

SENATE BILL 606

P1, P2, P3

(8lr2059)

ENROLLED BILL

—Finance and Budget and Taxation/Health and Government Operations—

Introduced by **Senators Pugh, Jones, Conway, Currie, Exum, Frosh, Gladden, Kelley, King, Madaleno, McFadden, Middleton, Muse, ~~and Raskin~~ Raskin, Peters, and Harrington**

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.

President.

CHAPTER _____

1 AN ACT concerning

2 **State Government – Brokerage and Investment ~~Banking~~ Management**
3 **Services – Use of Minority Business Enterprises**

4 FOR the purpose of requiring certain State entities responsible for the management of
5 certain funds to attempt to use to a certain extent minority business enterprise
6 brokerage and investment ~~banking management services~~ firms; specifying that
7 brokerage and investment management services shall include services relating
8 to certain asset classes under certain circumstances; requiring the entities to
9 undertake steps to remove any barriers that limit participation by minority
10 business enterprises in certain brokerage and investment ~~banking management~~
11 services opportunities; requiring the entities to adopt certain guidelines;
12 requiring the entities to submit a certain annual report to certain persons on
13 certain matters relating to minority business enterprise brokerage and

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.



investment ~~banking~~ management services firms; and generally relating to the use of minority business enterprise brokerage and investment ~~banking~~ management services firms for certain purposes by certain State entities.

BY repealing and reenacting, without amendments,
Article 95 – Treasurer
Section 22G(a), (b), (h), and (j)
Annotated Code of Maryland
(2003 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article – Insurance
Section 20–303
Annotated Code of Maryland
(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 10–122
Annotated Code of Maryland
(1999 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–222
Annotated Code of Maryland
(2006 Replacement Volume and 2007 Supplement)

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 21–116
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)

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

Article 95 – Treasurer

22G.

(a) (1) There is a Local Government Investment Pool. The Local Government Investment Pool consists of the aggregate of all funds from local governments that are placed in the custody of the State and any funds of the State that are placed in the Local Government Investment Pool by the Treasurer for investment and reinvestment.

1 (2) The investment policies for the Local Government Investment Pool
2 shall be established by the Treasurer.

3 (3) The Treasurer shall administer the Local Government Investment
4 Pool on behalf of the participating local governments and, to the extent that State
5 funds are included, on behalf of the State.

6 (4) The Treasurer shall develop such procedures necessary for the
7 efficient administration of the Pool, including:

8 (i) Specification of minimum amounts which may be deposited
9 in the Pool and minimum periods of time for which deposits shall be retained in the
10 Pool;

11 (ii) Payment of amounts equivalent to administrative expenses
12 from the earnings of the Pool; and

13 (iii) Distribution of the earnings in excess of expenses, or
14 allocation of losses, to the several participants in a manner which equitably reflects
15 the differing amount of their respective investments and the differing periods of time
16 for which the amounts were in the custody of the Pool.

17 (b) (1) The Treasurer shall invest moneys in the Local Government
18 Investment Pool in accordance with the provisions set forth in §§ 6–222 and 6–223 of
19 the State Finance and Procurement Article.

20 (2) Notwithstanding any provisions of law to the contrary or any
21 limitation or restriction contained in any other law, the Treasurer may invest, redeem,
22 sell, exchange, and reinvest moneys in the Local Government Investment Pool in
23 bankers' acceptances guaranteed by banking institutions.

24 (h) (1) Subject to the objectives and requirements of this section, the
25 Treasurer shall formulate procedures for the investment and reinvestment of funds in
26 the Investment Pool and the acquisition, retention, management, and disposition of
27 investments of the Investment Pool.

28 (2) (i) The Treasurer may enter into a contractual agreement with
29 a qualified Maryland fiscal agent and may compensate the agent for services rendered.

30 (ii) The agent may perform investment and administrative
31 services which the Treasurer is authorized by this section to perform.

32 (j) For the purposes of this section, "local government" includes all of the
33 legal entities, bodies, and agencies set out in § 22 of this article and local government
34 insurance pools formed under Title 19, Subtitle 6 of the Insurance Article, but does not
35 include the State and agencies of the State.

Article – Insurance

20–303.

(a) (1) A financial management committee of the Fund shall manage and invest all moneys collected by or for the Fund through premiums, earnings from investments, or from other sources.

(2) The financial management committee consists of the Executive Director and two members of the Board of Trustees whom the Board of Trustees chooses.

(3) Of the two members from the Board of Trustees:

(i) one shall be chosen from the members appointed by the Governor; and

(ii) one shall be chosen from the members appointed by the Association.

