



November 20, 2025 - 8:00 AM

Administrative Committee Meeting

2100 Evergreen Park Dr SW, Olympia, WA 98502

The link to view the meeting virtually can be found at www.sib.wa.gov/meetings.html

- 1. Call to Order/Roll Call 8:00a**
- 2. Adoption of Minutes (8:00-8:05)**
 - A. Adoption of the September 18, 2025, Meeting Minutes
- 3. Quarterly Budget Update (8:05-8:15)**
 - A. Quarterly Budget Update
- 4. CEO Performance and Compensation Policy Review (8:15-8:30)**
 - A. CEO Performance and Compensation Policy Review (8:15-8:30)
- 5. Chief Executive Officer Evaluation Process (8:30-8:40)**
- 6. Board Education (8:40-8:50)**
 - A. 2025-2026 Recommended Board Conference and Education List
 - B. Board Conference and Education Report 2024-2025
- 7. Ad Hoc Governance Committee (8:50-9:00)**
- 8. Executive Session (9:00-9:10)**
 - A. Non-Voting Board Member Reappointment
- 9. Non-Voting Board Member Reappointments (9:10-9:15)**
- 10. Other Items (9:15-9:20)**
- 11. Adjourn**

WASHINGTON STATE INVESTMENT BOARD
Administrative Committee Meeting Minutes
November 20, 2025

The Administrative Committee met in an open public session at the office of the Washington State Investment Board (WSIB) at 2100 Evergreen Park Drive SW, Olympia, Washington, and via Microsoft Teams video conferencing available to participants and members of the public at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1;meeting> Meeting ID: 233 455 220 893 Passcode: 5Pfh9y. Dial in +1 564-999-2000, phone conference ID: 787 909 606#.

Members Present: Yona Makowski, Chair
 Sara Ketelsen
 Liz Lewis
 Joel Sacks

Other Board Members
Present: Tracy Stanley
 Kathryn Leathers

Also Present: Allyson Tucker, Chief Executive Officer
 Chris Hanak, Chief Investment Officer
 Curt Gavigan, Chief Operating Officer
 Cliff Hicks, Budget Officer
 Stacy Conway, Chief of Staff
 Jessica Carter, Confidential Secretary

 Dan Jensen, Attorney General's Office

CALL TO ORDER

Chair Makowski called the meeting to order at 8:01 a.m. and took roll call. All Committee members listed as present were able to participate fully in the meeting while in attendance.

ADOPTION OF MINUTES

Chair Makowski moved to approve the September 18, 2025, meeting minutes. Joel Sacks seconded, and the motion carried unanimously.

QUARTERLY BUDGET UPDATE

Presenter: Cliff Hicks, Budget Officer

Cliff Hicks provided the first quarterly appropriated budget update of the biennium, reporting a projected balance of \$8.2 million for the fiscal year. Because this is the first year of the biennium, any balance from this fiscal year will carry over into Fiscal Year 2027. The non-appropriated budget for Fiscal Year 2026 has projected balances of \$89 million for

fluctuating costs and \$5.1 million for non-fluctuating costs. The combined appropriated and non-appropriated projected balance is \$102 million for the end of the fiscal year.

Discussion ensued comparing the current budget to the previous fiscal year, staffing vacancies and associated savings, and additional details about portfolio verification expenses and the current Request for Proposal process.

CHIEF EXECUTIVE OFFICER (CEO) EVALUATION AND CEO PERFORMANCE AND COMPENSATION POLICY REVIEW

Presenter: Yona Makowski, Administrative Committee Chair

Allyson Tucker provided details about the 3-year policy review process for both policies.

Chair Makowski requested Committee feedback regarding any potential policy revisions. There were no suggestions made.

The Committee discussed policy versus practice in setting the CEO's compensation band relative to the peer universe, clarifying historical approaches. Chair Makowski requested further research, including the identification of comparable peers, noting the WSIB's uniqueness in this area. It was agreed that the current framework would support moving forward with the compensation and evaluation work.

[George Zinn joined the meeting at 8:15 a.m.]

Additional discussion ensued regarding staff's review of the policies to provide recommendations for edits, the WSIB's structure as an investment organization, and the Board's decision to recruit a CEO with an investment background.

