as what percent could go towards a retirement. **David Senn, Executive Director, Teachers Retirement System**, said that in the Teachers' Retirement System there is a cap on salaries used in the calculation of average final compensation. They use a 3-year average with each of the three years not exceeding the preceding year by more than 10%.

05:39:46 SEN. BALYEAT asked Mr. Senn if that 10% increase be circumvented by a job promotion or a classification change. **Mr. Senn** said yes and that is what the proposed legislation addresses.

05:40:23 **Roxanne Minnehan, Executive Director, Montana Public Employees' Retirement Board**, said that there are no such caps in the current systems that PERA administers.



- **Montana Public Employees' Retirement Administration and Public Employees' Retirement Board -- Roxanne Minnehan, Executive Director**

05:41:40 Ms. Minnehan presented the MPERA's legislative proposals (**Exhibit 9**).

▸ **Design 10: Employer Contribution Chart**

06:12:44 Ms. Minnehan distributed a chart (**Exhibit 10**) that shows the results of the suggested modifications to PERS and the increase in employer contribution of 1% per year.

**Questions**

06:15:51 SEN. BALYEAT said that given the presentation by Mr. Bohyer and the data he had, do you think that might affect the Board's position that we should adopt a more comprehensive change for new hires that would deal with those leaks in the system where each employee only gets a retirement benefit based on what has been paid in over the course of his employment? **Ms. Minnehan** said she doesn't see the Board changing its mind. The Board is happy with the retirement system as it is.

06:17:48 SEN. BALYEAT asked if their actuary agrees that there are some systematic issues with PERS that are causing the continual underfunding. **Ms. Minnehan** said that she has not specifically asked the actuary that question. According to the experience study, the assumptions are right on and the actuary would probably say the same thing. As she alluded to earlier that in the basic funding equation (the benefits equal the contributions plus the investments minus expense), that investment is the volatile piece that has caused the issues over the last few years.

06:25:12 REP. INGRAHAM said that in HB 131, we had the same problem with the actuarial funding so we increased the contributions with an exemption so that when it was actuarially funded, we could decrease the employees' contribution. Are you going to put that same kind of trigger in so you can decrease the burden on the employer? **Ms. Minnehan** said that they have not yet fine-tuned the bill.

06:27:26 REP. MEHLHOFF said he is not sure that they are losing out because the new employee that is a retired person is not going to get any increase in benefits. The system isn't really losing anything on that person under this proposal, they are actually gaining because there won't be any benefit associated with it.

06:32:17 Ms. Minnehan continued discussing the Board's legislative proposals.

06:34:35 SEN. BALYEAT said that the chart doesn't show anything for new hires because the blue bars representing their share of contribution would be going up 1% per year for six years. He asked about the contribution rates paid by employees. **Ms. Minnehan** said that the Board is proposing to increase employee contributions, but they would be looking at that every year with actuarial valuation to see if it is necessary to implement that or not, and after it does go into effect and the systems get stabilized, they could take it away as well.

- 06:36:35 REP. INGRAHAM said that some retirement systems, especially the peace officers and sheriffs, have early retirement of 20 years because of public safety issues. She asked if the Board would consider extending that to 25 years or to an older age for new hires? **Ms. Minnehan** said that the Board has not considered that.
- 06:38:58 SEN. LEWIS asked what the 6% on the wage base is worth per year. **Ms. Minnehan** said that the payroll for PERS is \$1 billion, so 1% is \$10 million.

#### **Public Comment**

None.

- 06:40:01 **Motion by Sen. Balyeat**  
SEN. BALYEAT **moved** to forward PERB's proposed legislation for bill drafting purposes with the segregation of the three funding proposals. The motion **passed** with Sen. Tropila voting aye by proxy.

#### **BREAK**

- 07:02:59 The meeting reconvened at 4:03 p.m.

#### **• Teachers' Retirement System - David Senn, Executive Director**

- 07:04:38 Mr. Senn presented the Teachers' Retirement System legislative proposals **(Exhibit 11)**.

#### **Questions**

- 07:26:16 REP. MEHLHOFF said his concern is that the University supplement requirement almost doubled. How much of that was due to the fact that there is a defined contribution plan versus the market drop. **Mr. Senn** said the amount that the University is funding is the amount that was determined to be their liability when they asked for and received the optional retirement program. New members don't have any unfunded liability. There are other options besides just increasing it and they will have the numbers out on that some time in October. He said that 100% of the increase was due to the market decline.
- 07:28:50 SEN. BALYEAT asked if the University System proposal was discussed at a previous SAVA meeting. **Mr. Senn** said that at a previous SAVA committee he did present the report that showed the 3.8% and Mick Robinson from the Commissioner of Higher Education's office was there to talk about their funding situation and they opposed the increase.
- 07:30:35 SEN. JENT summarized how he compartmentalized the bullets in his attempt to come up with a proposal.

In Number 1:

- Bullet (a) increases the contribution rate to 2.54%;
- Bullet (b) on working retirees is to amend the statute to remove consideration of part-time versus full-time employment and focus only on earnings

limitations;

- Bullet (c) is on the 10% cap and the recommendation that the Board is to repeal all or most of the exemption to the 10% cap;
- Bullet (d) is a full actuarial reduction for early retirement; and
- Bullet (e) is to change the actuarial interest on buy backs and charge the actuarial interests on all buy backs of time spent elsewhere.

Number 2 is a housekeeping bill and Number 3 is one that the Governor opposes and is in cardiac arrest state.

