



200 E. 18TH STREET, AUSTIN TEXAS 78701 | P.O. BOX 13207, AUSTIN, TEXAS 78711-3207 | (877) 275-4377 TOLL-FREE | WWW.ERS.STATE.TX.US

May 17, 2016

Ken Levine
Director
Sunset Advisory Commission
PO Box 13066
Austin, Texas 78711-3066

PORTER WILSON
EXECUTIVE DIRECTOR

I. CRAIG HESTER
CHAIR

DOUGLAS DANZEISER
VICE-CHAIR

BOARD OF TRUSTEES
ILESA DANIELS
CYDNEY C. DONNELL
BRIAN D. RAGLAND
FREDERICK E. ROWE, JR.

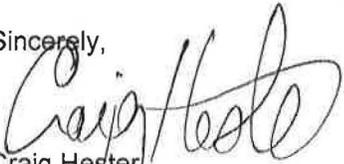
Dear Mr. Levine:

Thank you for providing me with a copy of the recently published Sunset Advisory Commission Staff Report on the Employees Retirement System of Texas (ERS) and allowing me an opportunity to comment on its contents on behalf of the ERS Board of Trustees. I understand from speaking with ERS staff that your team conducted a rigorous and detailed examination of our agency. The final report is a quality example of the benefits provided by the important governmental oversight process your agency administers.

I have reviewed the staff report and discussed the findings and recommendations with Mr. Wilson and ERS staff. I am encouraged that the report identifies several of the issues the Board has been working to address over the last several years, and I appreciate the independent confirmation that we are focusing our attention on challenges that will make a difference to hard working state employees. Specifically, the trustees have discussed contracting operations and investment reporting at length with agency staff to ensure these functions are correctly managed to serve the needs and interests of the agency's stakeholders and the citizens of this state.

Mr. Wilson submitted an official agency response to the Sunset Staff Report to you last Friday, May 13. As Chair of the ERS Board of Trustees, I concur with and support the comments made in that response and look forward to working with the Sunset Advisory Commission and the Texas Legislature to achieve the successful implementation of recommendations that will improve ERS' provision of benefits to state employees, retirees, and their families for years to come.

Sincerely,



Craig Hester
Chair, ERS Board of Trustees

Cc: Porter Wilson, Executive Director, ERS
Representative Larry Gonzales, Chair, Sunset Advisory Commission
Senator Van Taylor, Vice-Chair, Sunset Advisory Commission