

What turned out, after being substituted for, to be GSRA's bill HB 173 **PASSED UNANIMOUSLY** today in the House! HB 173 provides for GSRA to have input into the selection of two of the seven ERS board of trustees, a long-time goal of GSRS. It also authorizes large public retirement systems EXCEPT for ERS and TRS to increase the percentage of their retirement funds placed in alternative investments from 5% to 10%. It was presented by our long-time friend, Chair Tommy Benton, who also shepherded it through the Rules Committee last Friday. This was after he had agreed to GSRA's desired changes to the original bill as requested in committee on March 2.

HB 173 originally started out to address only alternative investments for all large public retirement systems including ERS but excluding TRS. It authorized the included retirement systems to increase the amount of their pension funds which they could place in alternative investments from 5% to 10%. But well over 90% of GSRA membership responding to a poll opposed this increase. They also overwhelmingly opposed ERS retirees being treated differently than TRS retirees.

In the meantime, GSRA had been stymied in finding sponsorship for our bill to provide for our input into the selection of three out of the seven ERS board members, mainly because of concerns raised by the Governor's staff. Through the outstanding resourcefulness and persistence of our great advocate Chuck Clay, who worked closely with new House Retirement Chair John Carson, enough of those concerns were allayed that we were given the green light to proceed in a modified form -- the approval was given for GSRA to have input into the selection of two of the ERS board members. But we now had another pitfall -- as a non-fiscal retirement bill, it could not be introduced after the session's 20th day, and that had just passed. So Chair Carson hunted for another retirement bill which could be amended and came up with HB 173.

Proceeding forward was not a difficult choice for us, although it was one we preferred not to make. The long-term upside of potentially having two ERS board members more sympathetic to ERS retirees' worsening financial conditions seemed more beneficial than the possible risks of alternative investments' failures in collapsing financial markets.

So GSRA representatives Chuck Clay and Chuck Freedman attended the House Retirement Committee meeting on March 2 to speak for the substitute. In the question period that followed, Rep. Stacey Evans, who had learned about GSRA's poll on alternative investments, said she was uncomfortable passing a bill which was opposed by the vast majority of people affected by it. After considerable discussion by many members and ERS director Jim Potvin, and the agreement of Chair Benton, a substitute for HB 173 was proposed and unanimously passed out of committee. The substitute is exactly what GSRA requested and also retains provisions sought by other public retirement systems -- a true win-win.

GSRA greatly appreciates the contributions of Chairs John Carson and Tommy Benton, and of Rep. Stacey Evans. We encourage those of you who are constituents of any of these fine representatives to send or call them with your thanks.

A link to a video of the House Retirement Committee meeting follows:

<https://livestream.com/.../events/8729747/videos/218236055>