



OKLAHOMA TEACHERS

RETIREMENT SYSTEM

BOARD OF TRUSTEES

REGULARLY SCHEDULED
MEETING

MARCH 27, 2013

MEETING MATERIALS

TABLE OF CONTENTS

TRS Board Agenda	1
February 28, 2013 Special Meeting Minutes	2-4
Investment Consultant Monthly Report	5-15
Small Cap Domestic Equity RFP	16-54
FY-2014 Contribution Rate for Grant Matching Funds	55
Ethical and Fiduciary Conduct Policy	56-69
Executive Director Report	
Client Status Update	70-75
Performance Metrics	76
Legislative Update	77-90

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, March 27, 2013 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR FEBRUARY 28, 2013 SPECIAL BOARD MEETING**
- 3. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Wellington Management Company (Mid Cap)
 - B. Frontier Capital Management (Mid Cap)
- 5. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting***
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON SMALL CAP DOMESTIC EQUITY RFP**
- 8. DISCUSSION AND POSSIBLE ACTION ON CONTRIBUTION RATE FOR GRANT MATCHING FUNDS FOR FY-2014**
- 9. DISCUSSION AND POSSIBLE ACTION ON ETHICAL AND FIDUCIARY CONDUCT**
- 10. DISCUSSION AND UPDATE ON MOTION TO SEEK CO-LEAD PLAINTIFF APPOINTMENT, CONSOLIDATION OF C 12-5980 AND C 13-0284 IN THE US DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION**
- 11. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
 - A. Client Status Update
 - B. Performance Metrics
 - C. Legislative Update
 - D. Other Items for Discussion
- 12. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 13. NEW BUSINESS**
- 14. ADJOURNMENT**

**MEETING MINUTES
FEBRUARY 28, 2013
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

A special meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Gary Trennepohl, Chairman, at 9 A.M., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda was posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Gary Trennepohl, *Chairman**
James Dickson, *Vice Chairman**
Vernon Florence, *Secretary*
Roger Gaddis
Jill Geiger*

Beth Kerr
Stewart Meyers, Jr.
William Peacher
Michael Simpson
Greg Winters

TRUSTEES ABSENT:

Sherrie Barnes
Jonathan Small

Billie Stephenson

TRS STAFF PRESENT:

James R. Wilbanks, *Executive Director*
Josh Richardson, *Internal Auditor*

Becky Wilson, *Executive Assistant*
Grant Soderberg, *Investment Associate*

LEGAL COUNSEL PRESENT:

Regina Switzer, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT:

Greg Weaver, *Gregory W. Group*

Douglas J. Anderson, *Gregory W. Group*

OTHERS PRESENT:

Terry Ingmire, *OK Retired Educators Assoc.*

*Denotes either late arrival or early departure

ITEM 1 – ROLL CALL FOR QUORUM: Chairman Trennepohl called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 2 – MEETING MINUTES: A motion was made by Ms. Kerr with a second made by Mr. Meyers to approve the January 22, 2013 Special Trustee Education meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

A motion was made by Dr. Winters with a second made by Ms. Kerr to approve the January 23, 2013 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 3 – EXECUTIVE SESSION REGARDING CONFIDENTIAL COMMUNICATIONS BETWEEN THE BOARD OF TRUSTEES AND ITS ATTORNEY TO SEEK CO-LEAD PLAINTIFF APPOINTMENT AND APPROVAL OF BERNSTEIN LITOWITZ BERGER & GROSSMAN TO REPRESENT IT AS CO-LEAD COUNSEL:

- A. A motion was made by Mr. Florence with a second made by Dr. Simpson to enter into Executive Session at 9:04 a.m. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.
- B. A motion was made by Dr. Simpson with a second made by Ms. Kerr to return to Open Session at 9:27 a.m. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 4 – POSSIBLE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: A motion was made by Dr. Simpson with a second made by Ms. Kerr authorizing the Oklahoma Teachers Retirement System to seek lead plaintiff status against Hewlett Packard and to appoint Bernstein Litowitz Berger & Grossman as co-lead counsel. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 5 – ADOPTION OF PERMANENT RULES: Dr. Wilbanks gave a brief presentation to the Board on the changes to the Permanent Rules. A public hearing was held on February 15, 2013 to receive comments regarding the proposed permanent rules; no one appeared at this hearing nor did TRS receive any written or oral comments. The proposed rules for adoption are: 715:10-5-36 new rule; 715:10-15-3 amended; 715:10-15-6 amended; 715:10-15-26 amended; 715:10-17-6 amended; 715:10-23-6 new rule.

A motion was made by Mr. Florence with a second made by Dr. Winters to approve and adopt all rules as presented and to make the following change: OAR to OAC (Oklahoma Administrative Code). The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 6 – INVESTMENT CONSULTANT MONTHLY REPORT: Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board their monthly report. No action was necessary.

ITEM 7 – PRESENTATIONS BY INVESTMENT MANAGERS: Sawgrass Asset Management and Hotchkis & Wiley, Investment Managers for the Large and Mid Cap portfolios, were present to give respective presentations to the Board. Mr. Dickson joined the meeting during the presentations.

A break was taken from 10:15 a.m. to 10:25 a.m.

ITEM 8 – MANAGER STATUS SUMMARY REPORT: Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board the Manager Status Summary Report. No action was necessary.

ITEM 9 – INVESTMENT CONSULTANT QUARTERLY REPORT: Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board their quarterly report. No action was necessary.

ITEM 10 – OTRS INVESTMENT STAFF QUARTERLY REPORT: Due to time constraints, the Chairman postponed this item until a later meeting.

ITEM 11 – INVESTMENT COMMITTEE REPORT: Mr. Dickson, Chairman of the Investment Committee, gave the Investment Committee report. After discussion, a motion was brought from the Investment Committee authorizing OTRS Staff and Investment Consultants to hire a small cap transition manager, if warranted. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Dr. Winters; and Chairman Trennepohl.

ITEM 12 – SMALL CAP GROWTH RFP: Presentations were made to the Board by two of the finalists: Geneva and Wasatch Advisors. After giving respective presentations to the Board, the decision was delayed until a later meeting.

A break for lunch was taken from 12:50 p.m. to 1:05 p.m.

ITEM 13 – DATA MIGRATION: Josh Richardson presented a rough draft of the Data Migration Report to the Board. After a lengthy discussion, no action was necessary.

ITEM 14 – EXECUTIVE DIRECTOR REPORT: Dr. Wilbanks gave his report to the Board. A motion was made by Mr. Meyers with a second made by Mr. Florence to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Mr. Gaddis; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; and Dr. Winters.

ITEM 15 – QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Trustees.

ITEM 16 – ADJOURNMENT: There being no further business, a motion was made by Mr. Gaddis with a second made by Mr. Peacher to adjourn. The meeting was adjourned at 2:12 p.m. Trustees present at adjournment were Mr. Florence; Mr. Gaddis; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; and Dr. Winters.

BOARD OF TRUSTEES, TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Gary Trennepohl, Chairman

ATTEST:

BY: _____
Vernon Florence, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers’ Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on March 27, 2013.

BY: _____
Becky Wilson, Executive Assistant to the Executive Director

February 2013 - Market Performance Update

Stocks Edge Higher

Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	1.8	11.5	13.9	5.7
NASDAQ (prc chg only)	0.6	6.5	12.2	6.8
S&P 500 cap weighted	1.4	13.5	13.5	4.9
S&P 500 equal weighted	1.2	15.3	15.2	8.1
S&P Mid Cap	1.0	14.6	16.0	8.6
S&P Small Cap	1.4	14.7	16.5	8.4
S&P REIT	1.3	17.6	20.0	7.4
Russell 1000 Growth	1.2	9.6	13.8	6.4
Russell 1000 Value	1.4	17.6	13.7	3.9
Russell Mid Cap Growth	1.0	10.8	15.3	6.8
Russell Mid Cap Value	1.8	18.9	16.0	7.4
Russell 2000 Growth	1.1	11.2	15.8	7.8
Russell 2000 Value	1.1	16.9	13.6	6.7
Russell Top 200	1.3	13.0	13.0	4.5
Russell 1000	1.3	13.6	13.8	5.2
Russell Mid Cap	1.4	15.0	15.7	7.2
Russell 2500	1.2	15.2	15.8	7.9
Russell 2000	1.1	14.0	14.7	7.4
MSCI World Ex US	-1.0	8.8	6.7	-1.2
MSCI World Ex US Growth	0.3	8.5	7.6	-1.1
MSCI World Ex US Value	-2.3	9.0	5.7	-1.4
MSCI EAFE	-1.0	9.8	6.9	-1.3
MSCI Emerging Markets	-1.3	0.3	6.6	0.3

Despite the economic uncertainty emanating from Washington D.C., (looming sequestration was the crises du jour) domestic equities managed to move higher during February. International equities earned mixed results during the month. Developed and emerging markets both moved lower. The growth index posted a modest gain.

Domestic equity performance was narrowly correlated. Value stocks outperformed growth stocks among large and mid caps. Small cap growth and value tied for the month. Mid caps outperformed by a narrow margin. Trailing year performance dispersion between domestic equity market segments was low.

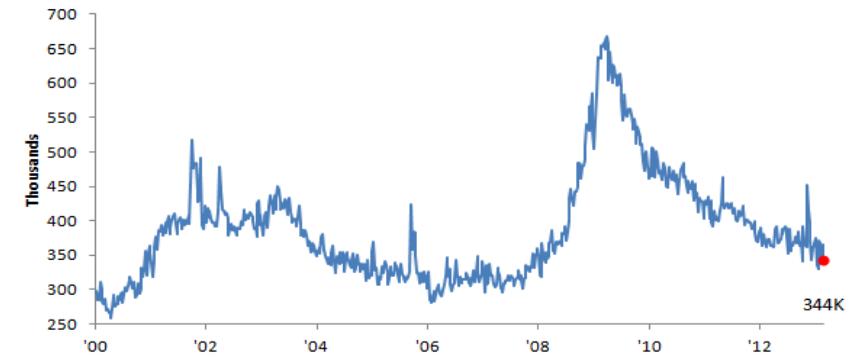
Trailing one and three year returns for domestic equity remained high.

Fixed income returns rebounded during February. Core bonds posted a modestly positive return while long duration Treasuries gained 1.3%. Money market funds produced virtually no income.

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	0.3
BC Long Treasury	1.3	3.4	11.8	8.5
BC US Agg	0.5	3.1	5.5	5.5

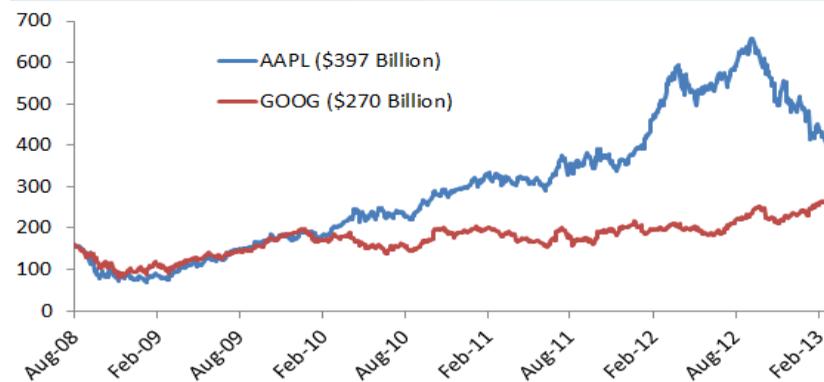
Initial Jobless Claims (Seasonally Adjusted): 2000 - 2013



AAA Unleaded Gasoline National Average Price Per Gallon



Google (GOOG) vs. Apple (AAPL) Market Cap (\$, Billions)



Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	Target Percentage	Difference	Notes
All Cap/Large Cap	2,448,869,167	21.6%	17.5%	4.1%	Excess allocation bound for Private Equity
Mid Cap	1,533,209,366	13.5%	12.5%	1.0%	
Small Cap	1,035,198,629	9.1%	10.0%	-0.9%	
Total Domestic Equity	5,017,277,162	44.2%	40.0%	4.2%	
Large Cap International Equity	1,281,077,376	11.3%	12.5%	-1.2%	
Small Cap International Equity	414,886,544	3.7%	2.5%	1.2%	
Total International Equity	1,695,917,754	14.9%	15.0%	-0.1%	
Core Fixed Income	2,398,971,838	21.1%	25.0%	-3.9%	
High Yield Bonds	611,948,331	5.4%	5.0%	0.4%	
MLPs	680,564,441	6.0%	5.0%	1.0%	
Private Equity	211,591,219	1.9%	5.0%	-3.1%	
Real Estate	503,167,304	4.4%	5.0%	-0.6%	
Opportunistic Assets	136,247,680	1.2%	0.0%	1.2%	
Total Non-Core Assets	2,143,518,974	18.9%	20.0%	-1.1%	
Cash	98,378,514	0.9%	0.0%	0.9%	
Composite	11,354,064,242	100.0%	100.0%	0.0%	

Total Fund + Asset Class Composite Summary

As of February 28, 2013



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	11,354,064,242	12/1/1991	21.3	9.4	9.9	6.6	11.8	11.3	13.0	6.3	0.5
Total Fund (Net of Fees)				9.0	9.6	6.3	11.4	11.0	12.9	6.2	0.5
<i>Allocation Index</i>				9.2	8.8	5.5	11.3	10.3	11.6	6.0	0.6
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	5,017,277,162 44.2%	4/1/1990	22.9	10.3	10.4	6.2	13.4	12.6	15.2	9.4	1.0
<i>S&P 500</i>				9.0	8.2	4.9	13.5	13.5	13.0	7.6	1.4
Total All Cap Equity	693,387,691 6.1%	9/1/2006	6.5	4.6	-	4.9	12.9	10.0	11.7	8.0	1.1
<i>Russell 3000</i>				4.9	-	5.4	13.8	13.6	13.8	8.2	1.3
Total Large Cap Active Equity	802,420,086 7.1%	1/1/1995	18.2	9.5	8.8	4.4	13.3	14.1	14.0	9.2	1.6
<i>S&P 500</i>				8.8	8.2	4.9	13.5	13.5	13.0	7.6	1.4
Total Mid Cap Equity	1,533,209,366 13.5%	11/1/1998	14.3	9.2	13.0	8.4	15.2	12.3	17.3	11.2	1.5
<i>Russell Mid Cap</i>				8.8	11.9	7.2	15.6	15.0	17.7	10.8	1.4
Total Small Cap Equity	1,035,198,629 9.1%	2/1/1998	15.1	8.2	11.3	7.0	11.1	11.1	15.9	8.4	-0.7
<i>Russell 2000</i>				6.5	11.2	7.4	14.7	14.0	15.2	11.3	1.1
Total International Equity	1,695,917,754 14.9%	2/1/1998	15.1	8.9	10.7	0.2	7.9	9.7	17.9	6.9	-1.1
<i>MSCI ACWI ex-US</i>				-	11.2	-0.4	7.1	7.2	17.3	6.6	-1.0
Core Fixed Income (ex- High Yield)	2,398,971,838 21.1%	4/1/1990	22.9	7.6	6.7	8.4	9.0	6.6	3.6	-0.1	0.6
<i>Barclays Aggregate</i>				-	5.0	5.5	5.5	3.1	1.6	-0.3	0.5
Master Limited Partnerships	680,564,441 6.0%	12/1/2008	4.2	17.4	-	-	-	17.3	26.7	13.4	2.0
<i>Alerian MLP Index</i>				14.1	-	-	-	12.1	19.5	10.1	0.9
High Yield Fixed Income	611,948,331 5.4%	2/1/2009	4.1	18.5	-	-	12.2	13.7	11.9	4.1	0.4
<i>ML High Yield II</i>				-	-	-	11.7	11.8	9.9	3.5	0.5
Core Real Estate	503,167,304 4.4%	4/1/2011	1.9	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Cash	98,378,514 0.9%	4/1/1990	22.9	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>				-	1.8	0.4	0.1	0.1	0.1	0.0	0.0

Equity Portfolios Summary

As of February 28, 2013

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Hotchkis & Wiley Large Cap	409,220,521	4/1/1990	22.9	10.3	9.2	4.4	13.7	15.9	16.9	11.7	1.4
Russell 1000 Value	3.6%			9.6	8.8	3.9	13.7	17.6	16.8	10.3	1.4
Sawgrass	393,199,565	7/1/2006	6.7	6.1	-	6.0	14.0	12.2	11.1	6.7	1.7
Russell 1000 Growth	3.5%			6.4	-	6.4	13.8	9.6	10.6	5.6	1.2
ARI All Cap	351,050,878	9/1/2006	6.5	3.8	-	4.9	13.1	12.0	12.3	9.0	1.4
Russell 3000 Value	3.1%			4.9	-	5.4	13.8	13.6	13.8	8.2	1.3
EPOCH All Cap	342,336,813	9/1/2006	6.5	5.2	-	4.8	12.5	8.2	11.0	7.0	0.8
Russell 3000 Value	3.0%			4.9	-	5.4	13.8	13.6	13.8	8.2	1.3
NT Cap Weighted Passive	473,075,876	4/1/2012	0.9	11.0	-	-	-	-	12.9	7.6	1.4
S&P 500 Cap Weighted	4.2%			-	8.2	4.9	13.5	13.5	13.0	7.6	1.4
SSGA Eq Weighted Passive	479,985,513	4/1/2012	0.9	14.3	-	-	-	-	17.2	10.2	1.1
S&P 500 Equal Weighted	4.2%			-	11.6	8.1	15.2	15.3	-	10.3	1.2
Frontier Capital	391,941,825	6/1/2002	10.8	9.2	13.4	8.1	14.3	12.7	13.8	8.9	1.2
Russell Mid Cap Growth	3.5%			8.1	11.3	6.8	15.3	10.8	14.9	9.2	1.0
Wellington Management	326,674,223	9/1/1998	14.5	9.3	11.4	4.8	10.4	0.3	14.5	10.7	0.9
Russell Mid Cap Growth	2.9%			7.9	11.3	6.8	15.3	10.8	14.9	9.2	1.0
AJO Partners	381,070,997	8/1/1998	14.6	10.0	12.1	7.5	16.4	14.9	17.9	10.1	1.7
Russell MidCap	3.4%			8.3	9.9	7.2	15.6	15.0	17.7	10.8	1.4
Hotchkis & Wiley Mid Cap	433,522,321	8/1/2002	10.6	13.2	14.9	13.4	19.3	21.3	22.6	14.9	2.2
Russell MidCap Value	3.8%			10.7	12.1	7.4	16.0	18.9	20.2	12.2	1.8
Shapiro Capital Management	579,932,109	2/1/1998	15.1	9.3	14.6	10.4	13.0	10.0	15.3	6.5	-1.9
Russell 2000 Value	5.1%			7.8	11.0	6.7	13.6	16.9	16.9	11.7	1.1
Legacy Small Cap	455,266,519	-	-	-	-	-	-	-	-	-	-
	4.0%			-	-	-	-	-	-	-	-
Causeway Capital	454,549,830	5/1/2003	9.8	10.5	-	1.5	9.7	10.8	19.0	6.0	-1.0
MSCI ACWI Ex US	4.0%			9.2	-	-0.8	7.4	10.4	19.0	7.7	-0.9
Brandes	394,845,084	2/1/1996	17.1	10.1	10.6	-1.4	4.8	5.1	14.3	7.2	-2.6
MSCI ACWI Ex US	3.5%			4.9	9.9	-0.8	7.4	10.4	19.0	7.7	-0.9
Thornburg	431,582,331	12/1/2005	7.2	6.6	-	1.1	8.4	7.2	15.3	5.3	-2.2
MSCI ACWI Ex US	3.8%			3.8	-	-0.8	7.4	10.4	19.0	7.7	-0.9
ARI Small Cap International	104,745,829	12/1/2011	1.2	22.1	-	-	-	16.8	23.5	10.1	1.3
MSCI EAFE Small Cap	0.9%			25.2	12.9	1.6	10.3	11.3	21.7	10.8	1.1
Epoch Small Cap International	99,973,251	12/1/2011	1.2	16.8	-	-	-	10.6	20.5	8.3	0.4
MSCI EAFE Small Cap	0.9%			25.2	12.9	1.6	10.3	11.3	21.7	10.8	1.1
Wasatch Small Cap International	106,595,411	12/1/2011	1.2	33.1	-	-	-	24.3	27.2	10.7	3.3
MSCI EAFE Small Cap	0.9%			25.2	12.9	1.6	10.3	11.3	21.7	10.8	1.1
Wellington Small Cap International	103,572,053	12/1/2011	1.2	25.5	-	-	-	15.3	22.8	8.7	0.1
MSCI EAFE Small Cap	0.9%			25.2	12.9	1.6	10.3	11.3	21.7	10.8	1.1

