

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5988**

Chapter 302, Laws of 2001

57th Legislature  
2001 Regular Session

STATE INVESTMENT BOARD

EFFECTIVE DATE: 7/22/01

Passed by the Senate April 20, 2001  
YEAS 40 NAYS 0

BRAD OWEN  
**President of the Senate**

Passed by the House April 19, 2001  
YEAS 96 NAYS 2

FRANK CHOPP  
**Speaker of the  
House of Representatives**

CLYDE BALLARD  
**Speaker of the  
House of Representatives**

Approved May 14, 2001

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5988** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK  
**Secretary**

FILED

May 14, 2001 - 3:28 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5988**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2001 Regular Session

**State of Washington                      57th Legislature                      2001 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Snyder, McDonald, Spanel, Winsley, Prentice and Jacobsen; by request of State Investment Board)

READ FIRST TIME 03/08/01.

1            AN ACT Relating to the state investment board; and amending RCW  
2 43.33A.100 and 43.03.028.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 43.33A.100 and 1993 c 281 s 50 are each amended to  
5 read as follows:

6            The state investment board shall maintain appropriate offices and  
7 employ such personnel as may be necessary to perform its duties.  
8 Employment by the investment board shall include but not be limited to  
9 an executive director, investment officers, and a confidential  
10 secretary, which positions are exempt from classified service under  
11 chapter 41.06 RCW. Employment of the executive director by the board  
12 shall be for a term of three years, and such employment shall be  
13 subject to confirmation of the state finance committee: PROVIDED, That  
14 nothing shall prevent the board from dismissing the director for cause  
15 before the expiration of the term nor shall anything prohibit the  
16 board, with the confirmation of the state finance committee, from  
17 employing the same individual as director in succeeding terms.  
18 Compensation levels for the executive director, a confidential  
19 secretary, and all investment officers, including the deputy director

1 for investment management, employed by the investment board shall be  
2 established by the ((Washington personnel resources)) state investment  
3 board. The investment board is authorized to maintain a retention  
4 pool, from the earnings of the funds managed by the board, in order to  
5 address recruitment and retention problems. The compensation levels  
6 for investment officers shall be limited to the average of state funds  
7 of similar size, based upon a biennial survey conducted by the  
8 investment board, with review and comment by the joint legislative  
9 audit and review committee. However, in any fiscal year the salary  
10 increases granted by the investment board from the retention pool to  
11 investment officers pursuant to this section may not exceed an average  
12 of five percent.

13 The investment board shall provide notice to the director of the  
14 department of personnel, the director of financial management, and the  
15 chairs of the house of representatives and senate fiscal committees of  
16 proposed changes to the compensation levels for the positions. The  
17 notice shall be provided not less than sixty days prior to the  
18 effective date of the proposed changes.

19 As of July 1, 1981, all employees classified under chapter 41.06  
20 RCW and engaged in duties assumed by the state investment board on July  
21 1, 1981, are assigned to the state investment board. The transfer  
22 shall not diminish any rights granted these employees under chapter  
23 41.06 RCW nor exempt the employees from any action which may occur  
24 thereafter in accordance with chapter 41.06 RCW.

25 All existing contracts and obligations pertaining to the functions  
26 transferred to the state investment board in this 1980 act shall remain  
27 in full force and effect, and shall be performed by the board. None of  
28 the transfers directed by this 1980 act shall affect the validity of  
29 any act performed by a state entity or by any official or employee  
30 thereof prior to July 1, 1981.

31 **Sec. 2.** RCW 43.03.028 and 1995 c 67 s 1 are each amended to read  
32 as follows:

33 (1) There is hereby created a state committee on agency officials'  
34 salaries to consist of seven members, or their designees, as follows:  
35 The president of the University of Puget Sound; the chairperson of the  
36 council of presidents of the state's four-year institutions of higher  
37 education; the chairperson of the Washington personnel resources board;  
38 the president of the Association of Washington Business; the president

1 of the Pacific Northwest Personnel Managers' Association; the president  
2 of the Washington State Bar Association; and the president of the  
3 Washington State Labor Council. If any of the titles or positions  
4 mentioned in this subsection are changed or abolished, any person  
5 occupying an equivalent or like position shall be qualified for  
6 appointment by the governor to membership upon the committee.

7 (2) The committee shall study the duties and salaries of the  
8 directors of the several departments and the members of the several  
9 boards and commissions of state government, who are subject to  
10 appointment by the governor or whose salaries are fixed by the  
11 governor, and of the chief executive officers of the following agencies  
12 of state government:

13 The arts commission; the human rights commission; the board of  
14 accountancy; the board of pharmacy; the eastern Washington historical  
15 society; the Washington state historical society; the interagency  
16 committee for outdoor recreation; the criminal justice training  
17 commission; the department of personnel; (~~the state finance~~  
18 ~~committee;~~) the state library; the traffic safety commission; the  
19 horse racing commission; the advisory council on vocational education;  
20 the public disclosure commission; the state conservation commission;  
21 the commission on Hispanic affairs; the commission on Asian Pacific  
22 American affairs; the state board for volunteer fire fighters and  
23 reserve officers; the transportation improvement board; the public  
24 employment relations commission; the forest practices appeals board;  
25 and the energy facilities site evaluation council.

26 The committee shall report to the governor or the chairperson of  
27 the appropriate salary fixing authority at least once in each fiscal  
28 biennium on such date as the governor may designate, but not later than  
29 seventy-five days prior to the convening of each regular session of the  
30 legislature during an odd-numbered year, its recommendations for the  
31 salaries to be fixed for each position.

32 (3) Committee members shall be reimbursed by the department of  
33 personnel for travel expenses under RCW 43.03.050 and 43.03.060.

Passed the Senate April 20, 2001.

Passed the House April 19, 2001.

Approved by the Governor May 14, 2001.

Filed in Office of Secretary of State May 14, 2001.