

As Introduced

**134th General Assembly
Regular Session
2021-2022**

S. B. No. 367

Senator Schuring

Cosponsors: Senators Cirino, Romanchuk, Hoagland

A BILL

To amend sections 145.11, 742.11, 3307.15, 3309.15, 1
3345.16, 4123.44, 4123.442, and 5505.06 and to 2
enact section 3345.161 of the Revised Code 3
regarding environmental, social, and corporate 4
governance policies with respect to the state 5
retirement systems, Bureau of Workers' 6
Compensation, and state institutions of higher 7
education. 8

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 145.11, 742.11, 3307.15, 3309.15, 9
3345.16, 4123.44, 4123.442, and 5505.06 be amended and section 10
3345.161 of the Revised Code be enacted to read as follows: 11

Sec. 145.11. (A) The members of the public employees 12
retirement board shall be the trustees of the funds created by 13
section 145.23 of the Revised Code. The board shall have full 14
power to invest the funds. The board and other fiduciaries shall 15
discharge their duties with respect to the funds solely in the 16
interest of the participants and beneficiaries; for the 17
exclusive purpose of providing benefits to participants and 18

their beneficiaries and defraying reasonable expenses of 19
administering the public employees retirement system; with care, 20
skill, prudence, and diligence under the circumstances then 21
prevailing that a prudent person acting in a like capacity and 22
familiar with these matters would use in the conduct of an 23
enterprise of a like character and with like aims; and by 24
diversifying the investments of the system so as to minimize the 25
risk of large losses, unless under the circumstances it is 26
clearly prudent not to do so. 27

The board, in accordance with its fiduciary duties 28
described under this section, shall make investment decisions 29
with the sole purpose of maximizing the return on its 30
investments. The board shall not make an investment decision 31
with the primary purpose of influencing any social or 32
environmental policy or attempting to influence the governance 33
of any corporation. 34

To facilitate investment of the funds, the board may 35
establish a partnership, trust, limited liability company, 36
corporation, including a corporation exempt from taxation under 37
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 38
amended, or any other legal entity authorized to transact 39
business in this state. 40

(B) In exercising its fiduciary responsibility with 41
respect to the investment of the funds, it shall be the intent 42
of the board to give consideration to investments that enhance 43
the general welfare of the state and its citizens where the 44
investments offer quality, return, and safety comparable to 45
other investments currently available to the board. In 46
fulfilling this intent, equal consideration shall also be given 47
to investments otherwise qualifying under this section that 48

involve minority owned and controlled firms and firms owned and 49
controlled by women, either alone or in joint venture with other 50
firms. 51

The board shall adopt, in regular meeting, policies, 52
objectives, or criteria for the operation of the investment 53
program that include asset allocation targets and ranges, risk 54
factors, asset class benchmarks, time horizons, total return 55
objectives, and performance evaluation guidelines. In adopting 56
policies and criteria for the selection of agents with whom the 57
board may contract for the administration of the funds, the 58
board shall comply with sections 145.114 and 145.116 of the 59
Revised Code and shall also give equal consideration to minority 60
owned and controlled firms, firms owned and controlled by women, 61
and ventures involving minority owned and controlled firms and 62
firms owned and controlled by women that otherwise meet the 63
policies and criteria established by the board. Amendments and 64
additions to the policies and criteria shall be adopted in 65
regular meeting. The board shall publish its policies, 66
objectives, and criteria under this provision no less often than 67
annually and shall make copies available to interested parties. 68

The board shall not adopt a policy, or take any action to 69
promote a policy, under which the board makes investment 70
decisions with the primary purpose of influencing any social or 71
environmental policy or attempting to influence the governance 72
of any corporation. 73

When reporting on the performance of investments, the 74
board shall comply with the performance presentation standards 75
established by the association for investment management and 76
research. 77

(C) All investments shall be purchased at current market 78

prices and the evidences of title of the investments shall be 79
placed in the hands of the treasurer of state, who is hereby 80
designated as custodian thereof, or in the hands of the 81
treasurer of state's authorized agent. Evidences of title of the 82
investments so purchased may be deposited by the treasurer of 83
state for safekeeping with an authorized agent, selected by the 84
treasurer of state, who is a qualified trustee under section 85
135.18 of the Revised Code. The treasurer of state or the agent 86
shall collect the principal, dividends, distributions, and 87
interest thereon as they become due and payable and place them 88
when so collected into the custodial funds. 89