Fixed Income and Non-Core Portfolios Summary

As of February 28, 2013



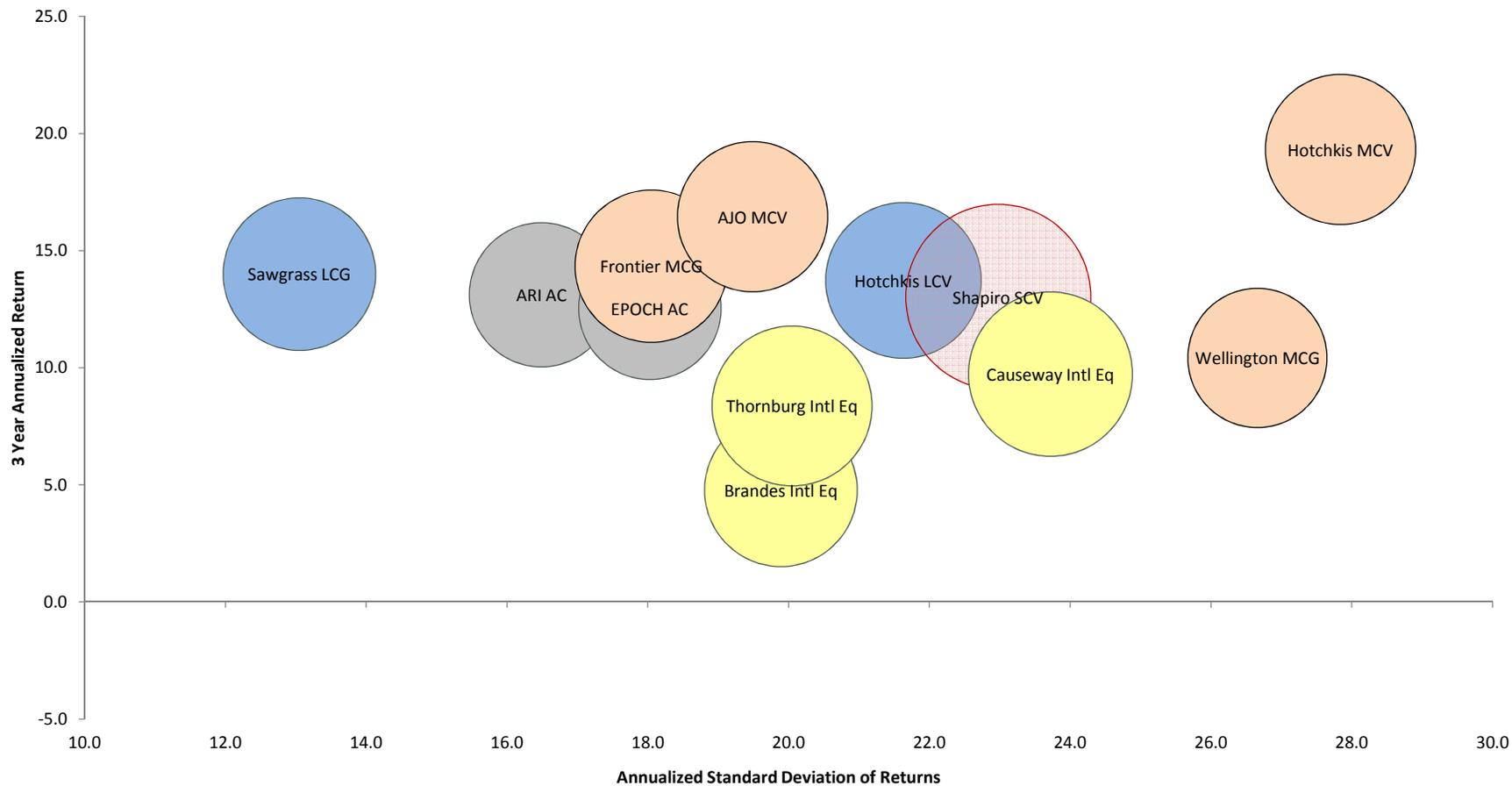
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Loomis Sayles <i>Barclays Aggregate</i>	626,300,228 5.5%	8/1/1999	13.6	7.6	8.1	10.4	9.8	8.7	5.9	0.8	0.3
				6.1	5.0	5.5	5.5	3.1	1.6	-0.3	0.5
Lord Abbett <i>Barclays Aggregate</i>	592,731,778 5.2%	11/1/2004	8.3	6.8	-	8.2	7.8	6.9	4.7	0.8	0.6
				5.2	-	5.5	5.5	3.1	1.6	-0.3	0.5
Mackay Shields <i>Barclays Aggregate</i>	604,845,428 5.3%	11/1/2004	8.3	7.0	-	8.4	8.8	7.6	5.8	1.0	0.5
				5.2	-	5.5	5.5	3.1	1.6	-0.3	0.5
Hoisington <i>Barclays Aggregate</i>	283,321,809 2.5%	11/1/2004	8.3	9.2	-	10.1	14.7	3.2	-4.8	-5.8	1.3
				5.2	-	5.5	5.5	3.1	1.6	-0.3	0.5
Stephens <i>Barclays Aggregate</i>	291,772,595 2.6%	11/1/2004	8.3	5.0	-	4.7	3.8	2.7	1.3	-0.2	0.4
				5.2	-	5.5	5.5	3.1	1.6	-0.3	0.5
Loomis Sayles High Yield <i>Merrill Lynch High Yield II</i>	203,543,958 1.8%	2/1/2009	4.1	19.1	-	-	11.9	16.4	14.7	5.1	-0.1
				20.2	-	-	11.7	11.8	9.9	3.5	0.5
Lord Abbett High Yield <i>Merrill Lynch High Yield II</i>	205,486,537 1.8%	2/1/2009	4.1	19.1	-	-	12.9	13.1	11.8	4.2	0.7
				-	-	-	11.7	11.8	9.9	3.5	0.5
Mackay Shields High Yield <i>Merrill Lynch High Yield II</i>	202,917,835 1.8%	2/1/2009	4.1	17.3	-	-	11.7	11.5	9.2	3.1	0.7
				-	-	-	11.7	11.8	9.9	3.5	0.5

Non-Traditional Portfolios Summary

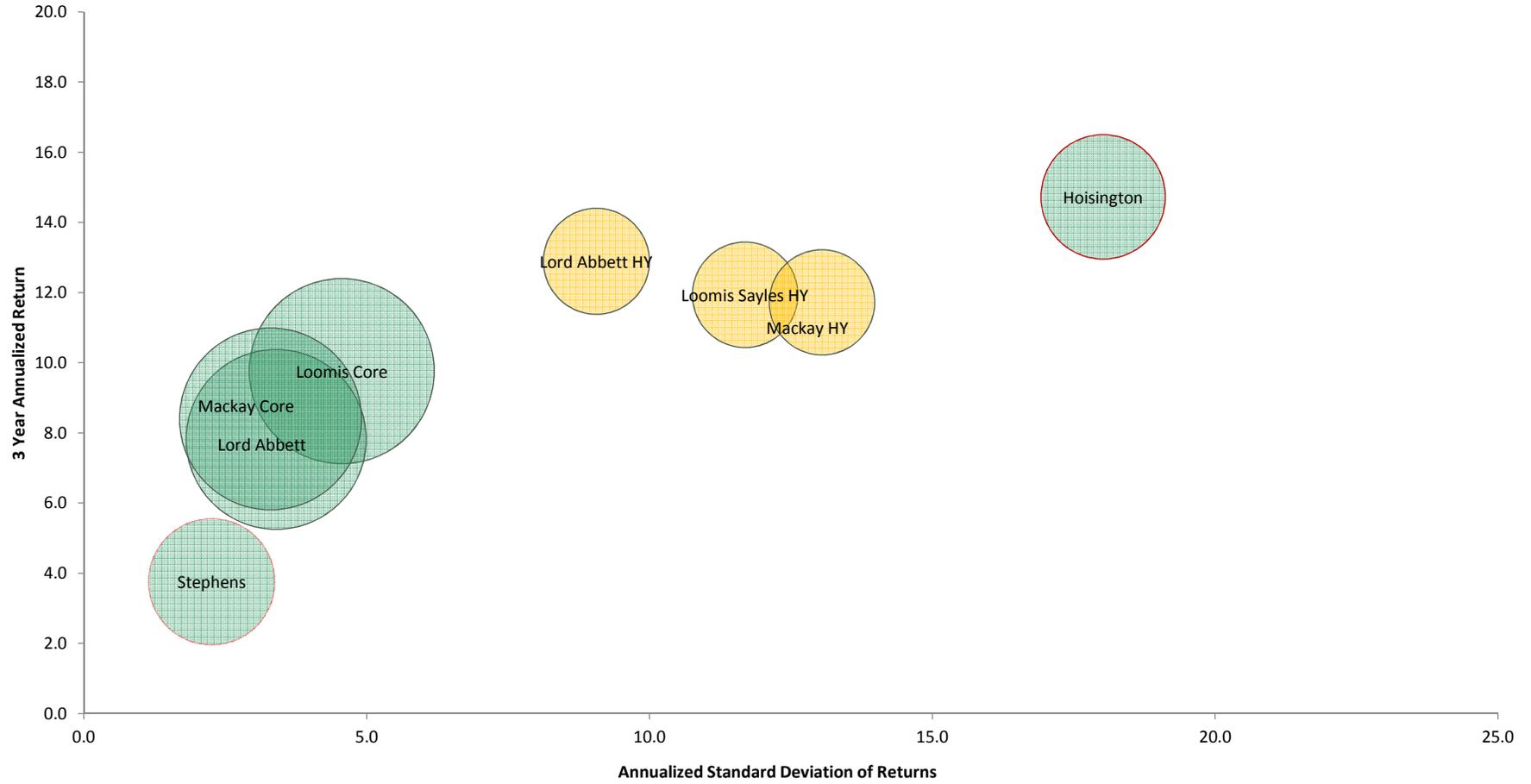
As of February 28, 2013

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Legacy Private Equity Portfolio	72,986,226	10/1/2008	4.4	-	-	-	-	-	-	-	-
Franklin Park Private Equity	138,604,993	4/1/2010	2.9	-	-	-	-	-	-	-	-
Total Private Equity %	1.9%										
Chickasaw Capital MLP	195,274,645	2/28/2011	2.0	25.1	-	-	-	26.1	34.9	17.2	3.2
Alerian MLP Index	1.7%			14.2	-	-	-	12.1	19.5	10.1	0.9
Cushing MLP Management	168,625,672	2/28/2011	2.0	16.6	-	-	-	18.1	29.8	14.4	2.5
Alerian MLP Index	1.5%			14.1	-	-	-	12.1	19.5	10.1	0.9
FAMCO MLP	316,664,124	2/28/2011	2.0	13.1	-	-	-	12.1	20.6	10.6	1.0
Alerian MLP Index	2.8%			14.1	-	-	-	12.1	19.5	10.1	0.9
AEW Real Estate	168,556,340	5/1/2011	1.8	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
Heitman Real Estate	173,735,967	5/1/2011	1.8	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	160,874,997	4/1/2011	1.9	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.4%			-	-	-	-	-	-	-	-
PIMCO Distressed Mortgage I	13,186	5/1/2008	4.8	-	-	-	-	-	-	-	-
Barclays Aggregate	0.0%			-	-	-	-	-	-	-	-
PIMCO Distressed Mortgage II	15,885,783	12/1/2008	4.2	-	-	-	-	-	-	-	-
Barclays Aggregate	0.1%			-	-	-	-	-	-	-	-
PIMCO BRAVO	120,348,711	3/31/2011	1.9	-	-	-	-	-	-	-	-
Barclays Aggregate	1.1%			-	-	-	-	-	-	-	-

Three Year Risk/Return Review - Equity Portfolios



Three Year Risk/Return Review - Fixed Income Portfolios



Manager Status Summary

Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)
Wellington	2.9%	Mid Cap Growth	On Alert	Performance - August 2012 (June 2013)
Epoch	3.1%	All Cap Equity	On Alert	Personnel/Org - December 2012 (June 2013)
Epoch	0.9%	International Small Cap	On Alert	Personnel/Org - October 2012 (June 2013)
Loomis Sayles High Yield	1.8%	High Yield Fixed Income	On Alert	Personnel - October 2012 (March 2013)

All other managers currently rated **In Compliance**.

Classification Notes:
<p>In Compliance: The portfolio is in full compliance with its guidelines and it is performing to expectations.</p>
<p>On Alert: Concerns exist with the portfolio's performance, a change in investment characteristics, management style, ownership structure, staff or other related events.</p>
<p>On Notice: A continued and serious problem with any of the issues mentioned above. If the situation is not resolved to the Committee's satisfaction, a replacement will be selected and hired.</p>

Manager Profile - Frontier Capital, Mid Cap Growth



Asset Class:	Mid Cap Growth Domestic Equity
Status:	In Compliance
Portfolio Size:	\$391,941,825
Inception Date:	6/1/2002
Target Allocation:	3.1%
Actual Allocation:	3.5%
Annual Management Fee:	0.56%
Location:	Boston, Massachusetts
Structure:	Wholly-owned by AMG
Portfolio Management Team:	Stephen M. Knighly, CFA Christopher J. Scarpa

Notes:

Bottom-up selection of growth stocks that isolates investments through company contacts, industry research, and competitive analysis.

Represented by:	Stephen M. Knighly, CFA Christopher J. Scarpa
-----------------	--

Founded: 1980

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Frontier Mid Cap Growth	9.2	8.1	14.3	12.7	8.9	1.2
Russell Mid Cap Growth	8.1	6.8	15.3	10.8	9.2	1.0

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Frontier Mid Cap Growth	90	\$7,864 MM	0.6%	21.8	3.8
Russell Mid Cap Growth	457	\$8,579 MM	1.2%	20.9	4.3

Manager Profile - Wellington Management, Mid Cap Growth



Asset Class:	Mid Cap Growth Domestic Equity
Status:	In Compliance
Portfolio Size:	\$326,674,223
Inception Date:	9/1/1998
Target Allocation:	3.1%
Actual Allocation:	2.9%
Annual Management Fee:	0.45%
Location:	Boston, Massachusetts
Structure:	Privately Held
Portfolio Management Team:	Frank Boggan

Notes:

Fundamental individual selection of high quality mid cap growth stocks selling at attractive valuations.

Represented by:	Frank Boggan Zander Grant
-----------------	------------------------------

Founded: 1928

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Wellington Mid Cap Growth	9.3	4.8	10.4	0.3	10.7	0.9
Russell Mid Cap Growth	8.1	6.8	15.3	10.8	9.2	1.0

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Wellington Mid Cap Growth	73	\$7,220 MM	0.7%	12.8	2.6
Russell Mid Cap Growth	457	\$8,579 MM	1.2%	20.9	4.3



Small Capitalization Domestic Equity Portfolio

March, 2013

Domestic Small Capitalization Equity Portfolio

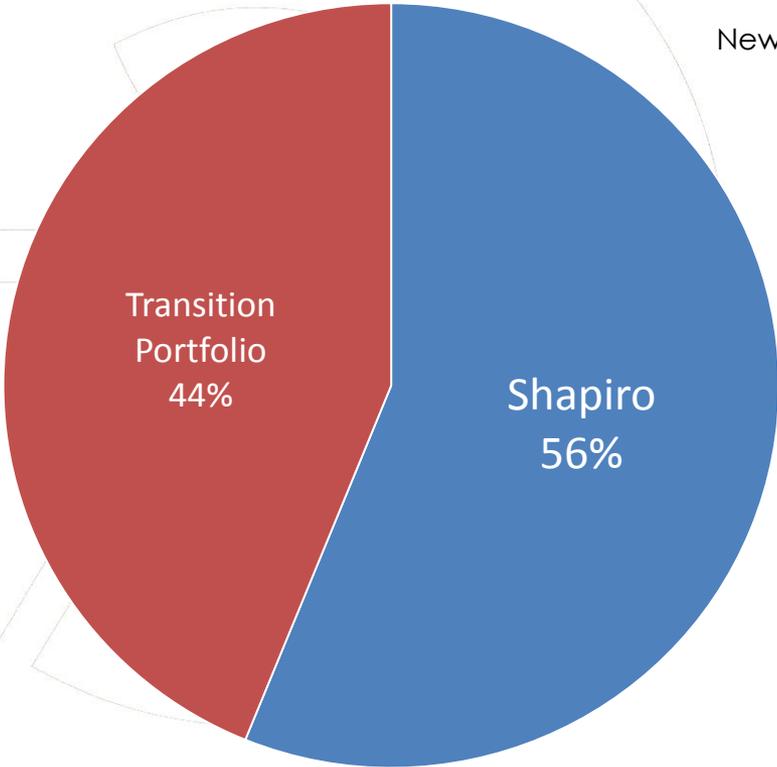
- The current **target allocation to domestic small cap equities is 10%**.
- The small cap allocation had two managers until recently. One of the managers, Tocqueville, was terminated.
- Their portfolio recently completed a lengthy transition due to the illiquid nature of many of its holdings.
- We took the time during the transition to design a new small cap domestic equity portfolio structure.
- The new portfolio structure will use the current active small capitalization manager (Shapiro Capital) **in combination with several new managers**.

