



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THAT THE LEGISLATIVE AUDIT COMMITTEE PRIORITIZE A PERFORMANCE AUDIT OF ADMINISTRATIVE OPERATIONS AND COSTS OF THE TEACHERS' RETIREMENT SYSTEM AND THE MONTANA PUBLIC EMPLOYEES' RETIREMENT ADMINISTRATION FOR POTENTIAL SAVINGS IF ADMINISTRATION WAS COMBINED AND THAT THE LEGISLATIVE AUDITOR PRESENT THE FINDINGS TO THE 67TH LEGISLATURE.

WHEREAS, administration of the Teachers' Retirement System and the systems administered by the Montana Public Employees' Retirement Administration involves similar activities, such as contracting for actuarial services, maintaining information technology systems and infrastructure, receiving contributions, tracking membership and service credits, and paying benefits; and

WHEREAS, both administrative entities have similar operational and personal services needs for accounting and payroll for staff; and

WHEREAS, administrative expenses as reported in the January 2019 financial compliance audit report of the Legislative Audit Division were about \$6.5 million for the Montana Public Employees' Retirement Administration and about \$2.8 million for the Teachers' Retirement System; and

WHEREAS, a deeper examination of these administrative activities and expenses would provide insight into whether there is unnecessary duplication and whether consolidating the administration of the Teachers' Retirement System and the Montana Public Employees' Retirement Administration would produce efficiencies and cost savings and, if so, how much.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Audit Committee be requested to prioritize a performance audit addressing the methods and costs of administering Montana's public employee retirement systems and that the audit include but is not limited to:

- (1) examination of the administrative structures and expenses of the Montana Public Employees' Retirement Administration and the Teachers' Retirement System;
- (2) evaluation of whether combining the two administrative entities into one would save money or result in other operational efficiencies; and
- (3) development of recommendations based on the findings.

BE IT FURTHER RESOLVED, that the final results of the performance audit, including any findings, conclusions, comments, or recommendations be reported to the Legislative Audit Committee and the 67th Legislature.

- END -

I hereby certify that the within joint resolution,
HJ 0039, originated in the House.

Speaker of the House

Signed this _____ day
of _____, 2019.

Chief Clerk of the House

President of the Senate

Signed this _____ day
of _____, 2019.

HOUSE JOINT RESOLUTION NO. 39

INTRODUCED BY T. BURNETT

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