The treasurer of state shall pay for investments purchased 90
by the retirement board on receipt of written or electronic 91
instructions from the board or the board's designated agent 92
authorizing the purchase and pending receipt of the evidence of 93
title of the investment by the treasurer of state or the 94
treasurer of state's authorized agent. The board may sell 95
investments held by the board, and the treasurer of state or the 96
treasurer of state's authorized agent shall accept payment from 97
the purchaser and deliver evidence of title of the investment to 98
the purchaser on receipt of written or electronic instructions 99
from the board or the board's designated agent authorizing the 100
sale, and pending receipt of the moneys for the investments. The 101
amount received shall be placed in the custodial funds. The 102
board and the treasurer of state may enter into agreements to 103
establish procedures for the purchase and sale of investments 104
under this division and the custody of the investments. 105

(D) No purchase or sale of any investment shall be made 106
under this section except as authorized by the public employees 107
retirement board. 108

(E) Any statement of financial position distributed by the 109
board shall include the fair value, as of the statement date, of 110
all investments held by the board under this section. 111

Sec. 742.11. (A) The members of the board of trustees of 112
the Ohio police and fire pension fund shall be the trustees of 113
the funds created by section 742.59 of the Revised Code. The 114
board shall have full power to invest the funds. The board and 115
other fiduciaries shall discharge their duties with respect to 116
the funds solely in the interest of the participants and 117
beneficiaries; for the exclusive purpose of providing benefits 118
to participants and their beneficiaries and defraying reasonable 119
expenses of administering the Ohio police and fire pension fund; 120
with care, skill, prudence, and diligence under the 121
circumstances then prevailing that a prudent person acting in a 122
like capacity and familiar with these matters would use in the 123
conduct of an enterprise of a like character and with like aims; 124
and by diversifying the investments of the disability and 125
pension fund so as to minimize the risk of large losses, unless 126
under the circumstances it is clearly prudent not to do so. 127

The board, in accordance with its fiduciary duties 128
described under this section, shall make investment decisions 129
with the sole purpose of maximizing the return on its 130
investments. The board shall not make an investment decision 131
with the primary purpose of influencing any social or 132
environmental policy or attempting to influence the governance 133
of any corporation. 134

To facilitate investment of the funds, the board may 135
establish a partnership, trust, limited liability company, 136
corporation, including a corporation exempt from taxation under 137
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 138

amended, or any other legal entity authorized to transact 139
business in this state. 140

(B) In exercising its fiduciary responsibility with 141
respect to the investment of the funds, it shall be the intent 142
of the board to give consideration to investments that enhance 143
the general welfare of the state and its citizens where the 144
investments offer quality, return, and safety comparable to 145
other investments currently available to the board. In 146
fulfilling this intent, equal consideration shall be given to 147
investments otherwise qualifying under this section that involve 148
minority owned and controlled firms and firms owned and 149
controlled by women, either alone or in joint venture with other 150
firms. 151

The board shall adopt, in regular meeting, policies, 152
objectives, or criteria for the operation of the investment 153
program that include asset allocation targets and ranges, risk 154
factors, asset class benchmarks, time horizons, total return 155
objectives, and performance evaluation guidelines. In adopting 156
policies and criteria for the selection of agents with whom the 157
board may contract for the administration of the funds, the 158
board shall comply with sections 742.114 and 742.116 of the 159
Revised Code and shall also give equal consideration to minority 160
owned and controlled firms, firms owned and controlled by women, 161
and joint ventures involving minority owned and controlled firms 162
and firms owned and controlled by women that otherwise meet the 163
policies and criteria established by the board. Amendments and 164
additions to the policies and criteria shall be adopted in 165
regular meeting. The board shall publish its policies, 166
objectives, and criteria under this provision no less often than 167
annually and shall make copies available to interested parties. 168

The board shall not adopt a policy, or take any action to 169
promote a policy, under which the board makes investment 170
decisions with the primary purpose of influencing any social or 171
environmental policy or attempting to influence the governance 172
of any corporation. 173

When reporting on the performance of investments, the 174
board shall comply with the performance presentation standards 175
established by the association for investment management and 176
research. 177