Domestic Small Cap Equity Description

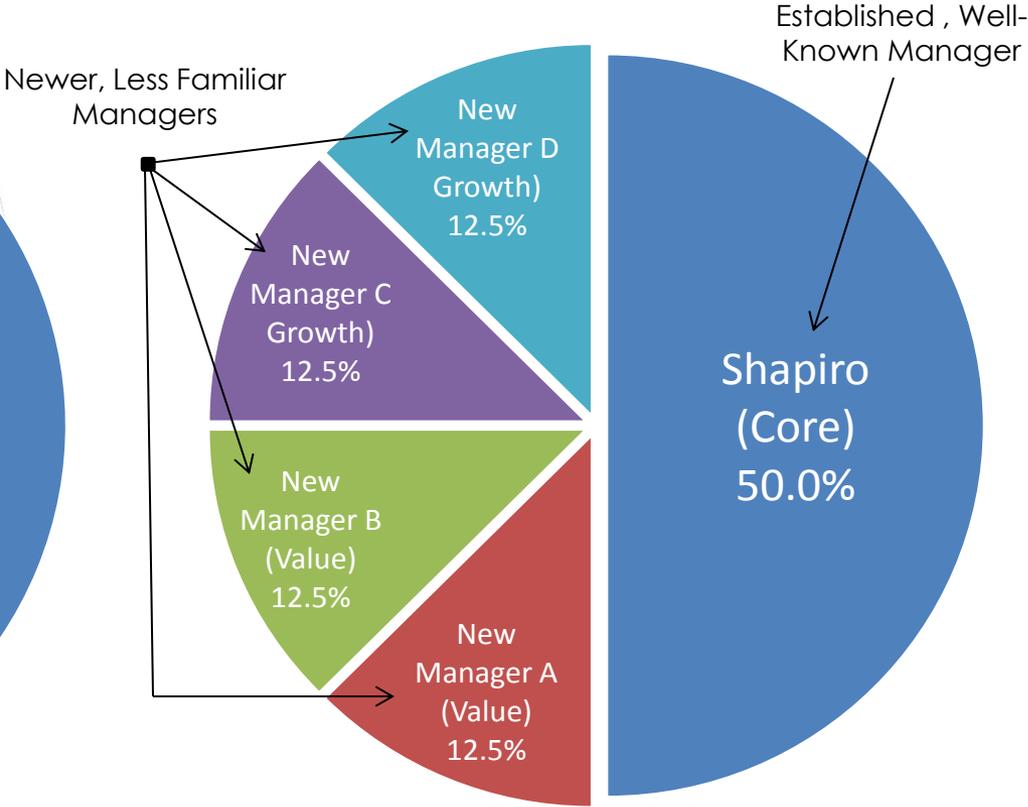
- **Smaller companies have historically generated higher returns than larger ones.** Share prices are significantly more volatile in the short run.
- Today, **the upper threshold of small caps is approximately \$2 billion.** We believe that allowing small cap managers to hold positions that grow through this threshold is opportunistic and positive for returns. Some small cap managers dabble in micro cap companies. Caution must be used to manage position sizes in illiquid shares.
- Small cap companies are followed by fewer and fewer sell side analysts. This evolution makes the market less efficient and more suited to active management. It also **creates significant opportunity for outperformance.** We do not believe that small cap portfolios should be managed passively.
- **Capacity issues exist for small cap equity managers.** They need to manage their assets under management and close to new assets at an appropriate size. This creates a “demand” for new managers in the asset class.
- **Small cap managers tend to be analysts.** Most focus on individual stock selection in their own proprietary fashion. There are no prototypical small cap managers. Thought needs to be paid to combining dissimilar portfolios and managers creatively. Small cap manager selection is difficult and time consuming, but ultimately rewarding if done correctly.

Potential Small Cap Portfolio Structure

Current Structure



Potential Future Structure



Portfolio Construction

- **Recommendation:** Construct a core + satellite small cap allocation using Shapiro as the portfolio's core position.
- **Hire four or five managers to complement Shapiro's portfolio.** Equal weight growth and value managers. This would give the portfolio adequate diversification and significantly reduce liquidity issues among the newly hired portfolios. It would also provide the portfolio valuable **managerial depth**.
- This structure would fund the new managers with approximately **\$125 million each** (assuming four new managers). This dollar amount is a **relatively large initial allocation** for small cap managers. However, we do not believe it is excessive.
- **Allocations could be adjusted over time** or as needed, to equalize the weightings among all managers.

Small Cap Manager Selection Criteria

More Important

- Capacity
- Liquidity Management
- Proprietary Investment Advantage
- Quality
- Stability
- Experience
- Reasonable Fees
- Diversifying Properties

Less Important

- Long Track Record
- Large Assets Under Management
- Extended Product Line
- Style Purity
- Capitalization Purity
- Excellent Recent Returns

Small Capitalization Equity Portfolio Design: **Next Steps**

Select and Retain New
Investment Managers

Construct New Small
Cap Manager Mandate

Design Transition
Strategy and Fund
New Managers.

Return History – Periods Ended February 28, 2013

Gross of Management Fees

	Value Managers				Existing Manager	Growth Managers		Benchmarks		
	Cove Street	Frontier	Huber	Neumeier Poma	Shapiro	Geneva	Wasatch	Russell 2000	Russell 2000 Growth	Russell 2000 Value
One Year	21.7%	24.6%	29.1%	11.9%	10.0%	16.0%	17.0%	14.0%	11.2%	16.9%
Three Years	17.6%	23.6%	26.2%	20.3%	13.0%	21.2%	21.1%	14.7%	15.8%	13.6%
Five Years	10.9%	16.0%	18.2%	10.5%	10.4%	10.4%	11.5%	7.4%	7.8%	6.0%
Ten Years	12.5%	16.2%	-	13.3%	14.6%	13.6%	12.9%	11.1%	11.2%	11.0%

Three Year Risk/Return Scatterplot



Correlation Matrix

Five Year Trailing Period

	Cove Street	Frontier	Huber	Neumeier Poma	Shapiro	Geneva	Wasatch
Cove Street		0.92	0.91	0.91	0.92	0.90	0.94
Frontier	0.92		0.92	0.96	0.95	0.95	0.93
Huber	0.91	0.92		0.90	0.95	0.90	0.92
Neumeier Poma	0.91	0.96	0.90		0.94	0.92	0.93
Shapiro	0.92	0.95	0.95	0.94		0.92	0.94
Geneva	0.90	0.95	0.90	0.92	0.92		0.96
Wasatch	0.94	0.93	0.92	0.93	0.94	0.96	
Average vs. Others	0.92	0.94	0.92	0.93	0.94	0.93	0.94

Small Cap Finalist Return Comparisons:

Calendar Year Periods/Gross of Management Fees



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD 2013
■ Cove Street	49%	22%	2%	19%	-10%	-43%	55%	20%	4%	29%	6%
■ Frontier	36%	21%	9%	20%	1%	-27%	34%	36%	3%	26%	10%
■ Huber						-46%	86%	40%	3%	32%	9%
■ Neumeier Poma	36%	13%	15%	15%	11%	-28%	24%	25%	13%	14%	7%
■ Geneva	33%	23%	16%	6%	14%	-33%	24%	38%	1%	18%	7%
■ Wasatch	40%	22%	3%	7%	5%	-37%	40%	26%	9%	20%	6%
■ Russell 2000	47%	18%	5%	18%	-2%	-34%	27%	27%	-4%	16%	7%

Portfolio Comparisons

The following pages detail a series of portfolio simulations using the finalist managers in a series of potential portfolios. To ease the comparison process, we used portfolio constructions we believed most practical alongside a reference portfolio construction.

Portfolio Allocations

Portfolios	Allocations						
	Shapiro	Cove Street	Frontier	Huber	Neumeier Poma	Geneva	Wasatch
1. Equal Weighted: All Managers	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
2. 50% Shapiro; Cove, Frontier, Geneva, Wasatch	50.0%	12.5%	12.5%	0.0%	0.0%	12.5%	12.5%
3. 50% Shapiro; Frontier, Neumeier, Geneva, Wasatch	50.0%	0.0%	12.5%	0.0%	12.5%	12.5%	12.5%
4. 50% Shapiro; Frontier, Huber, Geneva, Wasatch	50.0%	0.0%	12.5%	12.5%	0.0%	12.5%	12.5%
5. 40% Shapiro; Frontier, Neumeier, Cover Street, Geneva, Wasatch	40.0%	8.8%	12.5%	0.0%	8.8%	15.0%	15.0%

Portfolio Return Comparison

Performance Periods Ended 12.31.2012

Portfolio	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
1. Equal Weighted: All Managers	3.45%	21.93%	17.98%	8.63%	12.56%
2. 50% Shapiro; Cove, Frontier, Geneva, Wasatch	3.21%	21.03%	16.29%	8.17%	12.93%
3. 50% Shapiro; Frontier, Neumeier, Geneva, Wasatch	3.10%	19.23%	16.25%	8.16%	13.10%
4. 50% Shapiro; Frontier, Huber, Geneva, Wasatch	3.32%	21.08%	16.64%	8.60%	13.23%
5. 40% Shapiro; Frontier, Neumeier, Cover Street, Geneva, Wasatch	3.10%	20.21%	16.65%	8.12%	12.85%
<i>Russell 2000</i>	1.85%	16.35%	12.25%	3.56%	9.72%

Size/Style Allocation Comparison

Portfolio 1.

	Value	Core	Growth
Large	0	0	0
Mid	4	13	14
Small	22	19	27

Portfolio 2.

	Value	Core	Growth
Large	0	0	0
Mid	2	21	9
Small	27	22	19

Portfolio 3.

	Value	Core	Growth
Large	0	0	0
Mid	1	20	11
Small	24	23	20

Portfolio 4.

	Value	Core	Growth
Large	0	0	0
Mid	3	19	8
Small	28	24	17

Portfolio 5.

	Value	Core	Growth
Large	0	0	0
Mid	2	18	12
Small	23	21	23

Small Cap Growth Portfolio Characteristics:

	Price to Earnings	Price to Book	Geometric Weighted Market Capitalization
1. Equal Weighted: All Managers	18.2x	2.0x	\$1.521 billion
2. 50% Shapiro; Cove, Frontier, Geneva, Wasatch	18.6x	1.9x	\$1.611 billion
3. 50% Shapiro; Frontier, Neumeier, Geneva, Wasatch	19.0x	2.1x	\$1.708 billion
4. 50% Shapiro; Frontier, Huber, Geneva, Wasatch	18.5x	1.9x	\$1.580 billion
5. 40% Shapiro, Frontier, Neumeier, Cover Street, Geneva, Wasatch	18.5x	1.9x	\$1.660 billion

Small Cap Growth Portfolio Characteristics:

Three Years Ended January 31, 2013

	Alpha	Beta	R ²	Tracking Error	Information Ratio	Sharpe Ratio
1. Equal Weighted: All Managers	5.46	1.10	0.92	1.96%	0.5347	1.03
2. 50% Shapiro; Cove, Frontier, Geneva, Wasatch	3.94	1.11	0.91	2.47%	0.3123	0.93
3. 50% Shapiro; Frontier, Neumeier, Geneva, Wasatch	3.93	1.11	0.91	2.08%	0.3959	0.93
4. 50% Shapiro; Frontier, Huber, Geneva, Wasatch	5.21	0.87	0.97	2.60%	0.3828	0.94
5. 40% Shapiro, Frontier, Neumeier, Cover Street, Geneva, Wasatch	4.37	1.10	0.91	2.28%	0.3380	0.96

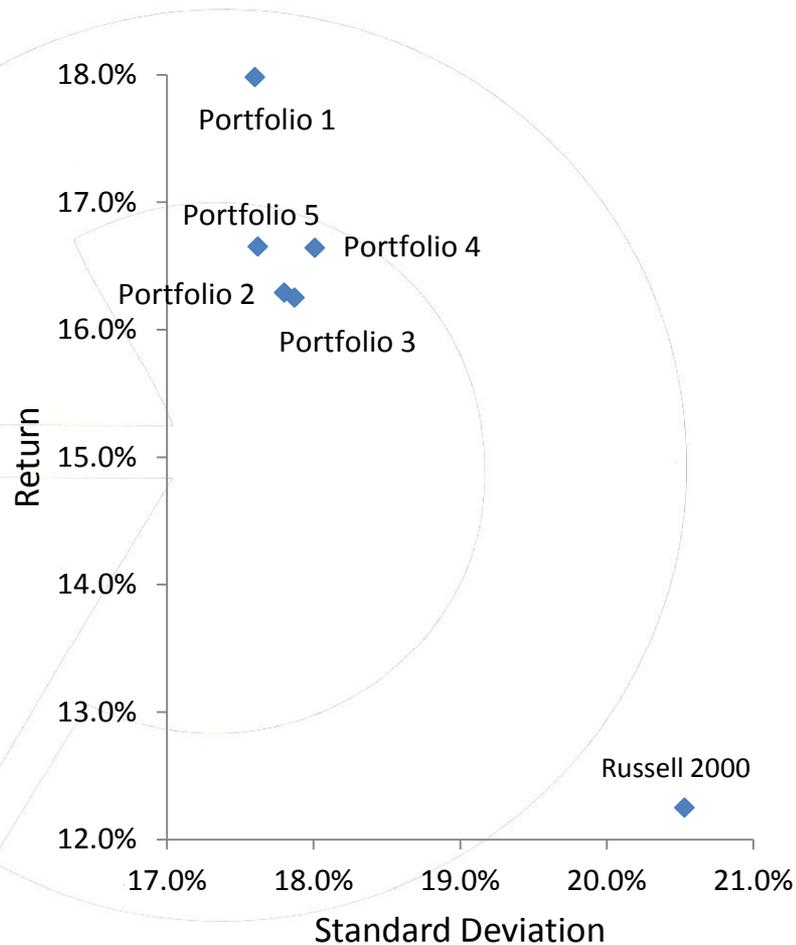
Notes: Composite data used. Benchmarked against the S&P 500 Index.

Tracking error is a measure of the volatility of excess returns relative to a benchmark.

The information ratio measures a manager's ability to consistently add value relative to a passive index. The ratio is composed of excess return and tracking error. The higher the information ratio, the better, as this indicates a large excess return against a small tracking error. The information ratio measures the consistency with which a manager delivers alpha.

Small Cap Growth Risk / Return Scatterplot:

Three Years Ended January 31, 2013



	3 Year Return	3 Year Standard Deviation
Portfolio 1	17.98%	17.60%
Portfolio 2	16.29%	17.80%
Portfolio 3	16.25%	17.87%
Portfolio 4	16.64%	18.01%
Portfolio 5	16.65%	17.62%
Russell 2000	12.25%	20.53%

Time Period Returns + Best/Worst Returns

	Quarterly Return		Extreme Outliers	
	Annualized Mean	Annualized Standard Deviation	Lowest 3 Month Return %	Highest 3 Month Return %
Portfolio 1	17.98%	17.60%	-37.64% <i>(Nov '08-Jan '09)</i>	+34.85% <i>(May '09-Jul '09)</i>
Portfolio 2	16.29%	17.80%	-38.79% <i>(Nov '08-Jan '09)</i>	+37.79% <i>(May '09-Jul '09)</i>
Portfolio 3	16.25%	17.87%	-38.29% <i>(Nov '08-Jan '09)</i>	+36.20% <i>(May '09-Jul '09)</i>
Portfolio 4	16.64%	18.01%	-40.6% <i>(Nov '08-Jan '09)</i>	+40.6% <i>(May '09-Jul '09)</i>
Portfolio 5	16.65%	17.62%	-37.8% <i>(Nov '08-Jan '09)</i>	+35.3% <i>(May '09-Jul '09)</i>
Russell 2000	12.25%	20.53%	-35.1% <i>(Nov '08-Jan '09)</i>	+29.0% <i>(May '09-Jul '09)</i>

Upside/Downside Capture Ratios

Managers vs. Russell 2000 - Five Years ended 12/31/2013

	Upside Capture Ratio	Downside Capture Ratio	Upside/Downside Capture Ratio
Portfolio 1	109.97%	87.48%	125.71%
Portfolio 2	106.96%	90.26%	118.50%
Portfolio 3	105.51%	87.01%	121.26%
Portfolio 4	112.20%	91.57%	122.53%
Portfolio 5	105.99%	89.00%	119.09%



Small Cap Value Manager Review

Small Cap Value Performance Summary: Periods Ended February 28th, 2013

	Cove Street	Frontier	Huber	Neumeier Poma	Russell 2000 Value	Russell 2000
Last Year	21.70%	24.59%	29.11%	11.89%	16.89%	14.02%
Last 3 Years	17.60%	23.63%	26.16%	20.29%	13.59%	14.71%
Last 5 Years	10.90%	16.01%	18.18%	10.49%	6.74%	7.35%
Last 7 Years	6.50%	11.12%	-	9.33%	3.96%	4.62%
Last 10 Years	12.50%	16.20%	-	13.31%	10.96%	11.16%

Small Cap Value Portfolio Characteristics: data as of 2/28/13

	Price to Earnings TTM	Price to Book	12 Mo Trailing EPS Growth	Dividend Yield	# of Holdings	Turnover Ratio
Cove Street	14.20	1.40	0.00%	0.90%	33	57%
Frontier	18.17	1.79	1.62%	1.16%	81	31%
Huber	15.05	1.39	35.94%	1.49%	46	32%
Neumeier Poma	15.80	3.70	N/A	1.20%	33	39%

