



**Colorado
Legislative
Council
Staff**

SB17-158

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0864

Date: July 27, 2017

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

Bill Status: Postponed Indefinitely

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BILL TOPIC: MODIFY COMPOSITION OF PERA BOARD OF TRUSTEES

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

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.

Table 1. PERA Board Composition Under Current Law v. Under SB17-158			
Current Law Total	SB17-158 Total	Representing	Type of Appointment
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 diem 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 diem are paid from PERA's trusts.

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on March 15, 2017.

State and Local Government Contacts

PERA