



200 E. 18TH STREET, AUSTIN, TEXAS 78701 | P. O. BOX 13207, AUSTIN, TEXAS 78711-3207 | (512) 867-7711 | (877) 275-4377 TOLL-FREE | WWW.ERS.STATE.TX.US

February 18, 2011

The Honorable Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-1090

RE: File No. S7-45-10; Release No. 34-63576

Dear Secretary Murphy:

ANN S. FUELBERG
EXECUTIVE DIRECTOR

CYDNEY C. DONNELL
CHAIR

OWEN WHITWORTH
VICE-CHAIR

BOARD OF TRUSTEES
YOLANDA GRIEGO
I. CRAIG HESTER
CHERYL. MACBRIDE
DONALD E. WOOD

The Employees Retirement System of Texas ("ERS" or the "retirement system") writes to you in response to your request for comments on Securities Release No. 34-63576 and the proposed rules described therein (the "Proposed Rules"). ERS believes it is necessary to provide these comments because the potential negative effects of the Proposed Rules on the retirement system are substantial. It appears that the Securities and Exchange Commission ("SEC") has interpreted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), through its Proposed Rules, as a mechanism to promote accountability and transparency in the U.S. financial system. However, the Proposed Rules and the requirements contained therein that certain persons register with the SEC and the Municipal Securities Rulemaking Board ("MSRB") are overly broad and, as currently written, would result in unintended adverse consequences for the very municipal entities the Dodd-Frank Act was intended to protect.

ERS, the ERS Board, and the IAC

Pursuant to the SEC's request for comments and further clarification on the operations of public retirement systems, the following describes ERS, the ERS Board of Trustees (the "ERS Board"), the ERS Investment Advisory Committee (the "IAC"), and the functions of each. ERS administers retirement and employment-related benefits for several classes of public servants, including elected officials, appointed public officers, public employees, and their dependents. ERS also administers the Texas Employees Group Benefits Program, securing health and related benefits for over 500,000 employees, retirees, and their dependents. In undertaking such responsibilities, ERS neither issues municipal securities nor invests the proceeds of any such securities.

The ERS Board is comprised of six members, three of whom are elected by the members and retirees of the retirement system and three of whom are appointed by various elected Texas state officials. The ERS Board acts in such a manner that ERS and the ERS Board are one and the same. ERS' understanding of the Proposed Rules is that members of a board of trustees of a public retirement system would be deemed "municipal advisors," and as a result they would be required to register with the SEC

and the MSRB unless an exemption is available. It also appears that elected ERS Board members would be exempted from the proposed registration regime under the Proposed Rules, due to their purportedly greater accountability to ERS, but that ERS' appointed members would have to file such registration statements.

It further appears that ERS' IAC members, who are appointed by the ERS Board to provide consultation on investment-related issues, would also be deemed "municipal advisors," and these individuals would therefore have to file registration statements as well. IAC members are selected by the ERS Board on the basis of their extensive expertise in management and investment decision-making and serve at the pleasure of the ERS Board for limited terms. The IAC reviews investment strategies and related policies of ERS to provide comments and recommendations to assist the ERS Board in adopting prudent and appropriate investment policies. Furthermore, ERS staff benefits from the expertise of IAC members when they serve on ad-hoc selection and review committees for implementation of investment strategies on behalf of ERS. In doing so, IAC members comply with strict conflict of interest standards mandated by ERS for all individuals participating in any such selection or review process. Furthermore, IAC members are contractually bound to the same fiduciary and conflict of interest standards required by state law of members of the ERS Board. The use of the IAC by the ERS Board is a best practice, enabling the ERS Board to prudently carry out its fiduciary duty of care for investment of trust assets on behalf of retirement system participants.

The duties and responsibilities of the ERS Board and the IAC are clearly delineated in the ERS Investment Policy, including the policy decision that neither the ERS Board nor the IAC participates in individual investment selections. The ERS Board, with recommendations from the IAC, does, however, oversee macro-level decisions of the retirement system under stringent, established policies, including a placement agent and political contributions policy and other policies promoting transparency, accountability, and oversight. ERS staff implement those decisions, with the assistance of registered third-party investment advisors, and exercise reasonable care consistent with the fiduciary duty required by the Texas Constitution and applicable Texas statutes, rules, and regulations to invest the trust fund assets for the exclusive benefit of ERS participants.

