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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**  
**No. 1340** Session of  
1984

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INTRODUCED BY TILGHMAN, APRIL 11, 1984

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AS REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 4, 1984

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AN ACT

1 Making an appropriation from the State Employees' Retirement  
2 Fund to provide for expenses of the State Employees'  
3 Retirement Board for the fiscal year July 1, 1984 to June 30,  
4 1985 and for the payment of bills incurred and remaining  
5 unpaid at the close of the fiscal year ending June 30, 1984; <—  
6 AND PROVIDING FOR INVESTMENTS IN PENNSYLVANIA INDUSTRIES.

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

9 Section 1. The sum of \$5,630,000, or as much thereof as may  
10 be necessary, is hereby appropriated from the State Employees'  
11 Retirement Fund to the State Employees' Retirement Board for the  
12 payment of all salaries, wages and other compensation and travel  
13 expenses of the employees and members of the State Employees'  
14 Retirement Board, for contractual services and other expenses  
15 necessary for the proper conduct of the duties, functions and  
16 activities of the board for the fiscal year beginning July 1,  
17 1984 and for the payment of bills incurred and remaining unpaid  
18 at the close of the fiscal year ending June 30, 1984.

SECTION 2. ANY ADDITIONAL FUNDS NECESSARY TO FULFILL  
CONTRACTUAL AGREEMENTS FOR THE MANAGEMENT OF INVESTMENTS IS  
HEREBY APPROPRIATED.

SECTION 3. (A) THE BOARD SHALL, WITHIN SIX MONTHS OF THE  
EFFECTIVE DATE OF THIS ACT, DETAIL A PROGRAM OF INVESTMENT FOR  
THE ECONOMIC REDEVELOPMENT AND CAPITALIZATION OF PENNSYLVANIA  
INDUSTRIES. RECOGNIZING THE INITIAL DUTY OF THE FUND TO PRUDENT  
INVESTMENTS WHICH PROTECT THE PENSIONS OF RETIREES, THE GENERAL  
ASSEMBLY REQUIRES THE BOARD TO INVEST AN EQUITY INTEREST IN  
VENTURE CAPITAL LIMITED PARTNERSHIPS AND PARTICIPATE IN PRIVATE  
PLACEMENT SEPARATE ACCOUNTS. INVESTMENTS IN VENTURE CAPITAL  
LIMITED PARTNERSHIPS AND PRIVATE PLACEMENT SEPARATE ACCOUNTS  
SHALL:

(1) ENHANCE THE GENERAL WELFARE OF THE STATE AND ITS  
CITIZENS THROUGH ECONOMIC DEVELOPMENT.

(2) LIMIT THE LIABILITY OF THE RETIREMENT FUND ONLY TO  
THE EXTENT OF THE INVESTMENT.

(3) PROVIDE THAT THE MANAGEMENT OF THE VENTURE CAPITAL  
LIMITED PARTNERSHIP AND THE PRIVATE PLACEMENT SEPARATE  
ACCOUNT RESTS SOLELY WITH THE GENERAL PARTNER OR MANAGER WHO  
SHALL BE A PROFESSIONAL INVESTMENT MANAGER.

(B) INVESTMENTS MADE PURSUANT TO THIS SECTION FOR VENTURE  
CAPITAL LIMITED PARTNERSHIPS SHALL NOT BE LESS THAN 1% NOR MORE  
THAN 2% OF THE VALUE OF THE FUND. INVESTMENTS FOR PRIVATE  
PLACEMENT SEPARATE ACCOUNTS SHALL NOT BE LESS THAN 1% OF THE  
VALUE OF THE FUND. THE VALUE OF THE FUND SHALL BE THE TOTAL BOOK  
VALUE OF THE FUND ON THE EFFECTIVE DATE OF THIS SECTION.

(C) THE INVESTMENTS AUTHORIZED BY THIS SECTION SHALL BE MADE  
BY THE BOARD OVER A THREE-YEAR PERIOD. THE BOARD SHALL FILE AN  
ANNUAL REPORT ON THESE INVESTMENTS WITH THE GENERAL ASSEMBLY.

1 INCLUDED IN THE REPORT SHALL BE INFORMATION ON HOW THE BOARD  
2 EXERCISED ITS STEWARDSHIP ON BEHALF OF PENNSYLVANIA INDUSTRIES  
3 OVER THE PAST THREE YEARS. THIS REPORT SHALL ALSO DETAIL HOW THE  
4 BOARD INTENDS TO USE FUND ASSETS FOR THE BENEFIT OF JOBS IN  
5 PENNSYLVANIA.

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