
Appropriations Committee

HB 3149

Brief Description: Changing state investment board personnel compensation provisions.

Sponsors: Representatives Sommers, Haler, Conway, Kenney, Fromhold, McIntire, Anderson and Darneille; by request of State Investment Board.

Brief Summary of Bill

- Establishes a budgeted, non-appropriated retention account for State Investment Board investment officers.
- Directs the State Investment Board to maintain the investment officer retention pool according to a performance management and compensation program developed by the Board to address recruitment and retention issues, and reward performance.
- Limits compensation and incentives for investment officers to the average of total compensation provided by other state or public funds of similar size.

Hearing Date:

Staff: David Pringle (786-7310).

Background:

The State Investment Board (Board) was established by the Legislature in 1981 to oversee the long-term investment of the state's pension, industrial insurance, and trust funds. These investments are managed by a staff employed by the Board, as well as outside investment advisors under contract with the Board. The administrative and investment expenses of the Board are paid from the State Investment Board Expense Account, which is funded from the investment earnings of the funds managed by the Board, subject to legislative appropriation.

The executive director and investment officers employed by the Board are exempt from the state civil service laws. Their compensation is determined by the Board. In 2001, the Legislature authorized the Board to establish a retention pool to grant salary increases to address recruitment

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and retention issues. The compensation level for the investment officers cannot exceed the average paid by state funds of a similar size, based on a biennial salary survey. Each year, the salary increases granted by the Board from the retention pool cannot exceed an average of 5 percent.

Summary of Bill:

A budgeted, non-appropriated State Investment Board investment officer retention account is established in the custody of the State Treasurer. The account is funded from earnings of the funds managed by the State Investment Board.

The State Investment Board will develop a performance management and compensation program to address recruitment and retention issues, and reward performance. Compensation and incentives from the retention pool for investment officers is limited to the average of total compensation provided by other state or public investment funds of similar size.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.