(b) (1) Whenever the amount of moneys in the Fund exceeds the amount that the Executive Director believes is likely to be required immediately, the financial management committee may manage the excess as it considers appropriate and invest the excess in investments legal for casualty insurers under §§ 5–601 through 5–609 of this article.

(2) If use of the excess becomes necessary or expedient, the financial management committee may collect, sell, or otherwise realize on the investment and any accrued interest.

(c) (1) **(I) CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE FINANCIAL MANAGEMENT COMMITTEE, THE FINANCIAL MANAGEMENT COMMITTEE SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES TO THE COMMITTEE.**

(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.

(2) **(I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE FINANCIAL MANAGEMENT COMMITTEE SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN**

1 ~~BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT ~~SERVICE~~ SERVICES~~
2 OPPORTUNITIES AFFORDED BY THE FUND.

3 (II) THE MEASURES UNDERTAKEN BY THE FINANCIAL
4 MANAGEMENT COMMITTEE SHALL INCLUDE THE USE OF A WIDE VARIETY OF
5 MEDIA, INCLUDING THE FUND'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND
6 VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND
7 INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE
8 FUND.

9 (3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF
10 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE FINANCIAL MANAGEMENT
11 COMMITTEE SHALL DEVELOP GUIDELINES TO ASSIST THE COMMITTEE IN
12 ~~ACHIEVING~~ IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS
13 ENTERPRISES IN ORDER TO HELP THE FUND ACHIEVE THE OBJECTIVE FOR
14 GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND
15 INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES.

16 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE FINANCIAL
17 MANAGEMENT COMMITTEE SHALL SUBMIT A REPORT TO THE GOVERNOR'S
18 OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO §
19 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

20 (I) THE IDENTITY OF THE MINORITY BUSINESS
21 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
22 FIRMS USED BY THE FINANCIAL MANAGEMENT COMMITTEE IN THE
23 IMMEDIATELY PRECEDING FISCAL YEAR;

24 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
25 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS
26 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
27 FIRMS; AND

28 ~~(III) ACTIONS THE COMMITTEE UNDERTOOK IN THE~~
29 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF MINORITY~~
30 ~~BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS,~~
31 ~~INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND INVESTMENT~~
32 ~~BANKING FIRMS TO USE MINORITY BUSINESS ENTERPRISE BROKERAGE AND~~
33 ~~INVESTMENT BANKING FIRMS AS SUBCONTRACTORS.~~

34 (III) THE MEASURES THE FINANCIAL MANAGEMENT
35 COMMITTEE UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN
36 ACCORDANCE WITH PARAGRAPH (2)(II) OF THIS SUBSECTION.

Article – Labor and Employment

10–122.

(A) If, at any time, the amount of money in the Fund exceeds the amount that the Board considers necessary for immediate use, the excess shall be invested in any investment authorized under Title 5, Subtitle 6 of the Insurance Article for insurance companies.

(B) (1) (I) CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE BOARD, THE BOARD SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES TO THE BOARD.

(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.

(2) (I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT ~~SERVICE~~ SERVICES OPPORTUNITIES AFFORDED BY THE FUND.

(II) THE MEASURES UNDERTAKEN BY THE BOARD SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE BOARD'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE FUND.

(3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE BOARD SHALL DEVELOP GUIDELINES TO ASSIST IT IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE FUND ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES.

(4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE BOARD SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

1 (I) THE IDENTITY OF THE MINORITY BUSINESS
2 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
3 FIRMS USED BY THE BOARD IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

4 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE FUND
5 ASSETS THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS
6 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
7 FIRMS; AND

8 ~~(III) ACTIONS THE BOARD UNDERTOOK IN THE~~
9 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF MINORITY~~
10 ~~BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING FIRMS,~~
11 ~~INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND INVESTMENT~~
12 ~~BANKING FIRMS TO USE MINORITY BUSINESS ENTERPRISE BROKERAGE AND~~
13 ~~INVESTMENT BANKING FIRMS AS SUBCONTRACTORS.~~

14 (III) THE MEASURES THE BOARD UNDERTOOK IN THE
15 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH
16 (2)(II) OF THIS SUBSECTION.

17 Article – State Finance and Procurement

18 6–222.

