

**Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 24-1076.01 Nicole Myers x4326

**HOUSE BILL 24-1427**

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**HOUSE SPONSORSHIP**

**Bird and Taggart, Sirota**

**SENATE SPONSORSHIP**

**Bridges and Zenzinger, Kirkmeyer**

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**House Committees**  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING A REQUIREMENT THAT THE STATE AUDITOR RETAIN AN**  
102              **ACTUARIAL FIRM WITH EXPERIENCE IN PUBLIC SECTOR PENSION**  
103              **PLANS TO CONDUCT A STUDY REGARDING THE PUBLIC**  
104              **EMPLOYEES' RETIREMENT ASSOCIATION, AND, IN CONNECTION**  
105              **THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The state auditor, in cooperation with the public employees' retirement association (PERA), is required to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

HOUSE  
Amended 2nd Reading  
March 28, 2024

contract with a nationally recognized and enrolled actuarial firm to conduct the following analyses of PERA:

- A comprehensive study (comprehensive study) comparing the cost and effectiveness of the current hybrid defined benefit plan design currently administered by PERA to alternative plan designs in both the public and private sector; and
- As part of the comprehensive study, an analysis regarding specified aspects of the defined benefit plan and the defined contribution plan currently administered by PERA.

PERA and the state auditor are required to confer with the office of state planning and budgeting regarding the scope of the analyses and are required to provide a report detailing the findings of the comprehensive study to the governor, the joint budget committee, the legislative audit committee, and the finance committees of the senate and the house of representatives, or any successor committees. PERA is required to provide access to official member information and data under a confidentiality agreement with the retained firm for the comprehensive study.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **recreate and**  
3 **reenact, with amendments,** 24-51-614 as follows:

4           **24-51-614. Employee retirement benefit study.** (1) (a) THE  
5 STATE AUDITOR, WITH THE CONCURRENCE OF THE ASSOCIATION, SHALL  
6 RETAIN A NATIONALLY RECOGNIZED AND ENROLLED ACTUARIAL FIRM  
7 WITH EXPERIENCE IN PUBLIC SECTOR PENSION PLANS TO CONDUCT THE  
8 STUDY DESCRIBED IN SUBSECTION (2) OF THIS SECTION. THE STATE  
9 AUDITOR SHALL ADMINISTER A COMPETITIVE SOURCE SELECTION PROCESS  
10 PURSUANT TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF THIS  
11 TITLE 24, TO SOLICIT INDEPENDENT THIRD-PARTY FIRMS WITH THE  
12 NECESSARY CREDENTIALS TO BID FOR PERFORMANCE OF THE STUDY. THE  
13 STATE AUDITOR SHALL SELECT A FIRM THAT HAS A HISTORY OF UNBIASED,  
14 PEER-REVIEWED RESULTS AND SHALL NOT SELECT A FIRM THAT HAS A

1 KNOWN CONFLICT OF INTEREST THAT MAY INTERFERE WITH ITS ABILITY TO  
2 PRODUCE AN OBJECTIVE REPORT. A FIRM THAT RESPONDS TO THE  
3 SOLICITATION SHALL DISCLOSE ANY ASSOCIATION THAT IT HAD OR  
4 CURRENTLY HAS WITH A BIASED GROUP. IF, FOLLOWING GOOD FAITH  
5 EFFORTS, THE STATE AUDITOR AND THE ASSOCIATION DO NOT CONCUR  
6 REGARDING THE SELECTION OF THE FIRM BY OCTOBER 1, 2024, THE STATE  
7 AUDITOR SHALL RETAIN THE FIRM PREFERRED BY THE STATE AUDITOR. THE  
8 STATE AUDITOR SHALL ENTER INTO A CONTRACT WITH THE SELECTED FIRM  
9 BY OCTOBER 31, 2024.

10 (b) THE STATE AUDITOR AND THE ASSOCIATION SHALL CONFER  
11 WITH THE OFFICE OF STATE PLANNING AND BUDGETING TO DETERMINE THE  
12 SCOPE OF THE STUDY REQUIRED BY SUBSECTION (2) OF THIS SECTION.

13 (2) (a) THE FIRM SELECTED PURSUANT TO SUBSECTION (1) OF THIS  
14 SECTION TO PERFORM THE STUDY REQUIRED BY THIS SUBSECTION (2)  
15 SHALL PERFORM A COMPREHENSIVE STUDY COMPARING THE COST AND  
16 EFFECTIVENESS OF THE CURRENT HYBRID DEFINED BENEFIT PLAN DESIGN  
17 ESTABLISHED IN THIS ARTICLE 51 TO ALTERNATIVE PLAN DESIGNS IN THE  
18 PUBLIC AND PRIVATE SECTOR. THE STUDY MUST INCLUDE THE FOLLOWING:

19 (I) A COMPARISON OF THE BENEFITS, COST, AND PORTABILITY OF  
20 BENEFITS PROVIDED BY THE ASSOCIATION IN ITS CURRENT PLAN DESIGN  
21 WITH THE BENEFITS, COST, AND PORTABILITY OF BENEFITS PROVIDED BY  
22 ALTERNATIVE PLAN DESIGNS;

23 (II) A COMPARISON OF THE CURRENT PLAN DESIGN TO OTHER  
24 STATEWIDE PLANS, PRIVATE SECTOR RETIREMENT PLANS, AND ANY OTHER  
25 APPROPRIATE PLANS AS DETERMINED BY THE ASSOCIATION AND THE  
26 OFFICE OF THE STATE AUDITOR;

