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in the office of the Secretary of State
of the State of California

MAR 28 1980

MARCH FONG EU, Secretary of State

By *Shea Duda*
Deputy

Executive Department
State of California

PUBLIC INVESTMENT TASK FORCE

WHEREAS, the people and state of California have a need for new capital in certain geographic areas, portions of the population, and sectors of the economy ---- especially affordable housing, alternative energy, small business, and job-generating economic development;

WHEREAS, the \$40 billion of state and local retirement funds, and temporarily idle public funds represent a vast underused resource that can be focused on California's needs while ensuring profitability and security for the pension system members;

WHEREAS, the California tax base is the major contributor and ultimate guarantor of public employee retirement funds and depends upon an improving economic climate through increased in-state investments which will generate greater tax revenues;

WHEREAS, under current investment policies, not only are jobs exported from the state, but the indirect multiplier effects of out-of-state investments are lost to the California taxpayers and public employees;

WHEREAS, the state revenues continue to shrink as a result of recent changes in the tax laws, while inflation erodes retirement savings derived from the same tax revenues;

WHEREAS, pension funds are invested in companies which may violate state and federal non-discrimination laws, causing a loss of potential shareholder dividends for legal costs and settlements;

WHEREAS, matching these funds with public need requires the creation of new investment vehicles;

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, by virtue of the power and authority invested in me by the Constitution and Statutes of the State of California do hereby issue this order, to become effective immediately;

1. There is established an advisory PUBLIC INVESTMENTS TASK FORCE, to investigate and propose new ways in which the massive resources of state and local pension funds and temporarily idle funds can meet public need in a manner which is prudent.

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2. The Chairman will be a public member with the staff resource support from the Office of Planning and Research and the State and Consumer Services Agency, Dept. of Housing and Community Development, and the SolarCal Office. All members shall serve voluntarily and without compensation.

3. The PUBLIC INVESTMENTS TASK FORCE shall have the following responsibilities:

-- Develop specific proposals for new investment alternatives that are both prudent and responsive to the needs which California faces in the areas of affordable housing, small business development, alternative energy resource development, and job creation.

-- Develop general guidelines to assure that public investment practices meet socially responsible criteria and public interest goals.

-- Recommend any necessary changes in California tax and pension laws and regulations that will facilitate new investment alternatives.

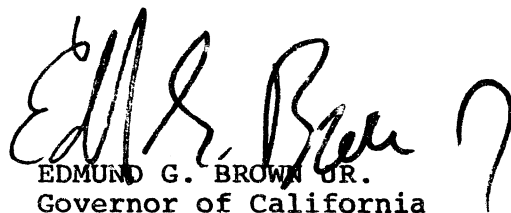
-- Focus on the investment of state, local, and county temporarily idle funds and retirement funds, including the Public Employees Retirement System, the State Teachers Retirement System, and the University of California Retirement and Endowment Funds.

-- Meet regularly for a period of no longer than one year and conduct public hearings as appropriate to obtain broad public input.

-- Issue a final report to the Governor and Legislature no later than one year after the Task Force establishment and such interim reports as are appropriate.

4. All State agencies, departments, and commissions are hereby directed to assist and cooperate with the PUBLIC INVESTMENTS TASK FORCE in carrying out their responsibilities.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of March, nineteen hundred and eighty.


EDMUND G. BROWN JR.
Governor of California

Executive Department
State of California

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ATTEST:

March Fong Eu
Secretary of State

by Margie R. Neuhbarger
Deputy Secretary of State