(C) All bonds, notes, certificates, stocks, or other 178
evidences of investments purchased by the board shall be 179
delivered to the treasurer of state, who is hereby designated as 180
custodian thereof, or to the treasurer of state's authorized 181
agent, and the treasurer of state or the agent shall collect the 182
principal, interest, dividends, and distributions that become 183
due and payable and place them when so collected into the 184
custodial funds. Evidences of title of the investments may be 185
deposited by the treasurer of state for safekeeping with an 186
authorized agent, selected by the treasurer of state, who is a 187
qualified trustee under section 135.18 of the Revised Code. The 188
treasurer of state shall pay for the investments purchased by 189
the board on receipt of written or electronic instructions from 190
the board or the board's designated agent authorizing the 191
purchase and pending receipt of the evidence of title of the 192
investment by the treasurer of state or the treasurer of state's 193
authorized agent. The board may sell investments held by the 194
board, and the treasurer of state or the treasurer of state's 195
authorized agent shall accept payment from the purchaser and 196
deliver evidence of title of the investment to the purchaser on 197
receipt of written or electronic instructions from the board or 198
the board's designated agent authorizing the sale, and pending 199

receipt of the moneys for the investments. The amount received 200
shall be placed into the custodial funds. The board and the 201
treasurer of state may enter into agreements to establish 202
procedures for the purchase and sale of investments under this 203
division and the custody of the investments. 204

(D) All of the board's business shall be transacted, all 205
its funds shall be invested, all warrants for money drawn and 206
payments shall be made, and all of its cash, securities, and 207
other property shall be held, in the name of the board or its 208
nominee, provided that nominees are authorized by board 209
resolution for the purpose of facilitating the ownership and 210
transfer of investments. 211

(E) No purchase or sale of any investment shall be made 212
under this section except as authorized by the board of trustees 213
of the Ohio police and fire pension fund. 214

(F) Any statement of financial position distributed by the 215
board shall include the fair value, as of the statement date, of 216
all investments held by the board under this section. 217

Sec. 3307.15. (A) The members of the state teachers 218
retirement board shall be the trustees of the funds created by 219
section 3307.14 of the Revised Code. The board shall have full 220
power to invest the funds. The board and other fiduciaries shall 221
discharge their duties with respect to the funds solely in the 222
interest of the participants and beneficiaries; for the 223
exclusive purpose of providing benefits to participants and 224
their beneficiaries and defraying reasonable expenses of 225
administering the system; with care, skill, prudence, and 226
diligence under the circumstances then prevailing that a prudent 227
person acting in a like capacity and familiar with these matters 228
would use in the conduct of an enterprise of a like character 229

and with like aims; and by diversifying the investments of the 230
system so as to minimize the risk of large losses, unless under 231
the circumstances it is clearly prudent not to do so. 232

The board, in accordance with its fiduciary duties 233
described under this section, shall make investment decisions 234
with the sole purpose of maximizing the return on its 235
investments. The board shall not make an investment decision 236
with the primary purpose of influencing any social or 237
environmental policy or attempting to influence the governance 238
of any corporation. 239

To facilitate investment of the funds, the board may 240
establish a partnership, trust, limited liability company, 241
corporation, including a corporation exempt from taxation under 242
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 243
amended, or any other legal entity authorized to transact 244
business in this state. 245

(B) In exercising its fiduciary responsibility with 246
respect to the investment of the funds, it shall be the intent 247
of the board to give consideration to investments that enhance 248
the general welfare of the state and its citizens where the 249
investments offer quality, return, and safety comparable to 250
other investments currently available to the board. In 251
fulfilling this intent, equal consideration shall also be given 252
to investments otherwise qualifying under this section that 253
involve minority owned and controlled firms and firms owned and 254
controlled by women, either alone or in joint venture with other 255
firms. 256

The board shall adopt, in regular meeting, policies, 257
objectives, or criteria for the operation of the investment 258
program that include asset allocation targets and ranges, risk 259

factors, asset class benchmarks, time horizons, total return 260
objectives, and performance evaluation guidelines. In adopting 261
policies and criteria for the selection of agents with whom the 262
board may contract for the administration of the funds, the 263
board shall comply with sections 3307.152 and 3307.154 of the 264
Revised Code and shall also give equal consideration to minority 265
owned and controlled firms, firms owned and controlled by women, 266
and ventures involving minority owned and controlled firms and 267
firms owned and controlled by women that otherwise meet the 268
policies and criteria established by the board. Amendments and 269
additions to the policies and criteria shall be adopted in 270
regular meeting. The board shall publish its policies, 271
objectives, and criteria under this provision no less often than 272
annually and shall make copies available to interested parties. 273