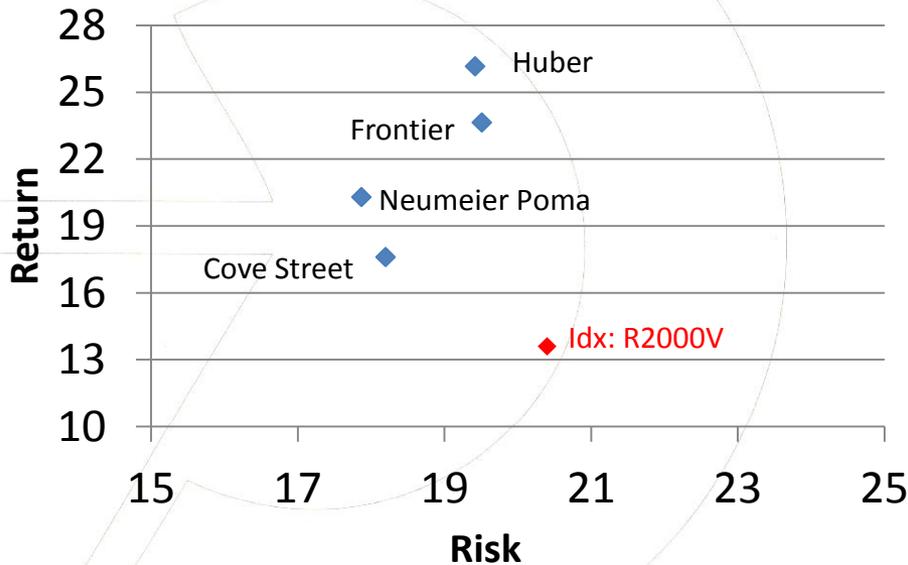
Small Cap Value Portfolio Characteristics: three year data as of 2/28/13

	Alpha	Beta	R ²
Cove Street	6.90	0.60	0.90
Frontier	9.59	0.95	0.96
Huber	0.99	0.91	0.89
Neumeier Poma	7.95	0.85	0.88

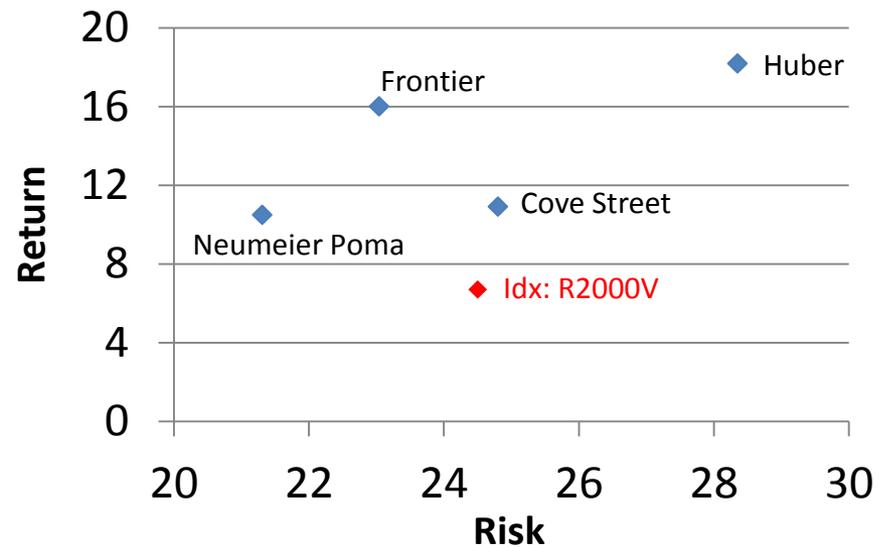
Note: Benchmarked against the Russell 2000 Value Index.

Small Cap Value Risk / Return Scatterplot: Periods Ending February 28th, 2013

Risk/Return Scatterplot: **Three Years**



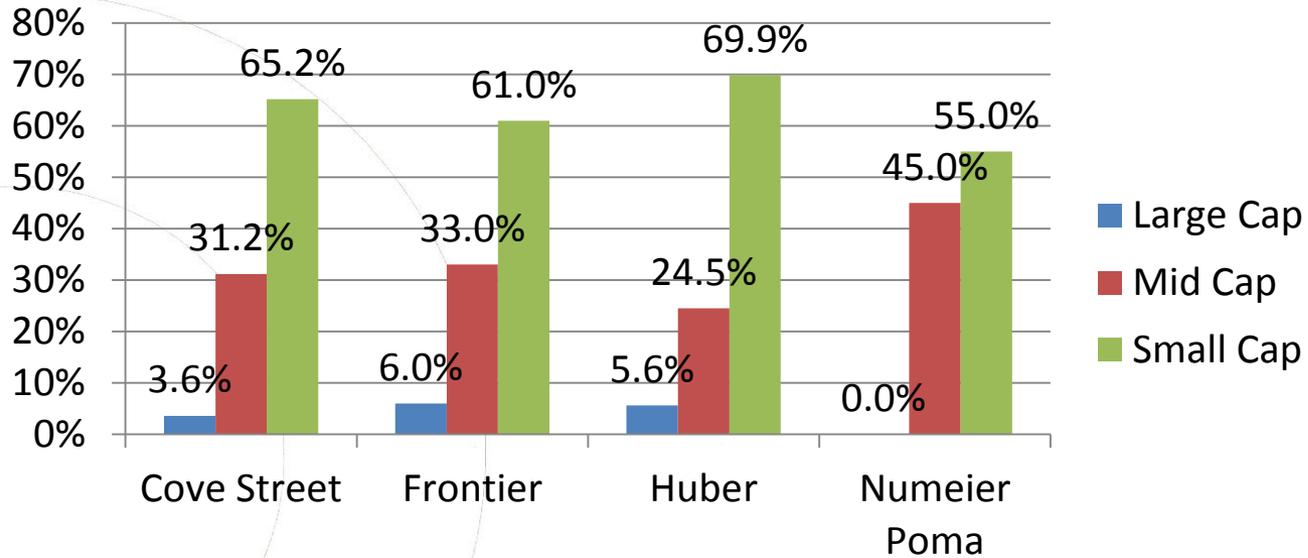
Risk/Return Scatterplot: **Five Years**



Please note differences in scale.

Small Cap Value Market Cap Analysis

data as of 2/28/13



	Cove Street	Frontier	Huber	Neumeier Poma
Average Market Cap	1,709	2,000	1,860	2,200
Median Market Cap	1,059	1,400	1,225	2,000

Note: Breakpoints used to determine size were mandated in RFP as follows: Small Cap: Less than \$2 billion in total capitalization. Mid Cap: Between \$2 billion and \$5 billion in total capitalization. Large Cap: More than \$5 billion in total capitalization.



Small Cap Growth Manager Review

Small Cap Growth Performance Summary: Periods Ended February 28th, 2013

	Geneva	Wasatch	Russell 2000 Growth	Russell 2000
Last Year	16.01%	17.03%	11.17%	14.02%
Last 3 Years	21.15%	21.13%	15.77%	14.71%
Last 5 Years	10.43%	11.47%	7.83%	7.35%
Last 7 Years	7.64%	7.45%	5.16%	4.62%
Last 10 Years	13.59%	12.87%	11.22%	11.16%

Small Cap Growth Portfolio Characteristics: data as of 2/28/13

	Price to Earnings TTM	Price to Book	12 Mo Trailing EPS Growth	Dividend Yield	# of Holdings	Turnover Ratio
Geneva	27.8	3.5	21.5%	0.4%	53	22.9%
Wasatch	23.2	3.2	17.9%	0.6%	53	19.5%

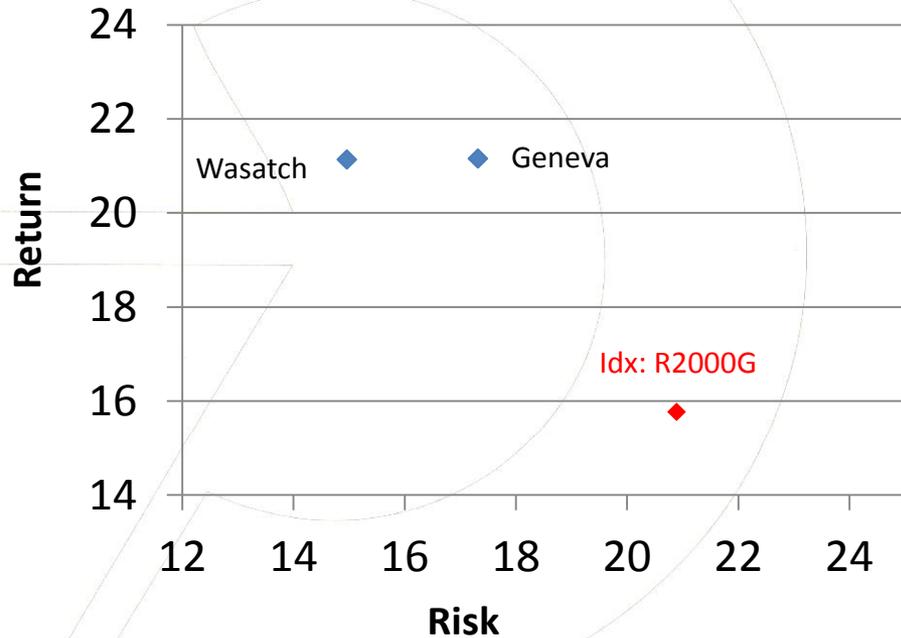
Small Cap Growth Portfolio Characteristics: three year data as of 2/28/13

	Alpha	Beta	R ²
Geneva	7.46	0.8	0.94
Wasatch	9.07	0.69	0.94

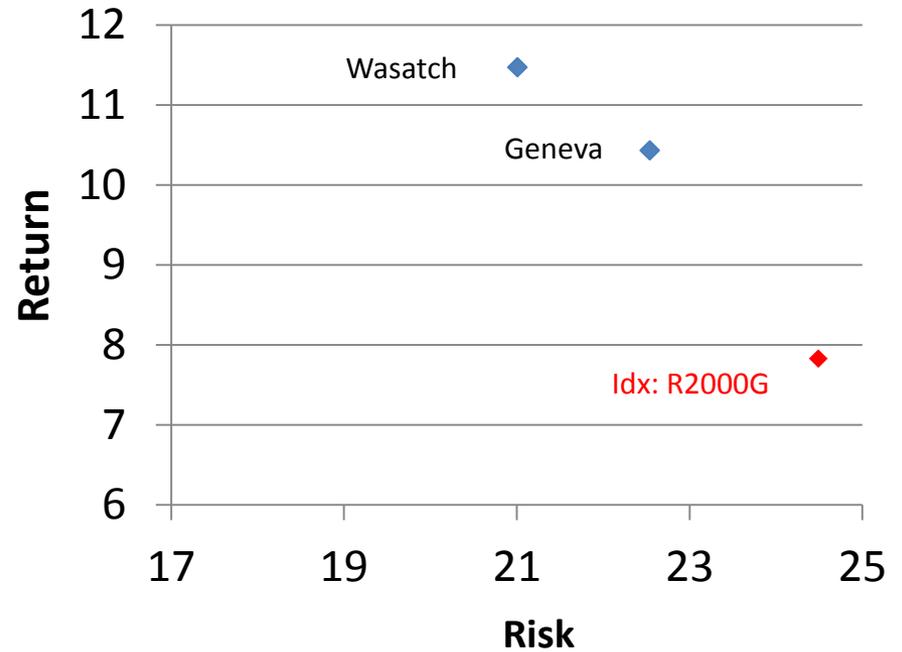
Note: Benchmarked against the Russell 2000 Growth Index.

Small Cap Growth Risk / Return Scatterplot: Periods Ending February 28th, 2013

Risk/Return Scatterplot: **Three Years**



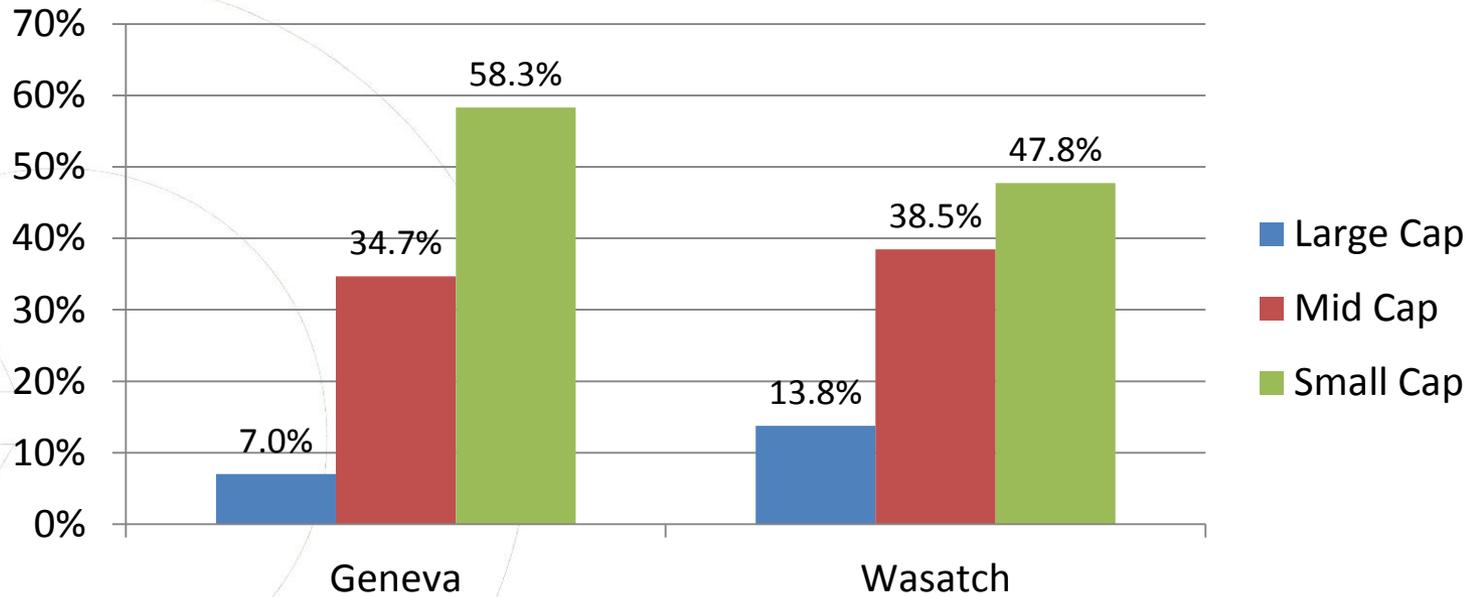
Risk/Return Scatterplot: **Five Years**



Please note differences in scale.

Small Cap Growth Market Cap Analysis

Data as of February 28th, 2013



	Geneva	Wasatch
Average Market Cap	2,260	3,266
Median Market Cap	1,640	1,858

Note: Breakpoints used to determine size were mandated in RFP as follows: Small Cap: Less than \$2 billion in total capitalization. Mid Cap: Between \$2 billion and \$5 billion in total capitalization. Large Cap: More than \$5 billion in total capitalization.



Appendix

Manager Review: Cove Street Capital

- Location: El Segundo, California
- Total AUM: \$400 million
- Product AUM: \$140 million
- Background: Founded in 2011 by Jeffrey Bronchick, CFA and his business partner Daniele Beasley. Bronchick and Beasley worked together for 11 years at Reed Conner & Birdwell, a value equity investment advisor, and were able to negotiate a reorganization process that enabled them to start their business with a solid asset base, a fully functional back office, compliance and technology infrastructure, and the negotiated rights to three GIPS compliant performance track records.
- Ownership: Independent and 100% Employee-owned
- Process: Cove Street employs a classic value strategy in the tradition of Ben Graham and Warren Buffett. Using a research-oriented, bottom up method, they seek to purchase securities selling at prices materially below their estimate of intrinsic value. They build a concentrated portfolio that holds around 30-35 stocks. They use quantitative and qualitative analysis to identify cheap securities with highly desirable business models.
- Decision Making Structure: Portfolio Manager: Jeffrey Bronchick
- Key Personnel: Jeffrey Bronchick, Daniele Beasley
- Annual Fee Proposal on \$150 million allocation: **Best and Final**
 - 0.70%
 - \$1,050,000

Manager Review: Frontier Capital

- Location: Boston, Massachusetts
- Total AUM: \$9.7 billion
- Product AUM: \$444 million
- Background: Frontier was founded in November 1980 and has managed equity portfolios utilizing fundamental research and bottom-up stock selection for more than 30 years. The majority of their client base is comprised of U.S. tax exempt institutions.
- Ownership: In January 2000, Frontier became an affiliate of Affiliated Managers Group, a publicly held holding company. AMG owns a majority interest in Frontier with the remaining interest held by 17 active Frontier employees.
- Process: Frontier uses a quantitative screen to eliminate companies that have excessive price to book values or enterprise value/sales ratios. Seventeen investment professionals work together to identify, analyze, and recommend holdings using bottom-up fundamental research. The portfolio managers build a portfolio of generally 70 - 100 holdings based on the recommendations of the analyst team and the conclusions reached during their own due diligence of the investable universe.
- Decision Making Structure: Co-Portfolio Managers: William Teichner, CFA and Thomas Duncan Jr.
- Key Personnel: William Teichner, Thomas Duncan
- Annual Fee Proposal on \$150 million allocation: **Best and Final**
 - First \$50 million: 1.00%
 - Thereafter: 0.90%
 - \$1,400,000

Manager Review: Geneva Capital

- Location: Milwaukee, Wisconsin
- Total AUM: \$3.7 billion
- Product AUM: \$322 million
- Background: Founded in 1987 by two of its principals, William A. Priebe and Amy S. Croen. Both were former employees of First Wisconsin Trust Company, where they worked closely as analysts/portfolio managers of an in-house mid capitalization pooled fund.
- Ownership: Sub Chapter S Corporation; 100% Employee owned
- Process: Geneva engages in fundamental analysis to identify high quality companies with superior management teams, low leverage and a consistent, sustainable record of growth. Geneva's investment process is designed to reduce risk by immediately eliminating high risk securities during the screening process. Geneva focuses on identifying high-quality stocks with the intention of holding them for a long period of time, often 3 years or more. For this reason, portfolio turnover is relatively low. While Geneva is primarily a bottom-up manager looking for companies with superior fundamental characteristics, they are also cognizant of the importance of understanding the current and future economic and market trends that impact their investments. For that reason they added a top-down component to the investment approach. Approximately 80%-90% of the investment process is bottom-up.
- Decision Making Structure: Team based
- Key Personnel: Amy Croen, Michelle Picard, William Priebe, W. Scott Priebe
- Fee at \$150 million: 0.72%
- **Fee Proposal: *Best and Final***
 - First \$100 million: 0.75%
 - Next \$100 million: 0.65%
 - Balance: 0.60%

Manager Review: Huber Capital Management

- Location: El Segundo, California
- Total AUM: \$1.9 billion
- Product AUM: \$450 million
- Background: Founded in 2007. Focused on value investing utilizing fundamental research and behavioral finance. Joe Huber was previously Principal and Director of Research for Hotchkis & Wiley Capital Management.
- Ownership: Independent; 100% Employee owned
- Process: Huber's investment process is driven by in-depth, internal, 100% bottom-up fundamental research. HCM employs a 3 stage dividend discount model to rank stocks across the market for inclusion into the portfolio. Huber looks for low expectation stocks that trade at a significant discount to the present value of future cash flows. Individual security analysis is estimated to average 260 hours per security, with greater or lesser amounts depending on the complexity of the investment under review. The target portfolio will include 30 - 60 securities.
- Decision Making Structure: Team based with final decisions made by Joe Huber
- Key Personnel: Joe Huber, Emidio Checcone, Gary Steiner, Tom Schloemer, and Chris Karger
- Annual Fee Proposal on \$150 million allocation: **Best and Final**
 - 1.25%
 - \$1,875,000