BOARD CONFERENCE AND EDUCATION REPORT 2024-2025

Presenter: Stacy Conway, Chief of Staff

Stacy Conway provided the background and the process on the Board Conference and Education Report for 2024-2025, noting that Board policy requires an annual report to the Board on attendance at external and internal education sessions.

Discussion ensued regarding new offerings on the 2025-2026 list.

2025-2026 RECOMMENDED BOARD CONFERENCE AND EDUCATION LIST

Presenter: Stacy Conway, Chief of Staff

Stacy Conway presented the 2025-2026 Recommended Board Conference and Education List explaining that set forth in the Board Education policy is the requirement to adopt a list of pre-approved external conference and education opportunities. The events on the list have been well-vetted and determined to be of value to members. She shared that the adoption of an approved list does not prevent members from attending a conference on

behalf of the WSIB that is not on the list. She noted no changes to the list; however, staff are researching the education program offered by the National Conference on Public Employee Retirement Systems (NCPERS).

Discussion ensued regarding including additional details about the education session in committee meeting material release communications, Board member reporting on education event attendance, and logistical steps for obtaining approval from the Board Chair to attend events.

Chair Makowski moved that the Administrative Committee recommend the Board approve the 2025-2026 Board Conference and Education List as proposed. Sara Ketelsen seconded, and the motion carried unanimously.

AD HOC GOVERNANCE COMMITTEE SCOPE AND COMPOSITION

Presenter: Yona Makowski, Administrative Committee Chair

Chair Makowski provided background and proposed next steps to continue the work started by the Ad Hoc Governance Committee. The former Ad Hoc Committee completed its work under the original scope, with the deliverance of the Committee's recommendation for next steps. At this time a new Committee will be formed to continue the work of implementing the recommendations.

Chair Makowski moved that the Administrative Committee recommend the Board form an ad hoc committee for the purpose(s) discussed comprised of David Nierenberg, as Chair, Joel Sacks, Sara Ketelsen, and Yona Makowski. Sara Ketelsen seconded, and the motion carried unanimously.

EXECUTIVE SESSION

Chair Makowski announced that the Committee would go into executive session to discuss the performance of public employees. The executive session was expected to last until approximately 8:50 a.m., after which time the Committee would reconvene in open session.

[The Committee went into executive session at 8:30 a.m.]

Non-Voting Board Member Term Expiration

Presenter: Yona Makowski, Administrative Committee Chair

[The Committee reconvened in open session at 8:50 a.m.]

Non-Voting Board Member Reappointments

Presenter: Yona Makowski, Administrative Committee Chair

APPROVED

Chair Makowski moved that the Administrative Committee recommend the Board take the action discussed in executive session relative to the Non-Voting Board Member reappointments. Sara Ketelsen seconded, and the motion carried unanimously.

ADJOURNMENT

There was no further business to come before the Administrative Committee, and the meeting adjourned at 8:53 a.m.

QUARTERLY BUDGET UPDATE

NOVEMBER 20, 2025

Cliff Hicks
Budget Officer



FISCAL YEAR (FY) 2026 QUARTERLY BUDGET UPDATE

QUARTER ENDED SEPTEMBER 30, 2025



Appropriated Budget

	FY 2026					FY 2025				
	Budgeted Amount	Expenditures Through September 30, 2025		PROJECTED EXPENDITURES		Budgeted Amount*	Expenditures Through September 30, 2024		ACTUAL EXPENDITURES	
	FY 2026	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended	FY 2025	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended
Salaries	\$29,394,140	\$5,990,502	20.4%	\$24,857,654	84.6%	\$29,278,301	\$5,642,666	19.3%	\$23,023,691	78.6%
Benefits	5,974,039	1,160,539	19.4%	4,940,214	82.7%	5,448,001	1,229,723	22.6%	5,212,028	95.7%
Professional Service Contracts	1,194,293	90,591	7.6%	565,591	47.4%	1,509,293	98,057	6.5%	427,927	28.4%
Goods and Services	6,335,598	1,092,621	17.2%	4,792,337	75.6%	5,838,271	1,361,514	23.3%	4,790,786	82.1%
Travel	1,168,345	428,084	36.6%	862,336	73.8%	1,214,759	457,345	37.6%	501,065	41.2%
Equipment	177,985	25,375	14.3%	100,375	56.4%	185,985	25,874	13.9%	764,802	411.2%
Debt Service (Treasury Note)	85,461	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total	\$44,329,861	\$8,787,712	19.8%	\$36,118,507	81.5%	\$43,474,610	\$8,815,179	20.3%	\$34,720,299	79.9%

* Please note that the annual budgeted amount for FY 2025 does not include the \$5.5M balance that carried over from FY 2024.

