

Constitutional Amendment on Minimum Pension Funding

Issue

At the November 2009 meeting, the Executive Committee instructed staff to provide a briefing on the potential for a constitutional amendment on minimum pension funding.

Background

Under Article XXIII, Section 1 of the Washington State Constitution, the State Constitution may be amended upon a two-thirds vote of each house, followed by ratification by a majority of the voters in the next general election.

The State Constitution can also be amended by Constitutional Convention (under Article XXIII, Sections 2 and 3).

There have been 102 amendments to the State Constitution, and the most recent amendments were ratified by the voters in 2007. Some sections of the State Constitution remain exactly as originally drafted. Other sections have been modified as many as seven times.¹

¹ Article VII, Section 2 (Limitation on Levies) was modified by amendments in 1944, 1972, 1976, 1986, 1997, 2002, and 2007.

Policy Considerations

- ❖ Constitutions typically contain general principles of governance.
- ❖ Historically, most pension issues have been addressed by statute.
- ❖ State Constitution has been amended to address pension issues, but actual pension funding methods have never been placed in the Constitution.
- ❖ State Constitution is more difficult to change than a statute, and that can be good or bad.
- ❖ Each retirement plan has its own needs and requirements, so a single funding standard may not apply to all plans.
- ❖ Drafting an amendment is a balance between flexibility and enforcement.
- ❖ The term "minimum pension funding" could have many different meanings.

Committee Activity

Staff briefed the Committee on this issue in December. No further action was taken.

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