



## 1995 ASSEMBLY BILL 664

November 7, 1995 - Introduced by COMMITTEE ON AUDIT. Referred to Committee on Audit.

1     **AN ACT to repeal** 15.07 (2) (a) and 25.18 (1) (L); **to renumber and amend** 25.50  
2           (5); **to amend** 13.94 (1) (df), 13.94 (1s) (c) 3., 15.76 (intro.), 19.42 (10) (L) and  
3           (13) (k), 25.156 (4), 25.16 (1), 25.16 (2), 25.16 (4), 25.17 (intro.), 25.17 (51), 25.18  
4           (1) (intro.), 25.18 (2) (intro.) and 25.18 (2) (e); **to repeal and recreate** 25.17  
5           (14m); and **to create** 15.76 (1r), 25.156 (2m), 25.156 (8), 25.165, 25.167, 25.17  
6           (14g), 25.17 (14r), 25.17 (51m), 25.183, 25.50 (5) (a) to (d) and 25.50 (5m) of the  
7           statutes; **relating to:** legislative oversight of the investment board, structure  
8           and composition of the investment board, regulation of certain investments by  
9           the investment board, granting rule-making authority and making an  
10          appropriation.

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### *Analysis by the Legislative Reference Bureau*

This bill does all of the following:

1. Under current law, the investment board (board) consists of the following 8 members: the secretary of administration or the secretary's designee; 5 members appointed by the governor for 6-year terms, 4 of whom must have at least 10 years' experience in making investments; and 2 participants in the Wisconsin retirement system (WRS), one of whom is a teacher appointed by the teachers retirement board for a 6-year term and one of whom is a nonteacher appointed by the Wisconsin retirement board for a 6-year term. This bill requires the governor to appoint a representative of local government to the board.

Under current law, the chairperson and vice chairperson of the board are designated biennially by the governor. The bill provides that the board must select its chairperson and vice chairperson.

2. The bill creates an internal audit subunit in the board, under the supervision of an internal auditor. The internal auditor is appointed by the board, reports directly to the board (unlike other board employees who are appointed by, and report to, the executive director of the board) and is authorized to appoint his or her staff. The internal auditor and his or her staff are to serve outside of the classified service and are to participate in the board's bonus compensation program. The internal auditor is required to file an annual statement of economic interests with the state ethics board.

The internal auditor is authorized to review any activity, information or investment of the board and have access to the records of the board or any external party under contract with the board. In addition, the internal auditor is required to plan and conduct audit activities, risk assessments, research projects and management reviews under the direction of the board and in accordance with policies, principles and directives determined by the board; coordinate and assist with external audits and reviews of the board; monitor for compliance with the board's contractual agreements any bank, savings and loan association, savings bank or credit union with which the board has entered into a custodial agreement, any investment advisers with which the board has contracted to manage and control board assets and any other external parties with which the board has contracted to provide investment services to the board.

3. The bill requires the board to keep full minutes of its proceedings.

4. The bill limits the ability of the board to make certain types of investments. The bill prohibits the board from purchasing or acquiring any derivative in the state investment fund except in accordance with rules promulgated by the board. These rules must restrict the purchase or acquisition of derivatives to certain specified types of risk-reducing transactions. The bill defines "derivative" to mean any financial contract or other instrument that derives its value from the value or performance of any security, currency exchange rate or interest rate or of any index or group of any securities, currency exchange rates or interest rates. The bill also provides that "derivative" does *not* include the following types of instruments: securities traded on a national securities exchange or on an interdealer quotation system sponsored by a registered securities association; forward contracts with a maturity of less than 270 days; contracts for the sale of a commodity for future delivery, or any option on such a contract, traded or executed on a designated contract market and subject to federal regulation; registered mutual fund or investment trust shares; deposits held by a financial institution; certain types of investments that the board is specifically authorized to invest in under current law; certain collateralized mortgage obligations and other asset-backed securities; certain types of transactions, commonly referred to as "swaps", if the counterparty meets certain creditworthiness requirements, if the transaction is used only for risk reduction and if the board's payment obligations are fully backed by identified assets of the state investment fund; and any financial contract or instrument that the board

determines, by rule, is not a derivative. The bill defines a “reverse repurchase agreement” to mean an agreement for the sale of securities by the board under which the board will repurchase those securities on or before a specified date and for a specified amount. The bill prohibits the board from entering into a reverse repurchase agreement unless the repurchase of securities under the agreement will occur no later than the next business day.

