

SENATE BILL REPORT

SB 5285

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 26, 1993

Brief Description: Enlarging the state investment board.

SPONSORS: 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.

With regards to the legislative representation, 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 14 to 16 members. Eleven of these members are authorized to vote on matters before the board. The two additional members increase the total legislative representation to four members. The majority and minority caucuses in both the House and Senate each are authorized to appoint one member.

EFFECT OF PROPOSED SUBSTITUTE:

The quorum requirement for the State Investment Board to transact business is raised from five to six members.

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