

HOUSE BILL 916

K4

(2lr3165)

ENROLLED BILL

— *Appropriations/Budget and Taxation* —

Introduced by **Delegate Braveboy**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Study of Asset Management**

3 FOR the purpose of requiring the Governor’s Office of Minority Affairs to conduct a
4 study of the Maryland State Retirement and Pension System and all funds
5 managed by the Board of Trustees for the State Retirement and Pension System
6 to determine the capacity to select minority fund managers across all asset
7 classes and to determine methods that best assure the recruitment and
8 selection of minority companies for fund-to-fund management or direct
9 management by the Investment Division of the State Retirement Agency;
10 requiring the Governor’s Office of Minority Affairs to submit a report of its
11 findings and recommendations by a certain date; providing for the termination
12 of this Act; and generally relating to the management of the assets of the State
13 Retirement and Pension System.

14 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Article – State Personnel and Pensions
2 Section 21–116(d)
3 Annotated Code of Maryland
4 (2009 Replacement Volume and 2011 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article – State Personnel and Pensions**

8 21–116.

9 (d) (1) (i) Consistent with minority business purchasing standards
10 applicable to units of State government under the State Finance and Procurement
11 Article and consistent with the fiduciary duties of the Board of Trustees, the Board of
12 Trustees shall direct the Investment Committee to attempt to use to the greatest
13 extent feasible minority business enterprises to provide brokerage and investment
14 management services to the Board.

15 (ii) For purposes of this subsection, brokerage and investment
16 management services shall include services relating to all allocated asset classes.

17 (2) (i) To assist it in achieving the goal described under paragraph
18 (1) of this subsection, the Investment Committee shall undertake measures to remove
19 any barriers that limit full participation by minority business enterprises in brokerage
20 and investment management services opportunities afforded under this title.

21 (ii) The measures undertaken by the Investment Committee
22 shall include the use of a wide variety of media, including the State Retirement
23 Agency’s website, to provide notice to a broad and varied range of potential providers
24 about the brokerage and investment management services opportunities afforded by
25 the State Retirement Agency.

26 (3) In consultation with the Governor’s Office of Minority Affairs and
27 the Investment Committee, the Board of Trustees shall develop guidelines to assist
28 the Investment Committee in identifying and evaluating qualified minority business
29 enterprises in order to help the State Retirement Agency achieve the objective for
30 greater use of minority business enterprises for brokerage and investment
31 management services.

32 (4) On or before September 1 each year, the Investment Committee
33 shall submit a report to the Board of Trustees, the Governor’s Office of Minority
34 Affairs and, subject to § 2–1246 of the State Government Article, the General
35 Assembly on:

1 (i) the identity of the minority business enterprise brokerage
2 and investment management services firms used by the Investment Committee in the
3 immediately preceding fiscal year;

4 (ii) the percentage and dollar value of the assets that are under
5 the control of the Investment Committee that are under the investment control of
6 minority business enterprise brokerage and investment management services firms;
7 and

8 (iii) the measures the Investment Committee undertook in the
9 immediately preceding fiscal year in accordance with paragraph (2)(ii) of this
10 subsection.

11 SECTION 2. AND BE IT FURTHER ENACTED, That:

12 (a) The Governor's Office of Minority Affairs shall conduct a study of the
13 Maryland State Retirement and Pension System and all funds managed by the Board
14 of Trustees for the State Retirement and Pension System to:

15 (1) determine the capacity to select minority fund managers across all
16 asset classes, consistent with the fiduciary responsibilities of the Investment Division of
17 the State Retirement Agency; and

18 (2) determine methods that best assure the recruitment and selection
19 of minority companies for fund-to-fund management, or direct management by the
20 Investment Division of the State Retirement Agency, that are consistent with the
21 fiduciary responsibilities of the Investment Division of the State Retirement Agency.

22 (b) On or before December 1, 2012, the Governor's Office of Minority Affairs
23 shall submit a report of its findings and recommendations to the Governor, the Board
24 of Trustees, and subject to § 2-1246 of the State Government Article, the General
25 Assembly.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2012. It shall remain effective for a period of 1 year and, at the end of June 30,
28 2013, with no further action required by the General Assembly, this Act shall be
29 abrogated and of no further force and effect.