19 (a) The Treasurer may invest or reinvest unexpended or surplus money over
20 which the Treasurer has custody in:

21 (1) an obligation for which the United States has pledged its faith and
22 credit for the payment of the principal and interest;

23 (2) an obligation that a federal agency or a federal instrumentality has
24 issued in accordance with an act of Congress;

25 (3) a repurchase agreement collateralized in an amount not less than
26 102% of the principal amount by an obligation of the United States, its agencies or
27 instrumentalities, provided the collateral is held by a custodian other than the seller
28 designated by the buyer;

29 (4) bankers' acceptances guaranteed by a financial institution with a
30 short-term debt rating in the highest letter and numerical rating by at least one
31 nationally recognized statistical rating organization as designated by either the
32 United States Securities and Exchange Commission or the Treasurer;

(5) with respect to amounts treated by the Internal Revenue Service as bond sale proceeds only, bonds, notes, or other obligations of investment grade in the highest quality letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission issued by or on behalf of this or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this paragraph;

(6) commercial paper that has received the highest letter and numerical rating by at least two nationally recognized statistical rating organizations as designated by the United States Securities and Exchange Commission, provided that such commercial paper may not exceed 10% of the total investments made by the Treasurer under this subsection;

(7) money market mutual funds that:

(i) are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended;

(ii) are operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

(iii) have received the highest possible rating from at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission; and

(8) any investment portfolio created under the Maryland Local Government Investment Pool defined under Article 95, § 22G of the Code that is administered by the Office of the State Treasurer.

(b) The Treasurer may sell, redeem, or exchange an investment or reinvestment made under this section in accordance with the limitations of this section.

(c) Subject to § 2-1246 of the State Government Article, the Treasurer shall report by January 3 of each year to the General Assembly on investment activities for unexpended or surplus money over which the Treasurer has custody which have been conducted during the previous fiscal year. At a minimum, the report shall specify for General Fund investments and all other investments:

(1) the inventory of investments with maturity dates and the book and market value as of June 30;

(2) the net income earned;

(3) the percentage share of each category of investment in the portfolio; and

(4) any sale of investments prior to the maturity date.

(d) An investment made pursuant to this section shall be made:

(1) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(2) in a manner designed to reasonably match the anticipated cash flow of the State so that sufficient funds are available to pay obligations upon proper presentation for payment;

(3) so that a reasonable amount of cash or cash equivalents is available for unanticipated cash needs;

(4) with due regard for minimizing risk while maximizing return;

(5) using competitive purchasing practices except when impractical;

(6) in accordance with a written investment policy;

(7) so that the securities and collateral may continue to be priced on a market to market basis; and

(8) to avoid the enhancement of the personal financial position of the Treasurer or any employee of the Treasurer who has responsibilities for such investments.

(E) (1) ~~(I) NOTWITHSTANDING SUBSECTIONS (A) THROUGH (D) OF THIS SECTION, CONSISTENT~~ CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THIS ARTICLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE TREASURER, THE TREASURER SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES UNDER THIS SECTION.

(II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES AS DESCRIBED IN SUBSECTION (A) OF THIS SECTION.

1 (2) (I) TO ASSIST THE TREASURER IN ACHIEVING THE GOAL
2 DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE TREASURER
3 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL
4 PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND
5 INVESTMENT ~~BANKING~~ MANAGEMENT SERVICE SERVICES OPPORTUNITIES
6 AFFORDED UNDER THIS SECTION.

7 (II) THE MEASURES UNDERTAKEN BY THE TREASURER
8 SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE
9 TREASURER'S WEBSITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE
10 OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT
11 MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE TREASURER.

12 (3) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF
13 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS, THE TREASURER SHALL DEVELOP
14 GUIDELINES TO ASSIST IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING
15 QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE
16 TREASURER ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY
17 BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT ~~BANKING~~
18 MANAGEMENT SERVICES UNDER THIS SECTION.

19 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE TREASURER
20 SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF ~~BUSINESS~~
21 ~~DIVERSITY~~ MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE
22 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

23 (I) THE IDENTITY OF THE MINORITY BUSINESS
24 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
25 FIRMS USED BY THE TREASURER IN THE IMMEDIATELY PRECEDING FISCAL
26 YEAR;

27 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS
28 UNDER THE CUSTODY OF THE TREASURER THAT ARE UNDER THE INVESTMENT
29 CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT
30 ~~BANKING~~ MANAGEMENT SERVICES FIRMS; AND

31 ~~(III) ACTIONS THE TREASURER UNDERTOOK IN THE~~
32 ~~IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF CERTIFIED~~
33 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
34 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
35 ~~INVESTMENT BANKING FIRMS TO USE MINORITY BUSINESS ENTERPRISE~~
36 ~~BROKERAGE AND INVESTMENT BANKING FIRMS AS SUBCONTRACTORS.~~

1 **(III) THE MEASURES THE TREASURER UNDERTOOK IN THE**
2 **IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH**
3 **(2)(II) OF THIS SUBSECTION.**

4 **Article – State Personnel and Pensions**

5 21–116.

