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FISCAL IMPACT REPORT

ORIGINAL DATE 1/20/06
 LAST UPDATED 2/04/06 HB 212/aHAFC

SPONSOR Heaton

SHORT TITLE State Retirement System Oversight Committee SB _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
\$150		Non-Recurring	other

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to HB 212 strikes the general fund appropriation of \$150,000 and replaces it with an appropriation from legislative cash balances.

Synopsis of Original Bill

House Bill 212 creates the “state investment and retirement systems oversight committee” as a joint interim legislative committee and appropriates \$150,000 from the general fund for expenditure in FY06 and FY07 for technical, legal, and actuarial assistance as well as operational expenses.

FISCAL IMPLICATIONS

\$150 thousand non-recurring general fund to cover committee expenses. There would be some minor travel costs for legislative and agency staff to attend meetings outside of Santa Fe.

SIGNIFICANT ISSUES

HB 212 will provide for a permanent interim committee to oversee approximately \$35 billion invested by the state endowment funds, state pension funds, and State Treasurer. It will replace the State Permanent Fund Task Force which met during the interim in 2004 and 2005.

The State Investment and Retirement Systems Oversight Committee will have five members from the House and five members from the Senate. There will be five non-voting members (or their designee): state investment officer, secretary of finance and administration, Educational Retirement Board investment officer, Public Employees Retirement Board investment director, and the state treasurer.

The State Investment and Retirement Systems Oversight Committee will have the following functions:

1. Monitor and oversee the investment and financial management practices used by state investing agencies;
2. Undertake a continuing analysis of the financial and actuarial status of the retirement systems, including benefit structures;
3. Develop recommendations to improve state investment practices and to ensure the financial and actuarial soundness of the retirement funds;
4. Make referrals of matters needing further attention to appropriate authorities;
5. Review and analyze proposed legislation received in the interim;
6. Report to the legislature prior to the start of each regular session any recommendations that the committee may have for legislative action.

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