

WDFW ENFORCEMENT FUND SOURCES

- 48% General Fund
- 48% Wildlife Fund
- 4% Other Funds
 - ALEA
 - PSEA
 - ORV

FISH AND WILDLIFE OFFICER MINIMUM QUALIFICATIONS

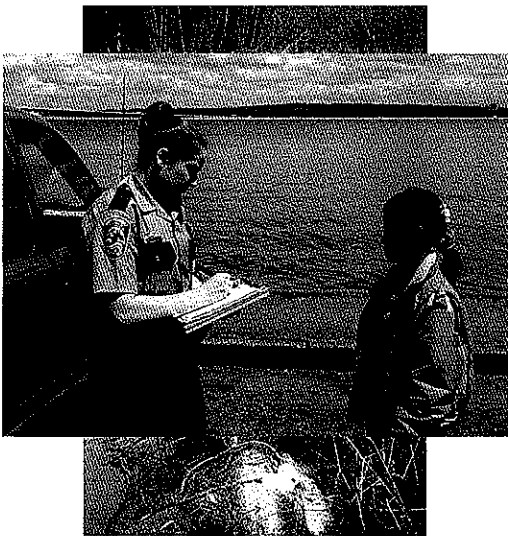


- A Bachelor's degree in Natural Resources, Criminal Justice or a closely related field

OR

- Any degree (Associates or higher) and 2 years of full-time paid law enforcement experience

COMMISSIONED TO SERVE



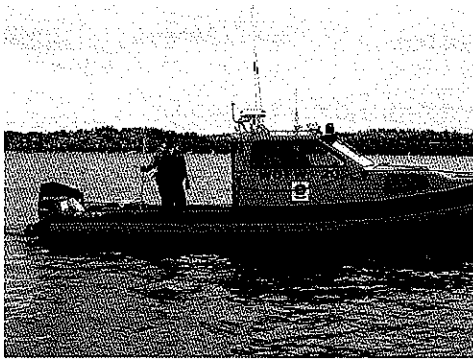
•Officers are primarily responsible to enforce Title 77, the Fish and Wildlife Code.

•Officers are also charged with enforcing statewide laws.

•Officers assist their local city/county and other law enforcement agencies and tribal authorities.

•Officers make more than 300,000 public contacts annually.

PRESERVE AND PROTECT



- **Officers are commissioned under U.S. Fish and Wildlife and National Marine Fisheries Service.**

- **Officers work jointly with the USFWS, NOAA Fisheries, U.S. Customs and the U.S. Coast Guard.**

- **Officers have jurisdiction over federal law violations (ESA, Magnuson and Lacey Act).**

- **Officers are commissioned by their county sheriffs to enforce county ordinance as it relates to no shooting areas, watercraft, ORVs, trespassing, and other violations.**

FIRST RESPONSE



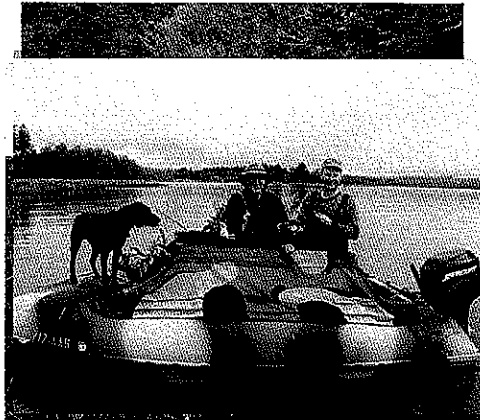
- **Officers provide first response to human/wildlife conflicts.**

- **Officers responded to over 1,000 human/wildlife conflicts in 2004, and the number continues to increase.**

- **These include bear, moose and cougar complaints, deer and elk damage to crops, problem wildlife incidents and other wildlife conflicts.**

RECREATIONAL HUNTING AND FISHING

- Resource protection
- Ensure equal harvest opportunity
- Protect public safety
- Maximize opportunity for all groups
- Big and small game, upland bird, waterfowl, fish and shellfish



