

Unofficial Draft Copy

As of: February 24, 2006 (2:39pm)

LC9998

**** Bill No. ****

Introduced By *****

By Request of the State Administration and Veterans' Affairs

Interim Committee

A Bill for an Act entitled: "An Act providing that the executive director and other staff of the public employees' retirement board must be hired by the department of administration; amending sections 2-15-1009, and 19-2-404, MCA; and providing an applicability date."

WHEREAS, the Governor is the elected chief executive of the state with the duty and authority to supervise the functioning of the executive branch of state government; and

WHEREAS, the Directors of cabinet-level agencies are directly responsible to the Governor and through the Governor to the people of Montana; and

WHEREAS, by answering to cabinet-level directors, the staff members of those agencies also become responsible to the elected head of the executive branch of state government, although those employees are protected by the personnel laws and rules of the state governing state employment; and

WHEREAS, the Legislature has in most cases required that the staffs of appointed boards, councils, commissions, and committees be responsible to the Governor through cabinet-level Department Directors because out of approximately 100 boards, councils, commissions, and committee created by statute and needing an

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administrative staff, only about a dozen of those entities have been given an exception by the Legislature to hire their own staff members; and

WHEREAS, because of the length and staggering of terms of boards, councils, commissions, and committees whose members are appointed by the Governor, all of the members of the those boards, councils, commissions, and committees are not accountable to a serving governor and the employees of those boards, councils, commissions, and committees, who are hired by those entities directly, are therefore likewise not accountable to a serving Governor; and

WHEREAS, because of the unique position and function of the staff of the Montana Public Employees Retirement Administration (MPERA) in the administration of 10 employer-sponsored retirement plans, when combined with the size and scope of the retirement plans administered by the Public Employees' Retirement Board, it is appropriate that the Governor, as state government's chief employer, be the elected official accountable to the electorate for the purposes of the MPERA and therefore be responsible for administering the staff of the Retirement Administration.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-15-1009, MCA, is amended to read:

"2-15-1009. Public employees' retirement board -- terms -- allocation. (1) There is a public employees' retirement board.

(2) The board consists of seven members appointed by the

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governor. The members are:

(a) three public employees who are active members of a public retirement system (not more than one of these members may be an employee of the same department and at least one of these members must, no later than July 1, 2003, be a member of the defined contribution plan created pursuant to Title 19, chapter 3, part 21);

(b) one retired public employee who is a member of the public employees' retirement system;

(c) two members at large; and

(d) one member who has experience in investment management, counseling, or financial planning or who has other similar experience.

(3) The term of office for each member is 5 years.

(4) The board is allocated to the department for administrative purposes only as prescribed in 2-15-121. ~~The board shall hire necessary employees as provided in 19-2-404.~~

(5) Members of the board must be compensated and receive travel expenses as provided for in 2-15-124."

{ *Internal References to 2-15-1009:*

x2-15-1808 7-33-2313 x19-2-303 x19-17-102
x19-50-101 }

Section 2. Section 19-2-404, MCA, is amended to read:

"19-2-404. Appointment and compensation of administrative staff. The board department shall hire and fix the compensation of an executive director and other necessary employees to assist the board in administering the retirement systems. The

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compensation of the executive director and employees must be established in accordance with Title 2, chapter 18."

{ Internal References to 19-2-404:
x 2-15-1009 }

NEW SECTION. **Section 3. Applicability.** [This act] applies to individuals employed after [the effective date of this act].

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