6 (a) By resolution, the Board of Trustees shall specify the powers of the
7 Investment Committee.

8 (b) The Investment Committee shall advise the Board of Trustees and make
9 recommendations on:

10 (1) the investment programs;

11 (2) compliance of the investment programs with the policies of the
12 Board of Trustees; and

13 (3) bonding for employees of the State Retirement Agency in the form
14 and amount required by law.

15 (c) (1) **[The] SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE**
16 **Board of Trustees shall adopt an investment policy manual that details:**

17 (i) the functions of the Investment Division of the State
18 Retirement Agency;

19 (ii) the goals and objectives of the several investment programs;
20 and

21 (iii) the policies that govern the selection and retention of
22 investments.

23 (2) The Investment Committee shall:

24 (i) prepare and maintain the investment policy manual; and

25 (ii) submit the investment policy manual, and any subsequent
26 amendments to the manual, to the Board of Trustees for approval.

27 **(D) (1) (I) CONSISTENT WITH MINORITY BUSINESS PURCHASING**
28 **STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE**
29 **FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY**
30 **DUTIES OF THE BOARD OF TRUSTEES, THE BOARD OF TRUSTEES SHALL DIRECT**
31 **THE INVESTMENT COMMITTEE TO ATTEMPT TO USE TO THE GREATEST EXTENT**

1 FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND
2 INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES TO THE BOARD.

3 (II) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND
4 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO
5 ALL ALLOCATED ASSET CLASSES.

6 (2) (I) TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED
7 UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE INVESTMENT COMMITTEE
8 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL
9 PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND
10 INVESTMENT ~~BANKING~~ MANAGEMENT ~~SERVICE~~ SERVICES OPPORTUNITIES
11 AFFORDED UNDER THIS TITLE.

12 (II) THE MEASURES UNDERTAKEN BY THE INVESTMENT
13 COMMITTEE SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA,
14 INCLUDING THE STATE RETIREMENT AGENCY'S WEBSITE, TO PROVIDE NOTICE
15 TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE
16 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES
17 AFFORDED BY THE STATE RETIREMENT AGENCY.

18 (3) IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF
19 ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND THE INVESTMENT COMMITTEE,
20 THE BOARD OF TRUSTEES SHALL DEVELOP GUIDELINES TO ASSIST THE
21 INVESTMENT COMMITTEE IN ~~ACHIEVING~~ IDENTIFYING AND EVALUATING
22 QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE STATE
23 RETIREMENT AGENCY ACHIEVE THE OBJECTIVE FOR GREATER USE OF
24 MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT
25 ~~BANKING~~ MANAGEMENT SERVICES.

26 (4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE INVESTMENT
27 COMMITTEE SHALL SUBMIT A REPORT TO THE BOARD OF TRUSTEES, THE
28 GOVERNOR'S OFFICE OF ~~BUSINESS DIVERSITY~~ MINORITY AFFAIRS AND,
29 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL
30 ASSEMBLY ON:

31 (I) THE IDENTITY OF THE MINORITY BUSINESS
32 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
33 FIRMS USED BY THE INVESTMENT COMMITTEE IN THE IMMEDIATELY
34 PRECEDING FISCAL YEAR;

35 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS
36 THAT ARE UNDER THE CONTROL OF THE INVESTMENT ~~DIVISION~~ COMMITTEE
37 THAT ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS

1 ENTERPRISE BROKERAGE AND INVESTMENT ~~BANKING~~ MANAGEMENT SERVICES
2 FIRMS; AND

3 ~~(III) ACTIONS THE INVESTMENT COMMITTEE UNDERTOOK IN~~
4 ~~THE IMMEDIATELY PRECEDING FISCAL YEAR TO INCREASE THE USE OF~~
5 ~~MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT BANKING~~
6 ~~FIRMS, INCLUDING ACTIONS TO ENCOURAGE OTHER BROKERAGE AND~~
7 ~~INVESTMENT BANKING FIRMS TO USE MINORITY BUSINESS ENTERPRISE~~
8 ~~BROKERAGE AND INVESTMENT BANKING FIRMS AS SUBCONTRACTORS.~~

9 (III) THE MEASURES THE INVESTMENT COMMITTEE
10 UNDERTOOK IN THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE
11 WITH PARAGRAPH (2)(II) UNDER OF THIS SUBSECTION.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2008.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.