ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON EMPLOYMENT AND REGULATORY AFFAIRS

Minutes of Special Meeting
Thursday, February 17, 2011
House Hearing Room 3 -- 2:00 p.m. or upon recess or adjournment of Floor

Chairman Robson called the meeting to order at 3:15 p.m. and attendance was noted by the secretary.

Members Present

Mr. Farnsworth	Mr. Kavanagh	Mrs. Yee
Mr. Fillmore	Mrs. Pancrazi	Mr. Olson, Vice-Chairman
Mrs. Gonzales	Mr. Patterson	Mr. Robson, Chairman

Members Absent

None

Committee Action

HB2726 - DPA (5-4-0-0)

Chairman Robson announced that, without objection, the rules for late introduction of amendments will be suspended due to the special nature of this meeting.

CONSIDERATION OF BILLS

HB2726 - public retirement systems; plan design - DO PASS AMENDED

Sarah Wharton, House Research Analyst, explained that HB2726 makes various reforms to the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System (PSPRS), Corrections Officer Retirement Plan (CORP), and Elected Officials Retirement Plan (EORP) (Attachment 1). She provided the following detailed information:

Established in 1953, ASRS manages retirement, health and LTD (Long Term Disability) benefits for state, county and municipal employees. ASRS benefits are funded by member and employer contributions and by earnings on investments. The ASRS has three funds: Retirement, Health Benefit, and Long Term Disability, to which the employee and employer contributions are distributed according to actuarially determined contribution rates. The Fiscal Year (FY) 2010-2011 contribution rate for ASRS is set at 9.6 percent for the retirement pension and health benefits, and 0.25 percent for LTD.

PSPRS was created by the Legislature in 1968 to provide a uniform statewide retirement program for public safety personnel and full-time firefighters who are regularly assigned to hazardous duty. Under PSPRS, the employee contribution rate is fixed by statute at 7.65 percent of salary on a pre-tax basis.

Created in 1986, CORP provides retirement benefits for certain full-time state and county detention officers, and is designed to meet the special needs of personnel engaged in the prison environment. The employee contribution rate is fixed by statute at 8.41 percent of salary on a pre-tax basis.

EORP was established in 1985 to provide a statewide program for eligible elected officials. Elected official means every elected official of the state, counties, every justice of the Supreme Court, every judge of the court of appeals and superior court, every full-time superior court commissioner and each elected official of an incorporated city or town whose employer has executed a proper joinder agreement for coverage of its elected officials. A state elected official who is subject to term limits may elect not to participate in EORP for that specific term of office. EORP member contribution rates are set in statute at 7 percent of salary on a pre-tax basis.

The employer contribution rates are different for each PSPRS, CORP and EORP employer and change every FY based upon an actuarial valuation. ASRS employers pay a matching contribution rate which is also subject to actuarial and statutory changes.

There may be a positive fiscal impact to the State General Fund as well as the funds of each plan as a result of HB2726.

Provisions of HB2726

ASRS

- Changes the definition of normal retirement age for a member whose membership commences after July 1, 2011.
    - Removes language allowing members to retire as soon as their age plus years of credited service equal 85.
- Recalculates the youngest normal retirement eligibility at 62 years plus 10 years of service in ASRS for members whose membership commences after July 1, 2011.
- Removes language allowing for a Permanent Benefit Increase (PBI).
- Return to work
    - Defines *contract fee* for the purposes of this section as the gross amount paid to a retired member as an independent contractor minus an amount, not to exceed 10 percent, for an administrative fee.
    - Defines *gross salary* for the purposes of this section as the gross amount paid to a retired member by a leasing company as salary or wages, including amounts that are subject to deferred compensation or tax shelter agreements for services rendered or that would have been paid to the retired member except for the member's election or a legal requirement that all or part of the gross amount be used for other purposes.

