

## **Bruce Caughey's Full Testimony to the Senate Finance Committee**

*Chairman Sandoval and members of the Senate Finance Committee:*

*My name is Bruce Caughey and I am the Deputy Executive Director of CASE, the Colorado Association of School Executives. I am here to testify in support of Senate Bill 1 with proposed amendments 8, 11 and 12.*

*CASE has more than 2,000 members who serve in administrative roles in school districts including superintendents, chief financial officers, personnel administrators and principals. By its very nature, CASE is very interested in the future of PERA from both a management and an employee perspective.*

*This has allowed CASE to play a unique role in the negotiations on this bill and for us to be a strong partner in the Colorado Coalition for Retirement Security. We have been working with the Coalition for the past six months (I have served on its Steering Committee) and have very much appreciated the hard work by PERA Staff and Trustees, by Senate President Brandon Shaffer and Senate Minority Leader Josh Penry, as well as Representative Andy Kerr and House Leadership to bring a bill and amendments that we can all get behind.*

*I also have spoken to Jane Urschel, the deputy executive director at the Colorado Association of School Boards, and she asked me to share her Board's support for Senate Bill 1 with proposed amendment. CASB's support for stabilizing PERA is greatly appreciated. In addition, Paula Stephenson of the Colorado Rural Schools Caucus asked me to indicate their support for Senate Bill 1 with proposed amendments.*

*It has not been pleasant to discuss the hardships that the PERA fix creates at a time of great economic distress. Without minimizing in anyway the shared sacrifice by active and retired employees, I want to stress today that school districts, faced with drastic cuts in funding, are now going to be faced with incremental increases in their contribution to the stability of PERA.*

*The only way that we can fully get behind today's bill and the amendment, is to highlight the shift that impacts the school division. First, keeping the retirement age at 58 will help districts who will not have to keep their most expensive employees longer. Second, by keeping the age at 58 for employees hired after 2011, the employee share (or SAED) will be increased from 2 to 2.5 percent.*

*CASE and CEA have agreed to recognize today that the statute governing the increased SAED is paid for by funds that would otherwise go to employee raises. We recognize the distinction of the SAED (employee share) and the AED (employer share) and also agree with the reduction of a half percent from the employer share to help incent the slightly lower retirement age.*

*Please support Senate Bill 1 with proposed amendments 8, 11 and 12. Thank you for taking my testimony today. At this time, I will be happy to answer any questions.*

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