

3. FUNDING

Funding the Washington State Investment Board

Funding for the WSIB is from the assets invested by the WSIB. The Board receives no state tax monies. The Board is, therefore, referred to as a "non-general fund" agency for budgetary purposes. There are two ways portions of earnings are spent.

The Biennial Budget (Appropriated)

The WSIB follows the same budget process as any other state agency. The Board receives a biennial (two-year) appropriation from the Legislature, to cover normal agency operations, including staff, facilities, equipment, and supplies. These funds come from investment earnings and are apportioned among the funds invested by the WSIB.

The biennial budget is approved by the Legislature every odd-numbered year. The biennial budget funds the agency from July 1 of the odd-numbered year, to June 30 of the next odd-numbered year.

Like any other agency, the Board cannot operate in a deficit.

Investment Expenses (Non-Appropriated)

Fees and expenses related to investments are netted against or paid directly by the WSIB from investment earnings. Typically, these expenses include money managers, consultants, investment monitoring, and legal fees specifically related to an investment or group of investments.

These expenses are classified as non-appropriated expenditures which do not require specific legislative appropriation.

Statutory authority for these investment-related expenditures is codified in RCW 43.84.160.

Expenditures by the WSIB are ultimately overseen by the Office of Financial Management and periodically reviewed by internal and/or external auditors.