5. The bill also requires the board to provide more information to local governments investing in the local government pooled-investment fund (the fund). Under current law, the board is required to formulate policies for the investment and reinvestment of moneys in the fund and the acquisition, retention, management and disposition of such investments. The bill amends this provision to require that the board provide a copy of the investment policies, together with any guidelines adopted by the board to direct staff investment activity, to each local government having an investment in the fund. The investment policies and guidelines must be provided upon the local government’s request and at least annually to all investors. These policies must include information about prohibited investments, asset allocation requirements, credit standards for private companies in which the fund may invest and limits on investments in a single company or bank. The board must distribute at least annually performance information on the fund for the preceding one-year, 5-year and 10-year periods, compared with appropriate indices or benchmarks in the private sector. Separately, the bill also requires the board to provide information to the state treasurer to provide a monthly report to each local government having an investment in the fund. This board must provide this information to the state treasurer in time to permit the treasurer to mail or electronically transmit the report to each local government no later than 6 business days after the end of the month covered by the report. The report must include information on the fund’s monthly earnings with comparison to appropriate indices or benchmarks in the private sector. Upon the request of a local government having an investment in the fund, the board is also required to provide a summary of securities held by the fund, including for each type of security, its cost, current value and, in the case of debt instruments, the average maturity. The board must provide the information as soon as practicable after receiving the request.

6. Currently, the board may contract with investment advisers for the management and control of not more than 10% of the assets of the fixed retirement investment trust or the variable retirement investment trust. These assets may be invested in real estate, mortgages, equities, debt of foreign governments and debt of corporations not organized under the laws of this state. Responsibility for management and control of the balance of the assets of these trusts rests directly with the board’s employees. When retained, investment advisers are paid from the income that would otherwise accrue to the trusts. This bill permits the board to contract with investment advisers for the management and control of not more than 20% of the assets of the fixed retirement investment trust or the variable retirement investment trust.

7. The bill requires that the executive director of the board appoint a chief investment officer and that the board participate in the selection of that person. The

chief investment officer will participate in the board's bonus compensation program. The chief investment officer, under the supervision of the executive director, is required to monitor the activities of the investment directors for compliance with the board's policies and guidelines and approve any unusual investments, develop and implement operating procedures that are intended to ensure that the investment policies and guidelines of the board are followed and ensure that investments are completely and accurately reported on all management and financial reports and that any information requested by the board is provided on a timely basis. The chief investment officer is required to file an annual statement of economic interests with the state ethics board.

8. The bill provides that annually, on or before January 1, the board must submit to the joint legislative audit committee and to the chief clerk of each house, for distribution to the appropriate standing committees, a report of the board's annual investment goals and long-term investment strategies. In addition, the bill requires that the board submit annually to those entities, on or before March 31, a report which includes all of the following: an assessment of the board's progress in meeting its annual investment goals; information on the types of investments held by the board, including the market values of the investments and the degree of risk associated with the investments, the board's use of derivatives, any ventures by the board into new markets, any use of new investment instruments by the board and a comparison of the investment performance of the board to that achieved by a peer group of public and private entities that invest similar-sized funds; and a discussion of the amounts and categories of investments made within the state. The bill also provides that upon adopting any change in the board's investment policies or guidelines, the board must submit to the joint legislative audit committee and to the chief clerk of each house, for distribution to the appropriate standing committees, a report summarizing the change in the investment policies or guidelines.

