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April 6, 2012

California Actuarial Advisory Panel (CAAP)
P.O. Box 942850
Sacramento, CA 94250-5872

Gentlemen:

As you are aware, the Stanford Institute for Economic Policy Research (SIEPR) has release a series of reports on the overall conditions of various public pensions in California. The most recent was on February 21, 2012, and in part, covered 1937 Act systems. As the Board of Directors for the SACRS organization, we are quite concerned with research quality of these publically released studies. Beyond the quality issues, there is a great concern that the media picks up the SIEPR findings, and without further research or in-depth questioning, releases those “findings” into the widely syndicated press. The public then picks up these “sound bits” and we find ourselves on the defense for a retirement benefit that, by all rights, should be available to all working Americans.

We believe that the mission of the CAAP is providing “impartial and independent information on pensions, OPEB benefits and best practices”. And further, the Advisory Panel is tasked with “replying to policy questions from public retirement systems in California”. To that point we would like to request the CAAP to review the most recent report (February 21, 2012) in comparison to our historical methods and performances and then comment on the accuracy of the SIEPR report.

If you are willing to undertake this important review, our systems will cooperate in providing all necessary data that you may request. We would hope that you would frame each factual issue in a “bullet point” approach, followed by a narrative paragraph. We plan to publically release your findings and believe that having a bullet point approach will to work best with the media. (They tend to not want to quote long narrative responses.)

On behalf of the 20 Boards of Retirement and the 400,000 members in the '37 Act systems, we welcome your open review of our systems.

If you need further clarification or a point of contact for the SACRS systems, please feel free to contact Mr. Robert Palmer, SACRS Executive Director.

Sincerely,

Rich White
SACRS President

Cc: SACRS Board of Director
All system CEO's/Retirement Administrators