



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

SUMMARY OF A PUBLIC MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM EXTERNAL AFFAIRS COMMITTEE

**HELD ON
April 8, 2016
10:30 a.m., Arizona Time**

The External Affairs Committee (EAC) of the Arizona State Retirement System (ASRS) met in the 14th Floor Conference Room of the ASRS Office, 3300 North Central Avenue, Phoenix, AZ, 85012. Dr. Richard Jacob, Chair, called the meeting to order at 10:30 a.m., Arizona Time.

This meeting was teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona, 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Dr. Richard Jacob, Chair
Mr. Lorenzo Romero – Via Teleconference
Mr. Tom Manos – Via Teleconference

Absent: Mr. Kevin McCarthy

A quorum was present for the purpose of conducting business.

2. Approval of the Public Meeting Minutes of the March 08, 2015 EAC Meeting

Motion: Mr. Tom Manos moved to approve the minutes of the March 8, 2016 Public EAC meeting. Mr. Lorenzo Romero seconded the motion.

By a vote of 3 in favor, 0 opposed, 0 abstained, 1 excused the minutes were approved.

3. Presentation, Discussion and Appropriate Action Regarding Rulemaking and the 2015 and 2016 Regulatory Agendas

Ms. Jessica Ross provided an update on the rulemaking activities listed on the 2015 and 2016 Regulatory Agendas. The ASRS is in the process of updating its service purchase rules in Article 5. Staff is working with Management to draft a Notice of Proposed Rulemaking. This rulemaking is taking longer than originally anticipated because the ASRS is engaged in modernizing its service purchase processes and it contains changes to approximately 16 rules, including the repeal of three of those rules, pending legislative action.

4. Presentation, Discussion and Appropriate Action Regarding 2016 Legislative Initiatives and Legislation affecting the ASRS

Mr. Nick Ponder presented the ASRS 2016 legislative initiatives and other legislation that may impact the ASRS.

Mr. Ponder stated there hasn't been a significant amount of progress with regards to the bills moving through the chambers since the last Board Meeting, which took place on March 25, 2016. Both, the House and the Senate, are currently working on their budget processes and will not submit any bills to the Governor's Office until they're done with their budget processes.

Only two Bills have moved as of the last Board meeting:

HB2159: ASRS; RULEMAKING EXEMPTION - The ASRS and the ASRS Board are not subject to the Administrative Procedures Act, except for the uniform administrative hearing procedures, for actuarial assumptions and calculations, investment strategy and decisions, and accounting methodology. This Bill is retroactive to January 1, 1987 and contains a purpose statement. This bill passed the Senate with no concerns and is expected to pass through the House with no concerns.

HB2160: ASRS; ELIGIBLE ROLLOVERS: The list of contributions for the payment of credited service purchases that the ASRS Board is permitted to accept is modified to include "direct transfers from" an individual retirement account or individual retirement annuity of an amount that would otherwise be eligible to be rolled over to the ASRS, instead of a "rollover contribution of that portion of a distribution" from those types of accounts. This Bill has passed the Senate and is expected to move through the House.

5. Call to the Public

No requests to speak from the members of the public.

6. Adjournment of the ASRS External Affairs Committee Meeting.

Motion: Mr. Tom Manos moved to adjourn the April 8, 2016 EAC meeting. Mr. Lorenzo Romero seconded the motion

By a vote of 3 in favor, 0 opposed, 0 abstained, 1 excused the meeting was adjourned.

Dr. Jacob adjourned the public meeting at 10:46 a.m.

Respectfully Submitted by,

Signed Copy on File

Alicia Guzman
Committee Administrator

Date

Signed Copy on File

Pat Klein
Assistant Director, External Affairs Division

Date