REPORT OF THE
VIRGINIA RETIREMENT SYSTEM

TO STUDY THE FEASIBILITY OF ECONOMICALLY-TARGETED INVESTMENTS IN VENTURE CAPITAL PROJECTS LOCATED IN THE COMMONWEALTH

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

HOUSE DOCUMENT NO. 11

COMMONWEALTH OF VIRGINIA
RICHMOND
1995

PREFACE

This study was undertaken at the direction of the General Assembly of Virginia, House Joint Resolution No. 264 (Appendix 2). The study and initial draft of this report were completed by Mr. T. Daniel Coggin, Director of Research, Internal Asset Management, Virginia Retirement System. Subsequent to the initial drafting of this report, Mr. Coggin departed the VRS. The final report and conclusion are the result of a joint effort of the VRS investment staff, the Investment Advisory Committee, and the Board of Trustees.

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I. Executive Summary

This report begins by noting that Economically Targeted Investments (ETIs) are a topic of current interest by both public and private pension funds. It then summarizes the results of a major study conducted in 1992 of public fund involvement in ETIs. The final section of this report sets forth the Virginia Retirement System's conclusion regarding the adoption of an ETI program.

ETIs have their supporters, from those who express mild satisfaction, to those who are enthusiastic proponents. A 1994 report to the National Academy of Public Administration by Pierce, et al. is a good example of enthusiastic support. However, there are those who are just as strongly opposed. William Niskanen, Chairman of the Cato Institute, makes the classic economic efficiency argument that "...if these so called 'economically-targeted investments' were truly sound, if they really offered a competitive return for a competitive risk, they would already be funded--they wouldn't need pension capital." Wayne Marr, John Trimble and John Nofsinger, three academic financial economists argue that "ETIs, in general, have underperformed accepted investment benchmarks and have a history of investment blunders involving losses of millions of dollars."

Historically, there have been those who have had some success with business development ETIs and then there are the well-publicized failures (such as Kansas Public Employees' Retirement Fund's focus on in-state savings and loans and State of Connecticut's investment in Colt Industries, Inc.).

When considering whether or not to invest in ETIs, the Board of Trustees of the Virginia Retirement System must heavily weigh their fiduciary responsibility. Indeed, the "prudent expert" approach to investing the assets of the Plan must always be followed.

II. Introduction

A concept of increasing discussion within the public fund and plan sponsor community is the notion of *economically targeted investments*, often referred to as ETIs. Virtually every major financial publication has prominently featured an article on this topic in the past year or two. The Virginia Retirement System has not been immune to this wave of interest. At the request of the Virginia State Legislature, this document provides an overview of the current status of ETIs among public and private pension funds.

At the outset, it seems appropriate to define just what is meant by the term "economically targeted investment." It turns out that there is no single, commonly accepted definition on this term. It often means somewhat different things to different people. Hence, this document will offer its own version by way of a description of how the term is currently in use.

Peter Gilbert, CIO of the Pennsylvania State Employees Retirement System recently offered three criteria for ETI investment: "An ETI must give a market return for the implied risk; it must provide a corollary benefit; and it should fill a capital gap that otherwise is not being filled."

In this document, ETI will be defined as *investment by a public or private pension fund to redress a perceived inefficiency in the formation of capital for community development.* The term "community development" is further defined to include services (such as medical facilities), housing and business development. In fact, ETIs are clearly not homogenous. They include a wide spectrum of investment activities, such as residential mortgages, CDs, student loans, commercial real estate loans, commercial business loans, small business loans and venture capital. Figure 1 presents a pie chart showing the breakdown for 50 public funds in 1992 which illustrates this point. This chart was taken from a study by the Institute for Fiduciary Education (IFE). This study will be further discussed below. All tables and figures in this report were taken from the 1992 study by the IFE.

It is clear from Figure 1 that the lion's share of public fund ETI investing (64.2%) has gone to housing.

III. A Profile of Public Fund ETI Investing

In 1989, the Institute for Fiduciary Education (Sacramento, CA) conducted a survey of the largest 126 public pension funds to learn about their experiences with economically targeted investing. In 1992, the IFE updated their 1989 study with a profile of the largest 139 public funds (119 responded). This report was issued by the IFE in June 1993. Some highlights of that survey are given below:

1. Growth in public fund ETIs has been modest. There was noted an increase of only 3 more retirement systems reporting ETIs from 1989 to 1992.

