

Senate Bill 111

Actuarial Cost Study prepared for
Joint Committee on Public Retirement and Social Security Programs
of the Arkansas 89th General Assembly

Provisions of the Bill

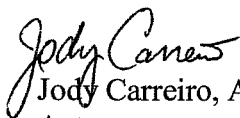
Senate Bill 111 affects each of the Arkansas state-supported retirement systems.

The bill would exempt certain contracts and investment agreements from the Arkansas Procurement Law, as those agreements are made to manage trust assets under the Prudent Investor Rule as described in ACA §24-2-610, et.seq. Lines 22-24 of page 2 of the bill point out that there exist other exceptions to the Arkansas Procurement Law for retirement systems.

Fiscal Impact

We foresee no significant fiscal impact arising from this bill. There is possibly some administrative savings best described by example. The systems typically employ an investment consultant who collects proposals and investigates various investment managers who are then presented to the boards of trustees. The board of trustees then makes the best selection in their view according to the Prudent Investor Rule. Much of this same process would be repeated under the Arkansas Procurement Law. Therefore, this bill could prove to be administratively efficient.

Sincerely,



Jody Carreiro, A.S.A, M.A.A.A.
Actuary