

AN ACT

CREATING A JOINT INTERIM LEGISLATIVE COMMITTEE TO OVERSEE  
STATE INVESTMENTS AND RETIREMENT SYSTEMS; MAKING AN  
APPROPRIATION; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. STATE INVESTMENT AND RETIREMENT SYSTEMS  
OVERSIGHT COMMITTEE CREATED.--The "state investment and  
retirement systems oversight committee" is created as a joint  
interim legislative committee.

Section 2. MEMBERSHIP--APPOINTMENT--VACANCIES.--

A. The state investment and retirement systems  
oversight committee shall be composed of ten voting members  
and five nonvoting members.

B. Five members of the house of representatives  
shall be appointed as voting members of the committee by the  
speaker of the house of representatives, and five members of  
the senate shall be appointed as voting members of the  
committee by the committees' committee of the senate or, if  
the senate appointments are made in the interim, by the  
president pro tempore of the senate after consultation with  
and agreement of a majority of the members of the committees'  
committee. Members shall be appointed from each house so as  
to give the two major political parties in each house the same  
proportionate representation on the committee as prevails in

each house. An appointed member may designate a legislator from the member's party to serve in the member's place at a committee meeting at which the member is going to be absent. The member shall select the designee from a list of four potential designees from each house, appointed in the same manner as the appointment of the members.

C. The five nonvoting members of the board shall be: the state investment officer or the officer's designee; the secretary of finance and administration or the secretary's designee; the state treasurer or the treasurer's designee; the investment director of the public employees retirement association or the director's designee; and the director of the educational retirement board or the director's designee.

D. Vacancies on the committee shall be filled by appointment in the same manner as the original appointments. The speaker of the house of representatives and the president pro tempore of the senate shall each designate one co-chair of the committee.

E. No action shall be taken by the committee if a majority of the total membership from either house on the committee rejects such action.

Section 3. POWERS AND DUTIES.--After its appointment, the state investment and retirement systems oversight committee shall hold one organizational meeting to develop a work plan and budget for the ensuing interim. The work plan

and budget shall be submitted to the New Mexico legislative council for approval. Upon approval of the work plan and budget by the legislative council, the committee shall:

A. monitor and oversee the investment and financial management practices used by the state investment council, the state board of finance and the state treasurer with respect to all public funds, including the permanent funds, and the investment practices used by the public employees retirement association and the educational retirement board with respect to their retirement funds;

B. undertake a continuing analysis of the financial and actuarial status of the retirement systems, including the benefit structure, of the public employees retirement association and the educational retirement board;

C. develop recommendations as appropriate to improve state investment practices and to ensure the financial and actuarial soundness of the retirement funds;

D. make referrals of matters needing further attention to the appropriate public official, agency, oversight board or the attorney general for investigation, corrective action and penalties if warranted;

E. request that all proposed legislation affecting state investment practices, the permanent funds or the retirement funds be presented to the committee for review and analysis in the interim prior to the legislative session in

which the legislation will be introduced; and

F. report to the legislature prior to the start of each regular legislative session any recommendations that the committee may have for legislative action.

Section 4. ASSISTANCE TO COMMITTEE.--The public employees retirement association, the educational retirement board, the state investment council, the department of finance and administration and the state treasurer shall assist the committee in the performance of its duties and shall make available records and information requested.

Section 5. STAFF.--The staff for the state investment and retirement systems oversight committee shall be provided by the legislative council service, but actuarial and other outside consultants are authorized as necessary to assist the committee in carrying out its duties.

Section 6. APPROPRIATION.--One hundred fifty thousand dollars (\$150,000) is appropriated from the legislative cash balances to the legislative council service for expenditure in fiscal years 2006 and 2007 for the purpose of paying for technical and legal assistance and actuarial and other outside consultants to assist the state investment and retirement systems oversight committee, for necessary equipment and supplies used in carrying out the provisions of this act and for reimbursing the per diem and mileage expenses of the committee. Payments from the appropriation shall be made upon

vouchers signed by the director of the legislative council  
service or the director's authorized representative.

Section 7. EMERGENCY.--It is necessary for the public  
peace, health and safety that this act take effect  
immediately.

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