ERS respectfully submits that, for the reasons stated below, none of these individuals should be deemed "municipal advisors," and, therefore, no ERS Board or IAC members should be subject to the Proposed Rules and registration requirements.

Misconstrued Roles of Board and Advisory Committee Members

The Proposed Rules seem to confuse the roles of boards of trustees and advisory committee members of public retirement systems with the roles of true investment advisors. The ERS Board administers the assets of the retirement system, and they, together with ERS itself, should be the beneficiaries of any protections of the Dodd-Frank Act rather than being deemed a danger that necessitates protective efforts and measures. In undertaking its duties, the ERS Board and the IAC rely on the advice of third-party professional investment advisors hired by ERS, all of whom are already required by the ERS Investment Policy to be registered with the SEC, and the ERS Board and the IAC use that advice to implement policies to further the interests of ERS and its participants. The Proposed Rules turn this structure on its head by deeming the ERS Board and the IAC to be giving advice to themselves. But the ERS Board and the IAC are in fact advisees of registered third-party investment advisors and are not municipal advisors advising ERS in the manner contemplated by the Dodd-Frank Act.

Accountability of the ERS Board and the IAC

The Proposed Rules are unnecessary in the case of all members of the ERS Board—both elected and appointed—as well as IAC members because they are all already accountable to ERS and its participants pursuant to the arguably higher fiduciary duties and conflict of interest standards imposed on them by the Texas Constitution, Texas statutes, Texas rules and regulations, the Internal Revenue Code and Treasury Regulations (collectively, the “Code”), and the ERS Investment Policy. These duties of care and loyalty, requiring decisions to be made for the exclusive benefit of the trust and ERS participants, work to ensure that ERS Board and IAC members adhere to the highest standards when making decisions regarding the funds administered by ERS.

Proposed Rules Duplicative

Registration would likely do little to shine additional light on ERS’ investment practices or open ERS’ investment process to the public because significant oversight already exists to prohibit any abuses of power the Proposed Rules are attempting to prevent. Any suggestion that ERS Board and IAC members are not accountable for their actions is simply incorrect as a matter of law. ERS is a trust fund, and ERS Board members are bound by the fiduciary duties and requirements of a trustee under the Texas Constitution, Texas statutes, Texas rules and regulations, and the Code. ERS Board and IAC members are also already subject to the Texas Public Information Act (Ch. 552 of the Texas Government Code), which requires that ERS’ public records be made available to the public upon valid request, and to the Texas Open Meetings Act (Ch. 551 of the Texas Government Code), which requires that ERS Board and IAC meeting agendas be posted in advance and that ERS Board and IAC meetings be open to the public. Rules of the Texas Ethics Commission also impose detailed requirements on ERS Board members regarding conflicts of interest, “revolving doors,” and annual ethics filings that are open to public scrutiny. ERS further mandates similar ethics certifications from any IAC members who are not subject to the rules of the Texas Ethics Commission.

In addition to general laws in Texas applicable to all state agencies, ERS itself has a number of statutes, policies, and other protections specific to it. The ERS Board has adopted an Investment Policy, which details various standards and personal conduct rules applicable to ERS Board and IAC members that ensure that they make all decisions regarding the administration of the retirement system in the best interest of ERS rather than for their own personal gain. The ERS enabling statutes also already contain eligibility standards for ERS Board members, and they further require ERS Board members to subscribe to two oaths upon taking office, calling for each of them to swear to faithfully discharge the duties of an ERS trustee to the best of such person’s ability, to diligently and honestly administer the affairs of the ERS Board, to not knowingly violate or willingly permit to be violated any of the laws applicable to ERS, and to the best of their ability preserve, protect and defend the Constitution and laws of the United States and the State of Texas. Appointed members of the ERS Board also swear under penalties of perjury that they have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment, for the giving or withholding of a vote as a reward to secure their appointment to the ERS Board.