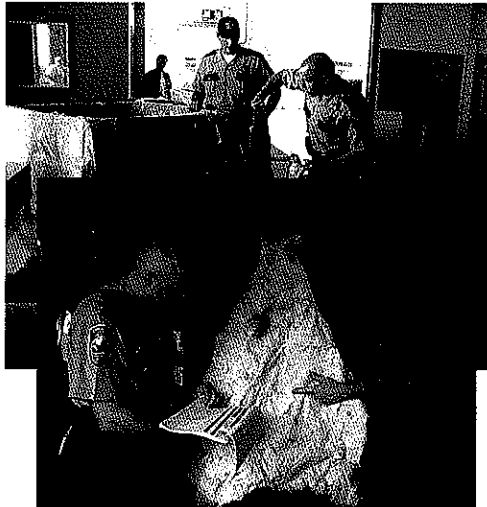
COMMERCIAL ACTIVITIES



- Commercial food fish and shellfish harvest
- Ensure consumer safety – RCW 69 Sanitary shellfish

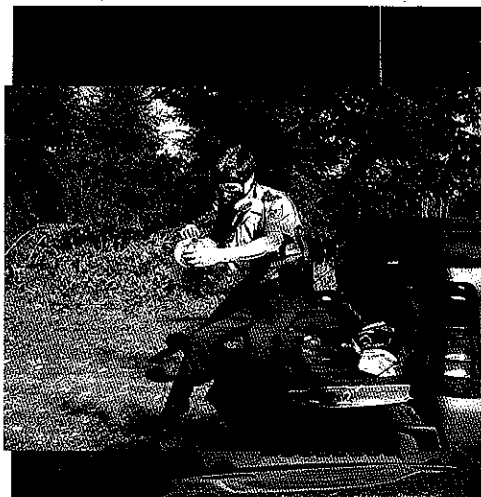
COMMERCIAL ACTIVITIES

- Wholesale and retail marketplace inspections
- Monitor product exports
- Meat processors
- Taxidermists and fur dealers



OTHER LAW ENFORCEMENT

- Traffic/vessel accidents and public safety issues
- Local police and sheriff assists
- Illegal drug operations



OTHER LAW ENFORCEMENT

Forest Products

Boating Safety



Off-Road Vehicle/Snowmobile

FWOs – MULTIPLE RETIREMENT SYSTEMS

- 77 FWO currently dual members in PERS 2/3 and LEOFF 2
- 10/77 FWO have previous LEOFF 2 service credit
- 31 FWO currently in PERS 1
- 33 FWO currently LEOFF 2 only

PERS 2/3 SERVICE CREDIT TRANSFER

- Under existing budgets WDFW would not be able to absorb the costs
- General Fund supplemental package would be difficult
- Wildlife Fund is over allocated

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

Fish and Wildlife Service Credit Transfer Initial Consideration

October 26, 2005

1. Issue

The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board requested a briefing on the transfer of service credit for fish and wildlife officers from the Public Employees' Retirement System (PERS) Plan 2 to LEOFF Plan 2.

2. Staff

Greg Deam, Senior Research and Policy Manager
(360) 586-2325
greg.deam@leoff.wa.gov

3. Members Impacted

The original fiscal note in January 2003 for HB 1205, estimated there were 72 PERS members (66 in PERS Plan 2 & 6 in PERS Plan 3) actively employed by the Department of Fish and Wildlife, recognized as general authority peace officers, who would be affected by this legislation. In addition to the 72 members identified in the fiscal note, any former fish and wildlife officers who become re-employed after July 23, 2003, would also be affected when they return.

4. Current Situation

In 2003, legislation was passed (HB 1205), which required fish and wildlife enforcement officers who were members of PERS Plan 2 or Plan 3 on or before January 1, 2003, and were employed on July 27, 2003, to become a member of LEOFF Plan 2, effective July 27, 2003.

Service earned prior to July 27, 2003 remained in PERS and the employee became a dual member. The bill also required new employees hired on or after July 27, 2003, to enter LEOFF Plan 2 membership. The bill specifically excluded employees who were members of PERS Plan 1.

