

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2115 Session of
1984

INTRODUCED BY PIEVSKY, MAY 1, 1984

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JUNE 19, 1984

AN ACT

1 Making an appropriation from the Public School Employees'
2 Retirement Fund to provide for expenses of the Public School
3 Employees' Retirement Board for the fiscal year July 1, 1984
4 to June 30, 1985 and for the payment of bills incurred and
5 remaining unpaid at the close of the fiscal year ending June
6 30, 1984.; ~~and providing for investments in Pennsylvania~~ <—
7 ~~industries.~~

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The sum of \$8,524,000, or as much thereof as may
11 be necessary, is hereby specifically appropriated from the
12 Public School Employees' Retirement Fund to the Public School
13 Employees' Retirement Board for the payment of all salaries,
14 wages and other compensation and travel expenses of the
15 employees and members of the Public School Employees' Retirement
16 Board, for contractual services and other expenses necessary for
17 the proper conduct of the duties, functions and activities of
18 the board for the fiscal year beginning July 1, 1984 and for the
19 payment of bills incurred and remaining unpaid at the close of

1 the fiscal year ending June 30, 1984.

2 ~~Section 2. (a) The board shall, within six months of the~~ <—
3 ~~effective date of this act, detail a program of investment for~~
4 ~~the economic redevelopment and capitalization of Pennsylvania~~
5 ~~industries. Recognizing the initial duty of the fund to prudent~~
6 ~~investments which protect the pensions of retirees, the General~~
7 ~~Assembly requires the board to invest an equity interest in~~
8 ~~venture capital limited partnerships and participate in private~~
9 ~~placement separate accounts. Investments in venture capital~~
10 ~~limited partnerships and private placement separate accounts~~
11 ~~shall:~~

12 ~~(1) Enhance the general welfare of the State and its~~
13 ~~citizens through economic development.~~

14 ~~(2) Limit the liability of the retirement fund only to~~
15 ~~the extent of the investment.~~

16 ~~(3) Provide that the management of the venture capital~~
17 ~~limited partnership and the private placement separate~~
18 ~~account rests solely with the general partner or manager who~~
19 ~~shall be a professional investment manager.~~

20 ~~(b) Investments made pursuant to this section for venture~~
21 ~~capital limited partnerships shall not be less than 1% nor more~~
22 ~~than 2% of the value of the fund. Investments for private~~
23 ~~placement separate accounts shall not be less than 1% of the~~
24 ~~value of the fund. The value of the fund shall be the total book~~
25 ~~value of the fund on the effective date of this section.~~

26 ~~(c) The investments authorized by this section shall be made~~
27 ~~by the board over a three year period. The board shall file an~~
28 ~~annual report on these investments with the General Assembly.~~
29 ~~Included in the report shall be information on how the board~~
30 ~~exercised its stewardship on behalf of Pennsylvania industries~~

1 ~~over the past three years. This report shall also detail how the~~
2 ~~board intends to use fund assets for the benefit of jobs in~~
3 ~~Pennsylvania.~~

4 ~~Section 3 2. This act shall take effect July 1, 1984 or, if~~ <—
5 ~~enacted subsequent to that date, then immediately.~~

6 SECTION 2. (A) NO MONEYS SHALL BE USED FOR PAYMENT OF BILLS <—
7 INCURRED AND REMAINING UNPAID AT THE CLOSE OF FISCAL YEAR ENDING
8 JUNE 30, 1984 INVOLVING THE INTERNAL CONTROL AND INVESTMENT
9 PERFORMANCE AUDIT OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT
10 SYSTEM AS REQUIRED BY THE AUDITOR GENERAL.

11 (B) WHEN AN INTERNAL CONTROL AND INVESTMENT PERFORMANCE
12 AUDIT OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IS
13 REQUIRED BY THE AUDITOR GENERAL IN A FISCAL YEAR IN WHICH THE
14 EXPENSE OF SUCH AN AUDIT HAS NOT BEEN BUDGETED FOR BY THE PUBLIC
15 SCHOOL EMPLOYEES' RETIREMENT BOARD, THE EXPENSE OF THE AUDIT
16 SHALL BE BORNE BY THE DEPARTMENT OF THE AUDITOR GENERAL AND THE
17 AUDITOR GENERAL SHALL BE REQUIRED TO REQUEST FROM AND JUSTIFY TO
18 THE GENERAL ASSEMBLY A SPECIAL APPROPRIATION TO THE DEPARTMENT
19 OF THE AUDITOR GENERAL OUT OF THE GENERAL FUND FOR THAT PURPOSE.

20 SECTION 3. SECTION 2 OF THIS ACT SHALL BE RETROACTIVE TO
21 JULY 1, 1983.

22 SECTION 4. THIS ACT SHALL TAKE EFFECT JULY 1, 1984 OR, IF
23 ENACTED SUBSEQUENT TO THAT DATE, THEN IMMEDIATELY.