



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF MONTANA'S PUBLIC EMPLOYEE RETIREMENT SYSTEMS AND THE DEVELOPMENT OF RECOMMENDATIONS FOR A LONG-TERM STRATEGIC APPROACH TO FUNDING THE RETIREMENT SYSTEMS RECOGNIZING THE CONCERNS OF ALL STAKEHOLDERS, INCLUDING THE CITIZENS OF MONTANA.

WHEREAS, the Montana Legislature, by statute, determines the benefit structures and funding policies for nine statewide defined benefit retirement plans covering more than 52,000 active and 43,000 retired state, local government, and school district employees and involving more than \$11.7 billion in assets and nearly \$18 billion in liabilities; and

WHEREAS, of total annual contributions to Montana's eight cost-sharing defined benefit public employee retirement systems, more than \$195 million is contributed by employees and nearly \$240 million is contributed by employers; and

WHEREAS, nearly 60% of employer contributions to these retirement systems is paid by local governments and more than \$180 million is paid from the state general fund through statutory appropriations and as supplemental contributions; and

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

WHEREAS, the state of Montana is fortunate to count among its many assets a committed and dedicated workforce and recognizes the value of retirement systems for compensating, recruiting, and retaining quality public employees who provide public safety, education, and other valued public services in our communities; and

WHEREAS, retirement benefits paid to Montana retirees have a significant economic benefit for local

communities; and

WHEREAS, the state of Montana recognizes that governmental power is derived from the people and that the state has an absolute duty to protect the rights of its citizens and understands that all revenue used to pay for public services, including retirement system contributions, comes from and is derived from its citizens; and

WHEREAS, it is in the best interest of our state and its future financial viability to ensure that recommendations related to its public employee retirement systems will not only support and promote necessary governmental services and the public employees who provide those services, but also 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) study the financial stability of Montana's defined benefit public employee retirement systems;
- (2) use the assistance of independent certified professional actuaries, if funding is made available by the Legislature for the actuarial services;
- (3) investigate the actuarial impact on funded ratios and amortization schedules of alternative funding policies for determining required contributions and consider selected scenarios, recognizing the funding sources for and the relative health or weakness of these unique systems;
- (4) review and study the governance structure of the public employee retirement systems;
- (5) examine legislative education, oversight, and goals concerning the public employee retirement systems, including decision benchmarks or indicators for future action; and
- (6) develop recommendations for a long-term strategic approach to setting contribution rates that will ensure the financial strength and resilience of the retirement systems while recognizing the responsibility placed on the taxpayers and citizens of this state.

BE IT FURTHER RESOLVED, that the State Administration and Veterans' Affairs Interim Committee

invite two members of the Legislative Finance Committee, a Senate member and a House of Representatives member, one from the majority party and one from the minority party, to participate with, but not be voting members of, the State Administration and Veterans' Affairs Interim Committee on matters related to this study.

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 State Administration and Veterans' Affairs Interim Committee presiding officer may request that the Legislative Fiscal Division provide fiscal analysis as needed 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:

- (a) the state's taxpayers;
- (b) active and retired members of the retirement systems;
- (c) employers, including local governments, school districts, and state agencies;
- (d) key agencies, including the Governor's office, the retirement boards, and the Board of Investments; and
- (e) 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, 2022.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations, be reported to the 68th Legislature.

- END -

I hereby certify that the within bill,  
HJ 8, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

HOUSE JOINT RESOLUTION NO. 8

INTRODUCED BY F. GARNER, M. BLASDEL, S. FITZPATRICK, G. VANCE, D. FERN, R. FITZGERALD, J.  
HAMILTON, D. HARVEY, B. MERCER, T. MOORE

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