

## Chapter 578

### (House Bill 916)

AN ACT concerning

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

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

BY repealing and reenacting, without amendments,  
Article – State Personnel and Pensions  
Section 21–116(d)  
Annotated Code of Maryland  
(2009 Replacement Volume and 2011 Supplement)

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

#### **Article – State Personnel and Pensions**

21–116.

(d) (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 of Trustees, the Board of Trustees shall direct the Investment Committee to attempt to use to the greatest extent feasible minority business enterprises to provide brokerage and investment 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 Investment Committee shall undertake measures to remove

any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this title.

(ii) The measures undertaken by the Investment Committee shall include the use of a wide variety of media, including the State Retirement Agency'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 State Retirement Agency.

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

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That:

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

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

(2) determine methods that best assure the recruitment and selection of minority companies for fund-to-fund management, or direct management by the

Investment Division of the State Retirement Agency, that are consistent with the fiduciary responsibilities of the Investment Division of the State Retirement Agency.

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

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

**Approved by the Governor, May 22, 2012.**