

MINUTES
of the
SEVENTH MEETING
of the
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

December 10, 2007
State Capitol
Santa Fe

The seventh meeting of the Investments and Pensions Oversight Committee for the 2007 interim was called to order by Senator John Arthur Smith, chair, on Monday, December 10, 2007, at 1:30 p.m. at the State Capitol in Santa Fe.

Present

Sen. John Arthur Smith, Chair
Rep. John A. Heaton, Vice Chair
Rep. Donald E. Bratton
Rep. Larry A. Larrañaga
Sen. Carroll H. Leavell
Rep. Jim R. Trujillo
Rep. Luciano "Lucky" Varela

Absent

Sen. Joseph J. Carraro
Sen. Mary Kay Papen
Rep. Henry Kiki Saavedra

Advisory Members

Rep. Andrew J. Barreras
Sen. Carlos R. Cisneros
Rep. Miguel P. Garcia
Bob Jacksha, Educational Retirement
Board
James Lewis, State Treasurer
Olivia Padilla-Jackson, State Board of
Finance
Rep. John Pena
Rep. Jane E. Powdrell-Culbert
Rep. Sheryl Williams Stapleton
Charles Wollman for Gary Bland, State
Investment Council
Rep. Eric A. Youngberg

Sen. Pete Campos
Bob Gish, Public Employees Retirement
Association
Sen. Stuart Ingle
Rep. Patricia A. Lundstrom
Sen. Leonard Lee Rawson
Sen. H. Diane Snyder

Special Guests

Sen. Rod Adair
Sen. Dianna J. Duran

Staff

Doris Faust, Legislative Council Service (LCS)
Cleo Griffith, LCS

Wayne Propst, Legislative Finance Committee (LFC)
Doug Williams, LCS

Guests

The guest list is in the meeting file.

Monday, December 10

The committee adopted the minutes of the November 7, 2007 meeting.

Review of Proposed Legislation

—Wayne Propst, LFC
—Doug Williams, LCS
—Cleo Griffith, LCS

Mr. Williams and Mr. Propst explained the Retiree Health Care Authority (RHCA) legislation. The changes to current law are summarized as follows.

- The \$3 million transfer from the state of New Mexico, scheduled to terminate on June 30, 2010, would be extended indefinitely. Beginning July 1, 2010, the \$3 million would be used for prefunding of future liabilities.
- An additional \$1 million annual assessment would be obtained from nonstate participating entities, except for public schools. The assessment would begin July 1, 2008.
- A new annual report would be required from the RHCA on December 15 of each year.
- The composition of the RHCA board of directors would be expanded to include the secretary of finance and administration and the chief financial officer of a public post-secondary educational institution.
- Active employer contributions would be increased from 1.30% of payroll to 1.60% and active employee contributions would be increased from 0.65% of payroll to 0.80%.
- The health care premium subsidy for retirees and spouses would follow a sliding scale based on age.

The committee requested a copy of the House Bill 728 task force report and a listing of the nonstate participating entities that would be assessed \$3 million in the aggregate. After general discussion and clarification of the issues, the committee endorsed the legislation on a 7-0 vote.

Ms. Griffith presented House Bill 315 from the 2007 session for the committee's consideration. This legislation, which was vetoed in 2007, would create a permanent State Investment and Retirement Systems Oversight Committee. The committee endorsed the legislation on a 7-0 vote.

Ms. Griffith presented draft legislation that had been requested by Senator Rawson. This legislation would expand the board of directors of the State Investment Council to include a public member with no less than 15 years of professional experience in the field of investment finance. The committee endorsed the legislation on a 7-0 vote.

Ms. Griffith presented draft legislation that had been requested by the state treasurer. This legislation would expand eligibility for participation in the local government investment pool. The committee endorsed the legislation on a 7-0 vote.

Ms. Griffith presented draft legislation that would amend the return-to-work provisions for members of the Public Employees Retirement Association. This legislation would only affect nonstate government employees seeking to return to work. The committee endorsed the legislation on a 7-0 vote.

The committee adjourned at 3:00 p.m.