

FINAL BILL REPORT

SHB 1585

C 161 L 97

Synopsis as Enacted

Brief Description: Authorizing the state investment board to delegate certain powers and duties.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Huff, L. Thomas, Clements, H. Sommers, Wolfe and Carlson; by request of State Investment Board).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Insurance & Housing

Background: The Legislature created the Washington State Investment Board 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 State Investment Board with experience in making investments.

Washington law requires that the State Investment Board establish investment policies and procedures that are designed to maximize return at a prudent level of risk.

The State Investment Board manages 23 funds which total approximately \$35 billion. The board has the authority to hire an executive director for a three-year term. The board may delegate to the executive director any of its powers or duties. The State Investment Board utilizes external investment advisors and managers that possess specialized skills in various investment markets.

Summary: The State Investment Board's executive director may delegate to his or her staff selective powers or duties given to the executive director by the board. The powers that may be delegated include the ability to make and execute investment decisions on behalf of the board. The board or the executive director is permitted to give private sector investment advisors and managers authority to make, manage, or dispose of investments according to criteria established by the board or the executive director.

Votes on Final Passage:

House 94 0

Senate 47 0

Effective: July 27, 1997