Manager Review: Neumeier Poma

- Location: Carmel, California
- Total AUM: \$270 million
- Product AUM: \$270 million
- Background: Founded in 1985 by Peter Neumeier. The firm began managing institutional accounts in 1990. In 2000, Brian Poma was hired as an analyst and was eventually promoted to Portfolio Manager in 2006. In 2008, Poma was made an equity partner.
- Ownership: Independent; 100% Employee owned
- Process: Neumeier Poma seeks to build portfolios of 30 - 40 profitable value stocks. Internal research in addition to third party research is utilized to identify stocks with a greater than 40% upside/20% downside return expectation ratio. Portfolio managers actively discuss price, valuation, risk/return ratio, potential catalytic events, insider buying, and short interest before purchasing a stock. They look for companies with low debt, high margins, and low relative historical stock valuations. Neumeier Poma attempts to preserve client capital by managing risk while also outperforming their value benchmarks and peer groups over a market cycle (5 years).
- Decision Making Structure: Co-Portfolio Managers: Peter Neumeier, CFA and Brian Poma, CFA
- Key Personnel: Peter Neumeier, Brian Poma
- Annual Fee Proposal on \$150 million allocation: **Best and Final**
 - First \$100 million: 0.65%
 - Next \$100 million: 0.60%
 - Thereafter: 0.55%
 - \$950,000

Manager Review: Wasatch Advisors

- Location: Salt Lake City, Utah
- Total AUM: \$12 billion
- Product AUM: \$1 billion
- Background: Established in 1975 by Samuel S. Stewart, Jr., the firm was formed to manage assets for clients in a style that relies on intensive, fundamental research of individual companies. Stewart's research pointed to earnings growth as an essential indicator of future stock prices – a premise that remains the underlying core of Wasatch Advisors' investment culture.
- Ownership: Independent and 100% Employee-owned
- Process: Wasatch practices a disciplined and unique process that utilizes extraordinarily thorough due diligence, cross-team collaboration, and individual experience to find better investments. Wasatch uses a bottom-up process of fundamental analysis to look for individual companies that it believes are high-quality, stable, and have the potential to grow earnings for long periods of time.
- Decision Making Structure: Portfolio Manager: JB Taylor, Paul Lambert
- Key Personnel: JB Taylor, Paul Lambert, Jeff Cardon
- Fee at \$150 million: 0.89%
- Fee Proposal: *Best and Final*
 - First \$40 million: 1.00%
 - Next \$60 million: 0.90%
 - Balance: 0.80%

RECOMMENDATION ON CONTRIBUTION RATE FOR GRANT MATCHING FUNDS

Projection of State Contributions as Percentage of Pay

Fiscal Year	Total Salaries	State Salaries	Federal Salaries	State Contribution	% of State Contribution to Salaries	Historical Matching Rate
2002	3,146,886,264	2,890,275,756	256,610,508	141,057,868	4.88%	5.12%
2003	3,103,427,529	2,818,077,789	285,349,740	128,879,976	4.57%	5.00%
2004	3,030,749,000	2,740,918,889	289,830,111	143,100,533	5.22%	4.50%
2005	3,175,161,612	2,862,993,123	312,168,489	163,919,337	5.73%	4.50%
2006	3,354,876,252	3,032,993,092	321,883,160	202,200,425	6.67%	5.00%
2007	3,598,926,888	3,293,181,417	305,745,471	243,501,987	7.39%	7.00%
2008	3,751,436,376	3,447,508,419	303,927,957	266,761,597	7.74%	7.00%
2009	3,807,914,178	3,505,884,565	302,029,613	257,019,830	7.33%	7.50%
2010	3,854,772,123	3,502,120,230	352,651,893	227,926,247	6.51%	7.50%
2011	3,773,283,867	3,417,456,252	355,827,615	251,322,410	7.35%	6.50%
2012	3,924,800,000	3,593,529,257	331,270,743	281,806,711	7.84%	7.00%
2013	4,062,168,000	3,719,302,781	342,865,219	299,735,610	8.06%	8.00%

Proposed matching rate for FY 2014 based on assumed increase in total salaries

3.5%	4,204,343,880	3,849,478,378	368,281,582	316,782,510	8.23%
2.5%	4,163,722,200	3,812,285,351	364,723,306	316,782,510	8.31%
1.5%	4,123,100,520	3,775,092,323	361,165,030	316,782,510	8.39%
0.0%	4,062,168,000	3,719,302,781	355,827,615	316,782,510	8.52%

Highlighted areas are estimates-State Contributions for FY-2013 and 2014 are based on revenue estimates presented to the State Equalization Board. Salaries are projected to increase as reflected above.

70 O.S. § 17-108 to read as follows:

A. Each local school district, or state college or university, or State Board of Education or State Board of Vocational and Technical Education, or other state agencies whose employees are members of the Teachers' Retirement System **shall match on a pro rata basis**, in accordance with subsection B of this section, the **contributions of members whose salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements**. These funds shall be remitted to the Teachers' Retirement System of Oklahoma and deposited in Retirement Benefit Fund.

B. On an annual basis, **the Board of Trustees shall set the contribution rate** to be paid by contributing employers as provided in subsection A of this section. The contribution rate shall be determined using cost principles established by federal regulations and shall be consistent with policies, regulations and procedures that apply uniformly to both federally assisted and other activities, and be accorded consistent treatment through application of generally accepted accounting principles. The Board shall approve the contribution rate for each fiscal year ending June 30, no later than April 1 of the previous fiscal year.

IT IS RECOMMENDED THE BOARD OF TRUSTEES SET THE MATCHING CONTRIBUTION RATE FOR THE YEAR BEGINNING JULY 1, 2013, AT 8.25%.

Respectfully submitted,

James R. Wilbanks, Ph.D.
Executive Director
March 28, 2013

Chapter 6 – Ethical and Fiduciary Conduct

Fiduciary Duties

The board and its officers and employees of the system shall discharge their duties with respect to the system and the plan solely in the interest of the Clients and beneficiaries as follows:

1. For the exclusive purpose of the following:
 - A. Providing benefits to Clients and beneficiaries.
 - B. Defraying reasonable expenses of administering the plan.
2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims.
3. By diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. In accordance with the documents and instruments governing the system insofar as those documents and instruments are consistent with this part.

Exclusive Purpose of Systems Assets

1. Except as provided in paragraph 2 below, the assets of the plan shall never accrue to the benefit of an employer and shall be held for the exclusive purposes of providing benefits to Clients and beneficiaries and defraying reasonable expenses of administering the system.
2. In the case of a contribution that is made by an employer by a mistake of fact, paragraph 1 shall not prohibit the return of that contribution within one year after the system knows, or should know in the ordinary course of business, that the contribution was made by a mistake of fact.

Prohibited Transactions

Except as otherwise provided by law, the board and the officers and employees of the system shall not cause the system to engage in a transaction if they know or should know that the transaction constitutes a direct or indirect:

1. Sale or exchange, or leasing, of any property from the system to a Client or beneficiary for less than adequate consideration, or from a Client or beneficiary to the system for more than adequate consideration.
2. Lending of money or other extension of credit from the system to a Client or beneficiary without the receipt of adequate security and a reasonable rate of interest, or from a Client

or beneficiary with the provision of excessive security or an unreasonably high rate of interest.

3. Furnishing of goods, services, or facilities from the system to a Client or beneficiary for less than adequate consideration, or from a Client, retiree, or beneficiary to the system for more than adequate consideration.
4. Transfer to, or use by or for the benefit of, a Client or beneficiary of any assets of the plan for less than adequate consideration.

Prohibitions Against Self-Dealing

The board and its officers and employees of the system shall not do any of the following:

1. Deal with the assets of the system in their own interest or for their own account.
2. In their individual or in any other capacity, act in any transaction involving the system on behalf of a party, or represent a party, whose interests are adverse to the interests of the plan or the interests of the Clients and beneficiaries.
3. Receive any consideration for their personal account from any party conducting business with the system in connection with a transaction involving the assets of the plan.

Statement of Ethical Conduct

The Oklahoma Teachers Retirement System Board has established the following Statement of Ethical Conduct and has determined that engaging in any of the following activities or conduct is inconsistent, incompatible, in conflict with or contrary to the duties of an Oklahoma Teachers Retirement System Trustee and/or staff.

No employment, activity, or enterprise shall be engaged in by any Oklahoma Teachers Retirement System Trustee or staff, which might result in, or create the appearance of resulting in, any of the following:

1. Using the prestige or influence of the Board or staff position for private gain or the advantage of another.
2. Using Oklahoma Teachers Retirement System time, facilities, employees, equipment or supplies for private gain or advantage, or the private gain or advantage of another.
3. Using confidential information acquired by virtue of Oklahoma Teachers Retirement System activities for the private gain or advantage of another, including, but not limited to, so-called “insider trading” as described in the Policy Prohibiting Insider Trading below.
4. Receiving or accepting money or any other consideration from anyone other than the state or Oklahoma Teachers Retirement System for the performance of an act which the

Trustee or staff would be required or expected to render in the regular course or hours of his/her duties.

5. Performance of an act in other than his/her capacity as a Trustee, Executive Staff, their delegates or staff, knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such person or by Oklahoma Teachers Retirement System.
6. Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value, from anyone who is doing or is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it reasonably could be substantiated that the gift was intended to influence him/her in his/her official duties or was intended as a reward for any official action on his/her part.
7. As a Trustee, having an ex parte communication on the merits of an administrative appeal with any party or their attorney until after the Board's decision is final. For purposes of this prohibition, Trustees are reminded that, with the exception of the Legal Counsel personally, or a person acting for the Legal Counsel in this capacity only, Oklahoma Teachers Retirement System staff and officers, fall within the definition of "party."
8. Publishing any writing or making any statement to the media, to state administrators, legislative personnel, or members of the public which purports to represent Oklahoma Teachers Retirement System' position or policy on any matter or subject, before the Board has formally adopted a policy or position on the matter or subject. This section shall not be interpreted to preclude Trustees or staff, as private citizens, from expressing their personal views.

Nothing in this Statement shall exempt any Trustee or staff from applicable provisions of any other laws of this State. The standards of conduct set forth in this Statement are in addition to those prescribed in the System's Code of Conduct Policy.

Policy Prohibiting Insider Trading

Background

The Board is committed to the highest ethical standards and strictest adherence to federal, state and foreign securities laws and regulations regarding "insider trading." To ensure that the Oklahoma Teachers Retirement System operates in a manner commensurate with its goal of promoting integrity in the investment, administration and management of securities, the Board has adopted this Policy Prohibiting Insider Trading.

The policy applies to Trustees and Oklahoma Teachers Retirement System staff, which includes investment consultants and contractors affiliated with Oklahoma Teachers Retirement System (hereinafter referred to as "staff"). The prohibition on insider trading continues to apply even after resignation from the Board or termination of employment until such time, if ever, the

information becomes generally available to the public other than through disclosure by or through the Trustee or staff.

“Insider trading” has been defined as buying or selling securities on the basis of material, nonpublic information relating to those securities. Any person who possesses material nonpublic information is considered an “insider” as to that information. The prohibition against insider trading may reach anyone, not just a corporate insider, who has access to the material nonpublic information. The scope of insider trading liability has been extended to “controlling persons,” which includes any entity or person with power of influence or control over the management, policies or activities of another person. It has also been extended to “tippees” who receive material, nonpublic information from an insider when the “tipper” (the “insider”) breaches a fiduciary duty for his or her personal benefit and the “tippee” knows or has reason to know of the breach. The law provides civil and criminal penalties for insider trading violations.

Information is deemed material if it would be considered important by a reasonable investor in deciding whether to buy, sell or refrain from any activity regarding that company’s securities. Material information may be either positive or negative and can relate to any aspect of a company’s business. Common examples of material information include, but are not limited to: unpublished financial results and projections, news of a merger or acquisition, stock splits, public or private securities/debt offerings, changes in dividend policies or amounts, gain or loss of a major customer or supplier, major product announcements, significant changes in senior management, a change in accounting policies, major problems or successes of the business, and information relating to a company against whom Oklahoma Teachers Retirement System is considering securities litigation. Material nonpublic information may not be used by Trustees or staff for personal gain or to benefit relatives or friends.

Information is considered “nonpublic” if it is not available to the general public. Once it is released to the general public, it loses its status as “inside” information. However, for nonpublic information to become public, it must have been made generally available to the securities marketplace, and sufficient time must pass for the information to become available in the market. To show that material information is public, it is generally necessary to show some fact verifying that the information has become generally available, such as disclosure in company filings with the SEC or company press releases to a national business and financial wire service, a national news service, or a national newspaper.

Policy on Insider Trading

Trustees and staff may be provided or have access to confidential information, including material, nonpublic information. Any information not publicly available must be treated as confidential even if it is not designated as confidential. It is the duty of Trustees and staff to maintain the confidentiality of information and to not misuse confidential information, including material nonpublic information, belonging to or relating to Oklahoma Teachers Retirement System. Trustees and staff who come into possession of material nonpublic information must not intentionally or inadvertently communicate it to any person, including relatives and friends, unless the person has a need to know for legitimate reasons in keeping with their responsibilities to the System. Special care should be taken so that confidential information is not disclosed inadvertently.

Trustees and staff in possession of material, nonpublic information may not purchase or sell securities of the concerned company or other publicly traded securities to which the information pertains. Trustees and staff also may not disclose material, nonpublic information to another person who subsequently uses that information for profit. Recommending purchases or sales of securities to which the material nonpublic information relates, even without disclosing the basis for the recommendation, is prohibited.

Trustees and staff in possession of material, nonpublic information relating to a tender offer, acquired directly or indirectly from the bidder or target company, may not trade in target company securities. Trustees and staff also may not disclose such material, nonpublic information to another person where it is reasonably foreseeable that the recipient of the information will purchase or sell such company securities.

Trustees and staff in possession of material, nonpublic information may not purchase, directly or indirectly, any security in the initial public offering of such security. Such new issue securities may only be purchased in the secondary trading market once such a market is established. Trustees and staff also may not encourage, facilitate, or arrange such a purchase by or on behalf of any other person.

The Board is committed to the highest ethical standards and strictest adherence to the laws and regulations regarding insider trading. This policy is to be delivered to all new Trustees and staff, including consultants, upon commencement of a relationship or employment with Oklahoma Teachers Retirement System. Each Trustee and all Oklahoma Teachers Retirement System staff must read and complete the certification in Attachment I within 30 days of receipt of the policy. The certification shall be delivered to the Oklahoma Teachers Retirement System Executive Director.

The Executive Director shall obtain written confirmation from each external manager that handles securities for the System that it has a policy against insider trading and that it enforces the policy. The written confirmation must be received by Oklahoma Teachers Retirement System within 30 days of commencement of the manager's relationship with Oklahoma Teachers Retirement System.

Statements of Economic Interests filed by Trustees or staff may be reviewed by Oklahoma Teachers Retirement System to insure compliance with this policy. Trustees and staff should report any suspected violation of this policy to the Oklahoma Teachers Retirement System Legal Counsel. The Legal Counsel is responsible for causing an investigation of any reported violation. Following such investigation, if the Legal Counsel concludes that the policy may have been violated, he or she shall take appropriate action.

Violation of this policy may result in disciplinary action, including dismissal of employees, and may result in termination of contracts for consultants and other contractors. Any disciplinary action for violation of the policy may be in addition to any civil or criminal liability under federal and state securities laws and regulations and is not subject to appeal on the grounds that the violation did not ultimately result in any actual civil or criminal investigation or other legal proceeding.

ATTACHMENT I

Oklahoma Teachers Retirement System Insider Trading Policy Certification

I, _____, hereby certify that I have read and understand the Policy Prohibiting Insider Trading and agree to adhere strictly to the Policy. I further certify that I understand that the failure to act in conformance with the Policy Prohibiting Insider Trading will result in serious consequences, including termination from my employment or contract with Oklahoma Teachers Retirement System.

Date: _____

Signature

Oklahoma Ethics Commission Rules

1. All Oklahoma Teachers Retirement System Trustees and specified staff are subject to the disclosure and reporting requirements of the Oklahoma Ethics Commission regulations. Any Trustee or staff that receives a gift, honoraria, or travel expenses (paid or reimbursed) or the actual transportation and related lodging and subsistence from any third party other than either the System or the State of Oklahoma has the responsibility to determine whether the receipt of the same must be disclosed and reported under the Oklahoma Ethics Commission regulations. This section applies to Oklahoma Teachers Retirement System travel, as well as other travel expenses covered by the Oklahoma Ethics Commission regulations. Trustees and staff are referred to the Travel Expense Policy herein, which governs reimbursement for travel expenses and provides that where third parties offer to pay Oklahoma Teachers Retirement System travel expenses for Trustees or staff, specified prior approval is required.
2. Receipt of any gift, honoraria, or payment of actual transportation and related lodging and subsistence or any payment or reimbursement of the same to Trustees or staff regarding travel of any kind by third parties may subject the recipient Trustee or staff to disqualification from participation in making Board Policy related to the third party. It is the recipient's responsibility to make sure that he or she does not engage in any action that places him or herself in a conflict of interest.
3. Under the regulations of the Oklahoma Ethics Commission, a Trustee or staff member who has a financial interest in a decision of Oklahoma Teachers Retirement System must, following the announcement of the agenda item to be discussed or voted upon but before either the discussion or vote commences, do the following:
 - A. Publicly identify the financial interest that gives rise to the conflict;
 - B. Recuse themselves from discussing, voting, or attempting to use their influence to affect the outcome of a decision of the public body; and
 - C. Leave the room until after the discussion and vote on the item in question.
 - D. A Trustee or staff member that has a financial interest in a matter placed on a consent agenda must observe the above requirements with the exception that he or she is not required to leave the room during the consent agenda.
 - E. In the event that the discussion is to occur in closed session, the public identification may be made orally during the open session before the body goes into closed session and may be limited to a declaration that his or her recusal is because of a conflict of interest under Oklahoma Ethics Commission regulations.

No Contact Policy

Upon the release of any Request for Proposal (RFP), Invitation for Bid (IFB), or comparable procurement vehicle for any System service or product, there shall be no communication or contact between the applicant or bidder and Oklahoma Teachers Retirement System Trustees or staff concerning the subject of the procurement process until the process is completed.