- Requires employers to pay an Alternate Contribution Rate (ACR,) beginning on July 1, 2012 for retired members who perform services that would otherwise be performed by an employee of the employer.
- Requires the ACR to be assessed starting the 366th day after retirement for a member who reached normal retirement, and for a member who is an early retiree, working less than twenty weeks each year and twenty hours each week.
- Prohibits the retired member from accruing credited service, member service, account balances, retirement benefits, LTD benefits, and the time is not eligible for later service purchase.
- Requires employers to pay the ACR on behalf of any retiree that it employs regardless of 20/20 status, direct/leasing/contracting arrangement, or whether the retiree satisfied the twelve month break in service without working on a leased or contract basis.
- Instructs the ASRS actuary to determine the ACR in an annual valuation performed by June 30th each year.
- Specifies that the ACR is calculated as the greater of 2 percent or two times the "deficit" payment, and calculates the ACR by adding the employer ASRS Contribution Rate to the employer LTD Contribution Rate, and then subtracting the normal cost.
- Establishes a cap on the ACR that can not be higher than the employer's portion of the total ASRS Contribution Rate which is the Defined Benefit (DB) plus LTD.
- States that the ACR shall be payable on the compensation (for direct hire), gross salary (for leased employee), or contract fee (for independent contractor), as defined in the bill.
- Allows ASRS to determine how frequently the ACR is paid and how the monies are submitted to the ASRS.
- Specifies that late contributions will be subject to 8 percent interest and may be recovered in court or by state revenue offsets.
- Requires employers to submit any reports, data, paperwork or materials required by the ASRS to determine the function, utilization, efficacy or operation of the return to work program.

- Return to Work Violations
  - Clarifies the period for which a member shall repay suspended pensions to the ASRS starts with the date the ASRS notifies the member in writing that their employment violated the statute, the date the ASRS determines the member knew or should have known that their employment violated the statute, or any other time period determined by the ASRS.
  - Requires an employer that employed a member whose pension was suspended to pay the ASRS the ACR starting with the date the member returned to employment. The employer is required to make the ACR payment through the earlier of:
    - The date the member terminates employment,
    - The date the employer begins making the ACR payment required by the new Return to Work statute, or
    - The date the member resumes active membership in the ASRS.

EORP

- Retains benefits for elected officials who become a member of the plan prior to January 1, 2012.
- Recalculates a member's average salary to the highest consecutive five years within the last 10 years of service in EORP.
- Stipulates that if a member does not have five consecutive years of credited service as an elected official, the considered period is the member's last consecutive period of employment with a plan employer immediately before retirement.
- Eliminates the refund of employer contributions for members who become a member of the plan on or after January 1, 2010 and cease to hold office and terminate membership in the plan for any reason other than death or retirement.
- Changes the normal retirement age for members who become a part of the plan after January 1, 2012 to:
    - Age 65 with five or more years of credited service.
    - Age 62 with 10 or more years of credited service.
- Eliminates early retirement after five years of service for members who commence membership in EORP after July 1, 2012.
- Changes the EORP retirement multiplier from 4 percent to a graded scale for members who commence membership after July 1, 2012.
- Stipulates that the EORP retirement multiplier shall be calculated by multiplying the member's number of whole or fractional years of credited service times the following:
    - 2.10 percent if the member does not have more than 19.99 years of credited service.
    - 2.15 percent if the member has 20 to 24.99 years of credited service.
    - 2.20 percent if the member has 25 to 29.99 years of credited service.
    - 2.30 percent if the member has at least 30 years of credited service.
    - The member's yearly salary.
- Maintains the current 7 percent member contribution rate through June 30, 2011.
- Increases member contributions gradually by the following amounts:
    - 9 percent of the member's gross salary for FY 2012-2013.
    - 10 percent of the member's gross salary for FY 2013-2014.
    - 11 percent of the member's gross salary for FY 2014-2015.
    - 50 percent of the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability for the employers as calculated by the actuaries without taking into account any member contributions for FY 2015-2016 and each fiscal year thereafter.
- Stipulates that the member's contribution rate shall not be less than 7 percent of the member's compensation and the employer contribution rate shall not be less than the rate determined by the actuary.
- Eliminates Cost of Living Benefit Increases (COLAs) for EORP.

PSPRS

- Changes the calculation of average monthly salary to the highest yielding five years of service within the last 20 years of service for an employee who becomes a member of the system after January 1, 2012.