Additionally, the press covers official actions and meetings of the ERS Board and the IAC in detail, and ERS, the ERS Board, and the IAC are also under constant scrutiny by the Texas Legislature, the Texas State Auditor’s Office, and the Texas Legislative Budget Board. All these checks together should provide ample assurance that all ERS Board members—both the elected members and the

appointed members—and all members of the IAC are already accountable to the public and to the participants of the retirement system for their actions, notwithstanding any suggestion to the contrary in the Proposed Rules. Please see the information attached as Exhibit A, which details the many layers of oversight, accountability, and transparency to which ERS, the ERS Board, and the IAC are subject.

Chilling Effect on Service

ERS Board and IAC members are essentially volunteers who donate a tremendous amount of time and expertise to ERS while receiving in return only nominal consideration and/or reimbursement of expenses incurred in performing their duties. In doing so, ERS Board and IAC members agree to subject themselves to the significant duties and responsibilities of their offices, and an extremely high standard of care, to benefit ERS and its participants. A registration requirement, with its attendant and substantial costs in the form of time, effort, and fees (and any potential requirements for continuing education, books and records retention, and testing), is a strong disincentive to service and would markedly decrease the number of qualified individuals willing to serve on the ERS Board and the IAC and similar boards and committees around the country. ERS relies heavily on the thoughtful and knowledgeable direction given by the ERS Board and the IAC, and instituting a burdensome registration regime would considerably narrow the pool of individuals willing to donate their time and efforts to the retirement system, potentially handicapping ERS and contrary to the apparent protections intended by the Dodd-Frank Act.

Encroachment on Operations of State Government

Finally, the registration requirement intrudes on what has traditionally been an area solely left to state government to administer. States have always set eligibility standards for trustees of their own public pension systems, rather than the federal government, and it is unclear from the Proposed Rules what the result would be if the SEC or MSRB refused to register a duly appointed member of the ERS Board or any other public pension system. The limbo into which ERS could be thrust in such a situation is an extremely troubling potential consequence of the Proposed Rules, without providing any significant additional accountability or transparency.

Conclusion and Proposal

ERS believes the Proposed Rules fail to distinguish between the very different roles boards of trustees and advisory committees of public retirement systems play as opposed to those played by true investment advisors. The Proposed Rules further fail to acknowledge that a public entity's board of trustees and the public entity itself are one and the same and deserve the same protections intended by the Dodd-Frank Act. They also fail to recognize the prudent and appropriate safeguards already built into the operations of the ERS Board and the IAC by the Texas Constitution, Texas statutes, Texas rules and regulations, the Code, ERS policies, and, in the case of IAC members, contractual obligations. The Proposed Rules would further add a burdensome and unnecessary layer of bureaucracy on individuals seeking to serve their local and state public entities, while doing little to further the public good. Additionally, any refusal by the SEC or MSRB to register a duly appointed ERS Board member raises questions about the proper roles of state and federal government in administering state public pension systems, and the unpredictable effects on ERS arising out of any such refusal are unsettling and worrisome.

The Honorable Elizabeth M. Murphy, Secretary

February 18, 2011

Page 5

ERS therefore respectfully requests that the Proposed Rules be revised such that, for purposes of the Dodd-Frank Act, the definition of "employees of a municipal entity" is expanded to include all elected and appointed members of a board of trustees of any state or local government entity (including public retirement systems) and any advisory committees duly appointed by the board of trustees or otherwise established to assist such board. In the alternative, ERS requests that the SEC exercise its discretionary authority to revise the Proposed Rules to exempt from the definition of "municipal advisor" all elected and appointed members of any such board of trustees and any such advisory committee.

ERS appreciates the opportunity to comment. Thank you for your consideration.

