

# SENATE BILL REPORT

## SSB 5146

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As Passed Senate, March 11, 1997

**Title:** An act relating to state investment board membership.

**Brief Description:** Requiring that the position as the retired member of the state investment board rotate among retired representatives of the public employees' retirement system, the law enforcement officers' and fire fighters' retirement system, and the teachers' retirement system.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators Winsley, Fraser, Roach, Anderson and Patterson).

**Brief History:**

**Committee Activity:** Government Operations: 1/28/97, 2/13/97 [DPS].  
Passed Senate, 3/11/97, 48-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 5146 be substituted therefor, and the substitute bill do pass.

Signed by Senators McCaslin, Chair; Anderson, Haugen, Horn, Patterson and Swanson.

**Staff:** Eugene Green (786-7405)

**Background:** The State Investment Board invests and manages the state's public trust and retirement funds. The board's investment policies and procedures are designed exclusively to maximize return at a prudent level of risk. However, in the case of the Department of Labor and Industries' accident, medical aid, and reserve funds, the board must establish investment policies and procedures designed to attempt to limit fluctuations in industrial insurance premiums and, subject to this purpose, to maximize return at a prudent level of risk. The board must prepare written reports at least quarterly summarizing its investment activities.

The State Investment Board must meet at least quarterly and consists of 14 members: one active member of PERS, one active member of LEOFF, one retired member of any state retirement system (all appointed by the Governor and subject to confirmation by the Senate); one active member of TRS, appointed by the Superintendent of Public Instruction and subject to confirmation by the Senate; one member of the Senate; one member of the House of Representatives; the State Treasurer; the Director of the Department of Labor and Industries; the Director of the Department of Retirement Systems; and five nonvoting members who are considered experienced and qualified in the field of investments. The legislative members shall serve terms of two years. All other members, except ex-officio members, serve terms of three years.

**Summary of Bill:** The member of the State Investment Board representing a retired member of any retirement system is rotated as follows: TRS, PERS, and LEOFF.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** (original bill) The retired teachers should be guaranteed a place on the board.

**Testimony Against:** This will encourage the other groups to have their own representative, thus significantly increasing the size of the board.

**Testified:** Patty Van Der Broek, Ester Wilfong, Washington State Retired Teachers Association (pro); James F. Parker, Executive Director, State Investment Board (con).