2. The list of retirement systems reporting ETIs has changed. One-third of those reporting ETIs in 1989 have been replaced with new, first-timers in 1992. Table 1 presents a list of those funds who reported having ETIs in 1989 and 1992. A total of 12 funds reported ETIs in 1989 but not in 1992.

3. In 1992, more than $19 billion had been invested in ETIs, as noted above, most of it in housing. About 55% of funds surveyed were either satisfied or very satisfied with their ETI program. The majority of the remaining funds were essentially neutral on the issue.

4. Sixty percent of funds with over $5 billion in assets reported having investments in ETIs, as compared with only 31% of retirement systems with assets under $1 billion. The average ETI-investing fund had $11 billion in assets in 1992. Statewide retirement systems were highly represented in this group.

The following summarizes the reasons given for investing/not investing in ETIs by the respondents to the 1992 IFE study.

Reasons for investing in ETIs.

While the study gave 3 main reasons for investing in ETIs, only one took into account fiduciary responsibility or obligation to beneficiaries. In our opinion the only prudent reason given was that housing/real estate-oriented ETIs offer a competitive expected return as compared to other traditional forms of real estate investment. The other two reasons given speak of "a large and growing pool of money " and "projects deemed in the national economic interest".

Among those states having ETIs, the entities most responsible for *promoting* them are Board of Trustees, Internal Staff and Legislative body, in that order. The entities most responsible for *developing* ETIs are Internal Staff, and Board of Trustees, in that order.

In terms of the rationale given for promoting ETIs, business development and job creation was the goal of 41% of those having ETIs in 1992. Development of home ownership and rental housing was the second most frequently cited goal. Notice a subtlety in these results. While the majority of the *funds for ETI investment* (64% as previously cited) go to housing, the majority of the *targets of ETI investment* are business and job related. Table 2 summarizes these results.

Among those funds with ETI investments in 1992, there were some differences in the nature of the ETI programs as compared to other investment programs. These differences are summarized in Table 3. In Table 3, we see that ETIs often had a dollar/percentage limit on assets invested; were often considered a different asset class; and were often administered differently than other investments of the fund.

Finally, those funds having ETIs used a variety of performance benchmarks to measure the success of their investment. A summary of these benchmarks, as taken from the 1993 IFE report, is given in Appendix 1 to this document.

Reasons for not investing in ETIs. A recent poll conducted by **Institutional Investor** (July 1994) indicated that 91% of the public and private pension funds surveyed did not agree that ETIs are a good idea. Of the funds that have never made ETI investments in the 1992 EFI study, almost 80% reported never having even considered the idea. The reasons given for not investing in ETIs in the 1992 study include:

1. The most frequent objection to ETIs was the perception that the concept conflicts with the fiduciary duty of the fund.

2. A number of funds expressed a fear of poor performance as an important reason for not investing in ETIs.

3. Eleven public funds reported that they were not authorized to make ETI investments. One fund stated that ETIs were prohibited by the state constitution.

4. Some funds expressed a fear of external pressure and loss of independence that could come from an ETI program.

5. Several funds expressed concern about the amount of staff and staff time required by ETIs.

Reasons for discontinuing ETI programs. As one could tabulate from Table 1, 12 retirement systems reported ETIs in 1989 but not in 1992. The reasons given for discontinuing an ETI program include:

1. The program accomplished its goal in the allotted time and was shut down.

2. The ETI program failed to accomplish or only marginally accomplished its goal.

3. Some ETI programs were begun in cooperation with other state agencies which subsequently stopped participating in the program.

Plans to expand existing ETI programs. In the 1992 study, only five funds reported plans to expand their ETI program (35 said no, and 20 said maybe).

We note here that an independent study by the Boice Dunham Group (commissioned by the New York brokerage firm Goldman Sachs) and released in September 1993 broadly confirms the results reported above.

Now that we have broadly summarized the results of what is probably the major study of public fund ETI investing, it is appropriate to focus on business development/venture capital (as requested in House Joint Resolution No. 264 - see Appendix 2)..

IV. Business Development/Venture Capital

Business development accounted for about 15% of the dollar amount of ETI investing in the 1992 study. Business development included 34 programs, high-technology development included 9 programs, and assisting minority and women-owned business included 4 programs.

Since business development ETIs can take many different forms (i.e., small business development, minority business development, classic venture capital, and business related real estate loans), it would not be practical to comment on them all. Therefore, some general comments will be offered here.

1. Venture capital investments are typically very long run.

2. Venture capital funds may be subject to political pressure.

3. There is no strong evidence that these funds generate returns that match the returns available from traditional (non-ETI) venture capital investments.

