

**State Investment Board  
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2015-17 Estimated Expenditures</b>	<b>97.4</b>	<b>0</b>	<b>42,568</b>	<b>42,568</b>
<b>2017-19 Maintenance Level</b>	<b>97.4</b>	<b>0</b>	<b>43,877</b>	<b>43,877</b>
Difference from 2015-17	-0.1	0	1,309	1,309
% Change from 2015-17	-0.1%		3.1%	3.1%
<b>Policy Other Changes:</b>				
1. Investment Strategies	4.1	0	2,069	2,069
2. Investment Data Analytics Officer	0.9	0	445	445
<b>Policy -- Other Total</b>	<b>5.0</b>	<b>0</b>	<b>2,514</b>	<b>2,514</b>
<b>Policy Comp Changes:</b>				
3. State Public Employee Benefits Rate	0.0	0	262	262
4. Non-Rep General Wage Increase	0.0	0	1,155	1,155
5. Orca Transit Pass-Not WFSE	0.0	0	10	10
6. Investment Officer Compensation	0.0	0	490	490
<b>Policy -- Comp Total</b>	<b>0.0</b>	<b>0</b>	<b>1,917</b>	<b>1,917</b>
<b>Policy Central Services Changes:</b>				
7. Archives/Records Management	0.0	0	1	1
8. Audit Services	0.0	0	2	2
9. Legal Services	0.0	0	14	14
10. CTS Central Services	0.0	0	16	16
11. DES Central Services	0.0	0	12	12
<b>Policy -- Central Svcs Total</b>	<b>0.0</b>	<b>0</b>	<b>45</b>	<b>45</b>
<b>Total Policy Changes</b>	<b>5.0</b>	<b>0</b>	<b>4,476</b>	<b>4,476</b>
<b>2017-19 Policy Level</b>	<b>102.4</b>	<b>0</b>	<b>48,353</b>	<b>48,353</b>
Difference from 2015-17	5.0	0	5,785	5,785
% Change from 2015-17	5.1%		13.6%	13.6%

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### POLICY CHANGES

#### 1. Investment Strategies

This funding will increase capacity for the Washington State Investment Board (WSIB) to manage global funds, tangible assets and other innovative investment vehicles. Additional investment officers will be hired to implement these strategies, which are growing in size and complexity. The WSIB's objective is to effectively construct and oversee premium investment portfolios for state retirement systems and other public funds. The funding favorably positions the WSIB to attain the return objective set by the Legislature. (State Investment Board Expense Account-State)

#### 2. Investment Data Analytics Officer

This item funds one new Investment Data Analytics Officer position to lead and assist in optimizing investment data processing, improving investment risk and performance analytics, leveraging cloud technologies, exploring open data possibilities and broadly providing the highest quality investment data research for the WSIB, partners and beneficiaries. (State Investment Board Expense Account-State)

#### 3. State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union, who are covered by a bargaining agreement that is not subject to financial feasibility determination, or who are not part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (State Investment Board Expense Account-State)

#### 4. Non-Rep General Wage Increase

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; and a general wage increase of 2 percent, effective January 1, 2019. This item includes both higher education and general government workers. (State Investment Board Expense Account-State)

#### 5. Orca Transit Pass-Not WFSE

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, other than those represented by the Washington Federation of State Employees. (State Investment Board Expense Account-State)

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### **6. Investment Officer Compensation**

This item pays for targeted salary increases for investment officer job classes. The funding is sufficient for increases of 2 percent on July 1, 2017, and 2 percent on July 1, 2018, in addition to general wage increases for non-represented employees. (State Investment Board Expense Account-State)

### **7. Archives/Records Management**

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center (State Investment Board Expense Account-State)

### **8. Audit Services**

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (State Investment Board Expense Account-State)

### **9. Legal Services**

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. The Attorney General's Office will work with client agencies to implement stricter policies and best practices regarding usage of legal services to achieve lower bills. (State Investment Board Expense Account-State)

### **10. CTS Central Services**

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways, and geospatial imaging services. (State Investment Board Expense Account-State)

### **11. DES Central Services**

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking, and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (State Investment Board Expense Account-State)