

There is one thing that is different, however, and because the state, in fact, does have a very strong interest in how those funds are invested for two reasons, some of those funds at least are public employees for which the state certainly has an interest in protecting the employees' interest, but more importantly the state also has a budgetary interest because with the defined benefits plan, the state may well be responsible with tax funds to provide the money for those retirements, should the investments fail. My interest in retaining the law as it is now is to have at least one elected official who has an accountability on their duties of office to look at these kinds of contracts before they are signed and become binding upon the state. If an investment board makes a mistake, we are still bound by that contract once it is signed. And it seems to me that the Chief Executive Officer of the state should have the responsibility of reviewing those contracts when they are so binding, when they involve such large amounts of money, when there is a potential for state tax impact if mistakes are made, and most importantly, of course, that you are protecting the retirement money of some individuals, many individuals who are public employees. And I think that safeguard is important to be there. The fact that in one instance it was not agreed to by a current Governor does not mean the policy is wrong. I think the policy is right irregardless of how a Governor might have acted upon a contract at some time in the past and I would urge the bill be indefinitely postponed. It's the only issue in the bill, the only issue in the bill, and that whether or not you want to so totally isolate the Investment Council with the tremendous amount of money and authority they have, if you want to so totally isolate them that no elected official has any review, you can't review it as a budget matter. We do not sit and make a budget decision on how they operate internally, and the only possible review is the one that is here and I'd urge the body would indefinitely postpone the bill.

PRESIDENT: Thank you. Senator Langford, please, followed by Senator Wesely.

SENATOR LANGFORD: I agree fully with Senator Warner on what he has said. Investment is something I know just a little bit about. I cannot believe that someone is actually suggesting that we use retirement funds for investment capital for start-up on business. The time will come when we'll go into a recession and that capital will disappear. Then the state will be required to replace part of it and I do urge you, please,