- Changes the calculation of normal retirement date for PSPRS employees who become a member of the system after January 1, 2012 to 25 years of service or age 62 and the completion of 15 years of service.
- Maintains the current employee contribution rate of 7.65 percent through June 30, 2011.
- Increases future contribution rates in following manner:
    - 8.65 percent of the member's compensation for FY 2011-2012.
    - 9.65 percent of the member's compensation for FY 2012-2013.
    - 10.65 percent of the member's compensation for FY 2013-2014.
    - 11.65 percent of the member's compensation for FY 2014-2015.
    - 50 percent of the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability for the employers as calculated by the actuaries without taking into account any member contributions for FY 2015-2016 and each fiscal year thereafter.
- Stipulates that the member's contribution rate shall not be less than 7.65 percent of the member's compensation and the employer contribution rate shall not be less than the rate determined by the actuary.
- Eliminates the Deferred Retirement Option Plan (DROP) as of the effective date of this bill.
- Allows members who have already enrolled in DROP to continue.
- Specifies that a member who enters the system on or after January 1, 2012, has met the requirements for a normal pension, and who has 25 years of credited service shall receive a monthly amount that equals 62.5 percent of the member's average monthly benefit compensation.
- Specifies that if the member retires with less than 25 years of credited service their monthly benefit shall be reduced by 4 percent for each year of credited service under 25 years, with a pro rata reduction for any fractional year.
- Allows the monthly benefit to be increased by a monthly amount equal to 1.5 percent of the member's average monthly benefit multiplied by the number of the member's years of credited service in excess of 25 years, with a pro rata increase for any fractional year.
- Stipulates that the maximum amount payable as a normal pension shall be 80 percent of the average monthly benefit compensation.
- Eliminates the refund of employer contributions for members who become a member of the plan on or after January 1, 2010 and terminate membership in the plan for any reason other than death or retirement.
- Eliminates COLAs for PSPRS.

CORP

- Changes the calculation of average monthly salary for a member who becomes a part of the plan before January 1, 2012 to one sixteenth of the aggregate amount of salary that is paid to a member by a participating employer during a period of 60 consecutive months of service in which the member received the highest salary within the last 120 months of service.
- Changes the calculation of normal retirement date for an employee who becomes a member of the plan before January 1, 2012 to 25 years of service or age 62 and the completion of 10 years of service.

- Eliminates the refund of employer contributions for members who become a member of the plan on or after January 1, 2010 and terminate membership in the plan for any reason other than death or retirement.
- Changes age and service requirements for normal retirement for employees who become a member of the plan after January 1, 2012 by requiring one of the following:
  - 62 years of age and at least 10 or more years of service.
  - 25 or more years of service.
- Stipulates that a member who meets normal retirement requirement and has 25 years of credited service is entitled to receive a pension that equals 62.5 percent of the member's average salary.
- Allows members who retire with more than 25 years of credited service to receive an increased monthly amount equal to the 2.5 percent of the member's average monthly salary multiplied by the number of the member's years of credited service in excess of 25 years, with a pro rata increase for any fractional year.
- Stipulates that if a member retires with less than 25 years of credited service, the person is entitled to a pension equal to the product of 2.5 percent of the member's average monthly salary and the member's credited service.
- Maintains the current member contribution rate of 8.41 percent through June 30, 2011.
- Maintains the current member contribution rate of 7.96 percent for a dispatcher through June 30, 2011.
- Increases future contribution rates in following manner:
  - 9.41 percent of the member's salary for FY 2011-2012 except for a full-time dispatcher.
  - 10.41 percent of the member's compensation for FY 2012-2013 except for a full-time dispatcher.
  - 11.41 percent of the member's salary for FY 2013-2014 except for a full-time dispatcher.
  - 12.41 percent of the member's salary for FY 2014-2015 except for a full-time dispatcher.
- Increases future contribution rates for dispatchers in following manner:
  - 8.96 percent of the member's salary for FY 2011-2012.
  - 9.96 percent of the member's salary for FY 2012-2013.
  - 10.96 percent of the member's salary for FY 2013-2014.
  - 11.96 percent of the member's salary for FY 2014-2015.
  - 50 percent of the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability for the employers as calculated by the actuaries without taking into account any member contributions for FY 2015-2016 and each fiscal year thereafter.
- Stipulates that contribution rate for a full-time dispatcher if 45 basis points less than the member contribution amount calculated by the actuaries except that after the close of any fiscal year, if the actuary determines that the aggregate ratio of the funding value of the accrued assets to the accrued liabilities of the fund is at least 100 percent, the rate for the dispatcher is equal to the regular member contribution rate.
- Eliminates COLAs for CORP.

Defined Contribution Study Committee

- Establishes a defined contribution study committee consisting of the members of the State Board of Investment.
- Requires the committee to study and make recommendations as to the feasibility and cost of transferring existing members of a public retirement system or plan to a new defined contribution (DC) plan as well as providing for a DC plan for new hires.
- Requires the committee to submit a written report to the speaker of the house, president of the senate, governor, and the secretary of state by December 31, 2011.
- Contains a repeal date of September 30, 2012 for this section.
- Makes technical and conforming changes.

