

# 1994 VOTER INFORMATION PAMPHLET

*Dear Montana Voter:*

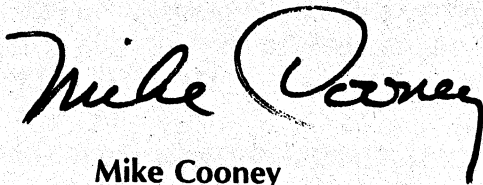
One of the most important rights that we share as Montanan's is the right to vote. On November 8th you will be asked to exercise that right and help determine the outcome of eight ballot issues, as well as the election of state and local candidates.

This Voter Information Pamphlet is designed to provide you with information on the statewide ballot issues that will appear on the general election ballot. Included you will find the full text of the measures, as well as arguments of the proponents and opponents. Each issue that is approved by the majority of the voters on November 8th will become part of Montana's law and Constitution, so study this information carefully.

Large print versions of this pamphlet, as well as an audio version on cassette are available through your local library.

Don't forget that October 11th is the deadline for registering to vote for the November 8th general election!

*See you at the polls on Tuesday November 8th!*



Mike Cooney  
Secretary of State



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# CONSTITUTIONAL AMENDMENT 25

*How the issue will appear on the ballot:*

## CONSTITUTIONAL AMENDMENT NO. 25

An amendment to the Constitution proposed by the Legislature

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 13, OF THE MONTANA CONSTITUTION TO PROVIDE FOR INVESTMENT OF PUBLIC PENSION ASSETS; ENACTING A PROVISION REQUIRING THAT ALL EXISTING AND FUTURE ASSETS OF PUBLIC PENSION TRUST FUNDS MUST BE PROTECTED AND EXCLUSIVELY ADMINISTERED BY THE GOVERNING BOARDS IN AN ACTUARIALLY SOUND MANNER AND THAT ALL ASSETS ARE HELD IN TRUST FOR THE EXCLUSIVE PURPOSE OF EFFICIENTLY AND PROMPTLY PROVIDING BENEFITS AND SERVICES TO CURRENT AND FUTURE PUBLIC EMPLOYEE RETIREES AND THE BENEFICIARIES; AND PROVIDING AN EFFECTIVE DATE.

The Legislature submitted this proposal for a vote. It would amend the Montana Constitution to prohibit the legislature from spending public pension fund assets, reducing funding levels or borrowing against assets of the public retirement system. Funds could only be used to provide benefits or to pay costs of administering the funds. It would require that public retirement systems be funded on an actuarially sound basis and managed carefully in accordance with recognized standards of financial management. It does not change existing law concerning investment of public funds.

FISCAL NOTE: The only apparent fiscal impact would be on the Judges Retirement System, which may need an infusion of \$1 million to make it actuarially sound as required by the amendment.

- FOR protection of public pension funds and beneficiaries.
- AGAINST protection of public pension funds and beneficiaries.

### ◆ ARGUMENT FOR CONSTITUTIONAL AMENDMENT 25

**C25 – the Public Pension Security Act – amends Montana’s Constitution to protect the financial health of our state, local government and school pension funds. C25:**

- prohibits the use of current public pension assets or future pension revenues for purposes unrelated to pension administration or benefit distribution;
- requires the governing boards of our public pension systems to administer the systems and manage fund assets as "fiduciaries" or legally responsible fiscal agents for the funds, workers and their beneficiaries;
- maintains – without change – the

effective day-to-day investment authority of the Montana Board of Investments;

- does not expand or provide any new benefit to public employees or retirees and

- stabilizes the tax burdens expected of the public-at-large, as well as by government employers and employees making payroll deduction contributions to the retirement funds.

**C25 prevents the types of "stop-gap" pension raiding and pension underfunding that a dozen other states have engaged in during recent years. Passage of C25 assures that future tax bills will not be increased because we failed to adequately fund our pension programs now.**