9. Finally, the bill requires the legislative audit bureau (LAB), in its annual financial audit of the board, to include an assessment of the fair presentation of the board's financial statements and an evaluation of the board's internal control structure. As part of the financial audit, LAB is required to identify certain statutes and policies and guidelines adopted by the board and determine the extent of compliance by the board with these statutes, policies and guidelines. In addition, the bill requires LAB biennially to conduct a performance evaluation audit of the board that includes an audit of the board's policies and management practices and to charge the board for the performance evaluation audit, as it does under current law for the annual financial audit.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 13.94 (1) (df) of the statutes is amended to read:

1           13.94 (1) (df) Annually, perform a financial audit of the investment board,  
2 including an assessment of the fair presentation of the financial statements and an  
3 evaluation of ~~accounting controls and accounting records~~ the internal control  
4 structure of the board. As part of the financial audit, the bureau shall identify  
5 certain statutes and policies and guidelines adopted by the board and shall  
6 determine the extent of compliance by the board with the statutes, policies and  
7 guidelines. Biennially, the bureau shall conduct a performance evaluation audit of  
8 the investment board that includes an audit of the board's policies and management  
9 practices.

10           **SECTION 2.** 13.94 (1s) (c) 3. of the statutes is amended to read:

11           13.94 (1s) (c) 3. The investment board for the cost of the any audit required to  
12 be performed under sub. (1) (df).

13           **SECTION 3.** 15.07 (2) (a) of the statutes is repealed.

14           **SECTION 4.** 15.76 (intro.) of the statutes is amended to read:

15           **15.76 Investment board; creation.** (intro.) There is created a state of  
16 Wisconsin investment board, to be known for statutory purposes as the investment  
17 board. The investment board shall consist of ~~8 members, as follows~~ the following  
18 members:

19           **SECTION 5.** 15.76 (1r) of the statutes is created to read:

20           15.76 (1r) One member appointed for a 6-year term, who is a representative  
21 of a local government that participates in the local government pooled-investment  
22 fund under s. 25.50 and that has a population of less than 150,000. The member shall  
23 be employed by the local government in a finance position and have had at least 10  
24 years of financial experience, but may not be an elected official.

25           **SECTION 6.** 19.42 (10) (L) and (13) (k) of the statutes are amended to read:

1           19.42 **(10)** (L) The executive director, executive assistant to the executive  
2 director, internal auditor, chief investment officer and investment directors of the  
3 investment board.

4           **(13)** (k) The executive director, executive assistant to the executive director,  
5 internal auditor, chief investment officer and investment directors of the investment  
6 board.

7           **SECTION 7.** 25.156 (2m) of the statutes is created to read:

8           25.156 **(2m)** The investment board shall employ an internal auditor, who shall  
9 serve outside the classified service. The board shall fix the compensation of the  
10 internal auditor.

11          **SECTION 8.** 25.156 (4) of the statutes is amended to read:

12          25.156 **(4)** The members of the board shall promulgate rules restricting the  
13 executive director, internal auditor, chief investment officer, investment directors  
14 and employes from having financial interest, directly or indirectly, in firms or  
15 corporations providing services to the department and governing the receipt of gifts  
16 or favors therefrom, and also governing personal investments of all employes  
17 including the executive director, internal auditor, chief investment officer and  
18 investment directors to prevent conflicts of interest.

19          **SECTION 9.** 25.156 (8) of the statutes is created to read:

20          25.156 **(8)** The investment board shall keep full minutes of its proceedings.

21          **SECTION 10.** 25.16 (1) of the statutes is amended to read:

22          25.16 **(1)** The executive and administrative functions of the investment board,  
23 except for the functions performed by the internal auditor under s. 25.165 (2), shall  
24 be vested in an executive director, who shall perform the functions of executive  
25 director in conformity with the requirements of the members of the board and in

1 accordance with policies, principles and directives determined by the members of the  
2 board.

3 **SECTION 11.** 25.16 (2) of the statutes is amended to read:

4 25.16 (2) The Subject to authorization under s. 16.505, the executive director  
5 may appoint one division administrator and investment directors and shall appoint  
6 a chief investment officer and all other employes necessary to carry out the functions  
7 of the investment board, except that the investment board shall appoint the internal  
8 auditor and shall participate in the selection of the chief investment officer and  
9 investment directors and the internal auditor shall appoint his or her staff. The  
10 executive director shall appoint all employes outside the classified service, except  
11 blue collar and clerical employes. Neither the executive director, the internal  
12 auditor, the chief investment officer, any investment director nor any other employe  
13 of the board shall have any financial interest, either directly or indirectly, in any firm  
14 engaged in the sale or marketing of real estate or investments of any kind, nor shall  
15 any of them render investment advice to others for remuneration.