FY 2026 QUARTERLY BUDGET UPDATE

QUARTER ENDED SEPTEMBER 30, 2025



Non-Appropriated Budget – Fluctuating Costs

	FY 2026					FY 2025				
	Budgeted Amount	Expenditures Through September 30, 2025		PROJECTED EXPENDITURES		Budgeted Amount	Expenditures Through September 30, 2024		ACTUAL EXPENDITURES	
	FY 2026	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended	FY 2025	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended
Public Equity	\$90,257,000	\$18,205,520	20.2%	\$75,683,530	83.9%	\$90,507,000	\$17,716,844	19.6%	\$72,306,598	79.9%
Private Equity	521,000,000	111,432,806	21.4%	479,086,450	92.0%	521,000,000	119,773,692	23.0%	475,613,699	91.3%
Real Estate	20,875,000	906,395	4.3%	7,187,645	34.4%	20,875,000	3,069,200	14.7%	11,322,329	54.2%
Tangible Assets	120,910,000	23,960,344	19.8%	107,686,548	89.1%	120,910,000	27,106,800	22.4%	102,075,127	84.4%
Innovation Portfolio	25,500,000	4,924,903	19.3%	22,162,063	86.9%	20,500,000	5,368,658	26.2%	21,329,264	104.0%
Securities Lending	4,500,000	924,307	20.5%	3,724,388	82.8%	4,500,000	560,691	12.5%	2,499,884	55.6%
Cash Management	5,500,000	1,039,390	18.9%	4,332,277	78.8%	5,500,000	866,838	15.8%	3,707,664	67.4%
Cash Overlay	1,000,000	154,104	15.4%	650,104	65.0%	1,000,000	152,705	15.3%	602,654	60.3%
Subtotal	\$789,542,000	\$161,547,769	20.5%	\$700,513,005	88.7%	\$784,792,000	\$174,615,428	22.2%	\$689,457,219	87.9%

FY 2026 QUARTERLY BUDGET UPDATE

QUARTER ENDED SEPTEMBER 30, 2025



Non-Appropriated Budget – Non-Fluctuating Costs

	FY 2026					FY 2025				
	Budgeted Amount	Expenditures Through September 30, 2025		PROJECTED EXPENDITURES		Budgeted Amount	Expenditures Through September 30, 2024		ACTUAL EXPENDITURES	
	FY 2026	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended	FY 2025	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended
General Consultants	\$1,265,000	\$41,250	3.3%	\$457,425	36.2%	\$1,015,000	\$46,250	4.6%	\$421,300	41.5%
Staff Consultants and Contractual Services	4,264,000	361,618	8.5%	2,550,455	59.8%	4,264,000	554,593	13.0%	2,155,940	50.6%
Legal Fees	3,000,000	161,760	5.4%	684,590	22.8%	3,000,000	191,702	6.4%	498,860	16.6%
Custodian Bank Fees	3,105,000	776,250	25.0%	3,105,000	100.0%	3,020,000	575,000	19.0%	2,930,000	97.0%
Portfolio Verification	2,060,000	170,621	8.3%	2,045,621	99.3%	693,000	179,523	25.9%	696,186	100.5%
Memberships	252,000	35,927	14.3%	226,894	90.0%	252,000	11,706	4.6%	126,647	50.3%
Research Services and Analytical Tools	4,634,000	1,590,472	34.3%	4,395,582	94.9%	4,442,000	1,346,335	30.3%	4,096,254	92.2%
Subtotal	\$18,580,000	\$3,137,898	16.9%	\$13,465,567	72.5%	\$16,686,000	\$2,905,109	17.4%	\$10,925,187	65.5%