Ms. Wharton explained that the proposed Robson four-page amendment dated 02/16/2011 (Attachment 2) adds language stating that a retiree who received a refund, and is subsequently reemployed and re-deposits the amount withdrawn plus interest to the fund, or a retiree who redeems prior service pursuant to current statute, is subject to the benefits and duties in effect at the time of the member's most recent reemployment. The amendment also stipulates that this provision does not apply if a court orders reinstatement of benefits and duties under a prior law.

She explained that if a member leaves monies on account with the fund and subsequently becomes reemployed, he or she retains the benefit structure in place at the time of previous employment. These changes apply to EORP, PSPRS, and CORP. The amendment includes rule making authority for the purpose of implementing the ACR as well as the return-to-work violation language added by this bill. The amendment adds a legislative intent clause stating that the ACR is established with the intent to mitigate the potential actuarial impact that a return-to-work employee has on the system.

Additionally, the amendment makes a $150,000 appropriation from the ASRS administration account in Fiscal Year 2012 to the ASRS system for the administrative implementation of this act. It also stipulates that the appropriation is exempt from current statutes relating to the lapsing of appropriations. Finally, the amendment makes technical, clarifying, and conforming changes.

Ms. Wharton explained that the proposed Robson twelve-page amendment dated 02/16/2011 (Attachment 3) stipulates that if the market value of assets for ASRS is more than 70 percent before June 30th in any one year, a retired member or beneficiary is entitled to receive a permanent benefit increase. For PSPRS, CORP, and EORP, a portion of the investment return would only be diverted to the Retirement Plan's Reserve if the fiscal year-end funding ratio of the plan was greater than 70 percent using the, "market value of assets." If the market value is less than 70 percent, all of the investment return would go to the underlying Plan to increase the assets and the funding ratio, and reduce the unfunded liability and employer contribution requirements.

She explained that if the plan has a funding ratio of at least 70 percent, but less than 80 percent at the end of the fiscal year, a quarter of the excess return would go to the reserve. The rest of the return would be diverted to the underlying plan. At fiscal year end, if the plan has a funding ratio of 80 percent or higher, the provisions of the current law would operate normally and one-half of the positive difference between the total return of the system and nine percent as outlined in current statute.

Additionally, the amendment requires the administrators of EORP and PSPRS to transfer all monies remaining in the excess investment earnings account to the employer account for the respective systems.

Ms. Wharton explained that the proposed Kavanagh nineteen-line amendment dated 02/11/2011 (Attachment 4) specifies that when determining the Average Yearly Salary for EORP, the total salary paid to an elected official may not exceed 120 percent of the compensation paid over any prior twelve month period. The amendment also institutes the same limitation when calculating the average monthly benefit for PSPRS and CORP.

Ms. Wharton explained that the proposed Kavanagh seventeen-line amendment dated 02/11/2011 (Attachment 5) removes overtime pay from the calculation of "average monthly compensation" for ASRS and the definition of "compensation" for PSPRS.

Ms. Wharton explained that the proposed Pancrazi six-line amendment dated 02/16/2011 (Attachment 6) reinstates language allowing for a Permanent Benefit Increase within ASRS.

Ms. Wharton explained that the proposed Pancrazi three-line amendment dated 02/14/2011 (Attachment 7) removes language establishing a Defined Contribution Study Committee.

<u>Brian Livingston, Executive Director, Arizona Police Association (APA)</u>, testified in opposition to HB2726, explaining that the APA has twenty-two individual associations with approximately 9,500 active members. He stated that APA does believe that reform is necessary for the pension systems of PSPRS and CORP funds, which are the two funds that APA members deal with.

Mr. Livingston described Arizona Constitutional protections afforded these pensions, as well as United States Constitutional protections and court decisions that have upheld these provisions. He distributed documents to the Members (Attachment 8) which describe these court decisions.

Mr. Livingston discussed the history of why the pensions lost so much money in the years 1998 to 2000, as much as $1.6 billion due to high-risk investments made by the fund administrator which may not have been approved by the Board members. Proper documentation does not exist. He described excessive legal costs of from $2.4 to $3.6 million per year during that time period and stated that it was the PSPRS and CORP members who "paid the freight" for this bureaucratic blunder.

In response to questions, Mr. Livingston reiterated that he wishes to make HB2726 a good bill and urged the inclusion of all stakeholders, which has not yet happened in the House.