16 **SECTION 12.** 25.16 (4) of the statutes is amended to read:

17 25.16 (4) The executive director shall take the official oath and the executive  
18 director, chief investment officer and each investment director shall file a bond for  
19 the faithful performance of that person's duties in such amount and with such  
20 sureties as the members of the board require.

21 **SECTION 13.** 25.165 of the statutes is created to read:

22 **25.165 Internal auditor. (1)** There is created in the investment board an  
23 internal audit subunit, under the supervision of the internal auditor. The internal  
24 auditor shall report directly to the board and, subject to authorization under s.  
25 16.505, shall appoint all employes necessary to carry out the duties of the internal

1 auditor. The internal auditor shall appoint all employes outside the classified  
2 service, except blue collar and clerical employes. The internal auditor shall fix the  
3 compensation of all employes appointed by the internal auditor, subject to  
4 restrictions set forth in the compensation plan under s. 230.12 or any applicable  
5 collective bargaining agreement in the case of employes in the classified service, but  
6 the investment board may provide for bonus compensation to employes in the  
7 unclassified service as authorized under s. 25.156 (6).

8 (2) The internal auditor may review any activity, information or investment of  
9 the board and have access to records of the board and any external party under  
10 contract with the board and shall do all of the following:

11 (a) Plan and conduct audit activities, risk assessments, research projects and  
12 management reviews under the direction of the board and in accordance with  
13 policies, principles and directives determined by the board.

14 (b) Coordinate and assist with external audits and reviews of the board.

15 (c) Monitor for compliance with applicable legal requirements and with the  
16 board's contractual agreements any bank, savings and loan association, savings  
17 bank or credit union with which the board has entered into a custodial agreement  
18 under s. 25.17 (11); any investment advisers with which the board has contracted to  
19 manage and control board assets under s. 25.18 (2) (e); and any other external parties  
20 with which the board has contracted to provide investment services to the board.

21 **SECTION 14.** 25.167 of the statutes is created to read:

22 **25.167 Chief investment officer.** Under the supervision of the executive  
23 director, the chief investment officer shall do all of the following:



1           **(1)** Monitor activities of the investment directors for compliance with the  
2 board's investment policies and guidelines in investment decisions and approve  
3 unusual transactions, as defined by the board.

4           **(2)** Develop and implement operating procedures that are intended to ensure  
5 that the investment policies and guidelines of the board are followed.

6           **(3)** Ensure that investments are completely and accurately reported on all  
7 management and financial reports and that any information requested by the board  
8 is provided to the board on a timely basis.

9           **SECTION 15.** 25.17 (intro.) of the statutes is amended to read:

10           **25.17 Powers and duties of board.** (intro.) The "State of Wisconsin  
11 Investment Board" shall be a body corporate with power to sue and be sued in said  
12 name. The board shall have a seal with the words, "State of Wisconsin Investment  
13 Board". ~~The Subject to s. 25.183, the~~ board shall:

14           **SECTION 16.** 25.17 (14g) of the statutes is created to read:

15           **25.17 (14g)** Annually, on or before January 1, submit to the joint legislative  
16 audit committee and to the chief clerk of each house, for distribution to the  
17 appropriate standing committees under s. 13.172 (3), a report of the board's annual  
18 investment goals and long-term investment strategies. The report shall specify any  
19 change in the annual investment goals and long-term investment strategies from  
20 those in the previous year.

21           **SECTION 17.** 25.17 (14m) of the statutes is repealed and recreated to read:

22           **25.17 (14m)** Annually, on or before March 31, submit to the joint legislative  
23 audit committee and to the chief clerk of each house, for distribution to the  
24 appropriate standing committees under s. 13.172 (3), a report including all of the  
25 following:

1           1. An assessment of the board's progress in meeting its annual investment  
2 goals established in the report under sub. (14g).