FY 2026 QUARTERLY BUDGET UPDATE

QUARTER ENDED SEPTEMBER 30, 2025



Total Budget

	FY 2026					FY 2025				
	Budgeted Amount	Expenditures Through September 30, 2025		PROJECTED EXPENDITURES		Budgeted Amount	Expenditures Through September 30, 2024		ACTUAL EXPENDITURES	
	FY 2026	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended	FY 2025	Expenditures	% of Budget Expended	Expenditures	% of Budget Expended
Appropriated	\$44,329,861	\$8,787,712	19.8%	\$36,118,507	81.5%	\$43,474,610	\$8,815,179	20.3%	\$34,720,299	79.9%
Non-Appropriated	\$808,122,000	\$164,685,667	20.4%	\$713,978,572	88.4%	801,478,000	177,520,537	22.1%	700,382,406	87.4%
Total	\$852,451,861	\$173,473,379	20.3%	\$750,097,079	88.0%	\$844,952,610	\$186,335,716	22.1%	\$735,102,705	87.0%

Total Assets Under
Management (AUM)
\$230.5 Billion

FY 2026 Projected Expenditures \$750.1 Million (0.32%)

Fluctuating Cost
93.4%

Non-Fluctuating Cost 1.8%
Appropriated Budget 4.8%



Appropriated Budget

Salaries	Projected balance of \$4,536,486. Due to savings from staff vacancies.
Benefits	Projected balance of \$1,033,825. Due to benefit savings associated with staff vacancies.
Professional Service Contracts	Projected balance of \$628,702. Due to savings in information technology (IT) consulting services.
Goods and Services	Projected balance of \$1,543,261. Due to savings in office supplies, employee development, subscriptions, as well as deferral of non-essential expenditures in response to the current fiscal climate.
Travel	Projected balance of \$306,009. Due to less Investment Officer (IO) travel in part due to IO vacancies and the deferral of non-essential travel in response to the current fiscal climate.
Equipment	Projected balance of \$77,610. Due to management's decision to defer equipment purchases in response to the current fiscal climate.
Debt Service (Treasury Note)	Projected balance of \$85,461. No financing of IT equipment is anticipated for this fiscal year.



Non-Appropriated Budget – Fluctuating Costs

Public Equity	Projected balance of \$14,573,470. Balance is expected to vary depending on growth of assets. Growth of assets yields higher fee amounts.
Private Equity	Projected balance of \$41,913,550. Final results are contingent upon the number of commitments, investment fees, and timing of distribution and calls.
Real Estate	Projected balance of \$13,687,355. Balance is expected to vary depending on consulting engagements and investment fees.
Tangible Assets	Projected balance of \$13,223,452. Balance is expected to vary depending on consulting engagements and investment fees.
Innovation Portfolio	Projected balance of \$3,337,937. Balance is expected to vary depending on consulting engagements and investment fees.
Securities Lending	Projected balance of \$775,612. Balance is expected to vary depending on market conditions.
Cash Management	Projected balance of \$1,167,723. Balance is expected to vary depending on cash balance growth and cash availability needs.
Cash Overlay	Projected balance of \$349,896. Balance is expected to vary depending on cash balance growth and cash availability needs.

Investment management fee structures for private markets are established when contracts and agreements are signed. The variability in cost is a function of asset values, investment contribution, and distribution pace, none of which can be controlled by the WSIB budget.



Non-Appropriated Budget – Non-Fluctuating Costs

General Consultants	Projected balance of \$807,575. Projected balance is based on existing agreements and contract work orders. Further costs from consulting engagements are expected.
Staff Consultants and Contractual Services	Projected balance of \$1,713,545. Projected balance is based on existing agreements and contract work orders. Further costs from consulting engagements are expected.
Legal Fees	Projected balance of \$2,315,410. Projected balance is expected to vary depending on the number and complexity of investments.
Custodian Bank Fees	Projected to spend total budgeted amount.
Portfolio Verification	Projected balance of \$14,379. Expenditures are tracking in line with original annual projections.
Memberships	Projected balance of \$25,106. Balance is expected to vary depending on agency's needs.
Research Services and Analytical Tools	Projected balance of \$238,418. Balance is expected to vary depending on agency's needs.



Appropriated Budget

Staff are projecting an FY 2026 balance of \$8,211,354. The final balance equates to a 18.5 percent savings.

The projected balance of \$8.2 million, or 18.5 percent, is expected to vary depending on the hire dates for filling vacant positions, goods and services needs, travel expenses, and other factors.

Non-Appropriated Budget

We are projecting an FY 2026 balance of \$94,143,428. The final balance equates to a 11.6 percent savings.

The projected balance of \$94.1 million, or 11.6 percent, is expected to vary depending on market volatility, asset values, investment contribution, distribution pace, consulting needs, fees, and other factors.