The board shall not adopt a policy, or take any action to 274
promote a policy, under which the board makes investment 275
decisions with the primary purpose of influencing any social or 276
environmental policy or attempting to influence the governance 277
of any corporation. 278

When reporting on the performance of investments, the 279
board shall comply with the performance presentation standards 280
established by the CFA institute. 281

(C) All bonds, notes, certificates, stocks, or other 282
evidences of investments purchased by the board shall be 283
delivered to the treasurer of state, who is hereby designated as 284
custodian thereof, or to the treasurer of state's authorized 285
agent, and the treasurer of state or the agent shall collect the 286
principal, interest, dividends, and distributions that become 287
due and payable and place them when so collected into the 288
custodial funds. Evidences of title of the investments may be 289

deposited by the treasurer of state for safekeeping with an 290
authorized agent, selected by the treasurer of state, who is a 291
qualified trustee under section 135.18 of the Revised Code. The 292
treasurer of state shall pay for the investments purchased by 293
the board on receipt of written or electronic instructions from 294
the board or the board's designated agent authorizing the 295
purchase and pending receipt of the evidence of title of the 296
investment by the treasurer of state or the treasurer of state's 297
authorized agent. The board may sell investments held by the 298
board, and the treasurer of state or the treasurer of state's 299
authorized agent shall accept payment from the purchaser and 300
deliver evidence of title of the investment to the purchaser on 301
receipt of written or electronic instructions from the board or 302
the board's designated agent authorizing the sale, and pending 303
receipt of the moneys for the investments. The amount received 304
shall be placed into the custodial funds. The board and the 305
treasurer of state may enter into agreements to establish 306
procedures for the purchase and sale of investments under this 307
division and the custody of the investments. 308

(D) No purchase or sale of any investment shall be made 309
under this section except as authorized by the board. 310

(E) Any statement of financial position distributed by the 311
board shall include the fair value, as of the statement date, of 312
all investments held by the board under this section. 313

Sec. 3309.15. (A) The members of the school employees 314
retirement board shall be the trustees of the funds created by 315
section 3309.60 of the Revised Code. The board shall have full 316
power to invest the funds. The board and other fiduciaries shall 317
discharge their duties with respect to the funds solely in the 318
interest of the participants and beneficiaries; for the 319

exclusive purpose of providing benefits to participants and 320
their beneficiaries and defraying reasonable expenses of 321
administering the school employees retirement system; with care, 322
skill, prudence, and diligence under the circumstances then 323
prevailing that a prudent person acting in a like capacity and 324
familiar with such matters would use in the conduct of an 325
enterprise of a like character and with like aims; and by 326
diversifying the investments of the system so as to minimize the 327
risk of large losses, unless under the circumstances it is 328
clearly prudent not to do so. 329

The board, in accordance with its fiduciary duties 330
described under this section, shall make investment decisions 331
with the sole purpose of maximizing the return on its 332
investments. The board shall not make an investment decision 333
with the primary purpose of influencing any social or 334
environmental policy or attempting to influence the governance 335
of any corporation. 336

The board may establish a partnership, trust, limited 337
liability company, corporation, including a corporation exempt 338
from taxation under the Internal Revenue Code, 100 Stat. 2085, 339
26 U.S.C.A. 1, as amended, or any other legal entity authorized 340
to transact business in this state. 341

(B) In exercising its fiduciary responsibility with 342
respect to the investment of the funds, it shall be the intent 343
of the board to give consideration to investments that enhance 344
the general welfare of the state and its citizens where the 345
investments offer quality, return, and safety comparable to 346
other investments currently available to the board. In 347
fulfilling this intent, equal consideration shall also be given 348
to investments otherwise qualifying under this section that 349

involve minority owned and controlled firms and firms owned and 350
controlled by women, either alone or in joint venture with other 351
firms. 352

