

SENATE BILL REPORT

ESSB 5285

AS PASSED SENATE, MARCH 10, 1993

Brief Description: Expanding the state investment board.

SPONSORS: Senate Committee on Labor & Commerce (originally sponsored by Senators Gaspard, Moore and von Reichbauer)

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5285 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Amondson, Cantu, Fraser, McAuliffe, Newhouse, Pelz, and Vognild.

Staff: Benson Porter (786-7470)

Hearing Dates: February 11, 1993; February 26, 1993

BACKGROUND:

The State Investment Board is responsible for the investment of certain state trust and retirement system funds. The board is composed of 14 members, nine of whom vote and five of whom act in an advisory capacity regarding investments. The voting board members represent certain retirement plans, state agencies, the State Treasurer, and the Legislature.

The Speaker of the House of Representatives and the President of the Senate each appoint one member to represent the House and Senate. Legislative members serve two-year terms and may not serve as chairperson or vice chairperson.

SUMMARY:

The State Investment Board is increased from nine to 11 voting members. The two additional members increase the total legislative representation to four members. The House Speaker and the Senate President both are authorized to appoint two members, one each from the majority and minority caucuses within their respective legislative bodies.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR: None

TESTIMONY AGAINST:

If the intent of the proposal is to further communications between the board and the Legislature, other alternatives are available. In light of past experience, lack of attendance could make the board's ability to transact business difficult in the event of the lack of attendance at a meeting. Lastly, the addition of new voting members would diminish the numerical presence of the pension fund representatives who already sit on the board.

TESTIFIED: Dan Grimm, State Treasurer/Chair, State Investment Board; Eugene St. John, WPEA (con); Basil Schwan, State Investment Board