

SENATE BILL REPORT

SB 5988

As Reported By Senate Committee On:
Ways & Means, March 8, 2001

Title: An act relating to the state investment board.

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

Sponsors: Senators Snyder, McDonald, Spanel, Winsley, Prentice and Jacobsen; by request of State Investment Board.

Brief History:

Committee Activity: Ways & Means: 2/26/01, 3/8/01 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5988 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Erin Hannan (786-7708)

Background: The State Investment Board (SIB) invests and manages 29 state trust and retirement funds with a current market value of \$58 billion. The funds are categorized into six types: retirement, deferred compensation program, insurance, permanent, advanced college tuition program, and other trusts. For this purpose, the SIB employs investment officers. Compensation levels for the confidential secretary and all investment officers, including the deputy director for investment management, are currently established by the Washington Personnel Resources Board. The SIB sets the salary for the executive director of the board.

Summary of Substitute Bill: The State Investment Board is authorized to set compensation levels for the executive director, a confidential secretary and all investment officers, including the deputy director for investment management. The SIB must notify the director of the Department of Personnel, the director of Financial Management, and the chairs of the House of Representatives and Senate fiscal committees at least 60 days before the effective date of the proposed changes to compensation levels.

Substitute Bill Compared to Original Bill: The notification is not included in the original bill.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill enables the SIB to attract and retain investment officers. Salary ranges are currently less than states within similar portfolios. The SIB has experienced staff turnover and shrinking candidate pools when refilling investment officer positions.

Testimony Against: None.

Testified: Jim Parker, State Investment Board (pro); Gary Moore, Dept. of Labor and Industries (pro); Charles Kaminski, Wick Group (pro); Bev Hermanson, WA Federation of State Employees (pro); Patrick McElligott, Council of Firefighters (pro).