

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 721

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “ex officio”; strike beginning with “eliminating” in line 4 down through “System;” in line 10; in line 19, after “Services;” insert “altering the membership of a certain investment committee of the Board of Trustees; creating an Employee Retirement Benefits Commission; providing for the membership and terms of the Commission; requiring the Commission to meet and review certain retirement benefits every certain number of years; requiring the Commission to submit a certain report by certain dates; requiring the Governor to include certain funding in the budget if the Governor makes a determination to implement certain recommendations;”; in line 23, strike “and 21-108” and substitute “, 21-108, and 21-115”; and after line 25, insert:

“BY adding to

Article - State Personnel and Pensions

Section 33-101 to be under the new title “Title 33. Miscellaneous”

Annotated Code of Maryland

(1997 Replacement Volume and 2002 Supplement)”.

AMENDMENT NO. 2

On page 2, in line 10, after “TRUSTEES” insert “ELECTED OR APPOINTED AS”; strike line 11 in its entirety; strike beginning with “SELECTED” in line 19 down through “ITEM;” in line 21 and substitute “ELECTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND MAY NOT BE AN EMPLOYEE OF THE STATE RETIREMENT AGENCY;”; strike beginning with “SELECTED” in line 26 down through “ITEM;” in line 28 and substitute “ELECTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND MAY NOT BE AN EMPLOYEE OF THE STATE RETIREMENT AGENCY;”; and strike beginning with “SELECTED” in line 32 down through “ITEM;” in line 35 and substitute “ELECTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND MAY NOT BE AN EMPLOYEE OF THE STATE RETIREMENT”

(Over)

AGENCY;”.

On pages 2 and 3, strike beginning with “SELECTED” in line 37 on page 2 down through “ITEM;” in line 2 on page 3 and substitute “ELECTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND MAY NOT BE AN EMPLOYEE OF THE STATE RETIREMENT AGENCY;””.

On page 3, strike beginning with “SELECTED” in line 6 down through “SYSTEM;” in line 9 and substitute “ELECTED AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND MAY NOT BE AN EMPLOYEE OF THE STATE RETIREMENT AGENCY;””; and in line 34, strike the bracket.

On page 4, in line 6, strike “trustees who are members or retirees” and substitute “TRUSTEE WHO IS A MEMBER OR RETIREE”; strike in their entirety lines 11 through 23, inclusive; in line 28, after “Senate” insert a period; strike beginning with the bracket in line 28 down through “(D)” in line 32 and substitute “(C)”; and in line 32, strike the brackets.

On page 5, in lines 7, 15, 16, 17, 21, and 24, in each instance, strike the brackets; in lines 7 and 24, strike “(E)” and “(F)”, respectively; in lines 15 and 17, in each instance, strike “APPOINTMENT”; strike beginning with the second “the” in line 13 down through “System,” in line 14; and in line 15, strike “NOT”.

On page 6, in line 7, strike “(G)” and “(E)”, respectively, and substitute “(F)” and “(D)”, respectively.

AMENDMENT NO. 3

On page 6, after line 32, insert:

“21-115.

(a) The Board of Trustees shall:

(1) specify by resolution the number of members of the Investment Committee;

and

(2) [except as provided in subsection (b)(2) of this section,] appoint annually the members of the Investment Committee from the members of the Board of Trustees.

(b) The Board of Trustees shall ensure that the membership of the Investment Committee includes:

(1) a [representative of each of] TRUSTEE REPRESENTING:

(i) the Employees' Pension System or the Employees' Retirement System;

(ii) the Teachers' Pension System or the Teachers' Retirement System;

and

(iii) the State Police Retirement System; and

(2) [three representatives from the public appointed by the Board of Trustees with the approval of the Board of Public Works for staggered 3-year terms who:

(i) are not members, retirees, or beneficiaries under any of the several systems; and

(ii) have had experience in the management and control of large investments.] THREE TRUSTEES WHO WERE APPOINTED UNDER § 21-104 (A)(4)(VII) OF THIS SUBTITLE.

(c) [The Board of Trustees may:

(1) set additional qualifications for public members; and

(2) adopt regulations on ethical standards and conflicts of interest for public members.

(d)] By resolution, the Board of Trustees shall designate the chairman of the Investment Committee.

TITLE 33. MISCELLANEOUS.

33-101.

(Over)

(A) THERE IS AN EMPLOYEE RETIREMENT BENEFITS COMMISSION.

