

1 SENATE JOINT MEMORIAL 15

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THAT THE NEW MEXICO LEGISLATIVE COUNCIL AUTHORIZE A
12 CONTRACT FOR PROFESSIONAL SERVICES TO STUDY THE FEASIBILITY AND
13 POTENTIAL BENEFITS OF COMBINING ALL STATE INVESTMENT MANAGEMENT
14 AND INVESTMENT FUNCTIONS.

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16 WHEREAS, each legislative interim, the members of the
17 legislature's interim investments and pensions oversight
18 committee hear testimony from various state agencies' staff
19 regarding the status of agency investment funds, investment
20 earnings, investing strategies and benchmarks and payments of
21 investment management fees; and

22 WHEREAS, as a result of the information derived from that
23 testimony, legislation has been introduced to alter the manner
24 in which those agencies or their respective boards manage, or
25 cause to be managed, agency investment funds; and

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underscoring material = new
~~[bracketed material] = delete~~

1 WHEREAS, three of the state's several investing agencies,
2 the state investment council, the educational retirement board
3 and the public employees retirement association, manage over
4 forty-one billion dollars (\$41,000,000,000) in institutional
5 investment assets; and

6 WHEREAS, there are additional billions in state dollars
7 currently invested through the office of the state treasurer,
8 the education trust board pursuant to New Mexico's 529 college
9 savings plan, the New Mexico finance authority and the New
10 Mexico mortgage finance authority; and

11 WHEREAS, despite only minor differences in the investment
12 strategies and the types of assets owned by these various
13 agencies, and because the investments are managed separately,
14 multiple consultants are paid millions of dollars to provide
15 similar investing advice; and

16 WHEREAS, many other states have recognized the benefits
17 derived from implementing a consolidated investment model that,
18 employing economies of scale, taps into efficiencies in
19 investment and client services and savings in fees paid; and

20 WHEREAS, along with a direct savings and a positive fiscal
21 impact for investment stakeholders, the state's budget and the
22 budgets of the investing state agencies would benefit as well
23 from the savings achieved through consolidation of investment
24 strategies by eliminating duplication of consultants,
25 management services and investment fees; and

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