

AMENDED IN SENATE MAY 9, 2011
AMENDED IN SENATE MARCH 24, 2011

SENATE BILL

No. 294

Introduced by Senator Price

February 14, 2011

An act to add and repeal Section 22228 of the Education Code, and to add and repeal Section 20136 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 294, as amended, Price. Public employees' retirement: emerging investment managers.

The Public Employees' Retirement Law creates the Public Employees' Retirement Fund, which is a trust fund created and administered solely for the benefit of the members and retired members of this system and their survivors and beneficiaries. The Board of Administration of the Public Employees' Retirement System has the exclusive control of the administration and investment of the retirement fund.

The Teachers' Retirement Law establishes the State Teachers' Retirement System in order to provide a financially sound plan for the retirement, with adequate retirement allowances, for teachers in public schools of the state, teachers in schools supported by the state, and other persons employed in connection with the schools. The plan and the system are administered by the Teachers' Retirement Board.

This bill would require the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to each provide a 5-year strategic plan, as specified, ~~to expand the participation of~~ *for* emerging investment ~~managers~~ *manager participation* across all asset classes. The bill would require each of the

boards to submit an annual report to the Legislature, until January 1, 2018, ~~with benchmarks~~ regarding the progress of the strategic plan. The bill would require the boards to define “emerging investment manager” for purposes of these provisions ~~by regulation~~.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22228 is added to the Education Code,
 2 to read:

3 22228. (a) ~~The Commencing August 1, 2012, the board shall~~
 4 provide a five-year strategic plan, ~~commencing August 1, 2012,~~
 5 ~~to expand the participation of emerging investment managers~~
 6 ~~across all asset classes. The plan shall include a 15-percent~~
 7 ~~participation goal of emerging investment managers.~~ *for emerging*
 8 *investment manager participation across all asset classes.*

9 (b) The board shall submit a report to the Legislature,
 10 commencing March 1, 2014, and each March 1 thereafter, ~~with~~
 11 ~~benchmarks~~ regarding the progress of the strategic plan. The report
 12 shall be submitted in compliance with Section 9795 of the
 13 Government Code.

14 (c) The board shall define the term “emerging investment
 15 manager” for purposes of this section ~~by regulation~~.

16 (d) *Nothing in this section shall require the board to take action*
 17 *that is not consistent with the fiduciary responsibilities of the board*
 18 *as described in Section 17 of Article XVI of the California*
 19 *Constitution.*

20 (d)

21 (e) This section shall remain in effect only until January 1, 2018,
 22 and as of that date is repealed, unless a later enacted statute, that
 23 is enacted before January 1, 2018, deletes or extends that date.

24 SEC. 2. Section 20136 is added to the Government Code, to
 25 read:

26 20136. (a) ~~The Commencing August 1, 2012, the board shall~~
 27 provide a five-year strategic plan, ~~commencing August 1, 2012,~~
 28 ~~to expand the participation of emerging investment managers~~
 29 ~~across all asset classes. The plan shall include a 15-percent~~
 30 ~~participation goal of emerging investment managers.~~ *for emerging*
 31 *investment manager participation across all asset classes.*

1 (b) The board shall submit a report to the Legislature,
2 commencing March 1, 2014, and each March 1 thereafter, ~~with~~
3 ~~benchmarks~~ regarding the progress of the strategic plan. The report
4 shall be submitted in compliance with Section 9795 of the
5 Government Code.

6 (c) The board shall define the term “emerging investment
7 manager” for purposes of this section ~~by regulation~~.

8 *(d) Nothing in this section shall require the board to take action*
9 *that is not consistent with the fiduciary responsibilities of the board*
10 *as described in Section 17 of Article XVI of the California*
11 *Constitution.*

12 ~~(d)~~

13 (e) This section shall remain in effect only until January 1, 2018,
14 and as of that date is repealed, unless a later enacted statute, that
15 is enacted before January 1, 2018, deletes or extends that date.