

***Financial Institutions &
Insurance***

HB 1422

Brief Description: *Increasing the size of the state investment board.*

Sponsors: *Representatives Benson, Hatfield and Bush; by request of State Treasurer; Superintendent of Public Instruction.*

Brief Summary of Bill

- *The State Investment Board is expanded from 14 to 16 members.*

Hearing Date: *2/6/01*

Staff: *Thamas Osborn (786-7129).*

Background:

The legislature created the State Investment Board (SIB) in 1981 to administer public trust and retirement funds. There are 14 members that serve on the board: One active member of the Public Employees Retirement System, one active member of the Law Enforcement Officers and Firefighters Retirement System, one active member of the Teachers Retirement System, the State Treasurer, a member of the state House of Representatives, a member of the state Senate, a representative of retired state employees, the director of the Department of Labor and Industries, the director of the Department of Retirement Systems, and five nonvoting members appointed by the State Investment Board with experience in making investments.

Washington law requires that the State Investment Board (SIB) establish investment policies and procedures that are designed to maximize return at a prudent level of risk. The SIB manages 31 funds which total approximately \$56 billion.

Summary of Bill:

Two members are added to the SIB, thus increasing total membership from 14 to 16. One member will represent local government employers and will be appointed for a 2 year term

by the governor, subject to confirmation by the senate. A second member who is an active member of the school employees' retirement system will be appointed for a 3 year term by the superintendent of public instruction, subject to confirmation by the senate.

Appropriation: *None.*

Fiscal Note: *Requested on February 1, 2001.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*