4. Large funds typically won't meet their total venture capital ETI target (usually 1-5% of the fund).

5. Amounts invested in-state will usually be small.

6. There can be a large amount of staff time and resources required.

7. Venture capital investing typically involves a significant element of subjectivity in assessing managers and investments.

8. Performance measurement is more problematic for venture capital than for more traditional investments.

V. Conclusion

The manner in which the assets of the VRS are to be invested is outlined specifically in S51.1-124.30 of the Code of Virginia which states that "the Board shall..invest the assets of the Retirement System with care, skill, prudence, and diligence under the circumstances prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Board shall also diversify such investments so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so."

The current approach to investing in Virginia allows those investment opportunities which offer competitive return for a competitive risk to compete for available funding, while maintaining the Board of Trustees' fiduciary responsibility. As of 6/30/94, Private Equity funds in which VRS is a limited partner had invested a total of $50 million in 23 Virginia-based companies.

The investment staff, Investment Advisory Committee and Board of Trustees of the Virginia Retirement System continue to welcome any and all opportunities to make prudent investments within the state. However, all such opportunities must be subjected to our pre-established investment guidelines and objectives to ensure the integrity of the investment process and fiduciary standard.

In light of the aforementioned, we do not recommend the adoption of an ETI program. We are confident that VRS capital will continue to be invested within the state on a prudent basis without the adoption of such a program.

Selected References

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Pierce, N.R., R.A. Berger, F.M. Peters and C.F. Steinbach, "Market Standards, Community Dividends, "National Academy of Public Administration, Washington, DC, February 1994.

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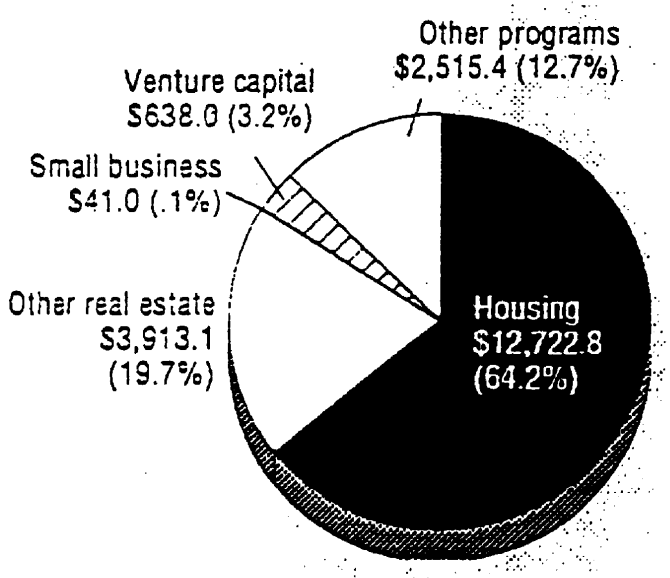
Stearns, K., "Serving Two Masters," **The Institutional Real Estate Letter**, July 1994.

Figure 1

AMOUNTS INVESTED BY TARGET TYPE
REPORTED BY 50 PENSION FUNDS; IN MILLIONS



Note: Does not total 100% due to rounding.

Table 1

PUBLIC PENSION FUNDS REPORTING ETIs

1989

Alameda County Employees' Retirement Association
Alaska Public Employees' Retirement System
Alaska Teachers' Retirement System
Arizona State Retirement System
Arkansas Teacher Retirement System
Baltimore County Employees' Retirement System
Fire and Police Employees' Retirement System of Baltimore
California State Teachers' Retirement System
Firemen's Annuity and Benefit Fund of Chicago
Fire and Police Pension Association of Colorado
Public Employees' Retirement Association of Colorado
State of Connecticut Trust Funds
District of Columbia Retirement Board
Employees' Retirement System of the State of Hawaii
Illinois State Board of Investment
Iowa Public Employees Retirement System
Massachusetts Bay Transportation Authority Retirement Fund
Massachusetts Pension Reserves Investment Trust Fund
Retirement System of the County of Milwaukee
Minnesota State Board of Investment
Missouri State Employees' Retirement System
Montana Public Employees' Retirement System
Public Employees' Retirement System of Nevada
New Hampshire Retirement System
New York City Retirement Systems
New York State and Local Retirement Systems
New York State Teachers' Retirement System
School Employees' Retirement System of Ohio
Oregon Public Employes' Retirement System
Public School Employes' Retirement System of Pennsylvania
Pennsylvania State Employes' Retirement System
Philadelphia Municipal Retirement System
Employees' Retirement System of Rhode Island
City and County of San Francisco Employees' Retirement System
Utah Retirement Systems
Vermont State Retirement Systems
Vermont State Teachers' Retirement System
Virginia Retirement System
Washington State Investment Board
State of Wisconsin Investment Board
Wyoming Retirement System

