



General Assembly

**Amendment**

February Session, 2010

LCO No. 3882

**\*SB0043103882SR0\***

Offered by:

SEN. MCKINNEY, 28<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> Dist.

To: Senate Bill No. 431

File No. 530

Cal. No. 344

**"AN ACT CONCERNING COLLATERAL FOR SECURITIES LENDING BY THE STATE TREASURER."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 3-37 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2010*):

5 (a) The Treasurer shall, annually, on or before December thirty-first,  
6 submit a final audited report to the Governor and a copy of such  
7 report to the Investment Advisory Council, which shall include the  
8 following information concerning the activities of the office of the State  
9 Treasurer for the immediately preceding fiscal year ending June  
10 thirtieth: (1) Complete financial statements and accompanying  
11 footnotes for the combined investment funds prepared in accordance  
12 with generally accepted accounting principles, which financial  
13 statements shall be audited in accordance with generally accepted  
14 auditing standards and supplementary schedules depicting the

15 interests of the component retirement plans and trust funds; (2)  
16 complete financial statements and accompanying footnotes for the  
17 Short Term Investment Fund prepared in accordance with generally  
18 accepted accounting principles and supplementary schedules listing all  
19 assets held by the Short Term Investment Fund; (3) a discussion and  
20 review of the performance of the combined investment funds and  
21 Short Term Investment Fund for such fiscal year in accordance with  
22 recognized and appropriate performance presentation and disclosure,  
23 including an analysis of the return earned by the portfolio and each  
24 combined investment fund as well as the risk profile of the portfolio  
25 and each combined investment fund according to investment industry  
26 standards; (4) the activities and transactions in such reasonable detail  
27 as is appropriate of the cash management division including  
28 information on the state's cash receipts and disbursements for the fiscal  
29 year, and the debt management division including the financial  
30 statements of the tax-exempt proceeds fund prepared in accordance  
31 with generally accepted accounting principles; (5) financial statements  
32 and accompanying footnotes as well as a summary of operating results  
33 for the Second Injury Fund for such fiscal year; (6) a financial summary  
34 and report on the activities of the state's unclaimed property program  
35 for such fiscal year; (7) a listing of the companies from which state  
36 funds were divested based upon such companies' business in Sudan,  
37 pursuant to the provisions of section 3-21e, and any companies  
38 identified by the Treasurer as companies from which investment of  
39 state funds has been declared impermissible by the Treasurer,  
40 pursuant to the provisions of section 3-21e; and (8) such other  
41 information as the Treasurer deems of interest to the public.

42 (b) Commencing October 1, 2010, and quarterly thereafter, the  
43 Treasurer shall submit a report, in accordance with the provisions of  
44 section 11-4a, to the joint standing committee of the General Assembly  
45 having cognizance of matters relating to finance, revenue and bonding  
46 that shall provide information regarding trust fund investments made  
47 by the Treasurer. Such report shall include, with respect to each trust  
48 fund, (1) an investment policy statement including (A) investment

49 objectives, (B) asset allocation policy and risk tolerance, (C) asset class  
50 definition, including specific types of permissible investments within  
51 each asset class and any specific limitations or other considerations  
52 governing the investment of each fund, and (D) the guidelines used for  
53 investment managers, investment performance evaluations, selection  
54 and termination of providers of investment-related services and proxy  
55 voting, (2) any changes in the investment policy statement from a  
56 previous quarterly report, (3) a list of all current investments, (4) any  
57 changes in such investments from the previous quarter, (5) the  
58 quarterly and projected annual return on such investments, and (6)  
59 any further information requested by said committee.

60 [(b) The report] (c) The reports required pursuant to this section  
61 shall be made available to the public in hard copy and accessible  
62 electronically by means of the Internet or other media or systems  
63 available to the public."