NBI 30

2025 FORM FOR NEW BUSINESS ITEMS

Independent Forensic Audit of PRIM's Private Asset Valuations 04/30/2025
NBI Name Date and Time

Am Cecil Fuoti — Framingham Teachers Association
Delegate Making the Motion | Cell | Email | Association Represented or Retired

Kyle Gekopi — Wellesley Educators Association
Delegate Seconding the Motion | Cell | Email | Association Represented or Retired

According to the MTA Standing/Special Rules:
With the exception of items on the agenda, all substantive motions shall be submitted in writing to the Presiding Officer.

MOTION

MOVED:

The MTA will allocate funds to secure an independent pension expert or forensic auditor to conduct a comprehensive review of the PRIM Board's valuation practices for private alternative assets held within the PRIT Fund. The goal of this audit is to assess the accuracy, validity, reliability, and legitimacy of PRIM's private market asset valuations and investment practices.

SUBMITTER'S RATIONALE:

Research from Boston College's Center for Retirement Research highlights that public pensions like ours would have achieved equal or better performance with a simple 60/40 indexed portfolio, saving hundreds of millions of dollars in fees annually. Furthermore, the PRIM Board's heavy reliance on opaque private valuations, particularly amid growing evidence of fraudulent private valuations, conflicts of interest, and market instability, poses a threat to members' retirement security.
An independent audit is essential to:
1. Evaluate the methodologies and assumptions PRIM relies upon for private asset valuations.
2. Investigate the potential systemic risks and artificial inflation of private asset prices.
3. Recommend policy reforms to increase transparency, mitigate financial risks, and ensure fiduciary accountability to educators.

DUES IMPACT:

$11

SUBMITTER'S COST & STAFF TIME ESTIMATE:

MTA COST & STAFF TIME ESTIMATE **(For MTA use only):**

$1,000,000+; 200 hours

NEW BUSINESS ITEMS submitted by 5 p.m. on Monday, April 28, will be distributed to the delegates at Registration and commence to be considered at the Friday session.

New Business Items with a policy implication must be submitted by 5 p.m. on the Monday (April 28) prior to the Meeting of Delegates and shall be considered throughout the meeting at times determined by the Presiding Officer.

New Business Items WITH budgetary implications should be submitted either by the Monday prior to the Annual Meeting (April 28) or no later than prior to the conclusion of business on Friday (May 2) at the Annual Meeting so that they may be acted upon prior to adoption of the annual budget and the dues for FY2025-2026, which will occur Saturday morning. A New Business Item WITH budgetary implications is defined as any activity or action that would result in an additional expenditure of more than $1,000 by the MTA. New Business Items WITH budgetary implications will be considered in the order in which they are received but before other New Business Items WITHOUT budgetary implications.

Other New Business Items WITHOUT budgetary implications may be submitted during the meeting up to the end of the first hour on Saturday morning (by approximately 10 a.m. Saturday, May 3). These may be considered during the meeting in the order in which they are received.

Submit to MTAGovernance@massteacher.org

If you have any questions, please contact Jennifer Freeling, Director of Governance and Administration Division at jfreeling@massteacher.org.