Total: 41 Funds*

1992

The Retirement System of Alabama
Alaska Permanent Fund
Arizona State Retirement System
Arkansas Teacher Retirement System
California Public Employees' Retirement System
California State Teachers' Retirement System
Firemen's Annuity and Benefit Fund of Chicago
Public Employees' Retirement Association of Colorado
State of Connecticut Trust Funds
Contra Costa County Employees' Retirement Association
Denver Employees Retirement Plan
City of Hartford Municipal Employees' Retirement Fund
Employees' Retirement System of the State of Hawaii
Public Employees' Retirement System of Idaho
Iowa Public Employees Retirement System
Kansas Public Employees Retirement System
Massachusetts Bay Transportation Authority Retirement Fund
Massachusetts Pension Reserves Investment Trust Fund
Massachusetts State Employees' and Teachers' Retirement System
Minnesota State Board of Investment
Missouri State Employees' Retirement System
Montana Public Employees' Retirement System
New Hampshire Retirement System
New Mexico State Investment Council
New York City Board of Education Retirement System
New York City Employees' Retirement System
New York City Fire Department Pension Fund
New York City Police Department Pension Fund
New York City Teachers' Retirement System
New York State and Local Retirement Systems
New York State Teachers' Retirement System
School Employees' Retirement System of Ohio
Oregon Public Employes' Retirement System
Public School Employes' Retirement System of Pennsylvania
Pennsylvania State Employes' Retirement System
Philadelphia Municipal Retirement System
Puerto Rico Teachers' Retirement System
Caisse de Dépôt et Placement du Québec
Employees' Retirement System of Rhode Island
City and County of San Francisco Employees' Retirement System
Teacher Retirement System of Texas
Vermont State Retirement Systems
Vermont State Teachers' Retirement System
Wayne County Employees' Retirement System
State of Wisconsin Investment Board
Wyoming Retirement System

Total: 46 Funds*

*Effectively, only three more funds report ETIs in 1992 than in 1989. This is because in 1989 two funds mistakenly reported ETIs and because five New York funds were listed as one.

Table 2

TARGETS OF ETIs REPORTED IN 1992

Investment Category	*No. of ETIs*	*% of ETIs*	*No. of Funds**	*% of Funds**
Residential housing . . .	30	31.6	25	54
Other real estate	10	10.5	10	21.7
Small business loans . .	8	8.4	7	15.2
Venture capital	24	25.3	14	30.4
Other ETIs	23	24.2	17	36.9
Total	95	100%	...	...

* Some retirement systems reported ETIs in more than one category.

Table 3

HOW DOES THE ETI PROGRAM DIFFER FROM REGULAR INVESTMENTS?

Differences	*No. of ETIs**
Use different investment assumption	8
ETI falls into different asset class	22
ETIs are not ongoing program	6
Dollar amount/percentage of assets invested in ETIs is limited	29
Use a different performance benchmark	9
Administer ETIs differently	22
Administrative costs of ETIs are different	12
The ETI program is mandatory	7

*Multiple responses possible for each ETI.

