

S C R

29

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 4/13/89
IN ACCORDANCE WITH UNIFORM RULE '23

4/3/89

FURTHER

FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4/11/89

Mr. President:

L&C Committee considered SCR 29

investment of the state's public trust funds

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached Dept of Revenue - 4/10/89 zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]

[Signature]
 Chair: signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Investment of the State's BRU: Treasury
Public Trust Funds
 Sponsor: Senate Special Committee on Components: _____
Banking and Development
 Requestor: Senate Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: attach a separate page for analysis.

Prepared By: Milt Barker *MB* Phone: 465-2350
 Division: Treasury Date: _____

Approved by Commissioner: Hugh Malone *Rep. W/L FOR* Date: 4/10/89
 Agency: Department of Revenue

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Re: SCR 29



**ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION**

**ENCOURAGING VENTURE CAPITAL FUNDS
TO PURSUE ALASKA OPPORTUNITIES**

Purpose: Use Alaska's tremendous financial clout to encourage large venture capital funds to actively search out Alaska opportunities.

Need: The collapse of Alaska real estate values and financial institutions has destroyed much of Alaska's wealth that was previously available to finance new ventures. At the same time, Alaska public retirement funds and the Alaska Permanent Fund prefer to maintain their nationwide diversification policies. There exists a need to somehow address Alaska's need for investment capital without compromising the integrity of its important public trust funds.

Structure: This proposal envisions nothing more than a resolution of the legislature. It will encourage the managers of Alaska's public trust funds to invest a small portion of their portfolios in large, stable, high-grade venture capital funds on the condition that the venture capitalists actively pursue viable Alaska opportunities. This will diversify and enhance the portfolios of our public trust funds while greatly improving Alaska entrepreneurs' access to equity capital.

Cost: No appropriation will be required. The public trust funds will benefit from the generally attractive returns from high-grade venture capital funds.

550 West 7th Avenue
Suite 850
Anchorage, AK 99501
Telephone (907) 258-3700

Monthly Report

Tom Lawson, Acting Director

ALASKA

DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS DEVELOPMENT

February 1989

ARDOR Program Up and Running: The Alaska Regional Development Organizations (ARDOR) program went into effect beginning February 22. Interest in the program has been expressed from all areas of the state. By the end of February, four designation and funding applications were filed and are being processed: Kenai Economic Development District, Southwest Municipal Conference, Anchorage Economic Development Corporation, and the Southeast Conference.

Under the provisions of the ARDOR program, an economic development district formally recognized by the U. S. Economic Development Administration is automatically designated as the ARDOR for the region it serves. As a result, the Kenai Economic Development District is the first officially designated ARDOR. A designated ARDOR is entitled to receive up to \$50,000 a year in matching funds for a maximum of five years to develop and implement an economic development strategy.

DBD Year-end Report Published: In response to numerous requests for information on various projects and programs, the division published a Year-end Report covering major activities of the division during 1988. Copies of the report are available upon request.

Alaska Business Incentives Publication Due: Work has started on a complete revision of the division publication, *Business Incentives in Alaska*. Staff intern Kaaren Kubley is currently engaged in background interviews and data collection; the final publication should be available by mid-May and will be used as a basic industrial attraction tool for general distribution and for use in responding to the increasing number of requests this office receives to update national media databases.

Alaska Venture Capital Fund Considered: The major thrust of the venture capital program has centered on the creation of a venture capital fund to invest in Alaskan enterprises. Governor Cowper announced the formation of a working group to assess the advisability and feasibility of the state providing seed funds to attract a venture capital firm or firms to establish an Alaska base of operations.

Small Business Counseling Center (SBCC) Hires New Manager: The Juneau office of the SBCC has announced the appointment of Stephen Street to succeed Ron Walt as branch manager. With an MBA from the University of Denver, School of Business, Mr. Street joins the program with extensive experience in small business and the banking industry. The SBCC Juneau office serves the entire southeast region. A wide array of business technical services ranging from business plan preparation to finding sources of capital can be accessed by calling 789-3660 during regular working hours, 9:00 a.m. to 5:00 p.m., Monday through Friday. Services are also offered after hours by appointment.