27 (III) AN ANALYSIS OF THE COST TO EMPLOYEES AND EMPLOYERS

1 THAT WOULD BE INCURRED BY TRANSITIONING FROM THE CURRENT PLAN  
2 DESIGN ADMINISTERED BY THE ASSOCIATION TO ALTERNATIVE PLAN  
3 DESIGNS;

4 (IV) THE IMPACT THAT A CHANGE FROM THE CURRENT PLAN  
5 DESIGN TO ALTERNATIVE PLAN DESIGNS WOULD HAVE ON EXPECTED  
6 RETIREMENT BENEFITS FOR CURRENT AND FUTURE RETIREES OF THE  
7 ASSOCIATION;

8 (V) THE INCREMENTAL IMPACTS THAT A CHANGE FROM THE  
9 CURRENT PLAN DESIGN TO ALTERNATIVE PLAN DESIGNS WOULD HAVE ON  
10 THE ASSOCIATION'S ABILITY TO FULLY AMORTIZE THE UNFUNDED  
11 ACTUARIAL ACCRUED LIABILITY OF EACH DIVISION OF THE ASSOCIATION;  
12 AND

13 (VI) THE IMPACT THAT A CHANGE FROM THE CURRENT PLAN  
14 DESIGN TO ALTERNATIVE PLAN DESIGNS WOULD HAVE ON EMPLOYERS,  
15 MEMBERS, AND TAXPAYERS RELATIVE TO THE PLAN DESIGN CURRENTLY  
16 SPECIFIED IN LAW.

17 (b) THE FIRM SELECTED PURSUANT TO SUBSECTION (1) OF THIS  
18 SECTION SHALL INCLUDE IN THE STUDY CONDUCTED PURSUANT TO  
19 SUBSECTION (2)(a) OF THIS SECTION AN ANALYSIS OF THE FOLLOWING  
20 ASPECTS OF THE DEFINED BENEFIT PLAN AND THE DEFINED CONTRIBUTION  
21 PLAN ESTABLISHED BY THIS ARTICLE 51 AND ADMINISTERED BY THE  
22 ASSOCIATION:

23 (I) A DETERMINATION OF THE WAYS IN WHICH MEMBERS WITH  
24 DIFFERENT JOB CLASSIFICATIONS AND VARYING SALARIES BENEFIT  
25 DIFFERENTLY FROM THE DEFINED BENEFIT PLAN VERSUS THE DEFINED  
26 CONTRIBUTION PLAN;

27 (II) A DETERMINATION OF WHETHER THE DEFINED BENEFIT PLAN

1 OR THE DEFINED CONTRIBUTION PLAN IS MORE ADVANTAGEOUS FOR STATE  
2 EMPLOYEES AND RETIREES; AND

3 (III) A DETERMINATION OF THE EXTENT TO WHICH THE DEFINED  
4 BENEFIT PLAN, AS OPPOSED TO THE DEFINED CONTRIBUTION PLAN, ENTICES  
5 INDIVIDUALS TO WORK FOR STATE GOVERNMENT INSTEAD OF WORKING IN  
6 THE PRIVATE SECTOR OR FOR ANOTHER GOVERNMENTAL ENTITY.

7 (c) ON OR BEFORE AUGUST 15, 2025, THE ASSOCIATION AND THE  
8 OFFICE OF THE STATE AUDITOR SHALL DELIVER A REPORT DETAILING THE  
9 FINDINGS OF THE STUDY CONDUCTED PURSUANT TO THIS SUBSECTION (2)  
10 TO THE OFFICE OF THE GOVERNOR, THE JOINT BUDGET COMMITTEE, THE  
11 LEGISLATIVE AUDIT COMMITTEE, AND THE FINANCE COMMITTEES OF THE  
12 SENATE AND THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR  
13 COMMITTEES.

14 (3) FOR PURPOSES OF THE STUDY REQUIRED BY SUBSECTION (2) OF  
15 THIS SECTION, THE ASSOCIATION SHALL PROVIDE ACCESS TO ANONYMIZED  
16 MEMBER INFORMATION AND DATA UNDER A CONFIDENTIALITY AGREEMENT  
17 WITH THE RETAINED ACTUARIAL FIRM.

18 (4) THE STATE AUDITOR SHALL NOTIFY THE JOINT BUDGET  
19 COMMITTEE OF THE GENERAL ASSEMBLY IF THE STATE AUDITOR  
20 DETERMINES THAT THE AMOUNT APPROPRIATED BY THE GENERAL  
21 ASSEMBLY FOR THE PURPOSE OF THE STUDY REQUIRED BY SUBSECTION (2)  
22 OF THIS SECTION IS INSUFFICIENT TO PROCURE A VENDOR TO COMPLETE  
23 THE SCOPE OF THE WORK REQUIRED.

24 **SECTION 2. Appropriation.** For the 2024-25 state fiscal year,  
25 \$380,750 is appropriated to the legislative department for use by the  
26 office of the state auditor. This appropriation is from the general fund.

27 **SECTION 3. Safety clause.** The general assembly finds,

1 determines, and declares that this act is necessary for the immediate  
2 preservation of the public peace, health, or safety or for appropriations for  
3 the support and maintenance of the departments of the state and state  
4 institutions.