Appendix 1

BENCHMARKS REPORTED BY PUBLIC PENSION FUNDS WITH ETIs*

PART I: HOUSING ETIs	
Fund Name/ETI	*Benchmark*
Arkansas Teacher Retirement System	
Arkansas-Related Investments	The same as for other investments in the asset class
California Public Employees' Retirement System	
California Housing Program	Total return of at least 20%
AFL-CIO Building Trust	The performance of other fixed income investments
Member Home Loan Program	Loans are made at market rate and returns are compared to returns on other fixed income assets.
California State Teachers' Retirement System	
Mortgage Conduit Program	Loans are made at market rate
Member Home Loans	Loans are made at market rate
Contra Costa County Employees' Retirement Association	
AFL-CIO Housing Trust	Shearson Aggregate Bond index
City of Hartford Municipal Employees' Retirement System	
Savings and Loan Program	The pension fund's actuarial assumption
LISC	The pension fund's actuarial assumption
Massachusetts Pension Reserves Investment Trust Fund	
Targeted FNMA	FNMA market rates
Massachusetts State Employees' and Teachers Retirement System	
American Dream Program	S&P 500 and the Salomon Brothers Broad Bond index
Minnesota State Board of Investment	
HFA Taxable Bond Program	120 to 140 basis points over 30-year Treasuries
Minnesota First Program	50 basis points over GNMA rate in 1984
Single-family Mortgages	Structured to yield 30 basis points over GNMA rate in 1982
New Hampshire Retirement System	
Residential Mortage Loans	Average 30-year mortgage loan rate
New York City Employees' Retirement System	
Main Street Fund	GNMA High Coupon
Community Preservation Program	GNMA High Coupon
Public/Private Partnerships	30 year GNMA securities rate
Anti-redlining Program	GNMA High Coupon
Project HOME	30-year FNMA securities rate
Pennsylvania State Employes' Retirement System	
Residential/Commercial Mortgages	Salomon Bros. Mortgage Pass-Through Index
Puerto Rico Teachers' Retirement System	
Member Home Loan Program	No benchmark used
Caisse de Dépôt et Placement de Québec	
Rental Housing Program	All loans are at market rate
Homeownership Program	All loans are at market rate
Employees' Retirement System of Rhode Island	
Affordable Rental Housing	No specific benchmark used
City and County of San Francisco Employees' Retirement System	
Member Home Loan Program	Loans are made at market rate

*Any pension funds not included, but listed as having ETIs, did not provide any information on the benchmarks used in their programs.

Appendix 1 - Continued

BENCHMARKS REPORTED BY PUBLIC PENSION FUNDS WITH ETIs*

PART II: VENTURE CAPITAL ETIs

Fund Name/ETI	*Benchmark*
California Public Employees' Retirement System	
Alternative Investments	Total return of 20%
Public Employees' Retirement Association of Colorado	
Centennial	S&P 500 Stock Index
Colombine	S&P 500 Stock Index
Colorado Venture Capital Management	S&P 500 Stock Index
Iowa Public Employees Retirement System	
Venture Capital Fund	17% annual rate of return on the corporate portfolio
Heartland Seed Fund	Same
Missouri State Employees' Retirement System	
Missouri Venture Partners	The rate of return achieved by the fund's external manager for venture capital
New York City Employees' Retirement System	
Excelsior Fund	7-year U.S. Treasury Bonds or S&P Single A Bond Index (new program, not yet determined)
School Employees' Retirement System of Ohio	
Morganthaler II and III	5% over S&P Stock Index
Primus I and II	Same
Cardinal	Same
Public School Employes' Retirement System of Pennsylvania	
Venture Capital	1,000 basis points over the Consumer Price Index, 7 year rolling
Pennsylvania State Employes' Retirement System	
Venture Capital Program	Venture Economics Vintage year benchmarks
Caisse de Dépôt et Placement de Québec	
Venture Capital Program	Same as for the asset class as a whole
State of Wisconsin Investment Board	
Wisconsin-based Venture Capital	Venture Capital market returns

PART III: SMALL BUSINESS ETIs

Fund Name/ETI	*Benchmark*
Minnesota State Board of Investment	
Small Business Program	200 basis points over U.S. Treasuries
New York City Employees' Retirement System	
Small Business Loan Program	3-month U.S. Treasury Notes
Wyoming Retirement System	
Small Business Loans	No benchmark used

*Any pension funds not included, but listed as having ETIs, did not provide any information on the benchmarks used in their programs.

Appendix 1 - Continued

BENCHMARKS REPORTED BY PUBLIC PENSION FUNDS WITH ETIs*

PART IV: OTHER ETIs

Fund Name/ETI	*Benchmark*
State of Connecticut Trust Funds	
Connecticut Programs Fund	Not yet determined but will employ several benchmarks
City of Hartford Municipal Employees' Retirement Fund	
10 Prospect Place Bldg	The pension fund's actuarial rate of return
Public Employees' Retirement System of Idaho	
Commercial Mortgage Program	Shearson Lehman Government/Corporate or Shearson Lehman Aggregate
Minnesota State Board of Investment	
Certificate of Deposit Program	Average secondary market certificate of deposit rate quoted by the New York Federal Reserve Bank on date of subscription
Agricultural Export Program	50 basis points over 6-month Treasuries
New York City Employees' Retirement System	
Comm. Preservation-Commercial	GNMA High Coupon
Oregon Public Employes' Retirement System	
Commercial Mortgages	Deals structured to return 300 basis points over 10-year Treasuries
Pennsylvania State Employes' Retirement System	
Private Placements	Shearson Lehman Bros. Govt/Corp Index
Pennsylvania Index	Wilshire 4500 Index
Teacher Retirement System of Texas	
Texas Growth Fund	S&P 500 and/or Shearson Lehman Govt/Corp Index
State of Wisconsin Investment Board	
Direct LBOs	Benchmark under review
3-year C.D. Program	3-year U.S. Treasuries plus 55 to 65 basis points
3-month C.D. Program	Federal Reserve 3-month c.d. composite plus 10 basis points

*Any pension funds not included, but listed as having ETIs, did not provide any information on the benchmarks used in their programs.

