



SUMMARY OF BOARD COMPOSITION AND ELECTION
[Section 3 of the Reengrossed Bill as of April 29, 2009]

SENATE BILL 09-282
A BILL FOR AN ACT

[Concerning Denver Public Schools Retirement System/ PERA merger.]

- There shall be one ex officio board member from the Denver Public Schools Division.
- The terms of the ex officio board member are as follows:
 - First term:
 - Duration: From the date SB 09-282 is passed until December 31, 2009.
 - The ex officio board member will be appointed by the Denver Public Schools Retirement System Board of Trustees.
 - Second term:
 - Duration: January 1, 2010 through June 30, 2012.
 - The ex officio board member will be appointed by the Denver Public Schools Board of Education.
 - Third term starting July 1, 2012 and every other term thereafter:
 - The ex officio board member will be elected by the Denver Public Schools Division through a Denver Public Schools Division member and retiree election administered by PERA.
- The ex officio board member must be a member or retiree of the DPS Division.
- The ex officio board member position will exist as long as the DPS Division remains a separate Division of PERA.
- The ex officio board member will be treated like all other members of the board, except that he or she will not be able to:
 - Vote on any matter coming before the board or any committee of the board;
 - Make any motion regarding any matter before the board or any committee of the board;
 - Be elected as an officer of the board.



Colorado Public Employees' Retirement Association
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April 28, 2009

The Honorable Joel Judd
Chair, House Finance Committee
Colorado House of Representatives
State Capitol Building
200 E. Colfax
Denver, Colorado 80203

Dear Representative Judd:

The Colorado PERA Board of Trustees met April 13 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 House Finance Committee, and to the General Assembly, their concerns about the funding provisions of the proposed legislation. The Board of Trustees adopted the following motion:

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', written over a horizontal line.

Mark Anderson
Chair
Colorado PERA Board of Trustees

C: Members, House Finance Committee