HOUSE BILL NO. HB0074

Investments task force.

Sponsored by: Joint Appropriations Committee

A BILL

for

AN ACT relating to public funds and public employee retirement funds; creating the investments task force and providing for its membership and duties; providing for staffing and for assistance by state agencies; requiring a report; providing appropriations; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1.

(a) There is created the investments task force consisting of the following members:

(i) Three (3) members of the Wyoming senate appointed by the president of the senate, one (1) of which shall be selected from the membership of the senate appropriations committee;

(ii) Three (3) members of the Wyoming house of representatives appointed by the speaker of the house, one (1) of which shall be selected from the membership of the house appropriations committee;

(iii) Three (3) members appointed by the governor not later than March 31, 2018, two (2) of which who possess institutional investment knowledge and experience;

(iv) One (1) member appointed by the Wyoming retirement board not later than March 31, 2018;

(v) The director of the Wyoming retirement system or a designee of the director shall serve as an ex officio nonvoting member;

(vi) The state treasurer or a designee of the state treasurer.

(b) The task force shall select from among its members a chairman and a vice-chairman. The task force shall meet at the call of either the chairman or a majority of the membership of the task force.

(c) The task force shall be staffed by the legislative service office. The Wyoming retirement system and the state treasurer's office shall provide information and assistance to the task force as requested by the task force.

(d) The task force shall identify, study and make recommendations concerning:

(i) The benefits and challenges of the consolidation or integration of the investment staff of the Wyoming retirement system and the state treasurer's office;

(ii) Design and implementation of performance compensation for employees of the Wyoming Retirement system and the state treasurer's office directly engaged in investing public employee retirement system funds and public funds of the state of Wyoming. In studying design and implementation of performance compensation, the task force shall:

(A) Identify appropriate investment performance benchmarks against which to base performance compensation;

(B) Establish recommendations for limitations on total payments for performance compensation that are based on investment returns exceeding established performance benchmarks;

(C) Evaluate use of other measures related to performance compensation which are identified by the task force.

(iii) Whether increased use of internal investment strategies could result in efficiencies if applied to the investment and management of public employee retirement system funds and public funds of the state of Wyoming. In studying increased use of internal investment strategies, the task force shall:

(A) Identify the resources that would be required, saved or reallocated under increased use of internal management strategies;

(B) Identify appropriate benchmarks and peers against which to evaluate the internal investment performance of the public employee retirement system funds and public funds of the state of Wyoming.

(iv) The investment management and structure of retirement, pension, permanent, sovereign wealth and other comparable funds in other states. In studying investment management and structure in other states, the task force shall:

(A) Identify states that provide for combined or separate management of retirement, pension, permanent, sovereign wealth and other comparable funds and evaluate the benefits and challenges of combined and separate management structures;

(B) Evaluate the structure of internal as compared to external management of other states' retirement, pension, permanent, sovereign wealth and other comparable funds;

(C) Identify the most comparable investment funds of other states and evaluate the size of the investable balances of the funds along with the number and compensation of the investment staff.

(v) Specific changes to Wyoming law necessary to implement the recommendations of the task force.

(e) The task force shall submit a report summarizing its studies, findings and recommendations to the joint appropriations committee on or before November 1, 2018. The joint appropriations committee shall consider the recommendations and develop any legislation it deems appropriate for consideration by the legislature.

(f) The task force shall exist until December 31, 2018. Members of the task force who are legislators shall be paid salary, per diem and mileage as provided in W.S. 28-5-101 for their official duties as members of the task force. Subject to constitutional limitations, members of the task force who are employees or elected officials of the state of Wyoming shall be considered on official business of their agency or office and shall receive mileage and per diem in the manner provided by their agency or office. Any other member of the task force shall be paid no salary but shall receive mileage and per diem the same as state employees as provided by W.S. 9-3-102.

Section 2.

(a) There is appropriated fifty thousand dollars ($50,000.00) from the general fund to the legislative service office. This appropriation shall only be expended for providing payments authorized by section 1 of this act to legislative members of the investments task force.

(b) There is appropriated twelve thousand dollars ($12,000.00) from the general fund to the governor's office. This appropriation shall only be expended for providing payments authorized by section 1 of this act for any member of the investments task force appointed by the governor who is not an employee or elected official of the state of Wyoming.

(c) There is appropriated four thousand dollars ($4,000.00) from the general fund to the Wyoming retirement system. This appropriation shall only be expended for providing payments authorized by section 1 of this act for any member of the investments task force appointed by the Wyoming retirement board who is not an employee or elected official of the state of Wyoming.

(d) There is appropriated four thousand dollars ($4,000.00) from the general fund to the state treasurer's office. This appropriation shall only be expended for providing payments authorized by section 1 of this act for any member of the investments task force designated by the state treasurer who is not an employee or elected official of the state of Wyoming.

(e) Funds appropriated under this section shall be for the period beginning with the effective date of this act and ending June 30, 2019. Notwithstanding any other provision of law, funds appropriated under this section shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2019.

Section 3. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)