

SENATE, No. 90

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Adds member from Judicial Retirement System to State Investment Council.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the membership of the State Investment
2 Council and amending P.L.1950, c.270.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 5 of P.L.1950, c.270 (C.52:18A-83) is amended to
8 read as follows:

9 5. a. There is hereby established in the Division of Investment
10 a State Investment Council which shall consist of **[15]** 16
11 members.

12 (1) Each of the following agencies, namely, the Board of
13 Trustees of the Public Employees' Retirement System, and the
14 Board of Trustees of the Teachers' Pension and Annuity Fund, shall
15 designate one board member elected to serve on the board, to serve
16 as a member of the State Investment Council herein established.
17 The Chief Justice of the New Jersey Supreme Court shall designate
18 one board member of the Board of Trustees of the Judicial
19 Retirement System to serve as a member of the State Investment
20 Council herein established. The **[two]** three members of the
21 council so designated shall serve as such for a period of three years
22 from the date of their designation and until their respective
23 successors are in like manner designated.

24 (2) Eight of the members of the State Investment Council shall
25 be appointed by the Governor, with the advice and consent of the
26 Senate, for a term of five years and shall serve until the member's
27 successor is appointed and has qualified. Of the initial members
28 appointed following the effective date of P.L.2011, c.78, one shall
29 serve for an initial period of three years, and one shall serve for an
30 initial period of two years.

31 (3) One member of the State Investment Council shall be
32 appointed by the Governor from among three persons nominated
33 jointly by the President of the Senate and the Speaker of the
34 General Assembly and shall serve for a term of five years and until
35 the member's successor is appointed and has qualified.

36 (4) Two members of the State Investment Council shall be
37 appointed by the Governor from among six persons nominated by
38 the Public Employee Committee of the New Jersey State AFL-CIO
39 and shall serve for a term of five years and until the member's
40 successor is appointed and has qualified. If the persons nominated
41 are not acceptable to the Governor for appointment, the Governor
42 may request submission of new nominees.

43 (5) One member of the State Investment Council shall be
44 appointed by the Governor from among three persons nominated by
45 the New Jersey Education Association and shall serve for a term of

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 three years and until the member's successor is appointed and has
2 qualified. If the persons nominated are not acceptable to the
3 Governor for appointment, the Governor may request submission of
4 new nominees.

5 (6) One member of the State Investment Council shall be
6 appointed by the Governor from among three persons nominated by
7 the State Troopers Fraternal Association and shall serve for a term
8 of three years and until the member's successor is appointed and has
9 qualified. If the persons nominated are not acceptable to the
10 Governor for appointment, the Governor may request submission of
11 new nominees.

12 The four members appointed pursuant to paragraphs (4), (5) and
13 (6) of this subsection by the Governor to the council shall be
14 qualified by training, experience or long-term interest in the direct
15 management, analysis, supervision or investment of assets, and this
16 training, experience or long-term interest shall have been
17 supplemented by academic training in the fields of economics,
18 business, law, finance or actuarial science or by actual employment
19 in those fields.

20 At least seven of the nine members appointed pursuant to
21 paragraphs (2) and (3) of this subsection by the Governor to the
22 council shall be qualified by training and experience in the direct
23 management, analysis, supervision or investment of assets, which
24 training and experience shall have been acquired through academic
25 training or through actual employment in those fields.

26 b. No member of the State Investment Council shall hold any
27 office, position or employment in any political party nor shall any
28 such member benefit directly or indirectly from any transaction
29 made by the Director of the Division of Investment provided for
30 herein.

31 The members of the council shall elect annually from their
32 number a chairman of such council. Any member of the council so
33 elected shall serve as such chairman for a term of one year and until
34 a successor is, in like manner, elected. The chairman of the council
35 shall be its presiding officer.

36 The members of the council shall serve without compensation
37 but shall be reimbursed for necessary expenses incurred in the
38 performance of their duties as approved by the chairman of the
39 council. The members of the council shall be required to file the
40 same annual financial disclosure statements as those required to be
41 filed by members of other State boards and commissions who are
42 not compensated for their services, as such statements shall be
43 required by law or executive order of the Governor. The financial
44 disclosure statements of council members shall be made available to
45 the public in the same manner as the statements of members of
46 other State boards and commissions are made available to the
47 public.

1 Each member of the council, except the member appointed from
2 among persons nominated by the President of the Senate and the
3 Speaker of the General Assembly, may be removed from office by
4 the Governor, for cause, upon notice and opportunity to be heard at
5 a public hearing. Any vacancy in the membership of the council
6 occurring other than by expiration of term shall be filled in the same
7 manner as the original appointment, but for the unexpired term
8 only.

9 c. The terms of the members of the council serving pursuant to
10 paragraph (1) of subsection a. of this section and serving on the
11 effective date of P.L.2011, c.78 are terminated as of that effective
12 date. A member terminated pursuant to this subsection shall be
13 eligible for reappointment.

14 (cf: P.L.2018, c.55, s.40)

15
16 2. This act shall take effect immediately.

17 18 19 STATEMENT

20
21 Under current law, the membership of the State Investment
22 Council includes one representative each from the Board of
23 Trustees of the Public Employees' Retirement System and the
24 Board of Trustees of the Teachers' Pension and Annuity Fund. This
25 bill would add a member to represent the Judicial Retirement
26 System (JRS). Under the bill, the Chief Justice of the New Jersey
27 Supreme Court would designate one board member of the Board of
28 Trustees of the JRS to serve on the council. This change would
29 increase the council's membership from 15 to 16 total members.

30 The State Investment Council was created by law to formulate
31 policies the Director of the Division of Investment follows when
32 investing the State's pension funds, including JRS funds.