

1 SENATE JOINT MEMORIAL 59

2 49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO APPOINT AN  
12 EQUITABLE NEW MEXICO INVESTMENT TASK FORCE TO STUDY THE  
13 INVESTMENT POLICIES OF THE STATE INVESTMENT COUNCIL AND THE  
14 INVESTMENT OF THE PERMANENT FUNDS.

15  
16 WHEREAS, the recent collapse of Wall street demonstrates  
17 the inherent riskiness of even the safest of private-sector  
18 financial investments, let alone mortgage-backed securities,  
19 commercial paper, private equities, hedge funds and other  
20 speculative financial products; and

21 WHEREAS, yields on government securities and the recent  
22 five-year performance of state investments have not kept pace  
23 with the rate of inflation and other cost-of-living  
24 measurements; and

25 WHEREAS, the state and the nation are facing harsh

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1 economic circumstances that require the legislature to  
2 determine best practices for protecting the general welfare of  
3 its citizens who are the rightful owners of the permanent  
4 funds; and

5 WHEREAS, the serious and ongoing nature of the current  
6 economic downturn and the inability of the financial products  
7 industry to deliver an adequate inflation-adjusted return on  
8 investment over the last five years means it may be more  
9 practical and equitable to invest in New Mexico than to risk  
10 continuing to lose permanent funds income in increasingly  
11 hazardous securities markets; and

12 WHEREAS, a prudently managed state investment can, in  
13 fact, provide for both an adequate return on investment and the  
14 required distributions to beneficiaries by investing in  
15 nondiscretionary infrastructure here in New Mexico, such as  
16 municipal-scale energy, food and health care systems; and

17 WHEREAS, the state investment officer, with the advice of  
18 the state investment council, is responsible for investing the  
19 state's permanent funds as well as other funds that have been  
20 statutorily assigned to the officer;

21 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
22 STATE OF NEW MEXICO that the New Mexico legislative council be  
23 requested to appoint an equitable New Mexico investment task  
24 force to study the investment policies of the state investment  
25 council and the investment of the permanent funds and to take a

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1 fresh look at alternative investment strategies that are  
2 focused on getting the most value for the citizens of New  
3 Mexico by investing a greater percentage of the permanent funds  
4 in the state; and

5 BE IT FURTHER RESOLVED that the task force be composed of  
6 legislators; the state investment officer or the state  
7 investment officer's designee; the secretary of workforce  
8 solutions or the secretary's designee; the secretary of  
9 economic development or the secretary's designee; the director  
10 of the department of agriculture or the director's designee;  
11 the secretary of health or the secretary's designee;  
12 entrepreneurs; municipal, county, environmental and labor  
13 leaders; and other interested persons; and

14 BE IT FURTHER RESOLVED that the task force focus on  
15 careful local investment strategies that recognize that the  
16 multiplier effect of local investment triples the economic  
17 benefit to citizens through the phenomenon known as "local  
18 dollar recycling"; and

19 BE IT FURTHER RESOLVED that the task force take into  
20 account the equitability and net benefits to citizens of  
21 nondiscretionary infrastructure investment and identify optimal  
22 investments of such nondiscretionary infrastructure in  
23 communities around the state; and

24 BE IT FURTHER RESOLVED that the task force study statutory  
25 and administrative changes necessary to facilitate investing

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1 the state's permanent funds in New Mexico; and

2 BE IT FURTHER RESOLVED that a copy of this memorial be  
3 transmitted to the director of the legislative council service  
4 for delivery to the New Mexico legislative council.

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