ATTACHMENT H

July 28, 2022

To the Honorable Senate and House of Representatives,

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Section 28 of House Bill No. 5050, “An Act Making Appropriations for the Fiscal Year 2023 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

Section 28 would add a requirement that the public safety union member of the Pension Reserves Investment Management Board (“PRIM”) be appointed by the Governor from a list of three nominees submitted by the executive board of the Massachusetts Association of Contributory Retirement Systems, Inc. I hope that the intent of this section is to acknowledge that PRIM successfully manages the assets of a significant number of local retirement systems throughout the Commonwealth and that there should be some allowance for representation of these systems on the PRIM board.

My concern is that Section 28 as enacted by the Legislature provides no certainty that the nominees provided by the Massachusetts Association of Contributory Retirement Systems would come from one of the systems participating in PRIM. As a result, the nominees may not have a vested interest in the continued success of PRIM and the Pension Reserves Investment Trust Fund (“PRIT”), the success of which has greatly contributed to the strong fiscal health of the Commonwealth and ensures the Commonwealth is meeting its commitment to its employees and retirees. However, I acknowledge that representation from the participating systems is reasonable and am therefore proposing an amendment clarifying that the public safety union representative to the PRIM board must be a member of a retirement system that participates in PRIT.

For these reasons, I recommend that the bill be amended by striking out section 28 and inserting in place thereof the following section:-

SECTION 28. Section 23 of said chapter 32, as so appearing, is hereby amended by inserting, in line 201, after the words “representative of a public safety union” the words:- who shall also be a member of the state employee’s retirement system, the teacher’s retirement system or a participating system in the PRIT Fund and.

Respectfully submitted,

Charles D. Baker

Governor