Requests for technical clarification regarding the procurement process itself are permissible and must be directed to the System's Contracts Office.

Incidental contact between a prospective bidder or its representative and Oklahoma Teachers Retirement System Trustees and staff which is exclusively social, or which clearly pertains to a matter not related to the subject procurement process, is permissible.

During the RFP process the Executive Director, Internal Auditor, or the Legal Counsel may inquire of Trustees or applicant bidders about any contact between Trustees and applicant bidders.

Any applicant or bidder who willfully violates this policy will be disqualified from any further consideration to provide the applicable service or product.

Trustees and staff should report any suspected violation of this policy to the Executive Director who shall determine the appropriate course of action.

Disclosure of Communications

1. Disclosure of Communications Regarding Investment Transactions that Require Board of Trustees Approval
 - A. During the evaluation of any prospective investment transaction, no party who is financially interested in the transaction nor any officer or employee of that party, may knowingly communicate with any Trustee concerning any matter relating to the transaction or its evaluation, unless the financially interested party discloses the content of the communication in a writing addressed and submitted to the Legal Counsel and the Board prior to the Board's action on the prospective transaction. This shall not apply to communications that: (1) are part of a noticed board meeting; (2) are part of a scheduled due-diligence meeting between the financially interested party and representatives of the System including Trustees, Executive Staff, and Investment Consultant, (3) are incidental, exclusively social, and do not involve the system or its business, or the Board or staff member's role as a system official; or (4) do not involve the system or its business and that are within the scope of the Board or staff member's private business or public office wholly unrelated to the system.
 - i. The writing shall disclose the date and location of the communication, and the substance of the matters discussed. It shall be submitted no later than five working days prior to the noticed Board meeting at which the investment transaction is being considered unless the communication occurs less than five

working days before the noticed Board meeting, in which case the writing shall be submitted immediately after the communication occurs.

- ii. Consistent with its fiduciary duties, the Board shall determine the appropriate remedy for any knowing failure of a financially interested party to comply with this policy, including, but not limited to, outright rejection of the prospective investment transaction, reduction in fee income, or any other sanction.
- B. Any Trustee who participates in a communication subject to this policy shall also have the obligation to disclose the communication to the Legal Counsel and the Board prior to the Board's action on the prospective transaction. The disclosure shall be in writing and shall disclose the date and location of the communication and the substance of the matters discussed. It shall be submitted no later than five working days prior to the noticed Board meeting at which the investment transaction is being considered unless the communication occurs less than five working days before the noticed Board meeting, in which case the writing shall be submitted immediately after the communication occurs. The communications disclosed under this section shall be made public, either at the open meeting of the board in which the transaction is considered, or if in closed session, upon public disclosure of any closed session votes concerning the investment transaction.
- i. This disclosure obligation shall not apply to communications that are general in nature and content, such as: (1) those with regard either to the nature of the party's business or interests or with regard to public information regarding Oklahoma Teachers Retirement System; (2) a simple expression of the party's interest generally in doing business with Oklahoma Teachers Retirement System or having Oklahoma Teachers Retirement System invest in or with the party communicating with the Trustee; or (3) a simple expression by the Trustee in relation to the performance of an investment or service provided to Oklahoma Teachers Retirement System.
 - ii. An alleged failure of a Trustee to disclose communications as required herein shall be referred to the Chair for appropriate action unless the Chair is a party to the communication in question, in which case the matter shall be referred to the Vice-Chair.
 - iii. The Legal Counsel shall provide the Board with an annual summary of the communications disclosed pursuant to this section.
2. Disclosure of Communications Regarding Investment Transactions that Do Not Require Board of Trustees Approval

The disclosure obligation regarding communications for a party or its officer or employee who is financially interested in an investment transaction shall also apply to communications involving transactions the Executive Director has been delegated the authority to approve without the need for Board of Trustees action. Upon the initiation of any consideration by the Executive Staff of the Oklahoma Teachers Retirement System

or one of its consultants or advisors of the review of a proposed investment transaction, the firm seeking a Oklahoma Teachers Retirement System investment shall be given a copy of this Oklahoma Teachers Retirement System policy together with a form to use to report any communications with Trustees for which disclosure is required. The required disclosure shall be made within 10 calendar days of the communication. There shall be no parallel obligation on the part of the Trustee to disclose a communication involving a transaction that has been delegated to the Executive Director, although Trustees are urged to keep an informal record of communications that would be subject to disclosure if the transaction ultimately comes before the Board of Trustees and must be disclosed as provided above.

The Legal Counsel shall provide the Board with an annual summary of the communications disclosed pursuant to this paragraph.

3. Disclosure of Communications between Trustees and Staff Regarding Investment Transactions

As a general matter, the Board recognizes that the free flow of communication between individual Trustees and staff or consultants is beneficial to the conduct of Oklahoma Teachers Retirement System business and that requiring disclosure of all or a large part of such regular communication would create a burdensome reporting requirement that would likely serve no useful purpose. However, in those instances where conduct by an individual Trustee can be reasonably interpreted as an attempt to influence the outcome of a Board or staff decision or consultant recommendation in an investment transaction, the Board recognizes that such communications could create the potential for misunderstanding, misinformation or conflicting instructions and could be reasonably interpreted as inappropriately affecting the board, staff or consultant. Such communications do not always rise to the level of “undue influence,” as defined and discussed below, but nevertheless should be subject to disclosure.

Any communication regarding a potential investment transaction initiated by a Trustee with either an Oklahoma Teachers Retirement System employee or consultant in which the Trustee is advocating for a specified outcome shall be documented by the Oklahoma Teachers Retirement System employee or consultant and reported to the Legal Counsel. Such communications will be disclosed to the Board if and when, in the judgment of the Legal Counsel, they may be material to the Board’s deliberation with respect to any Oklahoma Teachers Retirement System matter.

4. Avoidance of Undue Influence

The Board recognizes that if a Trustee or a third party attempts to direct staff or a Trustee to a specified action, decision or course of conduct through the use of undue influence, sound decision-making could be compromised to the ultimate detriment of the Board as a whole and/or Oklahoma Teachers Retirement System Clients, retirees and beneficiaries.

Any staff member or Trustee who believes that he or she has been subject to the attempted exercise of undue influence, as described above, should report the occurrence

immediately and simultaneously to the Executive Director (in the case of staff members) and to the Legal Counsel. The Legal Counsel shall investigate the situation immediately and is authorized to use the services of an outside law firm to conduct the investigation if he or she deems it appropriate. Following such investigation, if the Legal Counsel concludes that an exercise of undue influence was attempted, he or she shall take whatever action deemed to be appropriate, which shall include notification to the Board and thereafter a public disclosure during an open session meeting of the Board. If the Legal Counsel believes that he or she personally has been subjected to an attempted exercise of undue influence, he or she shall immediately advise the Board Chair unless the circumstances dictate that another Trustee should instead be notified. The Board Chair or other Trustee shall investigate the situation and take whatever action he or she deems to be appropriate.

Definitions:

“Undue Influence” is defined as the employment of any improper or wrongful pressure, scheme or threat by which one’s will is overcome and he or she is induced to do or not to do an act which he or she would not do, or would do, if left to act freely.

“Third Party” means and includes a person or entity that is seeking action, opportunity, or a specific outcome from Oklahoma Teachers Retirement System regarding an Oklahoma Teachers Retirement System matter. The Third Party may be seeking the action, opportunity, or outcome for his or her or its own behalf or the Third Party may be seeking it on behalf of another person or entity in the capacity of a representative, agent or intermediary, or as an advocate for a cause or group of individuals or entities. This definition includes public officials.

Disclosure of Campaign Contributions, Charitable Contributions, Gifts, Recusal Requirement, and Ban on Specified Gifts

1. Campaign Contributions

Any party who engages in business with Oklahoma Teachers Retirement System for gain shall disclose campaign contributions, as defined under the Oklahoma Ethics Commission regulations, valued in excess of \$250, made to or on behalf of any existing Oklahoma Teachers Retirement System Trustee, candidates for Superintendent of Public Instruction, and Oklahoma Teachers Retirement System officer or employee.

2. Charitable Contributions

No party who engages in business with Oklahoma Teachers Retirement System for gain shall provide any charitable contribution to a charitable entity, valued in excess of \$250 individually or in the aggregate in any calendar year, made at the request of any Trustee, or Oklahoma Teachers Retirement System officer or employee.

3. Gifts

- A. No party who engages in business with Oklahoma Teachers Retirement System for gain shall provide gifts to Trustees or to Oklahoma Teachers Retirement System officers or employees exceeding the following limits:
 - i. Gifts or gratuities with a cumulative value exceeding \$50 individually or in the aggregate in any calendar year, given to any Trustee or Oklahoma Teachers Retirement System officer or employee.
 - ii. This prohibition shall not extend to meals or related expenses provided under the following circumstances:
 - a. Food, beverages and registration at group events to which substantial numbers of employees of an institution are invited;
 - b. Actual and reasonable expenses for food, beverages, travel, lodging and/or registration provided to permit participation in a meeting directly tied to official or professional duties if participation has been approved in writing by the Executive Director (for Oklahoma Teachers Retirement System staff) or by the Oklahoma Teachers Retirement System Board (for Trustees).
- B. Any party who engages in business with Oklahoma Teachers Retirement System for gain is prohibited from providing gifts aggregating more than \$50 in value to Trustees, or to Oklahoma Teachers Retirement System officers or employees.

4. Recusal

- A. Any Trustee who receives campaign contributions, charitable contributions, or gifts that individually or in the aggregate exceed the limits specified above in a calendar year shall recuse himself/herself from any involvement in a matter involving the maker of the contributions or gifts for a period of 12 months following the date of the most recent contribution or gift.
- B. Any designee of an Ex Officio member of the Board of Trustees shall recuse himself/herself from any involvement in a matter before the Board of Trustees if either the designee or the Ex Officio member of the Board of Trustees whom the designee represents received campaign contributions, charitable contributions, or gifts that individually or in the aggregate exceed the limits specified above in a calendar year and the maker of the contributions or gifts is a party to the matter before the Board of Trustees. Such recusal shall be required for a period of 12 months following the date of the most recent contribution or gift to either the designee of the Ex Officio member of the Board of Trustees whom the designee represents.
- C. Any Trustee who returns, donates, or reimburses the donor for gifts subject to these restrictions within 30 calendar days of receipt of the gift shall not be subject to the recusal requirement.

5. Time and Coverage of Disclosures

Disclosure of campaign contributions, charitable contributions, and gifts shall be required as follows:

- A. Upon submission of an initial application or proposal to do business with the System (for the preceding 12-month period).
- B. At the time the final decision is to be made regarding the business proposal (to cover the interim period following the initial application).
- C. Annually, for the previous calendar year. (Oklahoma Teachers Retirement System will use Oklahoma Ethics Commission guidelines to determine which officials in a specific firm must file disclosure statements.)

6. Sanctions for Violation of Policy

Any violation of this policy may lead to disqualification from future business with the System for a period of two years following a determination by the Board that a violation has occurred. The Legal Counsel is responsible for causing an investigation of any reported violation to be made and shall report any documented violation to the Board for action.

7. Application of Policy

Nothing in this policy supersedes any provision of State law. Those entities engaged in business with the System may also have reporting requirements under the Oklahoma Ethics Commission rules. Also, Trustees who are appointed to the Board but also serve as an elected official of a local body are subject to Oklahoma Ethics Commission rules governing the receipt, solicitation or direction of a campaign contribution. This policy also requires recusal of the Trustee from any involvement in the matter if a contribution over \$250 has been received within the preceding 12 months, unless the contribution was returned no later than 30 days from the time the Trustee knew or should have known about the contribution and the matter involving the maker of the contribution.

Disclosure of Third Party Relationships and Payments

Prior to Oklahoma Teachers Retirement System entering into any investment management contract, any person or entity who would be a party to that investment management contract shall disclose to the Oklahoma Teachers Retirement System Board of Trustees, in writing, all third party relationships with persons or entities that assisted the party with either the solicitation of Oklahoma Teachers Retirement System as a potential client or the retention of Oklahoma Teachers Retirement System as an existing client and any fees paid or payable to the third party as a result of such relationship. The disclosure shall be made on a form provided by Oklahoma Teachers Retirement System.

For purposes of this section, the term “fees paid or payable to the third party” includes placement agent fees, solicitation fees, referral fees, promotion fees, introduction or “matchmaker” fees, or any similar fees.

*Teachers' Retirement System of Oklahoma
Client Status Update Report - Finance Division
February 28, 2013*

Board Meeting March 27, 2013

<i>Cash Basis</i>	February 2012	February 2013		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$22,416,107.04	\$22,688,799.50	\$272,692.46	1.22%
Employer Contributions	31,977,725.48	31,451,156.25	(526,569.23)	-1.65%
State Revenue	<u>26,111,715.33</u>	<u>29,050,343.10</u>	<u>2,938,627.77</u>	<u>11.25%</u>
Total Retirement Receipts	80,505,547.85	83,190,298.85	2,684,751.00	3.33%
 <i>Monthly Distributions:</i>				
Retirement Benefits	87,762,160.10	90,510,462.17	2,748,302.07	3.13%
Withdrawals and Death Benefits	<u>2,133,947.14</u>	<u>3,376,804.76</u>	<u>1,242,857.62</u>	<u>58.24%</u>
Total Benefit Payments	<u>89,896,107.24</u>	<u>93,887,266.93</u>	<u>3,991,159.69</u>	<u>4.44%</u>
Net (Receipts - Payments)	<u>(\$9,390,559.39)</u>	<u>(\$10,696,968.08)</u>	<u>(\$1,306,408.69)</u>	<u>13.91%</u>
	Year to Date	Year to Date		
<i>Year to Date Contributions:</i>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$183,719,998.57	\$189,202,718.57	\$5,482,720.00	2.98%
Employer Contributions	240,066,415.37	252,540,707.01	12,474,291.64	5.20%
State Revenue	<u>188,415,341.42</u>	<u>206,249,472.37</u>	<u>17,834,130.95</u>	<u>9.47%</u>
Total Retirement Receipts	612,201,755.36	647,992,897.95	35,791,142.59	5.85%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	676,194,060.33	729,928,182.02	53,734,121.69	7.95%
Withdrawals and Death Benefits	<u>31,788,445.61</u>	<u>30,957,669.52</u>	<u>(830,776.09)</u>	<u>-2.61%</u>
Total Benefit Payments	707,982,505.94	760,885,851.54	52,903,345.60	7.47%
Net (Receipts - Payments)	<u>(\$95,780,750.58)</u>	<u>(\$112,892,953.59)</u>	<u>(\$17,112,203.01)</u>	<u>17.87%</u>



OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - March 2013

New Retirements

<u>Type</u>	<u>Count</u>	<u>Benefit Total</u>
Disability	13	\$14,313.77
Normal	67	\$89,739.03
Total	<u>80</u>	<u>\$104,052.80</u>

Terminated Retirements	51	<u><u>\$70,980.61</u></u>
-------------------------------	----	---------------------------

Net Change	29	<u><u>\$33,072.19</u></u>
-------------------	----	---------------------------

NORMAL RETIREMENTS

Mar-13

Client #	Client Name		Estimate Ret. Date	Retirement Number	Benefit	
Q0043395	DON		ADAMS	3/1/2013	096646	\$3,302.07
Q0139635	JANICE	L	ALEXANDER	3/1/2013	096630	\$609.57
Q0203692	MARSHA		ALLEN	3/1/2013	096604	\$1,629.94
Q0050074	JOHN	A	ASHLEY SR	3/1/2013	096623	\$2,323.97
Q0165317	DEBORAH	A	BECKMAN	3/1/2013	096644	\$911.92
Q0103487	PATRICIA	M	BELCHER	3/1/2013	096633	\$3,266.32
Q0235436	JANE	K	BRIDENSTINE	3/1/2013	096627	\$331.41
Q0087660	CAROLYN	D	BUCK	3/1/2013	096616	\$843.58
Q0278944	EARLINE	V	BURNETT	3/1/2013	096658	\$162.41
Q0023318	JUDITH	A	BURNS	3/1/2013	096614	\$427.58
Q0296421	MARCIA	A	CLIFTON	3/1/2013	096497	\$346.04
Q0163400	JUDITH	L	COLLEY	3/1/2013	096655	\$233.63
Q0047641	SANDRA	F	COX	3/1/2013	096624	\$1,133.07
Q0048044	CINDY		CRINER	3/1/2013	096656	\$714.15
Q0106901	SHANDRA	L	CRUPPER	3/1/2013	096657	\$2,011.63
Q0294461	GARY	D	CURTIS	3/1/2013	096605	\$291.70
Q0182686	FREDI	L	DAVIS	3/1/2013	096602	\$240.28
Q0250117	JOSEFINA	L	DE SNIPES	3/1/2013	096631	\$751.18
Q0102523	ROBERT	E	DELONG	3/1/2013	096659	\$1,422.80
Q0048728	BRENDA	S	DIRKS	3/1/2013	096643	\$3,172.35
Q0238953	KEVIN	J	DONNELLY	3/1/2013	096620	\$807.26
Q0084814	ROBERT	A	EGGELING	3/1/2013	096660	\$3,420.53
Q0119741	DARLENE		ESTES	3/1/2013	096608	\$1,700.53
Q0285722	MARTIN	A	FISCHER	3/1/2013	096661	\$954.11
Q0088023	PAMELA	G	FISHER	3/1/2013	096662	\$431.17
Q0103291	RONALD	D	GOLDY	3/1/2013	096626	\$817.89
Q0241227	JUDITH	A	HENSON	3/1/2013	096613	\$680.58
Q0049012	JAMES	A	HERNDON	3/1/2013	096663	\$740.38
Q0084861	JULIUS	C	HILBURN	3/1/2013	096638	\$2,432.06
Q0206551	TERRI	L	HUDDLESTON	3/1/2013	096667	\$2,168.79
Q0086522	ELIZABETH	D	JACKSON	3/1/2013	096636	\$1,230.94
Q0165254	KATIE	M	JARVIS	3/1/2013	096618	\$1,563.97
Q0066544	KAREN		JENNINGS	3/1/2013	096635	\$703.42
Q0106234	DORIS	J	JONES	3/1/2013	096641	\$2,555.03
Q0087251	RAYMOND	D	LEMONS	3/1/2013	096640	\$789.48
Q0106070	DONNIE	M	LEWIS	3/1/2013	096648	\$1,611.87
Q0233126	MARILYN	S	LEWIS	3/1/2013	096652	\$147.61
Q0163170	PAMELA	L	LIPPOLDT	3/1/2013	096664	\$441.34
Q0144190	SHERRI	D	LOGAN	3/1/2013	096684	\$2,255.39
Q0252902	DENISE		LYSIKOWSKI	3/1/2013	096611	\$1,197.62
Q0044962	JEAN	M	MARTINDALE	3/1/2013	096622	\$930.45
Q0015555	DONNA	L	MASSEY	3/1/2013	096665	\$386.77
Q0164563	RUTH	M	MATTHEWS-	3/1/2013	096607	\$1,068.04
Q0245154	CREIG	A	MAYHEW	3/1/2013	096666	\$1,774.68
Q0303265	CHARLOTTE	A	MCPHERSON	3/1/2013	096603	\$85.18
Q0183122	JAIME	H	MELENDEZ	3/1/2013	096649	\$1,992.64
Q0147225	DAWNA	L	NELSON	3/1/2013	096628	\$1,861.81
Q0027959	DEBRA	L	OZKARAKOC	3/1/2013	096647	\$1,075.74
Q0109106	MARTIN	S	POWELL	3/1/2013	096610	\$739.98
Q0126954	GLORIA	J	POWERS	3/1/2013	096637	\$372.52

