



Colorado Public Employees' Retirement Association
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April 14, 2009

The Honorable Paula Sandoval
 Colorado State Senate
 State Capitol Building
 200 E. Colfax
 Denver, Colorado 80203

Dear Senator Sandoval:

The Colorado PERA Board of Trustees met yesterday and conducted a thorough review of the provisions of Senate Bill 09-282. At the end of an informed and serious debate, the Board voted unanimously to endorse SB 09-282, while still wishing to express to you, the bill's prime sponsor, and to the General Assembly, their concerns about the funding provisions of the proposed legislation. The following motion was adopted yesterday:

The Board recognize[s] the valuable provisions of SB 09-282 relating to statewide portability for all educators and support personnel, expanded investment diversification, efficiencies in administration, improved opportunities for health care coverage, and the separate division approach that eliminates the risk of subsidy between the divisions. At the same time the Board recognizes the authority of the General Assembly to establish contribution rates and notes that the funding provisions contained in the legislation for the Denver Public Schools Division are inadequate and will lead to the actuarial deterioration of the funded status of the Division, ultimately requiring substantially increased contributions to provide for the retirement security of the members and beneficiaries of the Denver Public Schools Division. The Board also states that upon the passage of SB 09-282 that the PERA Board and Staff will implement the bill's provisions in a prudent, productive and professional fashion. *Accordingly, the Board of Trustees endorses all aspects of the bill, with the exception of the funding provisions, which the Board opposes.*

As the italicized portion of the above motion outlines, the issue of funding adequacy for all of PERA is of paramount concern to the PERA Board. I know that you are aware of the ongoing process the Board has undertaken to address the long-term impacts of the current economic environment on PERA. If Senate Bill 09-282 becomes law, in keeping with our fiduciary duties, the recommendations we make to the General Assembly for consideration in the 2010 session will incorporate provisions to address these same issues for the members of the Denver Public Schools division of PERA.

Thank you for the opportunity to allow the PERA Board of Trustees to present its point of view on these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Anderson'.

Mark Anderson
 Chair
 Colorado PERA Board of Trustees

C: Members, Senate Finance Committee