

Governor Joseph E. Kernan
Statehouse Room 206
200 W. Washington St.
Indianapolis, IN 46204

BY HAND-DELIVERY

March 11, 2004

Dear Gov. Kernan:

We are writing on behalf of journalists and other concerned Hoosiers to ask you to veto House Bill 1285.

This bill, which authorizes a feasibility study for early withdrawals from the funds managed by the Public Employees Retirement Fund, was amended in the closing weeks of the legislative session to retroactively shut down public access to information from several of those funds, including the ones for legislators, police officers and firefighters.

The public has a vital interest in keeping access to this information open. In recent years, there have been numerous examples of abuse and misuse of public pension funds that hold billions of taxpayer dollars.

Last year in Denver, for example, a newspaper analysis of pension records revealed an outdated system that was funneling millions of tax dollars to retired police officers and firefighters by linking their pensions to the salaries of current department employees, even decades after they retired. In New Jersey in 2002, a newspaper reported that state lawmakers had manipulated the system "to generate retirement packages that far exceed the \$48,000 a year they earn as part-time lawmakers." And in our own state, PERF has been rocked by a criminal conviction and allegations of theft and questionable management just within the last year.

These are important issues that would not come to light without the ability of the public to examine pension fund records.

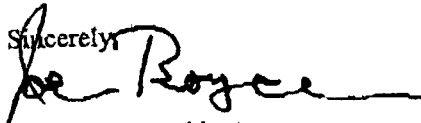
In addition, there's the matter of the retroactive nature of this bill, which we believe raises the question of whether it could withstand a constitutional challenge. The bill declares an unspecified emergency that necessitates it taking effect immediately and retroactive to September 1, 2003. This date is several weeks prior to the date PERF received one of at least two requests for information from the pension funds in question, which public access counselor Michael Hurst recently agreed are not exempt from the access law. In effect, this legislation and its effective date seem clearly designed for the

sole purpose of defeating legitimate requests for public records. That this request does not constitute an emergency is apparent from the fact that the relevant portions of the PERF statute haven't been touched by the legislature in well over a decade.

In closing, neither the substance nor the handling of this bill represent good public policy-making. In these times of high-profile pension fund fiascoes, the public needs more disclosure of state pension records, not less. On behalf of all Hoosiers, we urge your assistance in preserving the principles of public disclosure in this matter.

Thank you for your consideration. Should you have any questions, feel free to contact any of our organizations.

Sincerely,



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