

MINUTES

HOUSE JUDICIARY, RULES, & ADMINISTRATION COMMITTEE

DATE: Thursday, March 15, 2012
TIME: Upon Adjournment of the House
PLACE: Room EW42
MEMBERS: Chairman Wills, Vice Chairman Luker, Representative(s) Smith(24), Nielsen, Shirley, Hart, Bolz, Ellsworth, Bateman, McMillan (McMillan), Perry, Sims, Burgoyne, Jaquet, Killen

**ABSENT/
EXCUSED:** Chairman Wills and Rep. Smith(24)

GUESTS: Judge Barry Wood and Patti Tobias, Idaho Supreme Court; Don Drum, Public Retirement System of Idaho (PERSI); Bill Roden, self; Rep. Dennis Lake

Vice Chairman Luker called the meeting to order at 2:43 p.m.

H 660: **Patti Tobias**, Administrative Director of the Courts, presented **H 660**. She explained that all three branches of government have worked together to stabilize the Judge's Retirement Fund and hopes this will provide additional judicial resources and help meet public expectations for an efficient judicial process. An agreement was reached on January 26, 2012 and was recommended to Speaker Denney, Senate Pro Tem Hill, Governor Otter and Chief Justice Burdick and revised by leadership. This bill meets all requirements and PERSI has accepted the transfer of the retirement fund as proposed in **H 660**. Ms. Tobias credited Reps. Lake, Hartgen, Bolz and Wills who contributed to the drafting of the bill.

Senior District Judge Barry Wood said that the Judges' Retirement Fund (JRF), created in 1947, is the oldest public retirement fund in Idaho, and is outlined in Idaho Code § 1201-1212. It was designed as part of a recruitment and retirement plan for judges in Idaho. The purpose of the JRF is to align contributions with expenditures, and contributions to the fund need to be increased to reduce and eliminate the underfunded future obligation. The Idaho Supreme Court recommended that all three sources (employee contribution, employer contribution, and the judicial retirement civil filing fee dedication) to the fund should be increased.

Judge Wood next outlined the changes that will be enacted by the bill: (1) The employer's rate of contribution is increased from 7% to 10.5% in two steps in FY 2013 and FY 2014. This change is already accounted for in the Governor's budget. (2) The employee's rate of contribution is increased from 6% to 9% in two steps in FY 2013 and FY 2014 as well. (3) Increase in the civil filing fee by \$8.00, to \$26.00. (4) Amendments to two statutory provisions to Plan B. First, senior judge service requirement is 60 days of service/year for 5 years; second, judges eligible for retirement at age 55 with 15 years of service are no longer eligible for Plan B service. (5) Surviving spousal benefit would be rolled back to 30%, from 50%, of the retirement compensation. (6) Annual cost of living adjustment for justices/judges taking office beginning July 1, 2012 would be the same as the PERSI COLA for that year. (7) Administration of the plan would be transferred to PERSI. (8) There will be a fiscal year-end report submitted to the chairmen of the Senate and House Judiciary and Rules Committees.

Judge Wood discussed the bill's organizational structure and effective dates. There are 13 sections total and section 13 contains the effective date provisions.

MOTION: **Rep. Bateman** made a motion to send **H 660** to the floor with a **DO PASS** recommendation.

In response to committee questions, **Judge Wood** said the initial agreement that was reached for the civil filing fee cost was a \$6.00 increase. Senate and House leadership met, and they agreed to increase the filing fee by \$8.00. Also, those judges eligible for retirement at age 55 and have at least 15 years of service, would no longer be eligible for Plan B service. (Plan B judges serve at no compensation cost to the General Fund, aside from travel and per diem expenses. They serve for 35 days per year for five years in exchange for increased retirement benefits from the Judges' Retirement Fund and annual health benefits during the Plan B service.)

**SUBSTITUTE
MOTION:**

Rep. Hart made a motion to hold the bill in committee until the Monday, March 19, 2012 committee meeting. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:58 p.m.

Representative Luker
Chair

Stephanie Nemore
Secretary