Q0158634	WILLIAM	F	PRICE-CURTIS	3/1/2013	096621	\$3,232.55
Q0214363	ARTHUR	J	RANDALL	3/1/2013	096601	\$1,587.43
Q0225978	LISA	L	ROBINSON	3/1/2013	096625	\$654.70
Q0047230	JAMES	R	RUTTERS	3/1/2013	096615	\$3,231.97
Q0049333	JANA	L	SKINNER	3/1/2013	096650	\$1,965.71
Q0085659	LINDA	K	SMITH	3/1/2013	096619	\$4,223.79
Q0046377	RICHARD	C	SMITH	3/1/2013	096645	\$651.95
Q0047165	JAMES	S	STINNETT	3/1/2013	096612	\$1,070.55
Q0011702	OVIDIA		THOMAS	3/1/2013	096639	\$1,475.32
Q0162819	KENNETH		VOGT	3/1/2013	096609	\$3,396.10
Q0089537	LISA		WALLING	3/1/2013	096570	\$2,697.23
Q0011886	LABAN	P	WEST	3/1/2013	096606	\$1,504.26
Q0124029	DEBBIE	A	WHEAT	3/1/2013	096600	\$277.92
Q0289481	EVELYN	A	WILLEBY	3/1/2013	096668	\$161.49
Q0064833	Frank	L	Williams	3/1/2013	096629	\$1,063.11
Q0044220	CHARLES	R	WINKLES	3/1/2013	096669	\$1,110.09
Q0221456	CECILIA		WRIGHT-SEITZ	3/1/2013	096632	\$371.48
NORMAL						\$89,739.03

**Disability Retirements
March 2013**

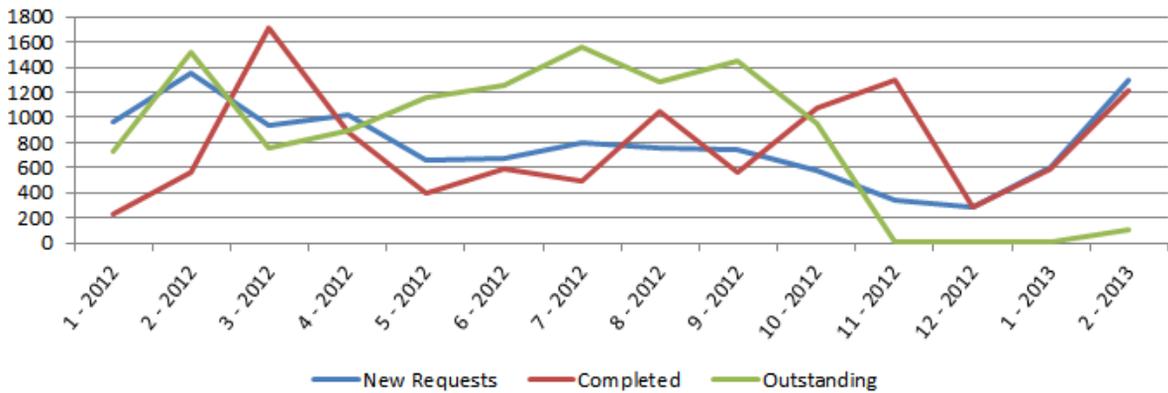
Client #	Client Name			Estimate Ret. Date	Retirement Number	Benefit
Q0110269	ANDY		ARMS	3/1/2013	D096671	\$1,185.75
Q0036111	KELLY	F	BEARD	3/1/2013	D096680	\$724.00
Q0202269	FRANCES	J	BELL	3/1/2013	D096672	\$608.27
Q0163966	JAMES	L	CAPPS	3/1/2013	D096617	\$1,041.48
Q0093533	JAMES	A	CROSS	3/1/2013	D096673	\$1,856.85
Q0132577	MARY	E	GLABAS	3/1/2013	D096674	\$2,089.38
Q0172015	JANA	K	ISRAEL	3/1/2013	D096675	\$585.54
Q0114559	CHARITY	M	MCGUIRE	3/1/2013	D096676	\$844.09
Q0145425	MARILYN		MOORE	3/1/2013	D096677	\$589.08
Q0168723	GAYLENE	M	RICKETTS	3/1/2013	D096683	\$602.17
Q0166733	EILEEN		ROE	3/1/2013	D096678	\$2,112.39
Q0203866	SALLY	P	ROUSEY	3/1/2013	D096679	\$904.95
Q0239097	LESTER	H	WILSON	3/1/2013	D096682	\$1,169.82

Disabilities \$14,313.77

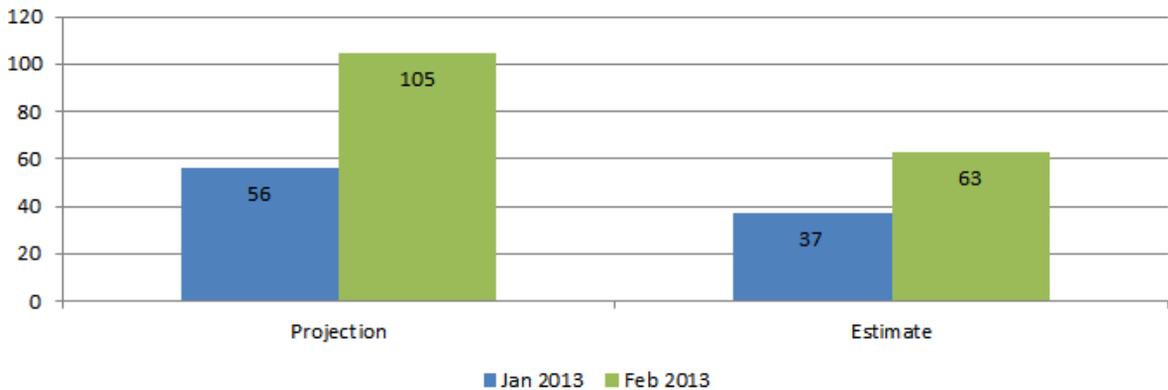
**Terminations
March 2013**

Termination	Retire. #	Annuitant Name	Death	Termination	Benefit
Deceased	020340	ALMA M ADAMS	02/26/2013	03/01/2013	\$996.59
Deceased	018976	SARA J BELL	02/07/2013	03/01/2013	\$1,484.16
Deceased	022886	HASKELL BELLER	02/25/2013	03/01/2013	\$1,301.86
Deceased	047551	MARVELENE B BOROVETZ	02/07/2013	03/01/2013	\$2,052.50
Deceased	056005	PAUL E BOWLES	02/10/2013	03/01/2013	\$2,638.58
Deceased	032918	THOMAS CASEY	02/09/2013	03/01/2013	\$1,554.68
Deceased	033984	RILEY CHURCH	02/23/2013	03/01/2013	\$2,365.02
Deceased	022238	MARIAN E CLEMENT	02/10/2013	03/01/2013	\$1,796.64
Deceased	043149	MARJORIE COFFMAN	02/07/2013	03/01/2013	\$2,265.99
Deceased	037356	BILLY W CORBIN	02/23/2013	03/01/2013	\$1,558.21
Deceased	054942	JOHNNY B COTTRILL	02/23/2013	03/01/2013	\$1,549.68
Deceased	032827	BETTY R COX	02/24/2013	03/01/2013	\$1,563.46
Deceased	021270	LILLIAN D DAHL	02/23/2013	03/01/2013	\$1,630.49
Deceased	063225	CARL J DAVIS	02/07/2013	03/01/2013	\$1,108.21
Deceased	025525	CHARLES W EARLY	02/22/2013	03/01/2013	\$2,118.16
Deceased	029963	HELEN G FITZPATRICK	08/07/2012	03/01/2013	\$379.12
Deceased	025590	SHERMAN P FLOYD	02/22/2013	03/01/2013	\$2,298.50
Deceased	025622	ELIZABETH R GARLAND	08/09/2012	03/01/2013	\$910.49
Deceased	064576	BILLIE M GIBSON	02/09/2013	03/01/2013	\$487.60
Deceased	034992	EUNICE A GOODMAN	02/05/2013	03/01/2013	\$1,523.81
Deceased	053912	EDITH C GREUBEL	02/22/2013	03/01/2013	\$2,969.51
Deceased	042956	NORRIS G HARKEY	01/21/2013	03/01/2013	\$2,103.57
Deceased	013241	SUSIE R HARRIS	02/19/2013	03/01/2013	\$1,006.83
Deceased	030594	MARY H HEAD	02/26/2013	03/01/2013	\$293.09
Deceased	024460	MARTHA E HOAD	01/29/2013	03/01/2013	\$1,204.88
Deceased	030631	EDMOND JOHN	02/15/2013	03/01/2013	\$675.50
Deceased	034231	GERALDINE C KENNEDY	02/26/2013	03/01/2013	\$448.00
Deceased	041588	THOMAS M KING	02/22/2013	03/01/2013	\$1,674.83
Deceased	022501	FAITH LAFRANCE	01/30/2013	03/01/2013	\$899.18
Deceased	026086	ALYCE LILE	01/05/2013	03/01/2013	\$705.93
Deceased	023240	EARLENE MASSIE	02/26/2013	03/01/2013	\$352.75
Deceased	023872	BILLIE L MCLAUGHLIN	12/22/2012	03/01/2013	\$2,000.39
Deceased	017252	MARY E MILBURN	02/24/2013	03/01/2013	\$962.34
Deceased	044103	INDIA I MYERS	02/25/2013	03/01/2013	\$1,940.92
Deceased	015767	WALTER A NUNN	02/22/2013	03/01/2013	\$750.38
Deceased	063528	DON L OWENS	02/19/2013	03/01/2013	\$269.04
Deceased	074052	PHYLLIS J PERKINS	02/25/2013	03/01/2013	\$825.35
Deceased	024563	EARNEST H PITMAN	02/22/2013	03/01/2013	\$1,427.55
Deceased	032501	ALFRED T POLLARD	01/21/2013	03/01/2013	\$991.27
Deceased	033741	ELIZABETH E PRITCHETT	09/14/2012	03/01/2013	\$535.41
Deceased	021743	SUBLETT H SCOTT	06/09/2011	03/01/2013	\$1,755.30
Deceased	030979	LOIS A SHAW	02/12/2013	03/01/2013	\$738.80
Deceased	039748	STANLEY L SILBERG	02/28/2013	03/01/2013	\$2,893.58
Deceased	017641	HELEN B SMITH	01/15/2013	03/01/2013	\$731.77
Deceased	053474	JIMMY F STRITZKE	02/21/2013	03/01/2013	\$2,647.16
Deceased	026707	PATSIE K SULLIVAN	02/28/2013	03/01/2013	\$1,488.27
Deceased	048579	PATSY S TACKETT	02/24/2013	03/01/2013	\$1,837.46
Deceased	063087	MARILYN K TATRO	02/21/2013	03/01/2013	\$1,907.96
Deceased	032185	EVELYN L TAYLOR	02/27/2013	03/01/2013	\$989.79
Deceased	042418	CHRISTOPHR M TRUEBLOOD	02/23/2013	03/01/2013	\$2,096.71
Deceased	024854	ARDELLE E WILSON	02/09/2013	03/01/2013	\$273.34
TOTAL DECEASED					\$70,980.61

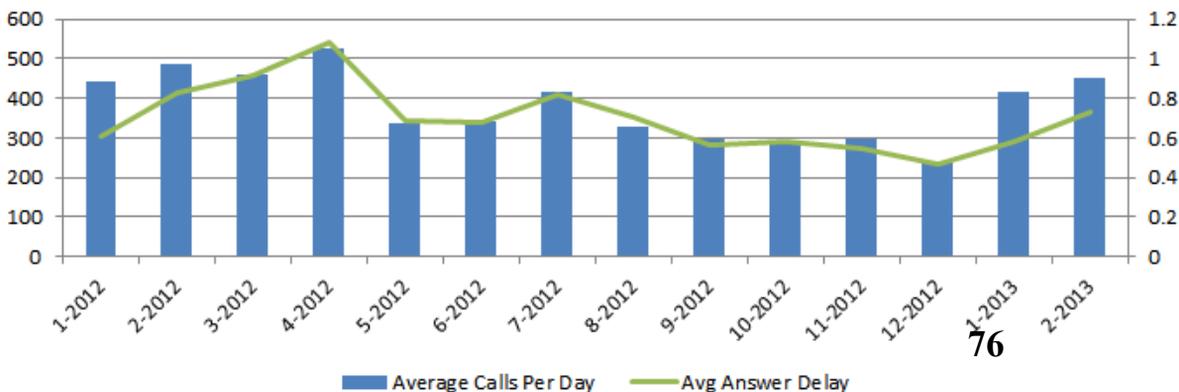
Estimate Requests



Average Time to Complete Requests by Type



Answer Delay Compared to Calls Presented



Priority- OTRS+

Bill Portfolio



8 Bills On Report

HB1132  **Paraphrase:** HB1132, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, makes appropriations to education agencies. (Appropriation Bill) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 09/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1133  **Paraphrase:** HB1133, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, makes appropriations to education agencies. (Appropriation Bill) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 09/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1211  **Paraphrase:** HB1211, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, makes appropriations to various agencies of the executive, legislative and judicial branches. (Appropriation Bill) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1212  **Paraphrase:** HB1212, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, makes appropriations to various agencies of the executive, legislative and judicial branches. (Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1528



Paraphrase: HB1528, by Rep. Gary Banz, R-Midwest City and Sen. John Ford, R-Bartlesville, adds that no teacher can be hired on multiple temporary contracts by a school district that together are for more than four semesters. (Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Banz, Gary (H); Ford, John (S)

Status: S General Order **Status Date:** 03/18/2013

SB0867



Paraphrase: SB0867, by Sen. Clark Jolley, R-Edmond and Rep. Lee Denney, R-Cushing, transfers the Oklahoma Education Television authority the Oklahoma State Regents for Higher Education on July 1, 2013. The bill provides that all personnel, powers, duties, records, property, assets, monies and funds of the Oklahoma Educational Television Authority will be transferred. The bill provides that all employees who are transferred will retain classification status, leave, sick and annual time earned and any retirement and longevity benefits which have accrued during their tenure and that their salaries will not be reduced as a direct and immediate result of the transfer. The bill requires the authority to continue to provide the function of governmental transparency and openness by operating the Oklahoma Public Events Network (OPEN) to broadcast public meetings of the Legislature and of state government. The bill provides that all statutory references to the Oklahoma Educational Television Authority will be construed to refer to the Oklahoma State Regents for Higher Education. The bill permits the regents to assign any or all responsibilities for operating the broadcast network of the authority to one or more institutions within the Oklahoma State System of Higher Education. The bill directs the Office of Management and Enterprise Services to coordinate the transfers between the authority and regents of personnel; assets, funds, allotments, purchase orders, liabilities, outstanding financial obligations or encumbrances; and property and records. (Amended by Senate, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Jolley, Clark (S); Denney, Lee (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Government Modernization (H)

SB1111



Paraphrase: SB1111, by Sen. Patrick Anderson, R-Enid and Rep. Todd Thomsen, R-Ada, creates the Teachers' Retirement System Cost-of-Living Adjustment Revolving Fund. The bill provides that the expenditures from the fund shall be made only pursuant to legislative appropriation from the Teachers' Retirement System Cost-of-Living Revolving Fund to pay for the cost of any legislatively authorized cost-of-living adjustment for the retirees or beneficiaries of the Teachers' Retirement

System of Oklahoma. (Amended by Senate, Stricken Title, Emergency Measure, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Anderson, Patrick (S); Thomsen, Todd (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

SB1119  **Paraphrase:** SB1119, by Sen. John Sparks, D-Norman and Rep. Jadine Nollan, R-Sand Springs, requires designees serving on state retirement systems to be full-time employees of the appropriate agency they represent. The bill also updates statutory references. (Amended by Senate, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Sparks, John (S); Nollan, Jadine (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/19/2013

Committee(1): House Economic Development & Financial Services (H)

© 2010-13 eCapitol, LLC. ALL RIGHTS RESERVED.

As provided by this agreement access to bill tracking / capitol news services is restricted to the registered User. The User shall have no right to divulge, publish, loan, give or sell any of the information provided under this agreement. Information retrieved from system may not be reproduced, transmitted, transcribed, stored in a retrieval system or translated into any language in any form by any means without the written permission of eCapitol, LLC. All other rights reserved. If a person uses a copyrighted work without permission of the rights holder, he or she is open to a charge of copyright infringement. Additional terms and conditions governing the access to and use of eCapitol website and the services and materials provided by eCapitol are set forth in the eCapitol Subscriber Agreement posted on the eCapitol website.

Priority- Request +



Bill Portfolio

4 Bills On Report

HB2079  **Paraphrase:** HB2079, by Rep. Randy McDaniel, R-Edmond and Sen. Rick Brinkley, R-Owasso, clarifies language related to the Teachers' Retirement System of Oklahoma. - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Brinkley, Rick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/13/2013

Committee(1): Senate Pensions (S)

SB0734  **Paraphrase:** SB0734, by Sen. Rick Brinkley, R-Owasso and Rep. T.W. Shannon, R-Lawton, updates statutory references relating retirement and the Oklahoma Public Employees Retirement System. (Amended by Senate, Stricken Title, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: Brinkley, Rick (S); Shannon, T.W. (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

SB1102  **Paraphrase:** SB1102, by Sen. Mike Mazzei, R-Tulsa and Rep. Randy McDaniel, R-Edmond, modifies the process of applying for retirement with the Teachers Retirement System to be executing a retirement contract. The bill removes the 90 day limit before the date of retirement that the Teachers Retirement System Board of Trustees can accept a retirement contract. The bill removes outdated language. The bill establishes that the earnings limit for the calendar year in which a member retires will be one-twelfth of the annual limit multiplied by the number of months the member is eligible to work and receive payments from the public schools of Oklahoma. (Amended by Senate, Stricken Title) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: Mazzei, Mike (S); McDaniel, Randy (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

SB1103

Paraphrase: SB1103, by Sen. Mike Mazzei, R-Tulsa and Rep. Randy McDaniel, R-Edmond, exempts from the Teachers Retirement System's regular annual compensation the compensation for clinical-related activity performed in the University of Oklahoma Health Sciences Center (OUHSC) Professional Practice Plan. (Amended by Senate, Stricken Title) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: Mazzei, Mike (S); McDaniel, Randy (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

© 2010-13 eCapitol, LLC. ALL RIGHTS RESERVED.

