BUDGET REVIEW SUBCOMMITTEE ON GENERAL GOVERNMENT, FINANCE, PERSONNEL, AND PUBLIC RETIREMENT

Minutes of the 4th Meeting of the 2026 Interim

September 2, 2026

Call to Order and Roll Call
The fourth meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement was held on September 2, 2026, at 9:00 AM in Room 129 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:
Members: Representative Walker Thomas, Co-Chair; Senator Scott Madon, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Michael J. Nemes; and Representatives Al Gentry, Erika Hancock, Kevin Jackson, and Matt Lockett.

Guests: Robert Miller, Executive Director, Office of Financial Management, Finance and Administration Cabinet.

LRC Staff: Heather Keene, Emma Mills, and Jennifer Luttrell.

Approval of Minutes
Senator Madon moved to approve the minutes from August 5, 2026. Senator Nemes seconded the motion, and the minutes were approved unanimously.

State Investment Commission

Robert Miller, Executive Director of the Office of Financial Management, Finance and Administration Cabinet, gave a brief overview of the State Investment Commission.

In response to Chair Thomas' question, Director Miller said discussions about what qualifies as an allowable investment have been ongoing. Still, there haven't been any recent changes because what you can invest in has changed over the years.

Responding to Representative Lockett's question, Director Miller said the investment staff reports to, and is accountable to, the commission. The investment selection process involves four staff members. Three manage a pool of investments, while one provides backup support. Their strategy is to ladder investment maturities. As new investable funds come in, they allocate the money across various maturities, investing as far out as possible. When investments mature, the funds return to them, allowing them to reinvest. The staff members typically have college degrees in finance, accounting, actuarial science, or economics. Additionally, two of them are currently pursuing the Chartered Financial Analyst (CFA) professional certification.

In response to Representative Jackson, Director Miller explained that a 3.75 percent return is minimal compared with the double-digit increases in the teacher retirement fund. Existing administrative regulations do not allow equity investments that could generate higher returns in the current economic climate. Furthermore, the portfolio has an average maturity of only six months, making it difficult to achieve better results due to the limitations and expectations set by these regulations.

Adjournment
There being no further business, the meeting adjourned at 9:24 AM (ET)/10:24 AM (CT).