

# FINAL BILL REPORT

## HB 1422

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### FULL VETO

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

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

**House Committee on Financial Institutions & Insurance**

**Senate Committee on Labor, Commerce & Financial Institutions**

**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 SIB with experience in making investments.

Washington law requires that the 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:**

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.

The quorum requirement for the SIB is increased from 5 to 6 voting members. No action may be taken by the board without the affirmative vote of at least 6 members.

**Votes on Final Passage:**

House 96 1  
Senate 45 3 (Senate amended)  
House 85 0 (House concurred)