
SENATE BILL 6215

State of Washington

65th Legislature

2018 Regular Session

By Senators Mullet and Fain

1 AN ACT Relating to compensation and administrative expenses of
2 the Washington state investment board; and amending RCW 43.33A.100
3 and 43.33A.160.

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

5 **Sec. 1.** RCW 43.33A.100 and 2011 1st sp.s. c 43 s 457 are each
6 amended to read as follows:

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

1 board shall be established by the state investment board. ((The
2 investment board is authorized to maintain a retention pool within
3 the state investment board)) This compensation is funded by the
4 expense account under RCW 43.33A.160, from the earnings of the funds
5 managed by the board, pursuant to a performance management and
6 compensation program developed by the investment board, in order to
7 address recruitment and retention problems and to reward performance.
8 The compensation levels and incentive compensation for investment
9 officers shall be limited to the average of total compensation
10 provided by state or other public funds of similar size, based upon a
11 biennial survey conducted by the investment board, with review and
12 comment by the joint legislative audit and review committee. However,
13 in any fiscal year the incentive compensation granted by the
14 investment board ((from the retention pool)) to investment officers
15 pursuant to this section may not exceed thirty percent.
16 ((Disbursements from the retention pool shall be from legislative
17 appropriations and shall be on authorization of the board's executive
18 director or the director's designee.))

19 The investment board shall provide notice to the director of
20 financial management and the chairs of the house of representatives
21 and senate fiscal committees of proposed changes to the compensation
22 levels for the positions. The notice shall be provided not less than
23 sixty days prior to the effective date of the proposed changes.

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

30 All existing contracts and obligations pertaining to the
31 functions transferred to the state investment board in chapter 3,
32 Laws of 1981 shall remain in full force and effect, and shall be
33 performed by the board. None of the transfers directed by chapter 3,
34 Laws of 1981 shall affect the validity of any act performed by a
35 state entity or by any official or employee thereof prior to July 1,
36 1981.

37 **Sec. 2.** RCW 43.33A.160 and 1991 sp.s. c 13 s 32 are each amended
38 to read as follows:

1 (1) The state investment board shall be funded from the earnings
2 of the funds managed by the state investment board, proportional to
3 the value of the assets of each fund(~~(, subject to legislative~~
4 ~~appropriation)~~).

5 (2) There is established in the custody of the state (~~(treasury)~~)
6 treasurer a state investment board expense account from which shall
7 be paid the operating expenses of the state investment board. Prior
8 to November 1 (~~(of)~~) each (~~(even-numbered)~~) year, the state
9 investment board shall determine and certify to the state treasurer
10 and the office of financial management the value of the (~~(various~~
11 ~~funds)~~) total assets managed by the investment board (~~(in order to~~
12 ~~determine the proportional liability of the funds for the operating~~
13 ~~expenses of the state investment board. Pursuant to appropriation,~~
14 ~~the state treasurer is authorized to transfer such moneys from the~~
15 ~~various funds managed by the investment board to the state investment~~
16 ~~board expense account as are necessary to pay the operating expenses~~
17 ~~of the investment board)~~). However, in any fiscal year the operating
18 expenses of the investment board may not exceed 0.03 percent of the
19 total assets managed by the state investment board, unless authorized
20 by the legislature. The executive director of the investment board
21 shall annually report on the board's budget and expenditures to the
22 pension funding council created by RCW 41.45.100.

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