Sincerely,

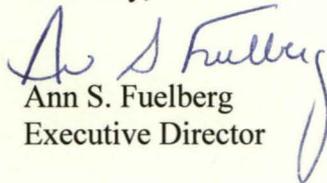

Ann S. Fuelberg
Executive Director

EXHIBIT A
ERS Accountability and Oversight Chart

ERS Reports/Audits to Outside Agencies

Report Title	Description	Time	Recipients	Reference
Cost Containment and Fraud Report	An annual report on the effectiveness and efficiency of managed care cost containment practices, and fraud detection and prevention procedures.	Annually on Jan 1	Governor's Office, Speaker of the House, Lt. Governor's Office, Legislative Budget Board	Tx Insurance Code § 1551.061
Report on Customer Service	Report on customer satisfaction with ERS services and facilities based on survey data. Includes inventory of customers, survey methodology, cost and analysis, and performance measure results.	no later than June 1st even years	Governor's Office of Budget, Planning and Policy, Legislative Budget Board	
Personal Financial Statement	Personal financial statements must be filed with the Texas Ethics Commission by the Executive Director and members of the Board of Trustees. Requires disclosure of all sources of income, securities and real estate holdings, gifts and numerous other financial-related information.	Annually no later than April 30	Texas Ethics Commission	Tex.Gov't Code chapter 572
Actuarial Experience Study	Valuation of the assets and liabilities of the retirement trust fund based on assumptions and methods that are reasonable in the aggregate, offer the actuary's best estimate of anticipated experience under the program(s).	Not later than the 30th day after final audit.	State Pension Review Board, Board of Trustees, Investment Advisory Committee	Govt Code §802.1012
Annual Financial Report (Unaudited)	Financial report regarding the agency's use of appropriated money during the preceding fiscal year. Requires review and approval by the Executive Director.	Not later than Nov 20 of each year	Governor's Office, State Comptroller, Legislative Budget Board, Legislative Reference Library, State Auditor's Office, Board of Trustees	
Capital Expenditure Plan Reporting Exemption	Projects with Capital Expenditures exceeding \$1 million in a year. ERS is exempt because funds are not appropriated, but must file the exemption biennially.	On or before June 30 of every even year	Texas Bond Review Board	Article IX, §11.02 2008-09 General appropriations Act
Comprehensive Annual Financial Report	Financial report regarding the agency's use of appropriated money during the preceding fiscal year. Requires review and approval by the Executive Director.	Not later than Dec 20 of each year	Governor's Office, State Comptroller, Legislative Budget Board, Legislative Reference Library, State Auditor's Office, Board of Trustees	includes §840.007 report
Debt Report	Contains information on outstanding debts as required by the Office of the Attorney General. Requires Executive Director's signature.	Not later than 90th day after end of each fiscal year	Office of the Attorney General	
Encumbrance Reports	Report of payables and binding encumbrances by appropriation account. Standard format, and signature of Executive Director is not required.	Not later than Oct 30 of each year	State Comptroller, Legislative Budget Board, State Auditor's Office	
ERS and JRS Retirement Systems Data for the Quarterly Bond Report	Selected Financial Information Regarding State-Operated Retirement Systems.	Not later than 15 days after each fiscal quarter	State Comptroller	
Experience Study	Retirement actuary makes an actuarial investigation of the mortality, service, and compensation experience of the members and beneficiaries of the retirement system.	at least every five years	Board of Trustees	Tex.Gov't Code §815.206(c)
F-10 Quarterly Survey of the Finances of Public Employee Retirement Systems	The U.S. Office of Management and Budget (OMB) approved the request of the survey data on contributions, benefit payments, and cash and investment asset balances at fair market value from Public Employee Retirement Systems.	Not later than 40 days after the end of each calendar quarter	U.S. Census Bureau	
F-12 Annual Survey of State Administered Public Employee Retirement Systems	The U.S. Office of Management and Budget (OMB) approved the request of the survey data on contributions, benefit payments, and cash and investment asset balances at fair market value, membership and beneficiaries statistics from State Administered Public Employee Retirement Systems.	Not later than 110 days after the end of fiscal year-end	U.S. Census Bureau, U.S. Department of Commerce, Economics and Statistics Administration	
Group Insurance Contribution Appropriation - Higher Education Transfers	Details transfers made to apply appropriations in excess of actual general revenue costs to higher education agencies.	By Dec 1 of each year	Governor's Office, State Comptroller, Legislative Budget Board	
Historically Underutilized Businesses Progress Reports	Documents progress under its plan for increasing use of HUBs. Included as a Schedule in the Non-Financial, Other Required Information report.	Not later than Dec 31 of each year	Governor's Office, Lieutenant Governor, Speaker of the House	
Large and Aggregate Contract Notification Report	Contracts and purchase orders to any vendor with an aggregate value of more than \$500,000.	By Dec 1 of each year	Legislative Budget Board	Article IX, §7.05 2006-07 General appropriations Act

