

Endowment Fund Investment Board

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Manager of Investments Raise					
<p>The board requests \$66,200 to raise the salary of the manager of investments to \$250,000. Of this amount, \$54,600 is for salary, while \$11,600 is for the associated increase in variable benefits. The Endowment Fund Investment Board's (EFIB) Compensation Committee approved the recommendation to increase the manager of investment's salary on August 13, 2020, noting that the 2019 McLagan/AON Compensation Survey for Public Funds listed the median salary for Chief Investment Officers with executive director responsibilities at \$265,000, ranging from \$160,000 in Louisiana to \$384,000 in Texas. Additionally, multiple states offer bonus structures in addition to the annual salary. The EFIB has not provided a bonus to the manager of investments since FY 2015, which totaled \$2,370. The manager of investments has been employed with the EFIB for three years and currently earns an hourly wage of \$93.92 (or \$195,353 annually), this request would increase that hourly rate to \$120.19. Section 55-727, Idaho Code, states that "the salary or compensation of the manager of investments and portfolio managers shall be set by the board, subject to approval of the governor, and be paid from appropriations made therefor." The statute also provides that the manager of investments is a non-classified employee.</p>					
Agency Request	0.00	0	66,200	0	66,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Budget Law Exemptions and Adjustments

The Endowment Fund Investment Board requests a continuous appropriation for consulting fees, bank custodial fees, and portfolio-related external costs. The variable costs associated with these services depend on the size of the portfolio and the turnover of investments. This uncertainty makes budgeting difficult. The appropriation bill allows the Legislature to re-evaluate the need for a continuous appropriation on an annual basis and to consider a fixed appropriation should the costs be determined to be more predictable. Actual costs paid through the continuous appropriation have steadily increased from \$1,327,400 in FY 2001 for the first full-year after endowment reform to \$11,038,000 in FY 2019.

Requested Legislative Requirements: The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs for the period July 1, 2021, through June 30, 2022.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

FY 2022 Total					
Agency Request	4.00	0	836,600	0	836,600
Governor's Recommendation	4.00	0	768,800	0	768,800
Agency Request					
Change from Original App	0.00	0	81,800	0	81,800
% Change from Original App	0.0%		10.8%		10.8%
<i>Governor's Recommendation</i>					
Change from Original App	0.00	0	14,000	0	14,000
% Change from Original App	0.0%		1.9%		1.9%