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SENATE BILL 754

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

John Arthur Smith

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

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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

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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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