



State of New Mexico
STATE INVESTMENT COUNCIL

41 Plaza La Prensa
Santa Fe, New Mexico 87507
Phone: (505) 476-9500
Fax: (505) 424-2510

SUSANA MARTINEZ
GOVERNOR

STEVEN K. MOISE
STATE INVESTMENT OFFICER

MEMORANDUM

TO: The Investments and Pensions Oversight Committee
FROM: Charles Wollmann, Dir. Communications
SUBJECT: 2012 SIC Legislation
DATE: December 2, 2011

Following review by and approval of the State Investment Council and its Governance Committee, in addition to evaluation and consultation with the Legislative Council Service, SIC staff is requesting the Investments & Pensions Oversight Committee (IPOC) to endorse the following legislative efforts in the 2012 session:

- A constitutional amendment for the Land Grant Permanent Fund (LGPF), which brings the language involving standard of care into alignment with existing statute and standard practice, namely, to comply with the Uniform Prudent Investor Act (UPIA).
- In the same constitutional amendment, entirely remove the existing 15% cap on international equity investment in the LGPF, while introducing a companion bill that would establish an international equity investment cap of 25% *by statute*, rather than dictated by the Constitution.

In approaching the constitutional change in this manner, the legislature retains a measure of control and oversight, while creating a more flexible construction that will allow for reasonable future changes if appropriate.

It should be noted that the constitutional amendment is similar to SJR17, carried by Senator Burt in 2011. Its companion bill will need a message from the Governor to be germane.

Doris Faust is completing drafts of these revised bills, to reflect the changes requested by the Council and its Governance Committee.