

Senate Bill No. 294

Passed the Senate May 31, 2011

Secretary of the Senate

Passed the Assembly September 7, 2011

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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, for emerging investment 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, regarding the progress of the strategic plan. The bill would require the boards to define "emerging investment manager" for purposes of these provisions.

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

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

22228. (a) Commencing August 1, 2012, the board shall provide a five-year strategic plan for emerging investment manager participation across all asset classes.

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

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

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

(e) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

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

20136. (a) Commencing August 1, 2012, the board shall provide a five-year strategic plan for emerging investment manager participation across all asset classes.

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

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

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

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

Approved _____, 2011

Governor