<u>Representative Kirk Adams, sponsor</u>, explained the three principles by which HB2726 was drafted:

1. protect the taxpayer (the "employer")
2. eliminate any abuses in the system, which are rare

3. protect the rank and file state employees (firefighters, police officers, and teachers) to ensure that they have a reliable and sustainable pension system

Representative Adams then addressed concerns which come up in stakeholders' meetings:

- must put in place an overlay that ties the COLA to the overall health of the fund
- DROP is like "double-dipping" with no public benefit
- eliminate early retirement for elected officials
- reduce the richness of the elected officials' benefit program

Levi Bolton, Phoenix Law Enforcement Association (PLEA), representing 2,300 members, explained his opposition to HB2726 and requested that other options be considered which include input from all the stakeholders in the law enforcement community. He reminded the Members of the sacrifices made by law enforcement and of the promises made to them by the state.

John Ortolano, Arizona Fraternal Order of Police, representing over 6,500 officers and retirees, spoke in opposition to HB2726, stating that the proposed changes violate the contract that police officers signed. He stated that he feels changes must be legal, ethical, and fair.

He addressed Mrs. Pancrazi's and Mr. Kavanagh's questions, stating that:

- he is very willing to sit in stakeholders' meetings,
- he understands that the state cannot sustain 27 percent employer input into this fund,
- he would not be in favor of increasing current employees' contribution rate because it would violate the contract clause and the Arizona Constitution,
- he supports changing PSPRS contribution rate for potential new hires because they would know what they are agreeing to when joining the force.

Tim Hill, President, Professional Fire Fighters of Arizona, representing 6,700 members, expressed his opposition to the proposed legislation, explaining that it is important to provide a safe and secure retirement because firefighters are in a very dangerous occupation. They do not receive social security and, if hired before 1986, will not get Medicare either.

This pension represents their sole retirement security. Exorbitant health care costs for retirees will take a large portion of each month's pension. He urged the Members to act cautiously and to consider possible unintended consequences of HB2726 in its current form and to allow fire fighters to retire in dignity.

Marcus Aurelius, Association of Retired Phoenix Officers, representing a group of 400 members, appeared in opposition to HB2726, stating that it violates contractual agreements. He stated that he does agree that there is a need to review the pension program from a financial and a political perspective.

Steve Ramos, retiree, Arizona Education Association, representing 32,000 active and 2,100 retired members, testified in opposition to HB2726. He addressed the following areas:

- He supports the alternate contribution rate (ACR), and would like to see it implemented soon.

- He has not seen a Permanent Benefit Increase (PBI) since he retired.
- He supports the change from 80 to 85 points for retirement, but is not comfortable with the change to age 62.
- AEA has not yet taken a position on return-to-work.

Benny Ashley, retiree, Phoenix Fire Department Captain, stated his opposition to the legislation, explaining how COLA saved him because his original retirement monthly amount was $666. He stated that the elimination of COLA will create problems, particularly for older widows.

Rene Guillen, League of Arizona Cities and Towns, stated his neutrality on HB2726, concurring with the changes to EORP as elected officials should not receive any better treatment than other retirees.

Kevin McCarthy, Arizona Tax Research Association, appeared in support of HB2726. He stated that he is a member of the ASRS Board. He does not support discontinuing defined benefits and going to a defined contribution program, which would be extremely expensive. He added that raising the retirement age and eliminating the return-to-work concept are approaches to reach sustainability.

Mr. Kavanagh stated that he is working on an amendment that would only allow return-to-work on a part-time, 20/20 basis.

Chris McIsaac, Research Analyst, Arizona Chamber Foundation, stated his neutrality on HB2726.

Luis Ebratt, Arizona Probation Officers Association, Arizona Conference of Police and Sheriffs, testified in opposition to the legislation, stating that the elements of the bill violate the Arizona Constitution in case law dating back to the 1960s. He concurred with an approach to create another tier for officers hired in the future.

Linda Somo, ASRS Coalition of Retirees, Arizona Education Association, stated her opposition to HB2726.

David Mendoza, American Federation of State, County & Municipal Employees (AFSCME), appeared in opposition to the legislation, adding that most of his members are in ASRS. He stated that the average AFSCME member makes about $45,000 per year and will retire with a pension of $19,000 per year. Employers will shoulder 14.3 percent of that pension, with the balance coming from employee contributions and investment returns. He stated that ASRS is addressing the issues.

Stephen Vandegrift, Fraternal Order of Police for Corrections, opposed HB2726. He stated that working at the Department of Corrections is not a desirable position as it is, and that reducing CORP retirement benefits will jeopardize the Department's ability to recruit and retain qualified corrections officers.

Tim Smith, retiree, Phoenix Fire Fighter, Phoenix Fire Local 493, opposed HB2726.