ERS Reports/Audits to Outside Agencies

Report Title	Description	Time	Recipients	Reference
Legislative Appropriation Request	An itemized budget covering the programs of the prior year, current biennium and future biennium. Requires review and approval of the Executive Director and Board of Trustees.	On or before Aug 27 of every even year	Governor's Office of Budget, Planning, and Policy, Lt. Governor's Office, Speaker's Office, Senate Committee on Finance, and House Committee on Appropriations, State Comptroller, Legislative Budget Board, State Auditor's Office, Legislative Reference Library, Texas State Publications Clearinghouse State Library, Dept. of Information Resources, Bond Review Board	
Monthly Investment Summary	The report shall include: the current end-of-fiscal-year market value of the trust fund; the asset allocations of the trust fund expressed in percentages of stocks, fixed income, cash, or other financial investments; and the investment performance of the trust fund utilizing accepted industry measurement standards.	not later than 25th day of the month following the end of each FY	Governor's Office, Lt. Governor's Office, Speaker of the House, Legislative Budget Board, Pension Review Board, appropriate oversight committees of House and Senate, Executive Director, Board of Trustees	Govt Code §815.510
Non-financial Information Required (Other Required Information) Report	Annual report of non-financial information for the prior year.	Not later than Dec 31 of each year	Governor's Office, Legislative Budget Board, State Auditor's Office, Legislative Reference Library	
Non-Resident Bidders	Identifies each non-resident bidder awarded a contract with a value of \$25,000 or more for supplies, materials, services, or equipment. Standard format and signature of Executive Director is not required.	During Jan and July of each year	Legislative Budget Board	
Operating Budget	An itemized budget covering the programs of the current year and future biennium. Requires review and approval of the Executive Director and Board Chair.	On or before Nov 1 of every odd year	Governor's Office of Budget, Planning, and Policy, Lt. Governor's Office, Speaker's Office, Senate Committee on Finance, House Committee on Appropriations, Legislative Budget Board, State Comptroller, State Auditor's Office, Bond Review Board, Dept. of Information Resources, Legislative Reference Library, Texas State Publications Clearinghouse State Library,	
Operating Budget - Itemized, GAA	An itemized budget covering the operations of that fiscal year. Requires review and approval of the Executive Director.	On or before Dec 1 of each year	Governor's Office, Comptroller, Legislative Budget Board, Legislative Reference Library	
Pension Review Board Quarterly Report		no later than the 45th day after each quarter ending March, June, September and December.	Pension Review Board	The provisions of this §605.3 adopted to be effective July 14, 2003, 28 TexReg 5545; amended to be effective May 8, 2007, 32 TexReg 2480

