

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE
ON BANKING AND ECONOMIC DEVELOPMENT

2

SENATE CONCURRENT RESOLUTION NO. 29

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

Relating to the investment of the

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state's public trust funds.

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BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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WHEREAS the supply of investment capital in the state has been severe-

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ly restricted by the decline of real estate values and business activity

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during the past three years; and

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WHEREAS this lack of available investment capital is hampering eco-

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nommic recovery in the state by slowing the formation of new businesses for

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the state's emerging new business opportunities; and

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WHEREAS it will be necessary to attract investment capital from out-

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side of the state in the near future in order to provide adequate invest-

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ment capital for entrepreneurs in the state; and

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WHEREAS it is often difficult to attract capital from outside of the

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state, especially for relatively small ventures, due to the perceived

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remoteness of the state, its relatively small economy, and its unique

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characteristics; and

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WHEREAS it is a well-established practice in the United States to

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invest a small portion of public trust funds in high-grade, diversified

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venture capital funds; and

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WHEREAS the prudent investment of public trust funds in venture capi-

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tal funds generally enhances the yield of trust fund portfolios; and

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WHEREAS investing in appropriate venture capital funds can also

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enhance the supply of investment capital in a state that practices this

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technique if the investments are accompanied by formal or informal terms

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and conditions that encourage the venture capital fund managers to

1 participate in the state's economy when prudent and practical; and

2 WHEREAS, due to the large size of its public trust funds, Alaska would
3 benefit greatly if this proven technique were used;

4 BE IT RESOLVED that the Alaska State Legislature encourages the manag-
5 ers of the state's public trust funds to consider placing a portion of
6 their investment portfolios in sound, diversified venture capital funds;
7 and be it

8 FURTHER RESOLVED that the Alaska State Legislature recommends that all
9 investments placed in venture capital funds be accompanied by appropriate
10 terms and conditions that encourage the venture capital fund managers to
11 actively pursue investment opportunities in the state.