



**Colorado  
Legislative  
Council  
Staff**

**SB17-158**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-0864

**Date:** February 7, 2017

**Prime Sponsor(s):** Sen. Tate  
Rep. Nordberg

**Bill Status:** Senate Finance

**Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** MODIFY COMPOSITION OF PERA BOARD OF TRUSTEES

**Summary of Legislation**

The bill modifies the composition of the 16-member Colorado Public Employee Retirement Association (PERA) Board of Trustees to:

- eliminate one State Division trustee position;
- eliminate two School Division trustee positions;
- require at least one elected member from both the State and School Divisions to be at least 20 years from retirement eligibility; and
- add three additional pension experts, appointed by the Governor and confirmed by the Senate, who are not PERA members, inactive members, or retirees to replace the eliminated elected member trustee positions. No more than three of the now six pension experts may be from the same political party.

Table 1 compares the difference between PERA board composition under current law and under Senate Bill 17-158.

| <b>Table 1. PERA Board Composition Under Current Law v. Under SB17-158</b> |                       |                           |                                    |
|--|-----------------------|---------------------------|------------------------------------|
| <b>Current Law Total</b>   | <b>SB17-158 Total</b> | <b>Representing</b>       | <b>Type of Appointment</b>         |
| 1  | 1                     | State Treasurer           | Ex Officio – Voting                |
| 3  | 2                     | State Division            | Elected                            |
| 4  | 2                     | School Division           | Elected                            |
| 1  | 1                     | Local Government Division | Elected                            |
| 1  | 1                     | Judicial Division         | Elected                            |
| 2  | 2                     | Retirees                  | Elected                            |
| 3  | 6                     | Pension expertise         | Governor-appointed, Senate consent |
| 1  | 1                     | Denver Public Schools     | Elected – Non-voting               |
| 16   | 16                    |                           |                                    |

## **Background**

***Trustees with pension expertise.*** Under current law, three pension experts serve as trustees. These Governor-appointees must not be PERA members, inactive members, or retirees, and have significant experience and competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis.

***Compensation.*** Trustees are compensated by PERA as follows:

- elected members are reimbursed for necessary expenses; and
- appointed members receive \$100 per diem and necessary expense reimbursement for up to a maximum of 20 days per year.

## **Statutory Public Entity Impact**

Because the bill creates three new appointed positions which receive per diems under state law and PERA rule, PERA is expected to annually compensate these individuals by up to \$2,000 for each member (\$100 per day for a maximum of 20 days), or \$6,000 total. Per diems are paid from PERA's trusts.

## **Effective Date**

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Governor

PERA