



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN AND THE TEACHERS' RETIREMENT SYSTEM AND THE DEVELOPMENT OF RECOMMENDATIONS FOR A LONG-TERM STRATEGIC APPROACH TO FUNDING THE SYSTEMS.

WHEREAS, the actuarial value of the assets of Montana's nine defined benefit public employee retirement systems is \$13.8 billion and the actuarially accrued liability is \$18.6 billion; and

WHEREAS, the defined benefit systems cover over 55,000 active employees, more than 47,000 retirees and beneficiaries, and over 1,200 employers; and

WHEREAS, more than \$126 million is paid from the state general fund through statutory appropriations; and

WHEREAS, these contributions represent a significant investment for employees, local governments, school districts, the state, and taxpayers; and

WHEREAS, the 2021-2022 State Administration and Veterans' Affairs Interim Committee laid the foundation for an in-depth study of the Public Employees' Retirement System defined benefit plan and the Teachers' Retirement System on which the Legislature can continue to build; and

WHEREAS, it is in the interest of the state to ensure that its public employee retirement systems are financially viable to ensure necessary government services and to support the public employees who provide those services, but also to recognize the financial burden placed on its citizens to support those services and employees.

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

That the Legislative Council be requested to assign the study pursuant to the ranking process described in section 5-5-217, MCA, to the State Administration and Veterans' Affairs Interim Committee and that the committee be requested to:

- (1) form a joint committee with the Legislative Finance Committee to conduct the study with all members having full voting power;
- (2) study the financial stability of the Public Employees' Retirement System defined benefit plan and the Teachers' Retirement System;
- (3) study the history of contributions from the general fund and other sources to the Public Employees' Retirement System defined benefit plan and the Teachers' Retirement System;
- (4) investigate alternate approaches to funding and amortization policies and the actuarial impact of changes to the current plan policies;
- (5) examine legislative education, oversight, and goals concerning the Public Employees' Retirement System defined benefit plan and the Teachers' Retirement System, including decision benchmarks or indicators for future action; and
- (6) develop recommendations for a long-term strategic approach to funding the Public Employees' Retirement System defined benefit plan and the Teachers' Retirement System that will ensure the financial strength of the systems while also recognizing the responsibility placed on the taxpayers and citizens of this state.

BE IT FURTHER RESOLVED, that the Legislative Services Division provide research, legal, and administrative staff support for the State Administration and Veterans' Affairs Interim Committee in accordance with section 5-11-112(1)(d)(i), MCA, and that the presiding officer of the State Administration and Veterans' Affairs Interim Committee may request that the Legislative Fiscal Division provide fiscal analysis in accordance with section 5-12-302(5), MCA.

BE IT FURTHER RESOLVED, that the study be conducted and the recommendations be developed in consultation with all interested stakeholders, including but not limited to representatives of:

- (1) the state's taxpayers;
- (2) active and retired members of the retirement systems;
- (3) employers, including local governments, school districts, and state agencies;

(4) key agencies, including the Governor's Office, the retirement boards, and the Board of Investments; and

(5) other interested parties as considered appropriate.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2024.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the State Administration and Veterans' Affairs Interim Committee, be reported to the 69th Legislature.

- END -

I hereby certify that the within bill,
SJ 4, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2023.

Speaker of the House

Signed this _____ day
of _____, 2023.

SENATE JOINT RESOLUTION NO. 4

INTRODUCED BY W. MCKAMEY

BY REQUEST OF THE STATE ADMINISTRATION AND VETERANS' AFFAIRS INTERIM COMMITTEE

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