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HOUSE BILL 590

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO FINANCE; CHANGING REQUIREMENTS FOR INVESTMENT OF  
THE PUBLIC SCHOOL INSURANCE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-29-6 NMSA 1978 (being Laws 1986,  
Chapter 94, Section 6, as amended) is amended to read:

"22-29-6. FUND CREATED--BUDGET REVIEW--PREMIUMS.--

A. There is created the "public school insurance  
fund". All income earned on the fund shall be credited to the  
fund. The fund is appropriated to the authority to carry out  
the provisions of the Public School Insurance Authority Act.  
Any money remaining in the fund at the end of each fiscal year  
shall not revert to the general fund.

B. The board shall determine which money in the  
fund constitutes the long-term reserves of the authority and

underscored material = new  
[bracketed material] = delete

1 shall designate either a registered investment adviser or the  
2 state investment officer to invest those long-term reserves.

3 The state investment officer, [~~shall invest~~] when investing the  
4 long-term reserves of the authority, shall do so in accordance  
5 with the provisions of Sections 6-8-1 through 6-8-16 NMSA 1978.

6 The state treasurer shall invest the money in the fund that  
7 does not constitute the long-term reserves of the fund in  
8 accordance with the applicable provisions of Chapter 6, Article  
9 10 NMSA 1978.

10 C. All appropriations shall be subject to budget  
11 review through the [~~department of~~] public education department,  
12 the state budget division of the department of finance and  
13 administration and the legislative finance committee.

14 D. The authority shall provide that premiums are  
15 collected from school districts and charter schools  
16 participating in the authority sufficient to provide the  
17 required insurance coverage and to pay the expenses of the  
18 authority. All premiums shall be credited to the fund.

19 E. Any reserves remaining at the termination of an  
20 insurance contract shall be disbursed to the individual school  
21 districts, charter schools and other participating entities on  
22 a pro rata basis.

23 F. Disbursements from the fund for purposes other  
24 than procuring and paying for insurance or insurance-related  
25 services, including [~~but not limited to~~] third-party

.160569.1

1 administration, premiums, claims and cost containment  
2 activities, shall be made only upon warrant drawn by the  
3 secretary of finance and administration pursuant to vouchers  
4 signed by the director or [~~his~~] the director's designee;  
5 provided that the [~~chairman~~] chair of the board may sign  
6 vouchers if the position of director is vacant."

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