LD1818146

HOUSE JOINT RESOLUTION NO. 264

Offered January 25, 1994

Requesting that the Virginia Retirement System study the feasibility of economically-targeted investments in venture capital projects located in the Commonwealth.

Patrons—Cantor, Callahan, Griffith, Purkey and Reid; Senator: Stosch

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Referred to Committee on Rules

WHEREAS, the Virginia Retirement System (VRS) administers a statewide public employee retirement system which provides defined benefit pension plan coverage for state employees, teachers and non-professional employees of public school boards, and employees of participating political subdivisions; and

WHEREAS, in addition to the state system, VRS administers separate retirement systems for state police officers and judges, a group life insurance program, a deferred compensation program, and a health insurance credit program for eligible state retirees; and

WHEREAS, 225 state agencies, 146 local school divisions, and 353 political subdivisions currently participate in VRS and an additional 132 local school divisions include their non-professional employees in VRS; and

WHEREAS, at the close of fiscal year 1993, VRS had 259,086 active members, and 86,369 retired members, inactive vested members, and beneficiaries; and

WHEREAS, at the close of fiscal year 1993, VRS' total pension fund assets were valued at $15.9 billion and retirement benefits paid in fiscal year 1993 totaled $667.9 million; and

WHEREAS, VRS' investments and the performance of such investments are of great importance to both plan participants and taxpayers because of the major role investment income plays in the overall financing of VRS; and

WHEREAS, given the rapid growth in the size and sophistication of VRS, it is critical that VRS develop and implement a fundamentally sound framework to govern investment decision making; and

WHEREAS, a recent study by the Joint Legislative Audit and Review Commission (JLARC) found that VRS' investment program and portfolio structure are fundamentally sound and reasonable in almost all major respects from both a procedural and substantive standpoint and that there is no cause for concern in either the investment decision-making process or in the results of that process; and

WHEREAS, JLARC recommended that VRS consider several improvements to the investment program, including a review of asset allocation as part of the process of diversifying the investment portfolio among asset classes, such as stocks, bonds, cash, real estate, etc.; and

WHEREAS, diversification of an investment portfolio is done in order to achieve a particular investment objective, such as consistently earning a specified total return through income and appreciation; and

WHEREAS, the asset allocation of a portfolio is important because it has the single greatest impact on the portfolio's overall long-term investment performance, far greater than the specific securities held in the portfolio; and

WHEREAS, VRS has developed a properly diversified and efficient portfolio that includes some newer asset classes such as managed futures, venture capital, and international investments; and

WHEREAS, even though these asset classes, taken in isolation, are often considered riskier in some respects than conventional stocks and bonds, these asset classes have certain attributes which, when combined with stocks and bonds, may actually lower the volatility of the total VRS portfolio and raise the expected ratio of return to risk; and

WHEREAS, if VRS continues its strategy of diversifying its investments in newer asset classes such as venture capital projects, then such projects should include investments that generate a direct, positive impact on the Commonwealth's economy; and

WHEREAS, economically-targeted investments in venture capital projects located in the Commonwealth may help to revitalize deteriorating areas, stimulate growth in employment, generate tax revenue, and improve existing capital structures in communities throughout the Commonwealth; and

WHEREAS, such economically-targeted investments in venture capital projects are already being made by public retirement systems in Alabama, Alaska, California, Connecticut, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, Pennsylvania, Rhode Island, and Wisconsin; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Virginia Retirement System is requested to study the feasibility of economically-targeted investments in venture capital projects located in the Commonwealth.

The Virginia Retirement System shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Official Use By Clerks

Agreed to By The House of Delegates		Agreed to By The Senate	
without amendment	☐	without amendment	☐
with amendment	☐	with amendment	☐
substitute	☐	substitute	☐
substitute w/amdt	☐	substitute w/amdt	☐

Date: ______________________ Date: ______________________

______________________ ______________________

Clerk of the House of Delegates Clerk of the Senate