



State Administration and Veterans' Affairs Interim Committee
60th Montana Legislature

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October 10, 2007

TO: Interested persons and stakeholders in public employee retirement systems

FROM: Dave Bohyer

RE: Proposals to revise public employee retirement systems

The State Administration and Veterans' Affairs Interim Committee (SAVA) has directed me to notify all of the non-state-agency stakeholders in public employee retirement systems that the SAVA will review proposed revisions to the retirement systems at the SAVA meeting scheduled for April 28-29, 2008. In an effort to allow adequate time for Committee members and others to review the proposals, the SAVA has also established Friday, April 4, 2008, as the date by which proposals must be submitted for Committee review this interim. (More on this below.)

At first blush, April of 2008 might seem unduly early as a deadline for Committee review. However, pursuant to section 5-5-228(2), MCA, the Committee is required to:

...(c) as necessary, develop legislation to keep the retirement systems consistent with sound policy principles;

(d) solicit and review proposed statutory changes to any of the state's public employee retirement systems;

(e) report to the legislature on each legislative proposal reviewed by the committee. The report must include but is not limited to:

(i) a summary of the fiscal implications of the proposal;
(ii) an analysis of the effect that the proposal may have on other public employee retirement systems;

(iii) an analysis of the soundness of the proposal as a matter of public policy;

(iv) any amendments proposed by the committee; and

(v) the committee's recommendation on whether the proposal should be enacted by the legislature.

(f) attach the committee's report to any proposal that the committee considered and that is or has been introduced as a bill during a legislative session...

It is clear from the statute that the Committee's responsibilities extend beyond merely providing a forum for or listening to indefinite outlines of ideas to improve the state's public employee retirement systems. Rather, the Committee will need considerable details on and analysis of the proposals. It is also clear that the Committee will need adequate time to review, consider, and arrive a recommendation for each of the proposals that ultimately is submitted as legislation. By recognizing those factors, it becomes evident that April 2008 is none too soon to begin the process.

Any non-state-agency stakeholder that wishes to submit a proposal for the Committee's consideration can do so by completing the attached form and submitting it by the April 4, 2008, deadline.

If the proposer has identified a holdover or unopposed state senator or an unopposed state representative who will formally request legislation to implement the proposal, legislative staff will initiate the formal bill-request and bill-drafting processes which will, in turn, allow the Committee to complete its work prior to the 2009 Session.

Accompanying this memo is a copy of a form to use to submit a proposal for revising any of the retirement systems: "Proposal for Retirement Plan Legislation". If you intend to propose revising the statutory provisions of a state public employee retirement systems, please fully and accurately complete the form and submit it by April 4, 2008. Make as many copies of the form as you need and feel free to distribute them to other stakeholders. A copy of the form is also posted to the SAVA web page at http://leg.mt.gov/css/committees/interim/2007_2008/st_admin_vet_affairs/default.asp.

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