

allow...which requires the Governor and the Legislature to approve the appointment of the state investment officer and the NPRS director. That is additional oversight for what is now two, in a large sense, independent organizations. That is additional oversight. We have a provision that requires the state investment officer to have at least five years of experience in the management of investment portfolios, a baseline qualifications for that job. We mirror that with, again, with a provision that says that the director of NPRS ought to have at least five years of experience in administration of a qualified public or private retirement plan, again, a baseline if you're going to hold one of those important positions. We're providing that various employees of the Investment Council and PERB become subject to the state personnel system. Now we've also excluded some people. You exclude the directors and, in the case of the Investment Council, you exclude some of the money managers for a variety of reasons, one being that they don't really fit very well within our pay policies. There's a provision, and this, quite frankly, I think is one of the more important provisions in this particular amendment, but we would put in place a requirement that there be compliance audits every four years at PERB. The purpose of the compliance audits is to monitor compliance in those systems with both state and federal law, and I won't belabor that point but I think it's quite essential to continuing oversight of the systems that we actually have some process to have an ongoing and continuing evaluation of whether or not they are administering the systems in compliance with state and federal law. Believe it or not, right now we're not sure all the time and I think we need to put in place a system that gives us additional assurances that the plans are being administered in that fashion. There is a requirement that both the Investment council and PERB submit action plans to us, to the Legislature, to the Retirement Committee, so that we can begin to evaluate where their management is working within those agencies, what their objectives are, how they are planning to meet the objectives that have been set for them by the Legislature. We are adding a provision that would restrict the kinds of investments that could be undertaken in the systems. It is what is called the exclusive benefit rule providing that the assets must be invested solely, solely for the purpose of providing benefits to the beneficiaries of the retirement systems. In some cases we have had...in other parts of the nation we have had folks who wanted to take retirement funds and