

further continues our efforts I believe to clarify provisions in the systems and to enhance administrative responsibility. A question...one of the questions this amendment addresses is whether or not those ex officio board members--the State Treasurer on the Investment Council is currently sitting, if you pass 847 as amended the director of NPRS is on the Investment Council and then the state investment officer on the PERB Board--as they sit there as ex officio members do they have any liability exposure? We've had an Opinion from the Attorney General that said even though they can't vote they have liability exposure. All right, if that's the case it clearly doesn't seem to be appropriate to have people who can't even vote be responsible for an outcome, so we're just going to say statutorily thank you very much for the Opinion; if you're right we're going to make a statutory rule that says that those ex officio members are not responsible; they're not going to be treated as fiduciaries like the other members of the board. We're adding a provision that gives explicit rule making and regulation making powers to PERB. There has been some question as to whether or not they really had the authority to adopt all the rules and regulations that might have been appropriate in the administration of the plans. This makes explicit that they can indeed do that and they can do that not only for the administration of the plans but also their internal management processes. When we placed the provision in the earlier amendment concerning the compliance audit we, quite frankly, neglected to add, not because of a lack of diligence but just, many things to think about, we forgot to add provisions that would have required the compliance audit to be open to bid. We're adding a provision that says you have to go out and bid for somebody to do the compliance audit so it isn't a cozy deal. It's going to go right through the DAS process. We, because this bill did not come up for consideration last year, it is necessary to give the bill an effective date of January 1 of 1997 rather than January 1 of 1996. You see how optimistic we were when we started out on this process. Our optimism now is that all of this will be in place by January 1 of 1997, at least for the transfer of the investment functions. We are changing the name of one of the employee investment options in the defined contribution plans. It is currently called a growth account. It is more appropriate to call that an equities account. We'll just change the name so that we don't have anybody being misled. There is a provision that deals with the GICs and what has happened and, in fact, it's one of the