

1422

Sponsor(s): Representatives Benson, Hatfield and Bush; by request of State Treasurer and Superintendent of Public Instruction

Brief Description: Increasing the size of the state investment board.

HB 1422 - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Increases the size of the state investment board from fourteen to sixteen members.

Declares that a quorum to conduct the business of the state investment board consists of at least six voting members. No action may be taken by the board without the affirmative vote of six members.

VETO MESSAGE ON HB 1422

May 15, 2001

To the Honorable Speakers and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, House Bill No. 1422 entitled:

"AN ACT Relating to increasing the size of the state investment board;"

This bill would have added two members to the State Investment Board: a representative of local government appointed by the Governor for a two-year term, and an active member of the School Employees Retirement System (SERS) appointed by the Superintendent of Public Instruction for a three-year term.

I do not dispute that local governments and school employees have a valid interest in State Investment Board decisions. However, I am concerned that House Bill No. 1422 does not address the equally valid interests of the many other groups whose funds are managed by the Board but who would continue to be excluded.

Rather than increasing the size of the Board by granting membership to selected individual stakeholders to the exclusion of others, a better approach would be to restructure the Board to allot seats to classes of stakeholders, without increasing the number of Board members. I would be pleased to work with the Legislature and stakeholders to develop legislation toward this end.

For these reasons I have vetoed House Bill No. 1422 in its entirety.

Respectfully submitted,
Gary Locke
Governor