The board shall adopt, in regular meeting, policies, 353
objectives, or criteria for the operation of the investment 354
program that include asset allocation targets and ranges, risk 355
factors, asset class benchmarks, time horizons, total return 356
objectives, and performance evaluation guidelines. In adopting 357
policies and criteria for the selection of agents with whom the 358
board may contract for the administration of the funds, the 359
board shall comply with sections 3309.157 and 3309.159 of the 360
Revised Code and shall also give equal consideration to minority 361
owned and controlled firms, firms owned and controlled by women, 362
and ventures involving minority owned and controlled firms and 363
firms owned and controlled by women that otherwise meet the 364
policies and criteria established by the board. Amendments and 365
additions to the policies and criteria shall be adopted in 366
regular meeting. The board shall publish its policies, 367
objectives, and criteria under this provision no less often than 368
annually and shall make copies available to interested parties. 369

The board shall not adopt a policy, or take any action to 370
promote a policy, under which the board makes investment 371
decisions with the primary purpose of influencing any social or 372
environmental policy or attempting to influence the governance 373
of any corporation. 374

If the board contracts with a person, including an agent 375
or investment manager, for the management or investment of the 376
funds, the board shall require the person to comply with the 377
global investment performance standards established by the 378
chartered financial analyst institute, or a successor 379

organization, when reporting on the performance of investments. 380

(C) All evidences of title of investments purchased by the 381
board under this section shall be delivered to the treasurer of 382
state, who is hereby designated as custodian thereof, or to the 383
treasurer of state's authorized agent, and the treasurer of 384
state or the agent shall collect principal, interest, dividends, 385
and distributions that become due and payable and place the same 386
when so collected into the custodial funds. Evidences of title 387
of the investments may be deposited by the treasurer of state 388
for safekeeping with an authorized agent, selected by the 389
treasurer of state, who is a qualified trustee under section 390
135.18 of the Revised Code. The treasurer of state shall pay for 391
the investments purchased by the board pending receipt of the 392
evidence of title of the investments by the treasurer of state 393
or to the treasurer of state's authorized agent, and on receipt 394
of written or electronic instructions from the board or the 395
board's designated agent authorizing the purchase. The board may 396
sell any investments held by the board, and the treasurer of 397
state or the treasurer of state's authorized agent shall accept 398
payment from the purchaser and deliver evidence of title of the 399
investment to the purchaser on receipt of written or electronic 400
instructions from the board or the board's designated agent 401
authorizing the sale, and pending receipt of the moneys for the 402
investments. The amount received shall be placed into the 403
custodial funds. The board and the treasurer of state may enter 404
into agreements to establish procedures for the purchase and 405
sale of investments under this division and the custody of the 406
investment. 407

(D) No purchase or sale of any investment shall be made 408
under this section except as authorized by the school employees 409
retirement board. 410

(E) Any statement of financial position distributed by the 411
board shall include the fair value, as of the statement date, of 412
all investments held by the board under this section. 413

Sec. 3345.16. The powers and duties prescribed under this 414
section for the board of trustees of a state college or 415
university are subject to section 3345.161 of the Revised Code. 416

The board of trustees of a state college or university may 417
receive, and hold in trust, for the use and benefit of the 418
college or university any grant or devise of land, and donation 419
or bequest of money or other personal property, to be applied to 420
the general or special use of the college or university, 421
including use for student loan and scholarship purposes, unless 422
otherwise directed in the donation or bequest. 423

The board of trustees of a state college or university may 424
utilize trust funds to invest in property, real and personal, as 425
a portion of the holdings in the endowment portfolio under the 426
trust powers imparted to the board of trustees. Such property, 427
real and personal, acquired for investment purposes shall be 428
managed by the board of trustees in the same manner as are other 429
investments in the college's or university's endowment 430
portfolio. The board of trustees may lease, lease back, or 431
otherwise contract for the use of such property in such manner 432
as to provide earning power for the college or university 433
investment portfolio. Sections 123.01, 123.02, 123.10, and 434
123.13 of the Revised Code do not apply to properties, real and 435
personal, held under this section as earning-power properties in 436
the college or university endowment portfolio. 437

Notwithstanding any provision of the Revised Code to the 438
contrary, the title in properties, real and personal, purchased 439
by a board of trustees as an investment and held in the 440

college's or university's endowment portfolio shall not be 441
vested in the state, but shall be held in trust by the board. 442

Sec. 3345.161. The board of trustees of a state 443
institution of higher education, as defined in section 3345.011 444
of the Revised Code, shall manage its endowment portfolio with 445
the goal of maximizing the return on its investments. 446

No board of trustees shall do any of the following: 447

(A) Make investment decisions or adopt investment policies 448
regarding its endowment portfolio with the primary purpose of 449
influencing any social or environmental policy, including by 450
attempting to influence the governance of any corporation; 451