3           2. Information on the types of investments held by the board, including the  
4 market values of the investments and the degree of risk associated with the  
5 investments, the board's use of derivatives, as defined in s. 25.183 (1) (a), any  
6 ventures by the board into new markets, any use of new investment instruments by  
7 the board and a comparison of the investment performance of the board to that  
8 achieved by a peer group of public and private entities that invest similar-sized  
9 funds.

10          3. A discussion of the amounts and categories of investments made within the  
11 state, including the amounts and categories of investments described, and progress  
12 in meeting the objectives of the plan submitted, under sub. (70).

13           **SECTION 18.** 25.17 (14r) of the statutes is created to read:

14           25.17 (14r) Upon adopting any change in the board's investment policies or  
15 guidelines, submit to the joint legislative audit committee and to the chief clerk of  
16 each house, for distribution to the appropriate standing committees under s. 13.172  
17 (3), a report summarizing the change in the investment policies or guidelines.

18           **SECTION 19.** 25.17 (51) of the statutes is amended to read:

19           25.17 (51) Annually, have the legislative audit bureau conduct a financial audit  
20 to include, including an assessment of the fair presentation of the financial  
21 statements and an evaluation of accounting controls and accounting records the  
22 internal control structure of the board. As part of the financial audit, the legislative  
23 audit bureau shall identify certain statutes and policies and guidelines adopted by  
24 the board and shall determine the extent of compliance by the board with the

1 statutes, policies and guidelines. The board shall reimburse the legislative audit  
2 bureau for the cost of audits required to be performed under this subsection.

3 **SECTION 20.** 25.17 (51m) of the statutes is created to read:

4 25.17 **(51m)** Biennially, have the legislative audit bureau conduct a  
5 performance evaluation audit that includes an audit of the board's policies and  
6 management practices. The board shall reimburse the legislative audit bureau for  
7 the cost of audits required to be performed under this subsection.

8 **SECTION 21.** 25.18 (1) (intro.) of the statutes is amended to read:

9 25.18 **(1)** (intro.) In addition to the powers and duties enumerated in s. 25.17,  
10 but subject to s. 25.183, the investment board may:

11 **SECTION 22.** 25.18 (1) (L) of the statutes is repealed.

12 **SECTION 23.** 25.18 (2) (intro.) of the statutes is amended to read:

13 25.18 **(2)** (intro.) In addition to the powers set forth in sub. (1) and s. 25.17, but  
14 subject to s. 25.183, the investment board may:

15 **SECTION 24.** 25.18 (2) (e) of the statutes is amended to read:

16 25.18 **(2)** (e) Contract with and delegate to investment advisers the  
17 management and control over assets from any fund or trust delivered to such  
18 investment advisers for investment in real estate, mortgages, equities, debt of  
19 foreign corporations and debt of foreign governments, and pay such advisers fees  
20 from the current income of the fund or trust being invested. No more than ~~10%~~ 20%  
21 of the total assets of the fixed retirement investment trust or ~~10%~~ 20% of the total  
22 assets of the variable retirement investment trust may be delivered to investment  
23 advisers. The board shall set performance standards for such investment advisers,  
24 monitor such investments to determine if performance standards are being met and

1 if an investment adviser does not consistently meet the performance standards then  
2 terminate the contract with such investment adviser.

3 **SECTION 25.** 25.183 of the statutes is created to read:

4 **25.183 Certain investments prohibited. (1) DEFINITION.** In this section:

5 (a) "Derivative" means any financial contract or other instrument that derives  
6 its value from the value or performance of any security, currency exchange rate or  
7 interest rate or of any index or group of any securities, currency exchange rates or  
8 interest rates, but does not include any of the following:

9 1. Any security that is traded on a national securities exchange or on an  
10 automated interdealer quotation system sponsored by a securities association  
11 registered under 15 USC 78o-3, et seq.

12 2. Any forward contract which has a maturity at the time of issuance not  
13 exceeding 270 days.