5. Background Information

History

In 2002, the Legislature passed ESSB 6076 which expanded the definition of general law enforcement officer to include Fish & Wildlife Enforcement Officers. However, the same legislation also excluded the Department of Fish and Wildlife as a LEOFF employer.

In 2003, HB 1205 was passed which removed the exclusion of the Department of Fish and Wildlife as a LEOFF employer. In addition, HB 1205 added a new section to PERS (RCW 41.40.096) which mandated PERS Plan 2 or 3 members employed as Fish & Wildlife Enforcement Officers into LEOFF Plan 2. It further required PERS Plan 1 members employed as Fish and Wildlife Enforcement Officers, to remain in PERS Plan 1.

Since 1993, five separate bills, including HB 1205, have passed the Legislature allowing different groups into LEOFF Plan 2. Four of the five bills contained at least two of the following options regarding membership:

1. Remain in PERS
2. Join LEOFF Plan 2 prospectively
3. Join LEOFF Plan 2 retroactively

The fifth bill, regarding Fish and Wildlife Enforcement Officers, required that members become members of LEOFF Plan 2 on the effective date of the bill.

The four bills that allowed the retroactive transfer of member service credit required the member to pay the difference between PERS and LEOFF Plan 2 member contribution rates, plus interest. Of those four bills three have employer costs.

Employer costs consist of either paying the difference in employer contribution rates in PERS and the combined employer and state contribution rates in LEOFF Plan 2, plus interest, or an amount sufficient to ensure the contribution rate level of current members of LEOFF Plan 2 would not increase due to the transfer, or both. An amount “sufficient to ensure the contribution level of current members of LEOFF Plan 2 would not increase” is sometimes referred to as the actuarial cost, is normally calculated at the close of the window after all eligible members have transferred. This cost is the amount of money needed today (present value) to pay for the increased future benefit.

Appendix A shows detailed comparisons of the bills that have passed the Legislature allowing various groups into the LEOFF Plan 2.

6. Supporting Information

Appendix A – Previous Bills allowing various groups into LEOFF Plan 2.

APPENDIX A – Bill History of Groups Allowed into LEOFF Plan 2

Year and Bill Number	Description	Options	Employee Costs by Option	Employer Costs by Option
SHB 1744 1993	Allowed police employed by the state's universities and port districts to apply for membership in LEOFF Plan 2	<ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 2 retroactively 	<ol style="list-style-type: none"> 1. None 2. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest 	<ol style="list-style-type: none"> 1. None 2. Difference in employer contribution rates in PERS and the combined employer and state contribution rates in LEOFF Plan 2, plus interest
SHB 2191 1996	Allowed fire fighters at institutions of higher education with fully operational fire departments to apply for membership in LEOFF Plan 2	<ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 2 retroactively 	<ol style="list-style-type: none"> 1. None 2. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest 	<ol style="list-style-type: none"> 1. None 2. Difference in employer contribution rates in PERS and the combined employer and state contribution rates in LEOFF Plan 2, plus interest; and an amount sufficient to ensure the contribution rate level of current members of LEOFF Plan 2, would not increase due to the transfer
SHB 1202 2003	Allowed emergency medical technicians who were members of PERS providing emergency medical services for a city, town, county, or district whose job was relocated to a fire district to apply for membership in LEOFF Plan 2	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 2 prospectively 3. Join LEOFF Plan 2 retroactively <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 1 prospectively 	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. None 2. None 3. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. None 2. None 	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. None 2. None 3. None¹ <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. None 2. None

Year and Bill Number	Description	Options	Employee Costs by Option	Employer Costs by Option
HB 1936 2005	Allows emergency medical technicians who are members of PERS providing emergency medical services for a city, town, county, or district to apply for membership in LEOFF Plan 2	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 2 prospectively 3. Join LEOFF Plan 2 retroactively <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. Remain in PERS 2. Join LEOFF Plan 1 prospectively 	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. None 2. None 3. Difference in member contribution rates between PERS and LEOFF Plan 2, plus interest <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. None 2. None 	<p>No previous LEOFF Plan 1 Service:</p> <ol style="list-style-type: none"> 1. None 2. None 3. An amount sufficient to ensure the contribution level of current members of LEOFF Plan 2 will not increase due to the transfer <p>Previous LEOFF Plan 1 service:</p> <ol style="list-style-type: none"> 1. None 2. An amount sufficient to ensure the contribution level of current members of LEOFF Plan 2 will not increase due to the transfer
HB 1205 2003	Requires Fish & Wildlife Enforcement Officers to become members of LEOFF Plan 2 on the effective date of the bill	None	None	None

¹There is no direct cost to a specific employer for an employee transferring service credit; rather there was an increase in both member and employer contribution rates.