(B) THE COMMISSION CONSISTS OF THE FOLLOWING FIVE MEMBERS:

(1) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE;

(3) ONE MEMBER WHO IS AN ACTIVE MEMBER OF ONE OF THE STATE SYSTEMS AND IS NOT A MEMBER OF THE BOARD OR AN EMPLOYEE OF THE STATE RETIREMENT AGENCY, APPOINTED BY THE GOVERNOR;

(4) ONE MEMBER WHO IS A RETIREE OF ONE OF THE STATE SYSTEMS AND IS NOT A MEMBER OF THE BOARD OR AN EMPLOYEE OF THE STATE RETIREMENT AGENCY, APPOINTED BY THE GOVERNOR; AND

(5) ONE MEMBER WHO:

(I) REPRESENTS THE INTERESTS OF THE PUBLIC;

(II) IS NOT A STATE EMPLOYEE; AND

(III) MAY NOT HAVE A HOUSEHOLD MEMBER WHO IS A STATE EMPLOYEE.

(C) (1) THE TERM OF A MEMBER IS 6 YEARS.

(2) A MEMBER APPOINTED TO FILL A VACANCY IN AN UNEXPIRED TERM SERVES ONLY FOR THE REMAINDER OF THAT TERM.

(3) A MEMBER MAY BE REAPPOINTED BUT MAY NOT SERVE MORE THAN TWO CONSECUTIVE FULL TERMS.

(D) A MEMBER OF THE COMMISSION:

(1) MAY NOT RECEIVE COMPENSATION; BUT

(2) IS ENTITLED TO RECEIVE REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS AS PROVIDED IN THE STATE BUDGET.

(E) THE COMMISSION SHALL BE STAFFED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT.

(F) BEGINNING IN 2004 AND EVERY 3 YEARS THEREAFTER, THE COMMISSION SHALL:

(1) MEET AND REVIEW THE RETIREMENT BENEFITS OF INDIVIDUALS PARTICIPATING IN ANY OF THE STATE SYSTEMS; AND

(2) MAKE RECOMMENDATIONS AS TO THE APPROPRIATE LEVEL OF RETIREMENT BENEFITS FOR INDIVIDUALS PARTICIPATING IN ANY OF THE STATE SYSTEMS.

(G) THE REVIEW REQUIRED UNDER SUBSECTION (F) OF THIS SECTION SHALL INCLUDE:

(1) FOR EACH STATE SYSTEM, A COMPARISON OF THE RETIREMENT BENEFITS PROVIDED TO EMPLOYEES IN THE STATE AND EMPLOYEES IN OTHER STATES;

(2) FOR EACH STATE SYSTEM, A COMPARISON OF ANY STATE OR LOCAL RETIREE HEALTH BENEFITS PROVIDED TO EMPLOYEES IN THE STATE AND EMPLOYEES IN OTHER STATES;

(Over)

(3) FOR EACH STATE SYSTEM, A COMPARISON OF THE EMPLOYEE CONTRIBUTION AMOUNT FOR RETIREMENT BENEFITS AND ANY STATE OR LOCAL RETIREE HEALTH BENEFITS PROVIDED TO EMPLOYEES IN THE STATE AND EMPLOYEES IN OTHER STATES;

(4) FOR EACH STATE SYSTEM, AN ANALYSIS OF THE TOTAL VALUE OF THE RETIREMENT BENEFITS INCLUDING ANY RETIREE HEALTH BENEFITS AS COMPARED TO THE VALUE OF RETIREMENT BENEFITS, INCLUDING HEALTH BENEFITS IN OTHER STATES; AND

(5) FOR EACH STATE SYSTEM, AN ANALYSIS OF THE TOTAL EMPLOYEE CONTRIBUTION AS A PERCENTAGE VALUE OF THE RETIREMENT BENEFITS AS DETERMINED IN ITEM (4) OF THIS SUBSECTION.

(H) ON OR BEFORE DECEMBER 1, 2004, AND EVERY 3 YEARS THEREAFTER, THE COMMISSION SHALL REPORT TO THE GOVERNOR, THE SECRETARY OF BUDGET AND MANAGEMENT, AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE FINDINGS AND RECOMMENDATIONS OF THE COMMISSION.

(I) IF THE GOVERNOR MAKES A DETERMINATION TO IMPLEMENT ANY RECOMMENDATIONS OF THE COMMISSION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET FOR THE NEXT FISCAL YEAR THE FUNDING NECESSARY TO IMPLEMENT THOSE RECOMMENDATIONS.”.