**Ms. Weiss** said there is some confusion about the version of the concepts being used. In the committee's initial packet, members received a May 2010 version but included in the second committee packet mailing was an updated version which is what Mr. Senn is using.

SEN. JENT asked if there was a possibility of melding together the concept of PRO for new retirees, including 1(a), or including ideas about using the retirement fund and coming up with one bill as far as existing retirees with the actuarial shortfall. **Mr. Senn** said that might be a possibility.

### Public Comment

07:37:45 **Tom Bilodeau, MEA/MFT**, said that MEA/MFT does not support providing adequate funding for the two systems through rollbacks in benefits for workers. He suggested that the committee consider leaving PERS decisions for the Board. MEA/MFT supports the TRS proposals but has no position on the ORP funding. MEA/MFT would ask the committee to consider Sen. Jent's discussion on the issue that would lead to a request that the TRS actuary pursue costing of a PRO married to the TRS proposals.

### Questions

07:44:15 SEN. BALYEAT said when Mr. Bilodeau presented the modified PRO proposal, he had talked about an employer rate increase for all employees, was that figure 2.54%? **Mr. Bilodeau** said that when they presented the modified PRO, it called for an immediate 2% increase in employer contributions across all TRS payroll with an additional 2% increase on new hire contributions. They discovered that would actually be an excessive charge to pay for a 2% formula for new hires and would actually be overcharging new hires.

07:45:25 SEN. BALYEAT asked if part of the reason that you can drop the employee contribution from 2% down to .61% is because the TRS Board has proposed not just the 2% increase in employer contributions but a 2.54% increase. **Mr. Bilodeau** said yes. But what is available to us now is more detailed information of the current status of the TRS fund and a 2.5% employer contribution seems adequate. Also phasing it in seems wiser.

07:48:20 REP. INGRAHAM said that looking at the first proposal, the 2.54% in employer increases, Mr. Senn mentioned that it may not be necessary to implement all those things. There is confusion about the funding proposal and the PRO. **Mr.**

**Senn** said that the 2.54% is not covering any of the PRO. He explained the differences in numbers and how the PRO costs were calculated.

07:51:30 SEN. LEWIS wanted to hold off making any final decisions on the funding proposals until we hear from the consultants.

- **AGENCY OVERSIGHT RETIREMENT SYSTEMS EXPERIENCE STUDIES**

- ▶ **Teachers' Retirement System Study - David Senn, Executive Director**

07:53:45 Mr. Senn gave a summary of the work of the actuary and the experience study for TRS (**Exhibit 12**).

- ▶ **Public Employees' Retirement System Study - Roxanne Minnehan, Executive Director**

08:11:49 Ms. Minnehan gave a presentation on the PERS' experience study (**Exhibit 13**).

**Public Comment**

None.

- **COMMITTEE WORK SESSION**

- ▶ **Recommendations for stakeholders, MPERA and TRS retirement proposals - Rachel Weiss**

08:24:00 Ms. Weiss gave a presentation on the recommendations that SAVA is required to make to the next Legislature (**Exhibit 14**).

08:26:03 SEN. LEWIS said that he recalled that the only recommendation that the committee had a consensus on was Number 6, changing the mix of membership on the Public Employees' Retirement Board because of the increase of the number of retirees.

Ms. Weiss clarified that the recommendations don't require the committee to request bill drafts. The committee can request a committee bill. If the committee wanted that to be a committee bill, then that would be the motion. Otherwise, there are other recommendations listed so the committee could also say the Legislature should enact legislation based on this concept or should not enact legislation based on this concept, but leave it to that particular stakeholder to find their own bill draft request.

**Motion by Sen. Lewis**

SEN. LEWIS **moved** that the committee submit a committee bill on Number 6.

**Discussion**

08:27:27 SEN. BALYEAT asked if there were any figures on how many retired employees

there are. SEN. LEWIS said there are 22,000 public employees retirees and 35,000 active. SEN. BALYEAT said that if Sen. Lewis believed in proportionate representation, there would be 3 active employee members and 2 retired employee members. Is there any thought to just increasing the members on the board by one and have that be a second retired public employee member? SEN. LEWIS said that he recalls that PERS doesn't have a position on this.

08:29:04 SEN. LEWIS asked if Ms. Minnehan had any thought of increasing the membership to include another retiree? **Ms. Minnehan** said that it would increase their administrative costs.

08:31:59 Based on the discussion that was held, SEN. LEWIS **withdrew** his motion.

- **REPORT ON LEGISLATIVE FINANCE COMMITTEE - Sen. Lewis**

08:34:06 SEN. LEWIS gave a report on the Legislative Finance Committee meeting. He distributed a list of suggestions from the LFC (**Exhibit 15**) on where to cut money from each agency's budget before the 2011 Legislative Session convenes.

**Discussion**

08:43:02 Ms. Weiss said that the Finance Committee was interested in seeing if committees might want more information about these particular items and then at the next meeting, the members would hear more from various fiscal analysts and then have time for public comment. Members of the committee could provide some type of feedback to the Finance Committee.

**Jon Moe, Fiscal Analyst, Legislative Fiscal Division**, explained the reasoning behind forming a subcommittee composed of members of the Finance Committee and members of the interim committees.

**Public Comment**

None.

- **RECESS**

08:50:03 REP. HENDRICK recessed the meeting at 5:50 p.m. to reconvene at 8 a.m. on June 25, 2010.

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