

FINAL BILL REPORT

HB 2365

C 303 L 02

Synopsis as Enacted

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

Sponsors: By Representatives Cooper, Benson, Bush, Anderson, Mulliken, Delvin, Alexander, Talcott, Esser and Pearson; 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 with investment experience appointed by the SIB.

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 \$54 billion.

Summary:

One member is added to the SIB, increasing total membership from 14 to 15. The new member must be an active member of the school employees' retirement system and will be appointed by the Superintendent of Public Instruction for a three year term, subject to confirmation by the Senate.

The quorum requirement is increased from five to six voting members.

Votes on Final Passage:

House 95 2
Senate 44 3

Effective: September 1, 2002