

***Financial Institutions &
Insurance Committee***

HB 2057

Brief Description: *Establishing compensation levels for certain employees of the state investment board.*

Sponsors: *Representatives H. Sommers, Sehlin, Benson and Hatfield; by request of State Investment Board.*

Brief Summary of Bill

- *Gives authority to the State Investment Board to set compensation levels for its executive director, deputy director, a confidential secretary, and investment officers.*

Hearing Date: *2/23/01*

Staff: *Chris Cordes (786-7103).*

Background:

The Washington State Investment Board was created in 1981 to administer public trust and retirement funds. The board has 14 members: 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 Washington House of Representatives, a member of the Washington 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.

The State Investment Board must establish investment policies and procedures that are designed to maximize return at a prudent level of risk. It manages 27 funds which total approximately \$49 billion.

Employees of the State Investment Board include an executive director, a confidential

secretary, and investment officers. These positions are exempt from the state civil service law.

Compensation for the State Investment Board's executive director is set based on recommendations by the State Committee on Agency Officials' Salaries. This committee is responsible for making recommendations on salaries for specified agency directors or appointed officials. The committee has seven members, including representatives of public and private institutions of higher education, business, labor, the Washington Bar Association, and the Washington Personnel Resources Board.

The salaries of the State Investment Board's remaining employees are set by the Washington Personnel Resources Board. The Washington Personnel Resources Board is generally responsible for developing and implementing classification plans and salary schedules for most state employees. The Washington Personnel Resources Board has three members appointed by the Governor and confirmed by the Senate.

Summary of Bill:

The State Investment Board is given authority to set compensation levels for the board's executive director and deputy director, a confidential secretary, and the investment officers employed by the State Investment Board.

Appropriation: *None.*

Fiscal Note: *Not Requested.*

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