WASHINGTON STATE LEGISLATURE
Office of the State Actuary

October 25, 2005

TO: Steve Nelsen, Executive Director
LEOFF 2 Retirement Board

FROM: Marty McCaulay, FSA, EA, MAAA, Senior Pension Actuary
Office of the State Actuary

CC: Matt Smith, FCA, EA, MAAA, State Actuary
Office of the State Actuary

**RE: PROPOSED CHANGES FOR FISH AND WILDLIFE ENFORCEMENT
OFFICERS TRANSFER PAST PERS SERVICE TO LEOFF PLAN 2**

This memo presents the results of pricing the proposed transfer of past service credit from the Public Employees Retirement System (PERS) to LEOFF for Fish and Wildlife enforcement officers who were granted prospective membership effective July 2003.

Summary of the proposal

To move eligible past service credit from PERS to LEOFF 2, an employee would be required to make a payment to the retirement system to make up for the difference in contributions, plus interest, that the employee would have made had they been in LEOFF 2 for the period of PERS service that is eligible for transfer. This payment would be made no later than five years from the effective date of the member's election to transfer service. The employee's PERS contributions plus interest and an amount equal to the reduction in PERS fully projected liability from the transfer of service to LEOFF 2, would then be moved from PERS to LEOFF 2 upon completion of the employee's required differential payment, but no earlier than five years after the effective date of the member's election to transfer.

When a member elects to transfer their PERS service credit into LEOFF, the Department of Fish and Wildlife could be responsible to pay an additional amount sufficient to ensure that the contribution level to LEOFF 2 will not increase due to the transfer of the past service. If the employer does not make such a payment, contribution rates would need to increase slightly to cover this liability increase.

2100 Evergreen Park Drive S.W., Suite 150
P.O. Box 40914
Olympia, WA 98504-0914
(360) 786-6140

Fax: (360) 586-8135
TDD: 1-800-635-9993

E-Mail: actuary.state@leg.wa.gov

Members Impacted

Of the 95 Fish and Wildlife enforcement officers active as of September 30, 2004, we found 85 who had prior service credit in PERS. Among the Fish and Wildlife active records were a handful of members with more than the approximately 1.2 years of service they could have earned in their current positions since joining LEOFF 2. These members most likely have past service with other LEOFF agencies. There are also a few active members with no past service in PERS because they entered after July 2003. Of the 85 PERS records, we found that seven had PERS 3 membership and 78 had been in PERS 2. All seven PERS 3 members and an additional 48 PERS 2 members were vested in their respective plans. The remaining 30 members were not vested. A demographic summary of the affected members is shown below:

	Count	Average Service (Years)	Average Savings Fund	Average Current Salary*
LEOFF actives	95	1.7	\$5,961	\$54,750
LEOFF actives with PERS service	85	11.4	\$24,002	\$56,141
PERS Service Range (Rounded, in years)				
0 - 2	17	1.2	\$481	\$48,754
3 - 5	14	3.4	\$2,258	\$52,257
6 - 10	9	7.6	\$10,304	\$54,318
11 - 15	15	13.8	\$26,732	\$61,138
16 - 20	15	18.3	\$38,685	\$58,982
21 +	15	23.4	\$61,761	\$61,393

*LEOFF 2 salary, effective September 30, 2004, is used for all records, including PERS inactive records.

Costs

The liability reduction in PERS due to the proposed transfer is \$3.3 million. This amount is exactly offset by an estimated transfer of assets from PERS to LEOFF 2 of \$3.3 million, which consists of the member contributions with interest for past PERS service, and the liability reduction from transferring the past service to LEOFF 2. Overall, this proposal would result in no cost to PERS.