(B) Accept a bequest made by a decedent to an endowment in 452
that portfolio on and after the effective date of this section 453
if the bequest specifically requests the donation to be used 454
primarily for those purposes; 455

(C) Permit any person or entity to which it delegates the 456
management of part or all of its endowment portfolio to engage 457
in or promote such decisions or policies. 458

Sec. 4123.44. The members of the bureau of workers' 459
compensation board of directors, the administrator of workers' 460
compensation, and the bureau of workers' compensation chief 461
investment officer are the trustees of the state insurance fund. 462
The administrator, in accordance with sections 4121.126 and 463
4121.127 of the Revised Code and the investment policy approved 464
by the board pursuant to section 4121.12 of the Revised Code, 465
and in consultation with the bureau of workers' compensation 466
chief investment officer, may invest any of the surplus or 467
reserve belonging to the state insurance fund. The administrator 468
and the bureau of workers' compensation chief investment officer 469

shall not deviate from the investment policy approved by the 470
board without the approval of the workers' compensation 471
investment committee and the board. 472

The administrator shall not invest in any type of 473
investment specified in divisions (B)(1) to (10) of section 474
4123.442 of the Revised Code. The administrator shall not make 475
an investment decision with the primary purpose of influencing 476
any social or environmental policy or attempting to influence 477
the governance of any corporation. 478

The administrator and other fiduciaries shall discharge 479
their duties with respect to the funds with the care, skill, 480
prudence, and diligence under the circumstances then prevailing 481
that a prudent person acting in a like capacity and familiar 482
with such matters would use in the conduct of an enterprise of a 483
like character and with like aims, and by diversifying the 484
investments of the assets of the funds so as to minimize the 485
risk of large losses, unless under the circumstances it is 486
clearly prudent not to do so. 487

The administrator, in accordance with the administrator's 488
fiduciary duties described under this section, shall make 489
investment decisions with the sole purpose of maximizing the 490
return on investments. 491

To facilitate investment of the funds, the administrator 492
may establish a partnership, trust, limited liability company, 493
corporation, including a corporation exempt from taxation under 494
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 495
amended, or any other legal entity authorized to transact 496
business in this state. 497

When reporting on the performance of investments, the 498

administrator shall comply with the performance presentation 499
standards established by the association for investment 500
management and research. 501

All investments shall be purchased at current market 502
prices and the evidences of title to the investments shall be 503
placed in the custody of the treasurer of state, who is hereby 504
designated as custodian, or in the custody of the treasurer of 505
state's authorized agent. Evidences of title of the investments 506
so purchased may be deposited by the treasurer of state for 507
safekeeping with an authorized agent selected by the treasurer 508
of state who is a qualified trustee under section 135.18 of the 509
Revised Code. The treasurer of state or the agent shall collect 510
the principal, dividends, distributions, and interest as they 511
become due and payable and place them when collected into the 512
state insurance fund. 513

The treasurer of state shall pay for investments purchased 514
by the administrator on receipt of written or electronic 515
instructions from the administrator or the administrator's 516
designated agent authorizing the purchase, and pending receipt 517
of the evidence of title of the investment by the treasurer of 518
state or the treasurer of state's authorized agent. The 519
administrator may sell investments held by the administrator, 520
and the treasurer of state or the treasurer of state's 521
authorized agent shall accept payment from the purchaser and 522
deliver evidence of title of the investment to the purchaser, on 523
receipt of written or electronic instructions from the 524
administrator or the administrator's designated agent 525
authorizing the sale, and pending receipt of the moneys for the 526
investments. The amount received shall be placed in the state 527
insurance fund. The administrator and the treasurer of state may 528
enter into agreements to establish procedures for the purchase 529

and sale of investments under this division and the custody of 530
the investments. 531

No purchase or sale of any investment shall be made under 532
this section, except as authorized by the administrator. 533

Any statement of financial position distributed by the 534
administrator shall include the fair value, as of the statement 535
date, of all investments held by the administrator under this 536
section. 537

