

Agency 126

State Investment Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	73.4		19,266	19,266
Supplemental Changes				
2005-07 Pay Increase for Investment Officers			845	845
DIS-Administered Firewall			30	30
Benefit Cost Correction			32	32
2007-09 Pay Increase for Investment Officers			457	457
Transfer Data Warehouse to Appropriated Funds			2,500	2,500
Online Recruiting Service			4	4
Pension Plan 1 COLA Funding			4	4
PEBB Rate Reduction			(124)	(124)
Subtotal - Supplemental Changes			3,748	3,748
Total Proposed Budget	73.4		23,014	23,014
Difference			3,748	3,748
Percent Change	0.0%		19.5%	19.5%

SUPPLEMENTAL CHANGES

2005-07 Pay Increase for Investment Officers

The Washington State Investment Board (WSIB) has the authority to set compensation levels for investment officers based upon a biennial salary survey. Funding is needed to cover salary and benefit increases approved by the WSIB during the 2005-07 Biennium. (State Investment Board Expense Account)

DIS-Administered Firewall

The WSIB has determined that implementing a data warehouse, coupled with a system to measure investment performance, is the best way to satisfy its reporting and analysis needs. A firewall, administered by the Department of Information Services, is necessary for the security of the data warehouse system. (State Investment Board Expense Account)

Benefit Cost Correction

Health insurance benefits are provided for two new positions. The positions were established in the biennial budget, but health insurance funding was omitted. (State Investment Board Expense Account)

2007-09 Pay Increase for Investment Officers

Funding is provided for future compensation costs associated with the recruitment and retention of investment officers. The Board plans salary increases for January 2008 and January 2009. (State Investment Board Expense Account)

GOVERNMENTAL OPERATIONS

Transfer Data Warehouse to Appropriated Funds

Funding for the investment data warehouse project is transferred from non-budgeted funds to the appropriated expense account. The non-budgeted funding and the expense account are both drawn from investment earnings. The data warehouse project was approved by the Information Services Board, and is currently in progress. (State Investment Board Expense Account)

Online Recruiting Service

To support the state's online recruitment tool (E-Recruiting), additional funds are provided for a one-time charge from the Department of Personnel. This will improve the ability of agencies to manage their recruitment and hiring processes as required by the Personnel System Reform Act of 2002.

Pension Plan 1 COLA Funding

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Senate Bill 5175. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. (General Fund-State, other funds)

PEBB Rate Reduction

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).