14 3. Any contract of sale of a commodity, as defined under 7 USC 2, for future  
15 delivery, or any option on such a contract, traded or executed on a designated contract  
16 market and subject to regulation under 7 USC 1 to 26.

17 4. Any security of an open-end management investment company or  
18 investment trust, if the investment company or investment trust is registered under  
19 15 USC 80a-1 to 80a-64.

20 5. Any deposit held by a financial institution.

21 6. Any investment specifically authorized under s. 25.17 (3) (b) and (ba).

22 6e. Any collateralized mortgage obligation or other asset-backed security  
23 which either has one of the 2 highest ratings given by a nationally recognized rating  
24 service or is backed or collateralized by insured instruments, guarantees or pledges

1 of the federal government, this state or an agency of the federal government or this  
2 state.

3 6m. Any transaction permitted under s. 25.18 (1) (n), if all of the following  
4 conditions are met at the time the transaction is entered into:

5 a. The counterparty to the transaction is rated in, or has outstanding long-term  
6 debt which is rated in, one of the 2 highest ratings given by a nationally recognized  
7 rating service.

8 b. The transaction is used only for specified hedging or interest rate risk  
9 reduction purposes.

10 c. All of the board's payment obligations under the transaction are fully backed  
11 by distinctly identified assets held in the state investment fund.

12 7. Any financial contract or instrument that the board determines, by rule, is  
13 not a derivative.

14 (b) "Reverse repurchase agreement" means an agreement for the sale of  
15 securities by the board under which the board will repurchase those securities on or  
16 before a specified date and for a specified amount.

17 **(2) DERIVATIVE INVESTMENTS.** After the effective date of this subsection ....  
18 [revisor inserts date], the board may not purchase or acquire any derivative in the  
19 state investment fund except in accordance with rules promulgated by the board.  
20 Rules promulgated under this subsection may not permit the purchase or acquisition  
21 of derivatives in the state investment fund unless the purchase or acquisition is  
22 made for the purpose of reducing risk of price changes or of interest rate or currency  
23 exchange rate fluctuations with respect to investments held or to be held by the  
24 board.

1           **(3) REVERSE REPURCHASE AGREEMENTS.** After the effective date of this subsection  
2 .... [revisor inserts date], the board may not enter into any reverse repurchase  
3 agreement unless the repurchase of securities under the agreement is required to  
4 occur no later than the next business day.

5           **SECTION 26.** 25.50 (5) of the statutes is renumbered 25.50 (5) (intro.) and  
6 amended to read:

7           **25.50 (5) INVESTMENT POLICIES.** (intro.) The investment board shall formulate  
8 policies for the investment and reinvestment of moneys in the fund and the  
9 acquisition, retention, management and disposition of such investments. The board  
10 shall provide a copy of the investment policies, together with any guidelines adopted  
11 by the board to direct staff investment activity, to each local government having an  
12 investment in the fund upon the local government's request and at least annually to  
13 all investors. The board shall distribute at least annually performance information  
14 over the preceding one-year, 5-year and 10-year periods, compared with  
15 appropriate indices or benchmarks in the private sector. The investment policies  
16 shall include all of the following:

17           **SECTION 27.** 25.50 (5) (a) to (d) of the statutes are created to read:

18           **25.50 (5) (a)** Any types of prohibited investments.

19           (b) Any restrictions on allocation of assets among various asset types.

20           (c) Credit standards for private companies in which the fund may invest.

21           (d) Dollar or percentage limits on investments in a single company or bank.

22           **SECTION 28.** 25.50 (5m) of the statutes is created to read:

23           **25.50 (5m) MONTHLY REPORTING REQUIREMENTS.** (a) The board, in cooperation  
24 with the department of administration, shall provide information necessary for the  
25 state treasurer to provide a monthly report to each local government having an

1 investment in the fund. The board shall provide the information to the state  
2 treasurer in time to allow the treasurer to mail or electronically transmit the report  
3 to the local government no later than 6 business days after the end of the month  
4 covered by the report. The report shall include information on the fund's earnings  
5 for the month, with comparison to appropriate indices or benchmarks in the private  
6 sector.