As provided by this agreement access to bill tracking / capitol news services is restricted to the registered User. The User shall have no right to divulge, publish, loan, give or sell any of the information provided under this agreement. Information retrieved from system may not be reproduced, transmitted, transcribed, stored in a retrieval system or translated into any language in any form by any means without the written permission of eCapitol, LLC. All other rights reserved. If a person uses a copyrighted work without permission of the rights holder, he or she is open to a charge of copyright infringement. Additional terms and conditions governing the access to and use of eCapitol website and the services and materials provided by eCapitol are set forth in the eCapitol Subscriber Agreement posted on the eCapitol website.

Priority- Retirement +



Bill Portfolio

7 Bills On Report

HB1324  **Paraphrase:** HB1324, by Rep. Randy McDaniel, R-Edmond and Sen. Anthony Sykes, R-Moore, updates language related to the Oklahoma Police Pension and Retirement System. (Amended by House, Emergency Measure, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Sykes, Anthony (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/12/2013

Committee(1): Senate Pensions (S)

HB1325  **Paraphrase:** HB1325, by Rep. Randy McDaniel, R-Edmond and Sen. Rick Brinkley, R-Owasso, clarifies the definition of "final average compensation" in language related the Oklahoma Public Employees Retirement System. The measure requires participating employers to provide the System with information relaying the last day physically on the job, the last day on payroll, and the final unused sick leave balance for a retiring member no later than the fifteenth day of the month of retirement and finds that failure to submit this information by the deadline, or errors in submitted information that result in a disqualification of retirement eligibility to be the responsibility of the participating employer and that in cases where the error results in disqualification of retirement eligibility, it is the participating employer's responsibility to reemploy the member, or retain the member on the payroll, for time period required to reach eligibility, not exceeding two months. The measure allows the System to pay any applicable death benefit, unpaid contributions, or unpaid benefit which may be subject to probate, in an amount of \$25,000 or less, without the intervention of the probate court or probate procedure upon the death of a member who dies leaving no living beneficiary or having designated his estate as beneficiary. The bill removes language requiring a statement that the value of the deceased member's entire estate is subject to probate, and that the estate wherever located, less liens and encumbrances, does not exceed \$10,000 be included be given to the system before any applicable probate procedure may be waived. (Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Brinkley, Rick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/12/2013

Committee(1): Senate Pensions (S)

HB1383  **Paraphrase:** HB1383, by Rep. Randy McDaniel, R-Edmond and Sen. Gary Michael Stanislawski, R-Tulsa, establishes that participants Oklahoma Law Enforcement Retirement System participants

hired on or after a certain date will have their retirement benefit based solely on their final average earnings and service and that the top pay of an active member will not be used in determining the member's retirement benefit. (Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** Yes

Principal Authors: McDaniel, Randy (H); Stanislawski, Gary Michael (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/12/2013

Committee(1): Senate Pensions (S)

HB2077

Paraphrase: HB2077, by Rep. Randy McDaniel, R-Edmond and Sen. Rick Brinkley, R-Owasso, creates the Sooner Save Special Act. The bill requires effective November 1, 2013, the Oklahoma Public Employees Retirement System establish a defined contribution plan for those persons who become members of the system on or after November 1, 2013, whose first participating service in the System occurs on or after November 1, 2013, and who make the election provided by this section to become participants in the defined contribution plan. The bill authorizes a member eligible to participate in the defined contribution plan to have 90 days from his or her entry date in order to choose between participation in the Oklahoma Public Employees Retirement System or to participate in the defined contribution retirement plan. The bill requires the election to be irrevocable and to govern the participation of the member for all years of service performed. The bill provides that if a member fails to make the election within the time prescribed, the member will become a participant in the defined contribution plan and the member will not accrue any service credit in the Oklahoma Public Employees Retirement System. The bill requires the Board of Trustees of the Oklahoma Public Employees Retirement System to cause the defined contribution plan to be a tax-qualified plan. The bill requires employee contributions to the defined contribution retirement plan to consist of a minimum of 3 percent of compensation and a maximum of 10 percent of compensation. The bill requires except as otherwise provided, employers to make payment of the required matching amount each month and to ensure the payment is credited to the defined contribution plan account as selected by the member. The bill provides that members to at all times be vested at 100 percent of the amount of their employee contributions, and members to be vested with respect to the employer matching amounts deposited into their defined contribution plan account according to an established schedule. The bill requires a member to be required to have been employed by a participating employer with the Oklahoma Public Employees Retirement System from January 1 of a calendar year until December 15 of a calendar year in order to be eligible for the matching amount. The bill provides that if the member is not employed as of the December 15 date, the member to not receive the matching contribution. The bill requires the Board of Trustees of the Oklahoma Public Employees Retirement System to contract with one or more business entities in order to create a range of choices regarding investment of funds deposited into defined contribution plan accounts and for the investment options to be substantially similar to the options provided to members of the Oklahoma Public Employees Retirement System that maintain a Deferred Savings Incentive Plan account. The bill requires the Oklahoma Public Employees Retirement System to deposit the monies remitted to it by employers having members that participate in the defined contribution plan into the existing defined benefit pension plan in order to reduce the liabilities of the defined benefit pension plan. The bill establishes contribution

rates for elected officials. The bill requires statewide elected official or legislator whose first service as an elected official occurs on or after November 1, 2013, to become a participant in the defined contribution plan and for elected official not to accrue any service credit in the defined benefit plan of the Oklahoma Public Employees Retirement System and effective November 1, 2013, an employer to be required to make payment to the Oklahoma Public Employees Retirement System of the amount with respect to any employee who is a participant in the defined contribution plan. The bill requires the employer to be required to make the required matching contribution amount for all employees that participate in the defined contribution plan and to remit the difference between such amount and the amount the employer would otherwise have paid to the Oklahoma Public Employees Retirement System and effective November 1, 2013, an employer to be required to make payment to the Oklahoma Public Employees Retirement System with respect to any employee who is a participant in the defined contribution plan, and the employer to be required to make the required matching contribution amount for all employees that participate in the defined contribution plan and to remit the difference between such amount and the amount the employer would otherwise have paid to the Oklahoma Public Employees Retirement System. The measure requires the initial three-percent employee contribution to be the only mandatory contribution of an employee who selects the defined contribution retirement plan created by this act and the funds to be placed by System in either a 401(a) plan or a 457 plan, to be determined by the Board to maintain the plan consistent with the Internal Revenue Code, any employee contributions eligible to be matched under this section over the three-percent initial contribution, to be considered voluntary deferrals of compensation and placed in a 457 plan and all employer matching funds to be placed in a 401(a) plan. requires except as otherwise provided by this section, employers to make payment of the required matching amount as provided by Section 5 of this act within five business days of the member's payroll pay date and the System to ensure the payment is credited to the defined contribution plan account of the member as soon as possible. The measure requires all employee contributions to the defined contribution plan to be effected by mandatory salary deductions from the salary of the employee and to be remitted by the participating employer to the System for deposit into the defined contribution plan account maintained on behalf of the employee. The measure allows contributions by the member into a 457 plan to not be picked up by the employer, but to be a voluntary deferral of the employee's compensation. The bill allows the Board of Trustees to amend any of its existing contracts with its current service providers to perform substantially the same type of service the provider is currently performing for the Board, in order to facilitate the timely introduction of the new defined contribution plan created by this act. The measure requires, except as otherwise provided by this section, no alteration, amendment, or repeal of this act to affect the then-existing rights of members and beneficiaries, but to be effective only as to rights which would otherwise accrue hereunder as a result of services rendered by an employee after such alteration, amendment, or repeal and any benefits, fund, property, or rights created by or accruing to any person under the provisions of this act shall not be subject to execution, garnishment or attachment, or any other process or claim whatsoever, and to be unassignable, except as specifically provided by this section. The bill prohibits the provisions of subsection A of this section from applying to a qualified domestic order as provided pursuant to this subsection. The measure requires a qualified domestic order to clearly specify the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order, the amount or percentage of the member's funds or assets to be paid by the System to the alternate payee, the

number of payments or period to which such order applies, the characterization of the benefit as to marital property rights or child support, and each plan to which such order applies. The bill states an alternate payee who has acquired beneficiary rights pursuant to a valid qualified domestic order must fully comply with all provisions of the rules promulgated by the Board pursuant to this subsection in order to continue receiving his or her benefit. (Amended by House, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Brinkley, Rick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/13/2013

Committee(1): Senate Pensions (S)

HB2078

Paraphrase: HB2078, by Rep. Randy McDaniel, R-Edmond and Sen. Mike Mazzei, R-Tulsa, requires effective November 1, 2013, a member who participates for the first time in the Deferred Option Plan may participate for a period of time greater than the period otherwise prescribed by the bill and will earn interest at a rate equal to the actual rate of return of the investment portfolio of the System, less a minimum of one percentage point to offset administrative costs of the System as determined by the System and, beginning November 1, 2013, 14 percent of the total actual paid gross salaries of the members of the fire department. (Amended by House, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: McDaniel, Randy (H); Mazzei, Mike (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/12/2013

Committee(1): Senate Pensions (S)

SB0733

Paraphrase: SB0733, by Sen. Rick Brinkley, R-Owasso and Rep. T.W. Shannon, R-Lawton, updates statutory references relating retirement and the Oklahoma Public Employees Retirement System. (Amended by Senate, Stricken Title, Emergency Measure, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Brinkley, Rick (S); Shannon, T.W. (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

SB0847

Paraphrase: SB0847, by Sen. Clark Jolley, R-Edmond and Rep. Scott Martin, R-Norman, creates the Oklahoma Pension Stabilization Fund. The bill creates a revolving fund for the Office of Management and Enterprise Services to be designated the Oklahoma Pension Stabilization Fund. The bill does not subject the fund to fiscal year limitations and it will consist of amounts allocated

by OMES from any surplus funds that are in excess of the funds required to be deposited in the Constitutional Reserve Fund. The bill proposes if one or more state pension systems has a funded ratio of less than 90 percent, the Oklahoma Pension Stabilization Dun will be allocated, by legislative appropriation, to reduce the unfunded liability of any one or combination of state pension systems. The bill proposes priority be given to the pension system with the lowest funded ratio. (Amended by Senate, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Jolley, Clark (S); Martin, Scott (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Economic Development & Financial Services (H)

© 2010-13 eCapitol, LLC. ALL RIGHTS RESERVED.

As provided by this agreement access to bill tracking / capitol news services is restricted to the registered User. The User shall have no right to divulge, publish, loan, give or sell any of the information provided under this agreement. Information retrieved from system may not be reproduced, transmitted, transcribed, stored in a retrieval system or translated into any language in any form by any means without the written permission of eCapitol, LLC. All other rights reserved. If a person uses a copyrighted work without permission of the rights holder, he or she is open to a charge of copyright infringement. Additional terms and conditions governing the access to and use of eCapitol website and the services and materials provided by eCapitol are set forth in the eCapitol Subscriber Agreement posted on the eCapitol website.

Priority- Tax+

Bill Portfolio



8 Bills On Report

HB1220  **Paraphrase:** HB1220, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, modifies language related to the State Board of Equalization's findings concerning revenue collections. - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 09/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1221  **Paraphrase:** HB1221, by Rep. Scott Martin, R-Norman, Rep. Tom Newell, R-Seminole, Sen. Clark Jolley, R-Edmond, and Sen. Ron Justice, R-Chickasha, modifies language related to the State Board of Equalization's findings concerning revenue collections. (Amended by House, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 09/01/2013 **Emergency:** No

Principal Authors: Martin, Scott (H); Newell, Tom (H); Jolley, Clark (S); Justice, Ron (S)

Status: Second Reading - Referred to House Committee **Status Date:** 02/05/2013

Committee(1): House Appropriations & Budget (H)

HB1712  **Paraphrase:** HB1712, by Rep. Todd Thomsen, R-Ada and Sen. Patrick Anderson, R-Enid, creates the Common Education Lottery Revolving Fund, which directs the legislature to appropriate funds for the financial support of public schools in an amount equal to the amount appropriated to the Oklahoma Education Lottery Trust Fund. It allows all monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the State Board of Education. It indicates on or before August 15, 2013, and on or before the fifteenth day of each calendar month thereafter, all monies accruing to the credit of the Common Education Lottery Revolving Fund shall be distributed by the State Board of Education to all common school districts based on the preceding year average daily membership. It directs common school districts to use the monies for kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees, and for early childhood development programs, including but not limited to costs associated with prekindergarten and full-day kindergarten programs. (Amended by House, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Thomsen, Todd (H); Anderson, Patrick (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/19/2013

Committee(1): Senate Education (S)

HB1875



Paraphrase: HB1875, by Rep. Charles McCall, R-Atoka and Sen. Clark Jolley, R-Edmond, amends language relating to revenue, taxation and the apportionment of sales tax revenue. (Amended by House, Stricken Title, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: // **Emergency:** No

Principal Authors: McCall, Charles (H); Jolley, Clark (S)

Status: Second Reading - Referred to Senate Committee **Status Date:** 03/19/2013

Committee(1): Senate Finance (S)

SB0323



Paraphrase: SB0323, by Sen. Mike Mazzei, R-Tulsa and Rep. Earl Sears, R-Bartlesville, provides that the following tax credits will be applicable for tax years beginning before Jan. 1; 2016: for amount of gas used in manufacturing; for investment in certain property and net increase in employment; for certain contributions to specified fund; for sale of national historic landmark; for expenses incurred for providing child care services for employees; for expenses incurred for entities engaged in the business of child care; for certain amounts paid as a guaranty fee; for sale of specified electricity; for amounts paid for certain immunizations; for qualified historic rehabilitation expenditures; for a percentage of federal earned income tax credit; for donations to certain research institutes; for energy efficient residential construction; for certain eligible wages and modification expenses; for ad valorem taxes for facility locating in certain district; for profit from investment in specified film or music project; for costs of purchase of dry fire hydrant; for qualified railroad reconstruction or replacement expenditures; for qualified direct costs associated with specially trained canine business; for donations to certain organizations; for electronic fund transfer fees; for electric motor vehicle manufacturer; for obtaining certain certification; for payment of bank privilege tax; and for payment of certain loan origination fee; for net increase in employees engaged in specified activities. The bill states that credits may be allowed before Dec. 31; 2014 for every person primarily engaged in mining; producing or extracting coal and holding a valid permit issued by the Oklahoma Department of Mines. The bill clarifies dates related to the temporary moratorium on certain tax credits. (Amended by Senate, Stricken Title) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: Mazzei, Mike (S); Sears, Earl (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Appropriations & Budget (H)

SB0585  **Paraphrase:** SB0585, by Sen. Mike Mazzei, R-Tulsa and Rep. Earl Sears, R-Bartlesville, modifies income tax rates during certain periods and limits the ability to claim certain tax preferences. (Amended by Senate, Stricken Title, Committee Substitute) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 11/01/2013 **Emergency:** No

Principal Authors: Mazzei, Mike (S); Sears, Earl (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/14/2013

Committee(1): House Appropriations & Budget (H)

SB0648  **Paraphrase:** SB0648, by Sen. Mike Schulz, R-Altus and Rep. Harold Wright, R-Weatherford, modifies the apportionment of income tax revenue. (Amended by Senate, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Schulz, Mike (S); Wright, Harold (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/18/2013

Committee(1): House Appropriations & Budget (H)

SB0955  **Paraphrase:** SB0955, by Sen. Clark Jolley, R-Edmond and Rep. Jason Nelson, R-Oklahoma City, requires all Oklahoma lottery prize tickets to include the toll free telephone number and other contact information for the Department of Mental Health and Substance Abuse Services programs for the treatment of compulsive gambling disorder. The bill prohibits the Oklahoma Lottery board of trustees from permitting any lottery game which is played using the internet without physical purchase of paper tickets from a lottery retailer on that retailer's premises. The bill permits transfers from the Oklahoma Lottery Reserve Revolving Fund or any amounts appropriated from the General Revenue Fund to be included in total amount available in the Oklahoma Education Lottery Trust Fund for appropriation. The requires that funds be transferred monthly, rather than quarterly, from the Oklahoma Education Lottery Reserve Revolving Fund to the trust fund. The bill establishes the Oklahoma Education Lottery Reserve Revolving Fund and requires that a specific percentage of the dollar amount certified as available for appropriation for the applicable fiscal year be transferred to the fund from gross proceeds at the start of each fiscal year beginning July 1, 2013. The bill also requires the Legislature to appropriate from the General Revenue Fund any amount necessary so that the total amount in the Oklahoma Education Lottery Trust Fund which is available for appropriation is equal to the amount certified for the applicable fiscal year. The bill increases the amount of unclaimed prize money to be transferred to the Department of Mental Health and Substance Abuse Services from \$500,000 to \$750,000. The bill requires the governor to initiate negotiations for new terms for the Model Tribal Gaming Compact between the state and any tribe to increase the amount received each month by the state, which is transferred to the Department of Mental Health and Substance Abuse Services for the treatment of compulsive

gambling disorder and educational programs related to such disorder. (Amended by Senate, Stricken Title, Emergency Measure) - © 2013 eCapitol, LLC. All rights reserved.

Effective Date: 07/01/2013 **Emergency:** Yes

Principal Authors: Jolley, Clark (S); Nelson, Jason (H)

Status: Second Reading - Referred to House Committee **Status Date:** 03/18/2013

Committee(1): House Human Services (H)

© 2010-13 eCapitol, LLC. ALL RIGHTS RESERVED.

As provided by this agreement access to bill tracking / capitol news services is restricted to the registered User. The User shall have no right to divulge, publish, loan, give or sell any of the information provided under this agreement. Information retrieved from system may not be reproduced, transmitted, transcribed, stored in a retrieval system or translated into any language in any form by any means without the written permission of eCapitol, LLC. All other rights reserved. If a person uses a copyrighted work without permission of the rights holder, he or she is open to a charge of copyright infringement. Additional terms and conditions governing the access to and use of eCapitol website and the services and materials provided by eCapitol are set forth in the eCapitol Subscriber Agreement posted on the eCapitol website.