Don Isaacson, Fraternal Order of Police, stated his opposition to the legislation. He explained that the system was over-funded in the past, and the challenge was to find fair ways to channel the surplus for the benefit of the employer and employee. He explained that COLA was the product of great returns which were benefitting the employer; DROP was enacted in an environment when the Department of Public Safety had a hard time recruiting and retaining employees. But the economy has now collapsed around the systems and changes must be made to fix this and Mr. Isaacson suggested that three groups of people be looked at:

- newly hired employees - changes in the benefits for new hires
- current employees - complex situation requiring a roundtable solution
- retirees - the terms are locked in and should not be diminished in any way

Ann Malone, Indian School Corridor Citywide Coalition, representing 53,000 households, stated her opposition to HB2726. She stressed that she is strongly in support of the police and that we must not protect the taxpayers at the expense of police officers.

Carole Bartholomeaux, representing herself, appeared in opposition to the legislation, stating that those who lost the $1.6 billion from the pension funds should be held accountable.

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System, introduced Paul Matson.

Paul Matson, Director, Arizona State Retirement System, testified against the bill, explaining that ASRS has made eight years of changes which have resulted in a sustainable pension plan, with the exception of the return-to-work and alternate contribution rate which will be worked on this year. He stated that he opposes the elimination of the PBI, stating that ASRS retirees have not received a PBI in the last six years and may not receive one for another five to ten years.

Vice-Chairman Olson announced the names of those who signed up in support of HB2726 but did not speak:
Lorna Romero, Arizona Chamber of Commerce and Industry
Tom Dorn, East Valley Chambers of Commerce Alliance
Todd Madeksza, Director of Legislative Affairs, County Supervisors Association

Vice-Chairman Olson announced the names of those who signed up in opposition to HB2726 but did not speak:
Mike Williams, Arizona Police Association, Phoenix Law Enforcement Association
Sean Pearce, representing self
Julie Horwin, representing self
Mary Anne Vath, Retiree, All Arizona School Retirees Association
Nathan Schlitz, Mesa Police Association
Jimmy Chavez, Arizona Highway Patrol Association
Javier Cota, Mesa Police Association
Stacey Dillon, representing self
Norman Moore, Fraternal Order of Police
William Buividas, Phoenix Law Enforcement Association
Mark Spencer, Phoenix Law Enforcement Association
Andy Swann, Associated Highway Patrolmen of Arizona

Kelsey Lundy, Arizona Highway Patrol Association
James Mann, Arizona Fraternal Order of Police
Justin Harris, Glendale Law Enforcement Association
Stan Hoover, representing self
Lou Manganiello, Fraternal Order of Police
Peter Dunn, Arizona Judges Association
Jennifer Loredo, Arizona Education Association
Michael Haener, Professional Firefighters of Arizona
Molly McGovern, Service Employees International Union of Arizona
Mike Gardner, Professional Firefighters of Arizona

Vice-Chairman Olson announced the names of those who signed up as neutral on HB2726 but did not speak:
James Hacking, Public Safety Personnel Retirement System
Dianne McCallister, Public Policy Partners, Public Safety Personnel Retirement System
Rose Minetti, Arizona State University Retirees Association

Vice-Chairman Olson moved that HB2726 do pass.

Vice-Chairman Olson moved that the Robson four-page amendment dated 02/16/2011 (Attachment 2) be adopted. The motion carried.

Vice-Chairman Olson moved that the Robson twelve-page amendment dated 02/16/2011 (Attachment 3) be adopted. The motion carried.

Vice-Chairman Olson moved that the Kavanagh nineteen-line amendment dated 02/11/2011 (Attachment 4) be adopted. The motion carried.

Vice-Chairman Olson moved that the Kavanagh seventeen-line amendment dated 02/11/2011 (Attachment 5) be adopted. The motion carried.

Vice-Chairman Olson moved that the Pancrazi six-line amendment dated 02/16/2011 (Attachment 6) be adopted. The motion failed by a hand vote of 3 to 5.

Vice-Chairman Olson moved that the Pancrazi three-line amendment dated 02/14/2011 (Attachment 7) be adopted. The motion failed by a hand vote of 3 to 5.

Vice-Chairman Olson moved that HB2726 as amended do pass. The motion carried by a roll call vote of 5-4-0-0 (Attachment 9).

Without objection, the meeting adjourned at 5:56 p.m.

Jane Dooley, Committee Secretary
February 24, 2011

(Original minutes, attachments and audio on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)