When in the judgment of the administrator it is necessary 538
to provide available funds for the payment of compensation or 539
benefits under this chapter, the administrator may borrow money 540
from any available source and pledge as security a sufficient 541
amount of bonds or other securities in which the state insurance 542
fund is invested. The aggregate unpaid amount of loans existing 543
at any one time for money so borrowed shall not exceed ten 544
million dollars. The bonds or other securities so pledged as 545
security for such loans to the administrator shall be the sole 546
security for the payment of the principal and interest of any 547
such loan. The administrator shall not be personally liable for 548
the payment of the principal or the interest of any such loan. 549
No such loan shall be made for a longer period of time than one 550
year. Such loans may be renewed but no one renewal shall be for 551
a period in excess of one year. Such loans shall bear such rate 552
of interest as the administrator determines and in negotiating 553
the loans, the administrator shall endeavor to secure as 554
favorable interest rates and terms as circumstances will permit. 555

The treasurer of state may deliver to the person or 556
governmental agency making such loan, the bonds or other 557
securities which are to be pledged by the administrator as 558
security for such loan, upon receipt by the treasurer of state 559

of an order of the administrator authorizing such loan. Upon 560
payment of any such loan by the administrator, the bonds or 561
other securities pledged as security therefor shall be returned 562
to the treasurer of state as custodian of such bonds. 563

The administrator may pledge with the treasurer of state 564
such amount of bonds or other securities in which the state 565
insurance fund is invested as is reasonably necessary as 566
security for any certificates issued, or paid out, by the 567
treasurer of state upon any warrants drawn by the administrator. 568

The administrator may secure investment information 569
services, consulting services, and other like services to 570
facilitate investment of the surplus and reserve belonging to 571
the state insurance fund. The administrator shall pay the 572
expense of securing such services from the state insurance fund. 573

The board and administrator shall not take any action to 574
promote a policy under which the administrator makes investment 575
decisions with the primary purpose of influencing any social or 576
environmental policy or attempting to influence the governance 577
of any corporation. 578

Sec. 4123.442. When developing the investment policy for 579
the investment of the assets of the funds specified in this 580
chapter and Chapters 4121., 4127., and 4131. of the Revised 581
Code, the workers' compensation investment committee shall do 582
all of the following: 583

(A) Specify the asset allocation targets and ranges, risk 584
factors, asset class benchmarks, time horizons, total return 585
objectives, and performance evaluation guidelines; 586

(B) Prohibit investing the assets of those funds, directly 587
or indirectly, in vehicles that target any of the following: 588

(1) Coins;	589
(2) Artwork;	590
(3) Horses;	591
(4) Jewelry or gems;	592
(5) Stamps;	593
(6) Antiques;	594
(7) Artifacts;	595
(8) Collectibles;	596
(9) Memorabilia;	597
(10) Similar unregulated investments that are not commonly part of an institutional portfolio, that lack liquidity, and that lack readily determinable valuation.	598 599 600
(C) Specify that the administrator of workers' compensation may invest in an investment class only if the bureau of workers' compensation board of directors, by a majority vote, opens that class;	601 602 603 604
(D) Prohibit investing the assets of those funds in any class of investments the board, by majority vote, closed, or any specific investment in which the board prohibits the administrator from investing;	605 606 607 608
(E) <u>Prohibit investing the assets of those funds with the primary purpose of influencing any social or environmental policy or attempting to influence the governance of any corporation;</u>	609 610 611 612
(F) <u>Not</u> specify in the investment policy that the administrator or employees of the bureau of workers'	613 614

compensation are prohibited from conducting business with an 615
investment management firm, any investment management 616
professional associated with that firm, any third party 617
solicitor associated with that firm, or any political action 618
committee controlled by that firm or controlled by an investment 619
management professional of that firm based on criteria that are 620
more restrictive than the restrictions described in divisions 621
(Y) and (Z) of section 3517.13 of the Revised Code. 622

Sec. 5505.06. (A) The members of the state highway patrol 623
retirement board shall be the trustees of the funds created by 624
section 5505.03 of the Revised Code. The board shall have full 625
power to invest the funds. The board and other fiduciaries shall 626
discharge their duties with respect to the funds solely in the 627
interest of the participants and beneficiaries; for the 628
exclusive purpose of providing benefits to participants and 629
their beneficiaries and defraying reasonable expenses of 630
administering the system; with care, skill, prudence, and 631
diligence under the circumstances then prevailing that a prudent 632
person acting in a like capacity and familiar with these matters 633
would use in the conduct of an enterprise of a like character 634
and with like aims; and by diversifying the investments of the 635
system so as to minimize the risk of large losses, unless under 636
the circumstances it is clearly prudent not to do so. 637

