

House Bill 07-1184: Sudan Divestment Public Pension Funds

Status: Signed by Governor Ritter on April 19.

Introduced by Rep. Andrew Romanoff (Denver) and Sen. Peter Groff (Denver), this bill requires divestment of certain investments related to Sudan by Public Funds. Public Funds include Colorado PERA, the State Treasury, the State Deferred Compensation Committee, the Colorado County Officials and Employees Retirement Association, the Regional Transportation District, the Fire and Police Pension Association, and the Denver Public Schools Retirement System.

The bill has the following provisions:

- Directs Public Funds to divest of investments in companies with publicly traded securities that have active business operations in Sudan.
- Each Public Fund must create a list of scrutinized companies within 90 days of the bill's enactment for determining companies that will require engagement.
 - Engagement includes encouraging companies to refrain and cease business dealings with the Khartoum-based Sudanese government through written notification.
- If a company does not stop active business operations after 90 days, then the Public Fund has nine months from the date the company first appears on the list to divest 50 percent of the assets and 15 months to divest from 100 percent of the assets.
- Assets subject to divestiture include all publicly traded securities in direct accounts.
 - Passively managed indirect holdings may also be subject to divestiture by October 1, 2008, unless a similar Sudan-Free Fund is created by the outside manager before that date.
 - Officially sanctioned U.S. businesses by the U.S. government are excluded from divestiture.
- The Public Fund cannot acquire new direct holdings of any active scrutinized company and cannot undertake new investments in indirect passively managed funds containing active scrutinized companies after the passage of the bill.
- Each Public Fund is responsible for the costs incurred due to divestiture.
- Divestment is not required and re-investment in scrutinized companies is allowed, if it is shown that the value of the Public Fund's portfolio is reduced by 50 basis points due to divestment.
- The bill requires legislative staff to perform a post-enactment review of the implementation of the bill.

PERA's Position: Support.

This issue contains summaries of legislation from the 2007 session that impact Colorado PERA.



House Bill 07-1377: Higher Ed and State Retirement Plans

Status: Signed by Governor Ritter on June 1.

Rep. Jack Pommer (Boulder) and Sen. Ken Gordon (Denver) introduced this bill that would repeal a portion of Senate Bill 06-235. Under SB 06-235, new employees of higher education institutions who were hired after January 1, 2008, were eligible to choose their retirement plan. They could select the PERA Defined Benefit (DB) Plan, PERA Defined Contribution (DC) Plan, or the State DC Plan, in addition to an existing Optional Retirement Plans (ORPs) (at the institutions that have ORPs).

HB 07-1377 removes the right for higher education to offer choice and gives employees hired after January 1, 2008, the same retirement options as current employees. The bill makes an exception for new hires at community colleges. HB 07-1377 would give certain new employees hired on or after January 1, 2008, at a community college the ability to choose between participation in the PERA DB and PERA DC plans.

PERA's Position: No position.

House Bill 07-1365: Challenger Learning Center as a PERA Employer

Status: Signed by Governor Ritter on June 1.

Rep. Stella Garza Hicks (El Paso) and Sen. John Morse (El Paso) sponsored this bill which would add the Colorado Consortium for Earth and Space Science Education (CCESSE) as a PERA-affiliated employer. The CCESSE is a group composed of former teachers who had previously been covered under PERA and does not add to the PERA membership.

PERA's Position: No position.