

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2115

Session of
1984

INTRODUCED BY PIEVSKY, MAY 1, 1984

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
MAY 21, 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 ~~2~~ 3. This act shall take effect July 1, 1984 or, if <—
5 enacted subsequent to that date, then immediately.