7 (b) Upon request of any local government having an investment in the fund,  
8 the board shall provide a summary of securities held by the fund, including for each  
9 type of security, its cost, current value and, in the case of debt instruments, the  
10 average maturity. The board shall provide the information as soon as practicable  
11 after receiving the request.

12 **SECTION 29. Nonstatutory provisions.**

13 (1) ALTERNATIVE INSURANCE ARRANGEMENTS FOR THE LOCAL GOVERNMENT-POOLED  
14 INVESTMENT FUND. No later than December 31, 1995, or the first day of the 2nd month  
15 beginning after publication, whichever is later, the investment board shall report to  
16 the joint legislative audit committee on alternative insurance arrangements for the  
17 local government pooled-investment fund under section 25.50 of the statutes.

18 (2) SUBMISSION OF INVESTMENT BOARD REPORTS.

19 (a) Notwithstanding the deadline for the submission of the report of the  
20 investment board's annual investment goals and long-term investment strategies  
21 that is specified in section 25.17 (14g) of the statutes, as created by this act, the  
22 investment board, for the 1996 calendar year, shall submit the report on or before  
23 January 1, 1996, or on or before the first day of the 2nd month beginning after  
24 publication, whichever is later.

1 (b) Notwithstanding the deadline for the submission of the report of the  
2 investment board that is specified in section 25.17 (14m) of the statutes, as affected  
3 by this act, the investment board shall submit the report for 1995 on or before March  
4 31, 1996, or on or before the first day of the 2nd month beginning after publication,  
5 whichever is later.

6 (3) INVESTMENT BOARD OFFICERS. The officers of the investment board  
7 designated by the governor under section 15.07 (2) (a), 1993 stats., shall cease to hold  
8 the designated offices on the effective date of this subsection.

9 **SECTION 30. Appropriation changes.**

10 (1) INTERNAL AUDITOR. In the schedule under section 20.005 (3) of the statutes  
11 for the appropriation to the investment board under section 20.536 (1) (k) of the  
12 statutes, as affected by the acts of 1995, the dollar amount is increased by \$124,200  
13 for fiscal year 1995-96 and the dollar amount is increased by \$230,500 for fiscal year  
14 1996-97 to increase the authorized FTE positions for the investment board by 3.0 PR  
15 positions on January 1, 1996, for the performance of the functions of the internal  
16 auditor.

17 (2) CHIEF INVESTMENT OFFICER. In the schedule under section 20.005 (3) of the  
18 statutes for the appropriation to the investment board under section 20.536 (1) (k)  
19 of the statutes, as affected by the acts of 1995, the dollar amount is increased by  
20 \$78,400 for fiscal year 1995-96 and the dollar amount is increased by \$157,100 for  
21 fiscal year 1996-97 to increase the authorized FTE positions for the investment  
22 board by 1.0 PR position on January 1, 1996, for the performance of the functions of  
23 the chief investment officer.

24 (3) INVESTMENT OPERATIONS. In the schedule under section 20.005 (3) of the  
25 statutes for the appropriation to the investment board under section 20.536 (1) (k)



1 of the statutes, as affected by the acts of 1995, the dollar amount is increased by  
2 \$72,000 for fiscal year 1995-96 and the dollar amount is increased by \$129,600 for  
3 fiscal year 1996-97 to increase the authorized FTE positions for the investment  
4 board by 2.0 PR positions on January 1, 1996, for the performance of certain  
5 investment operations.

6 (4) INVESTMENT TECHNOLOGY. In the schedule under section 20.005 (3) of the  
7 statutes for the appropriation to the investment board under section 20.536 (1) (k)  
8 of the statutes, as affected by the acts of 1995, the dollar amount is increased by  
9 \$36,000 for fiscal year 1995-96 and the dollar amount is increased by \$64,800 for  
10 fiscal year 1996-97 to increase the authorized FTE positions for the investment  
11 board by 1.0 PR position on January 1, 1996, for the development of a comprehensive  
12 strategic information systems plan.

13

**(END)**