Adding past service for these members would result in a fully projected liability increase in LEOFF 2 of \$8.8 million. This increase would be mitigated by the \$3.3 million asset transfer from PERS mentioned above, plus an additional \$2.6 million in contributions by members to make up for the differences between PERS and LEOFF historical contributions. Overall, LEOFF plan 2 would see a net fully projected liability increase of \$2.9 million under this proposal.

A summary of costs/(savings) for all parties appears below:

(Dollars are in millions)	PERS 2/3	LEOFF 2	Total
Change in present value of fully projected benefits (The value of the total commitment to all current members)	(-3.3)	8.8	5.5
Assets transferred from PERS to LEOFF 2	3.3	(-3.3)	0.0
Additional member contributions	0.0	(-2.6)	(-2.6)
Net change in present value of fully projected benefits	0.0	2.9	2.9
Payment from Department of Fish and Wildlife and Transferred members (optional)	0.0	(-2.9)	(-2.9)

This \$2.9 million liability increase could either be absorbed by the LEOFF 2 plan or paid by the employer and the transferred members. If the Department of Fish and Wildlife and the transferred members do not cover the cost, the contribution increase and resulting fiscal impact to the plan are shown below.

Increase in Contribution Rates*: (Effective 09/01/2006)	
Current Members	
Employee	0.01%
Employer	0.01%
State	0.00%
New Entrants	
Employee	0.00%
Employer	0.00%
State	0.00%

**If optional Department of Fish and Wildlife payment is not made.*

Fiscal Costs (in Millions):	LEOFF 2
2006-2007	
State:	
General Fund	\$0.0
Non-General Fund	<u>\$0.0</u>
Total State	\$0.0
Local Government	\$0.1
Total Employer	\$0.1
Total Employee	\$0.1
2007-2009	
State:	
General Fund	\$0.0
Non-General Fund	<u>\$0.0</u>
Total State	\$0.0
Local Government	\$0.2
Total Employer	\$0.2
Total Employee	\$0.2
2006-2031	
State:	
General Fund	\$0.0
Non-General Fund	<u>\$0.0</u>
Total State	\$0.0
Local Government	\$2.0
Total Employer	\$2.0
Total Employee	\$2.0

If the Department of Fish and Wildlife and the transferred members contribute the \$2.9 million, then the net cost to the plan would be zero.

Assumptions

We do not have data on how much past PERS service was earned specifically in enforcement with the Department of Fish and Wildlife. We assume for this pricing that all past PERS service is eligible for transfer to LEOFF.

We assume that this service transfer is only available to active Fish and Wildlife enforcement officers and that every active member who is eligible to transfer past PERS service credit to LEOFF 2 will do so. It is also assumed that once a member elects to transfer service from PERS to LEOFF, he or she will not retire or otherwise voluntarily terminate for the following five years.

We assume that the contribution required to be deposited to LEOFF 2 by the employer of the affected members will come from the increase in the unfunded projected benefit obligation (PBO) for the past service transferred less other asset transfers and member contributions required under the proposal. Because the affected members all currently have LEOFF 2 membership, all of the liability increase comes from service earned in the past. Since the PBO increase exceeds the increase in fully projected benefits (PVFPB), we assume the employer would contribute the minimum of these two measures.

All other assumptions are consistent with the assumptions disclosed in the 2003 LEOFF 2 Actuarial Valuation Report.

Other Considerations

We determined that the contribution required from Fish and Wildlife and transferred members was \$2.9 million. This amount resulted in no cost impact to LEOFF 2. If this amount had been based on the unfunded PBO, it would have been greater than \$2.9 million and resulted in a cost savings to LEOFF 2. We limited the amount to the change in the Present Value of Fully Projected Benefits.

We assume that all eligible members will transfer their past PERS service to LEOFF 2. If the actual experience shows that significantly fewer than 100 percent opt to transfer, then the cost of this proposal would change.

We further assume that all past PERS service for the members in question is eligible for this transfer. If appreciably less service is transferrable to LEOFF 2, then the cost of this proposal would change.