The board, in accordance with its fiduciary duties 638
described under this section, shall make investment decisions 639
with the sole purpose of maximizing the return on its 640
investments. The board shall not make an investment decision 641
with the primary purpose of influencing any social or 642
environmental policy or attempting to influence the governance 643
of any corporation. 644

To facilitate investment of the funds, the board may 645
establish a partnership, trust, limited liability company, 646
corporation, including a corporation exempt from taxation under 647
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 648
amended, or any other legal entity authorized to transact 649
business in this state. 650

(B) In exercising its fiduciary responsibility with 651
respect to the investment of the funds, it shall be the intent 652
of the board to give consideration to investments that enhance 653
the general welfare of the state and its citizens where the 654
investments offer quality, return, and safety comparable to 655
other investments currently available to the board. In 656
fulfilling this intent, equal consideration shall be given to 657
investments otherwise qualifying under this section that involve 658
minority owned and controlled firms and firms owned and 659
controlled by women, either alone or in joint venture with other 660
firms. 661

The board shall adopt, in regular meeting, policies, 662
objectives, or criteria for the operation of the investment 663
program that include asset allocation targets and ranges, risk 664
factors, asset class benchmarks, time horizons, total return 665
objectives, and performance evaluation guidelines. In adopting 666
policies and criteria for the selection of agents with whom the 667
board may contract for the administration of the funds, the 668
board shall comply with sections ~~5505.062~~5505.068 and ~~5505.064~~5505.0610 669
of the Revised Code and shall also give equal 670
consideration to minority owned and controlled firms, firms 671
owned and controlled by women, and joint ventures involving 672
minority owned and controlled firms and firms owned and 673
controlled by women that otherwise meet the policies and 674
criteria established by the board. Amendments and additions to 675

the policies and criteria shall be adopted in regular meeting. 676
The board shall publish its policies, objectives, and criteria 677
under this provision no less often than annually and shall make 678
copies available to interested parties. 679

The board shall not adopt a policy, or take any action to 680
promote a policy, under which the board makes investment 681
decisions with the primary purpose of influencing any social or 682
environmental policy or attempting to influence the governance 683
of any corporation. 684

When reporting on the performance of investments, the 685
board shall comply with the performance presentation standards 686
established by the association for investment management and 687
research. 688

(C) All evidences of title of the investments purchased by 689
the board shall be delivered to the treasurer of state, who is 690
hereby designated as the custodian thereof, or to the treasurer 691
of state's authorized agent. Evidences of title of the 692
investments may be deposited by the treasurer of state for 693
safekeeping with an authorized agent, selected by the treasurer 694
of state, who is a qualified trustee under section 135.18 of the 695
Revised Code. The treasurer of state shall collect the 696
principal, interest, dividends, and distributions that become 697
due and payable and, when collected, shall credit them to the 698
custodial funds. 699

The treasurer of state shall pay for the investments 700
purchased by the board on receipt of written or electronic 701
instructions from the board or the board's designated agent 702
authorizing the purchase and pending receipt of the evidence of 703
title of the investment by the treasurer of state or the 704
treasurer of state's authorized agent. The board may sell 705

investments held by the board, and the treasurer of state or the 706
treasurer of state's authorized agent shall accept payment from 707
the purchaser and deliver evidence of title of the investment to 708
the purchaser on receipt of written or electronic instructions 709
from the board or the board's designated agent authorizing the 710
sale, and pending receipt of the moneys for the investments. The 711
amount received shall be placed in the custodial funds. The 712
board and the treasurer of state may enter into agreements to 713
establish procedures for the purchase and sale of investments 714
under this division and the custody of the investments. 715

(D) All of the board's business shall be transacted, all 716
its funds shall be invested, all warrants for money drawn and 717
payments shall be made, and all of its cash, securities, and 718
other property shall be held, in the name of the board or its 719
nominee, provided that nominees are authorized by board 720
resolution for the purpose of facilitating the ownership and 721
transfer of investments. 722

(E) No purchase or sale of any investment shall be made 723
under this section except as authorized by the board. 724

(F) Any statement of financial position distributed by the 725
board shall include the fair value, as of the statement date, of 726
all investments held by the board under this section. 727

Section 2. That existing sections 145.11, 742.11, 3307.15, 728
3309.15, 3345.16, 4123.44, 4123.442, and 5505.06 of the Revised 729
Code are hereby repealed. 730