ESTABLISHING THE GOVERNOR'S TASK FORCE ON STATE TRUST AND ASSET MANAGEMENT

WHEREAS, public pension funds in Texas are estimated to be in excess of $10 billion; and

WHEREAS, annual contributions to these pension funds constitutes one of the largest budget factors for the State of Texas and its local subdivisions; and

WHEREAS, the long term liabilities of these pension funds represent a future claim of extremely large proportions for the State of Texas and its local subdivisions; and

WHEREAS, funds invested by Texas' state agencies and institutions of higher education represent a major budget factor; and

WHEREAS, funds invested by Texas' State Treasury represent a sizeable budget factor; and

WHEREAS, state lands leased by the State of Texas are a significant income resource to the State; and

WHEREAS, a wide variety of options are available for more complex investments with an intermingling of different investment services for these state funds; and

WHEREAS, the current inflation rate necessitates a maximum return on each state dollar invested; and

WHEREAS, it is a public imperative that the actuarial soundness of the state funds be examined; and

WHEREAS, there is an overriding need to review the investment of all public pension funds, major public endowment funds, public leased lands, and state treasury funds for the purpose of long-term economic planning proper management practices and sound public policies.

NOW, THEREFORE, I, William P. Clements, Jr., Governor of Texas, under the authority vested in me do hereby create and establish the GOVERNOR'S TASK FORCE ON STATE TRUST AND ASSET MANAGEMENT, hereinafter referred to as TASK FORCE.

The TASK FORCE will consist of not more than 25 members appointed by the Governor who shall serve for a two-year term and at the pleasure of the Governor. The Governor shall designate a Chairman and Vice-Chairman from the membership who shall serve in those positions at the pleasure of the Governor.

The TASK FORCE is charged with the following responsibilities:

a. examine in detail the current investment policy of all public pension funds, major public endowment funds, state agencies and institutions of higher learning funds, State Treasury funds, and state leased lands;

b. determine the actuarial soundness of each of the investment policies as set forth in (a) above;
c. examine current investment options available which may result in higher yields and returns for the funds as set forth in (a) above;

d. examine in detail for each state agency and institution of higher education, the policies regarding administration, management, and investment of funds as set forth in (a) above; and

e. perform other duties as may be requested by the Governor.

On or before January 1, 1983, the TASK FORCE shall make a complete written report of its activities and recommendations to the Governor.

The TASK FORCE shall meet regularly at the call of the Chairman. A majority of the membership shall constitute a quorum. The Chairman shall, with the consultation of the Governor, establish the agenda for TASK FORCE meetings.

The Governor's Office of Budget and Planning shall serve as coordinating staff for the TASK FORCE.

The members of the TASK FORCE shall serve without compensation and shall be responsible for their expenses.

All agencies of State and local governments are hereby directed to cooperate with and assist the TASK FORCE in the performance of its duties.

This Executive Order shall be effective immediately and shall remain in full force and effect until modified, amended, or rescinded by me.

Given under my hand this 2nd day of November, 1981.

WILLIAM P. CLEMENTS, JR.
Governor of Texas

Secretary of State