ERS Reports/Audits to Outside Agencies

Report Title	Description	Time	Recipients	Reference
Performance Measure Report	Report on key performance measures.	Due Quarterly and Annually not later than one month after the end of the quarter	Legislative Budget Board, Legislative Reference Library, Texas State Publications Clearinghouse State Library	
Post Payment Audit	Conducted by the Comptroller of Public Accounts	Periodically as determined by the Comptroller's Office	State Comptroller, Executive Office	Tex. Gov't Code Ann. §403.071 (g)-(h) (Vernon 2008)
Posting Information on Internet	An analysis of all agency expenditure during the two preceding FY listing by county the amount of agency expenditures made in or for the county; profile of governing office including office address; listing and description of all contracts with vendors that have a value exceeding \$100,000 entered into or for which performance has not yet begun; brief description of agency duties; link to agency's rules as published in the Texas Administrative Code.	During the biennium	Required to be posted on ERS website	Tex. Gov't Code §2054.126 (d)
Recycled, Remanufactured or Environmentally Sensitive Commodities or services	Report on expenditures made during the preceding fiscal year for each of the commodities or services. Standard format and signature of Executive Director is not required.	Date prescribed by commission	Texas Building and Procurement Commission	
Report of U.S. Ownership of Foreign Securities	Report on the aggregate total of market value of foreign securities that ERS owns at the end of each calendar year.	March 1 of each year	Federal Reserve Bank of New York	
Schedule of Proportionality	Each agency with General Revenue Appropriations and other sources of financing shall file a schedule demonstrating proportionality for salaries, wages and benefits. Since ERS does not pay salaries from GR, we file a statement of exemption from this requirement. Executive Director signature is not required.	Before Nov 20 following close of the fiscal year	State Comptroller, State Auditor's Office	
SEC Form 13F Filing	Report on investment holdings, as defined in the Section 13(f)-1(c) of the Securities Exchange Act, having an aggregate fair market value on the last trading day of any month of any calendar year of at least \$100 million.	Not later than 45 days after the end of each calendar quarter	U.S. Securities and Exchange Commission	§13(f) of the Securities Exchange Act
Visitors' Information Report	Each agency provides the information about the agency visitors on a quarterly basis. Executive Director signature is not required.	Not later than the 5th day after end of each fiscal quarter	Texas Ethics Commission	
Workers' Compensation Assessment - Payroll Report	Reports payroll dollars and FTE's by fund.	Annually	State Office of Risk Management	Attorney General of Texas Opinion Number GA-0075, dated May 22, 2003, the Employees Retirement System of Texas (ERS) does not participate in the workers' compensation cost allocation assessment.
Legislative Budget Board Performance Reviews	Conducted by Legislative Budget Board	Periodic	Governor's Office, Lt. Governor's Office, Speaker of the House, Legislative Budget Board	Tex. Gov't Code §322.011
Classification Compliance Audits	Conducted by the State Auditor's Office	Conducted periodically	Governor's Office, Legislative Audit Committee	
EEO Workforce Summary	Required federal report showing EEO-4 Reports breakdown of ERS' labor force by EEO categories.	Annually in Oct	State Auditor's Office	
EEO-4 Statewide Summary	Provides information on the number of minorities hired in each job category along with their salaries.	Annually in Oct	Governor's Office	
FTE Report	Provides the average number of full-time equivalent employees per division and the management to staff ratio within the agency.	Quarterly (Dec, Mar, Jun, Sep)	State Auditor's Office	
Recruitment Plan	Supports the agency's goal of recruiting the best-qualified applicants for jobs. Annually, the ERS reviews the recruitment plan to ensure it reflects the current recruiting goals of the agency. As part of this annual review, a workforce analysis is completed to compare the agency's current number of African-Americans, Hispanic-Americans, and females with these groups in the statewide civilian workforce.	Annually in Sept	State Auditor's Office	
Veterans Workforce Summary Report	Provides the number of Veterans employed by the agency and if they qualify for the veterans preference status.	Calendar Year Quarters	State Auditor's Office	

