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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/11

SPONSOR Maestas LAST UPDATED 03/08/11 HB 294/aHJC

SHORT TITLE Treasurer to Appoint Designee to Boards SB _____

ANALYST Graeser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI	NFI	NFI	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
State Treasurer's Office (STO)

SUMMARY

Synopsis of HJC Amendment

House Judiciary Committee Amendment to House Bill 294 requires the State Treasurer, in person, to attend State Investment Council meetings. The amendment strikes the authorization for a designee to attend SIC meetings in the place of the Treasurer.

Synopsis of Bill

House Bill 294 allows the Treasurer to appoint a designee to represent him at board meetings of Educational Retirement Board (ERB), the State Investment Council (SIC), and Public Employees Retirement Association (PERA).

STO describes this bill as follows:

The NM State Treasurer is an ex-officio member of 14 different boards and commissions including the Educational Retirement Board (ERB), the State Investment Council (SIC),

and Public Employees Retirement Association (PERA). This bill would amend the statutes appointing the Treasurer to these three boards to allow the Treasurer to designate a designee to represent him at board meetings of these three institutions.

FISCAL IMPLICATIONS

No Fiscal Impact

SIGNIFICANT ISSUES

STO reports, "...currently the statutes appointing the Treasurer a member of these three boards do not provide for designees. This bill would allow the Treasurer, a public official, who tends to get assigned to serve on a variety of boards because of the Treasurer's fiduciary responsibilities, to appoint a qualified designee to attend board meetings in the event there is a conflict."

PERFORMANCE IMPLICATIONS

STO reports, "...none in practice because the State Treasurer's Office (STO) would only send a designee in rare instances of conflict, which do occasionally arise since the NM State Treasurer is a member of 14 boards and commissions, and is currently serving on the executive committees of the National Association of State Treasurers (NAST) and the National Association of Auditors, Controllers and Treasurers (NASACT). Agendas of board meetings are sent out in advance, and therefore issues that would arise during a board meeting can be discussed beforehand.

ADMINISTRATIVE IMPLICATIONS

Administrative implications would be positive since having a designee is more likely to assure a quorum at board meetings. Additionally, the designee would be able to provide a better briefing to the Treasurer, having attended the meeting in person.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 294 is related to SB329 which bill allows the State Treasurer to designate a qualified individual to act as designee at ERB board meetings.

OTHER SUBSTANTIVE ISSUES

Under current statutes and policies, the State Treasurer is authorized to appoint a qualified designee to act in his absence as a voting member on seven of the other boards and commissions he serves on. When a designee attends a meeting on the Treasurer's behalf, the designee fully informs the Treasurer of the issues discussed and the actions taken at the meeting.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted then the status quo will remain whereby the Treasurer who serves on 14 different boards, and is sometimes added as a board member to new boards and commissions without prior notification, will not be represented at a meeting because of a conflict. This has happened on rare occasions, and there has been some concern on the part of the agencies and their boards that there would not be a quorum, even though important issues may be on the agenda.