
HOUSE BILL 1181

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Valle, Reams, Pruitt, Jacobsen, Brough, Jones, Ballard, Roland, Long, Horn, Wood and Foreman

Read first time 01/20/93. Referred to Committee on State Government.

1 AN ACT Relating to the state investment board; amending RCW
2 43.33A.020, 43.33A.030, 43.33A.040, 43.33A.150, and 43.33A.010; and
3 adding a new section to chapter 43.33A RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.33A.020 and 1985 c 195 s 1 are each amended to read
6 as follows:

7 There is hereby created the state investment board to consist of
8 ((fourteen)) sixteen members to be appointed as provided in this
9 section.

10 (1) One member who is an active member of the public employees'
11 retirement system and has been an active member for at least five
12 years. This member shall be appointed by the governor, subject to
13 confirmation by the senate, from a list of nominations submitted by
14 organizations representing active members of the system. The initial
15 term of appointment shall be one year.

16 (2) One member who is an active member of the law enforcement
17 officers' and fire fighters' retirement system and has been an active
18 member for at least five years. This member shall be appointed by the
19 governor, subject to confirmation by the senate, from a list of

1 nominations submitted by organizations representing active members of
2 the system. The initial term of appointment shall be two years.

3 (3) One member who is an active member of the teachers' retirement
4 system and has been an active member for at least five years. This
5 member shall be appointed by the superintendent of public instruction
6 subject to confirmation by the senate. The initial term of appointment
7 shall be three years.

8 (4) The state treasurer or the assistant state treasurer if
9 designated by the state treasurer.

10 (5) A member of the state house of representatives. This member
11 shall be appointed by the speaker of the house of representatives.

12 (6) A member of the state senate. This member shall be appointed
13 by the president of the senate.

14 (7) One member who is a retired member of a state retirement system
15 shall be appointed by the governor, subject to confirmation by the
16 senate. The initial term of appointment shall be three years.

17 (8) The director of the department of labor and industries.

18 (9) The director of the department of retirement systems.

19 (10) The supervisor of the economic and revenue forecast council,
20 who shall be a nonvoting member.

21 (11) The state actuary, who shall be a nonvoting member.

22 (12) Five nonvoting members appointed by the state investment board
23 who are considered experienced and qualified in the field of
24 investments.

25 The legislative members shall serve terms of two years. The
26 initial legislative members appointed to the board shall be appointed
27 no sooner than January 10, 1983. The position of a legislative member
28 on the board shall become vacant at the end of that member's term on
29 the board or whenever the member ceases to be a member of the senate or
30 house of representatives from which the member was appointed.

31 After the initial term of appointment, all other members of the
32 state investment board, except ex officio members, shall serve terms of
33 three years and shall hold office until successors are appointed.
34 Members' terms, except for ex officio members, shall commence on
35 January 1st of the year in which the appointments are made.

36 Members may be reappointed for additional terms. Appointments for
37 vacancies shall be made for the unexpired terms in the same manner as
38 the original appointments. Any member may be removed from the board
39 for cause by the member's respective appointing authority.

1 **Sec. 2.** RCW 43.33A.030 and 1981 c 3 s 3 are each amended to read
2 as follows:

3 Trusteeship of those funds under the authority of the board is
4 vested in the voting members of the board. The nonvoting members of
5 the board shall advise the voting members on matters of investment
6 policy and practices.

7 The board may enter into contracts necessary to carry out its
8 powers and duties. ~~((The board may delegate any of its powers and
9 duties to its executive director as deemed necessary for efficient
10 administration and when consistent with the purposes of this 1980
11 act.))~~ However, the board's contracts are subject to review and filing
12 as specified in chapter 39.29 RCW and any rules, procedures, or
13 guidelines established by the office of financial management under its
14 authority contained in chapter 39.29 RCW.

15 **Sec. 3.** RCW 43.33A.040 and 1981 c 219 s 2 are each amended to read
16 as follows:

17 (1) A quorum to conduct the business of the state investment board
18 consists of at least ~~((four voting members of the board before January
19 10, 1983, and))~~ five voting members ~~((thereafter))~~. No action may be
20 taken by the board without the affirmative vote of ~~((four members
21 before January 10, 1983, and))~~ five members ~~((thereafter))~~.

22 (2) The state investment board shall meet at least quarterly at
23 such times as it may fix. The board shall elect a chairperson and vice
24 chairperson annually: PROVIDED, That the legislative members are not
25 eligible to serve as chairperson.

26 **Sec. 4.** RCW 43.33A.150 and 1989 c 179 s 2 are each amended to read
27 as follows:

28 (1) The state investment board shall prepare written reports at
29 least quarterly summarizing the investment activities of the state
30 investment board and the performance of the state's investments, which
31 ((reports)) shall be made available to the public upon request. At
32 least annually, the board shall prepare a written report of board
33 activities and investment performance. The report shall be sent to the
34 governor, the senate ways and means committee, the house appropriations
35 committee, the joint legislative committee on pension policy, the
36 department of retirement systems, and other agencies having a direct
37 financial interest in the investment of funds by the board, and to

1 other persons on written request. The state investment board shall
2 provide information to the department of retirement systems necessary
3 for the preparation of monthly reports.

4 (2) At least annually, the board shall report on the board's
5 investment activities and investment performance for the department of
6 labor and industries' accident, medical aid, and reserve funds to the
7 joint legislative committee on pension policy, the senate financial
8 institutions and insurance committee, the senate economic development
9 and labor committee, and the house commerce and labor committee, or
10 appropriate successor committees.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.33A RCW
12 to read as follows:

13 The state investment board shall prepare an investment plan every
14 two years beginning January 1, 1994. The board shall submit the plan
15 to the governor, the senate ways and means committee, the house
16 appropriations committee, the joint legislative committee on pension
17 policy, the department of retirement systems, and other agencies as
18 requested. The board shall make the plan available to the public upon
19 written request.

20 **Sec. 6.** RCW 43.33A.010 and 1981 c 3 s 1 are each amended to read
21 as follows:

22 The state investment board shall exercise all the powers and
23 perform all duties prescribed by law with respect to the investment of
24 public trust and retirement funds.

25 In addition to other duties and responsibilities provided for in
26 this chapter, the state investment board shall:

- 27 (1) Develop strategic asset allocation policies and guidelines;
28 (2) Establish investment policies, guidelines, and objectives for
29 the various funds;
30 (3) Select and terminate investment managers; and
31 (4) Authorize and review all contracts.

32 The board may delegate authority to the executive director
33 necessary to carry out board policies and approved investment
34 strategies.

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