

**Introduced by Senator Ortiz**

February 25, 2000

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An act to repeal, add, and repeal Chapter 21.4 (commencing with Section 7515) of Division 7 of Title 1 of the Government Code, relating to public retirement fund investments.

LEGISLATIVE COUNSEL'S DIGEST

SB 2122, as introduced, Ortiz. Joint Retirement System Investment Advisory Board.

The California Constitution provides that the retirement boards of public pension or retirement systems have plenary authority over the assets of the system, subject to their fiduciary duties to the systems' members.

This bill would establish the Joint Retirement System Investment Advisory Board that would be authorized to make recommendations to the Public Employees' Retirement System and the State Teachers' Retirement System, as specified. The provisions of the bill would be repealed on January 1, 2004.

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. This act shall be known and may be cited
- 2 as the Joint Retirement System Investment Advisory
- 3 Board Act of 2000.

1 SEC. 2. Chapter 21.4 (commencing with Section  
2 7515) of Division 7 of Title 1 of the Government Code is  
3 repealed.

4 SEC. 3. Chapter 21.4 (commencing with Section  
5 7515) is added to Division 7 of Title 1 of the Government  
6 Code, to read:

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8 CHAPTER 21.4. JOINT RETIREMENT SYSTEM INVESTMENT  
9 ADVISORY BOARD

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11 7515. The Joint Retirement System Investment  
12 Advisory Board is hereby established. As used in this  
13 chapter, “board” shall mean the Joint Retirement System  
14 Investment Advisory Board. The board shall consist of:

15 (a) The Governor.

16 (b) The Treasurer.

17 (c) The Controller.

18 (d) Two members of the Board of Administration of  
19 the Public Employees’ Retirement System.

20 (e) Two members of the Teachers’ Retirement Board.

21 (f) Six investment professionals.

22 7516. The board shall not establish investment  
23 policies for the Public Employees’ Retirement System  
24 and the State Teachers’ Retirement System, but may  
25 make recommendations to those systems with respect to  
26 the following:

27 (a) Active versus passive investments.

28 (b) Asset allocation.

29 7517. This chapter shall remain in effect only until  
30 January 1, 2004, and as of that date is repealed, unless a  
31 later enacted statute, that is enacted before January 1,  
32 2004, deletes or extends that date.