ERS Reports/Audits to Outside Agencies

Report Title	Description	Time	Recipients	Reference
Actuarial Audits	Independent actuarial firms analyze and audit the assumptions made by: the ERS pension actuary for the retirement plans administered by ERS, and by the health care actuary in connection with the Group Benefits Program.	at least every five years	Board of Trustees	
Agency Internal Audit Reports	Periodic reports of ERS internal auditors	Submitted within 30 days following issuance	Governor's Office, Legislative Budget Board, State Auditor's Office, Sunset Advisory Commission, Board of Trustees	Govt Code §2102.009
An Audit Report on Selected Investment Practices at Texas Treasury Safekeeping Trust Company, the Employees Retirement System, and the Texas A&M University	Conducted by the State Auditor's Office to determine whether policies, procedures and controls exist and are adhered to for initial due diligence and ongoing monitoring of alternative investments; controls exist and are adhered to for selection and ongoing monitoring of external managers of traditional investments; controls provide assurance of compliance with key investment policies, such as controls regarding allowable investments, limits on amounts invested in a specific investment type, trader limits, and tracking error limits; processes and controls exist for securities lending programs to provide assurance of compliance with state law and key provisions of their contracts with their securities lending administrators.	Audit covered the period of FY 2009 through April 2010. Fieldwork was conducted April 2010 – June 2010. Report issued in September 2010.	Governor's Office, Legislative Audit Committee, Board of Trustees	SAO Report No. 11-003
An Audit Report on Ethics Policies for Trustee Investing Practices at the Employees Retirement System, the Teacher Retirement System, and The University of Texas Investment Management Company	Conducted by the State Auditor's Office to determine whether the ethics policies for trustee investing practices are consistent with statutory requirements and the controls to ensure compliance with the ethics policies are working as intended.	Audit covered the period September 1, 2005 – December 31, 2008. Fieldwork was conducted January 2009 – February 2009. Report issued in April 2009	Governor's Office, Legislative Audit Committee, ERS Board of Trustees	SAO Report No. 09-031
Annual Internal Audit Report	Annual report of Audits conducted throughout the year	Nov 1 annually	Governor's Office, Legislative Budget Board, State Auditor's Office, Sunset Advisory Commission, Board of Trustees	Govt. Code §2102.009
Code of Ethics and Personal Investment Activities	Certification completed by members of Board of Trustees and Investment Advisory Committee, Executive Director, Chief Operating Officer and ERS Investment-related staff regarding compliance with ERS Investment Policy, Code of Ethics and Insider Trading Policy	Annually Fiscal Year End	Internal Audit	Tex.Gov't Code §815.213 and ERS Investment Policy §5.1
Report on State Auditor's Recommendations	Report on how agency has addressed the findings and recommendations from State Auditor's Office	Schedule set by State Auditor's Office	State Auditor's Office	Govt Code §321.014
Sudan Investments	1. Identify all investments sold, redeemed, divested, or withdrawn in compliance with Section 806.056. As of January 1, 2008, the effective date of the statute, the only listed company owned by ERS was Alstom, and ERS owned 16,500 shares. In July 2008, there was a stock split increasing ERS' shares to 33,000. In October 2008, ERS sold all 33,000 shares of Alstom in the normal course of business. 2. Identify all prohibited investments under Section 806.059. None 3. Summarize any changes made under Section 806.057. Not applicable	16-Dec-08	Speaker of House, Senate ProTem, Attorney General, Presidential Special Envoy to Sudan	Govt Code §806.102
Investment Policy	Requires the governing body to develop a written investment policy as noted: develop and adopt a written investment policy; maintain for public review at its main office a copy of the policy as well as any updates to the policy	Not later than 90th day after the date the policy is adopted	State Pension Review Board	Tex. Gov't Code §802.202(d)

ERS Reports/Audits to Outside Agencies

Report Title	Description	Time	Recipients	Reference
ERS Report of Procedures for Charging and Collecting Fees for Copies of Information pursuant to Public Information Act, Chapter 552, Tex. Gov't Code	Report of ERS' charging policy and statistical information on Public Information Act requests received by ERS for the prior fiscal year.	Before the 30th day after the date on which a regular session of the legislature convenes	Required to be posted on ERS website	Gov't Code §552.274(b)
OAG Open Records Report	Report of all Public Information Act requests received by ERS. Information provided includes: category of request, amount received from requestor, whether briefing and/or redacting was required, and training provided by ERS.	Monthly	Office of the Attorney General	Gov't Code §552.010
Notification of Fraud	If reasonable cause to believe fraudulent or unlawful conduct has occurred in relation to the operation of department or entity, the admin head shall report the reason and basis for belief to State Auditor's Office.	Contingent on finding by Admin head	State Auditor's Office	Govt Code §321.022