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MAY 20 2019

May 20, 2019

Senator Peter Courtney
President, Oregon Senate
900 Court St NE, S-201
Salem, OR, 97301

Representative Tina Kotek
Speaker, Oregon House of Representatives
900 Court St. NE, Rm. 269
Salem, Oregon 97301

Dear President Courtney and Speaker Kotek,

As the legislature begins the final weeks before sine die, I wanted to follow-up on an issue that had been raised during previous discussions regarding SAIF's funds — whether SAIF was willing to create a side account within PERS to address our portion of the UAL.

I wanted to inform you that at our board meeting next month, we will recommend that SAIF establish a substantial side account that will offset most, if not all, of the UAL allocated to SAIF. I will let you know when the board takes action.

We have already conducted some analysis regarding creation of a side account, and we will be asking PERS to calculate SAIF's portion of the outstanding UAL, which is an initial step in creating a side account. Based on DAS estimates, we believe the amount is approximately \$91 million.

Do let me know if you have any questions, or if I can provide any further information about SAIF.

Best wishes for a successful conclusion of the session.

Sincerely,



Kerry Barnett

Cc: Representative Carl Wilson, House Republican Leader
Senator Herman Baertschiger Jr., Senate Republican Leader