

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
actuary.state@leg.wa.gov

Regular Committee Meeting

November 15, 2011
10:00 a.m. – 12:00 p.m.*
Senate Hearing Room 4
Olympia

AGENDA

- 10:00 a.m.
1. Approval of Minutes
 2. 2012 SCPP Meeting Dates (Action) –
Kelly Rae Burkhart, Administrative
Services Manager

Work Session

3. OSA Study Update: LEOFF Merger –
Aaron Gutierrez, Policy Analyst

Work Session, Possible Public Hearing And Executive Session

4. SCPP Study of HERPs – Darren Painter,
Senior Policy Analyst
- 12:00 p.m.
5. Adjourn

**These times are estimates and are subject to change depending on the needs of the Committee.*

O:\SCPP\2011\11-15-11_Full\0.11November_Full_Agenda.docx

*Representative Barbara
Bailey, Chair

Marty Brown, Director
Office of Financial Management

Don Carlson
TRS Retirees

*Senator Steve Conway,
Vice Chair

Vacant
Employer

Randy Davis
TRS Actives

*Steve Hill, Director
Department of Retirement Systems

Representative Hinkle

Senator Steve Hobbs

Senator Janéa Holmquist
Newbry

Robert Keller
PERS Actives

Corky Mattingly
PERS Employers

Doug Miller
PERS Employers

*Glenn Olson
PERS Employers

Representative Timm Ormsby

Senator Mark Schoesler

Representative Pat Sullivan

*J. Pat Thompson
PERS Actives

*Robert Thurston
WSPRS Retirees

David Westberg
SERS Actives

*Executive Committee

(360) 786-6140
Fax: (360) 586-8135
TDD: 711

<http://www1.leg.wa.gov/SCPP.htm>

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Regular Executive Committee Meeting

November 15, 2011
1:00 p.m. – 2:00 p.m.*
Senate Conference Rooms A/B/C
Olympia

AGENDA

- | | | |
|-----------|-----|----------------------------|
| 1:00 p.m. | (A) | Approval of Minutes |
| 1:05 p.m. | (B) | AAG Update |
| 1:15 p.m. | (C) | Constituent Correspondence |
| 1:00 p.m. | (D) | December Meeting Agenda |
| 1:30 p.m. | (E) | Discussion/Other Business |
| 2:00 p.m. | (F) | Adjourn |

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EMPLOYEE COMPENSATION

Impose 10 furlough days **\$38.0 million**

Assumes same exemptions as specified in Senate Bill 6503. Under previous furlough program, as many as 14,000–24,000 employees were affected by each statewide furlough day.

Impose additional 1 percent salary reduction for K-12 employees (one year) **\$37.0 million**

Reduces all K-12 salary allocations by 1 percent, effective for the 2012–13 school year.

Impose additional 1 percent salary reduction for state employees (one year) **\$32.7 million**

Boosts current salary reductions for most state employees from 3 to 4 percent. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union.

Increase health contributions for general government employees (one year) **\$28.0 million**

Boosts percentage paid by employees from 15 to 25 percent. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union. Will reduce employer (state) monthly per-employee contribution from \$850 to \$807.

Alternative: Reduce PEBB monthly per-employee funding rate from \$850 to \$825 (★) **\$16.0 million**

Reduce monthly state allocation for K-12 employee health benefits (★) **\$20.0 million**

Reduces state allocations to school districts for employee health benefits from \$768 to \$745 per month.

Reduce LEOFF Plan 2 employer contribution to actuarially necessary rates (★) **\$15.0 million**

Reduces the state contribution to the LEOFF Plan 2 pension, which covers local law enforcement officers and firefighters. The pension is funded by a combination of contributions in which the members pay 50 percent of the total contributions, the employers pay 30 percent and the state pays 20 percent.

Suspend step increases (one year) **\$11.4 million**

Delays step increases for about one-third of the workforce, including approximately 20,000 general government classified employees who have been subject to a 3 pay reduction, effective July 1, 2012. Requires reopening the collective bargaining agreements and reaching agreement with each union.

Alternative: Exclude employees who earn less than \$2,500 per month **\$9.7 million**

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Slows the projected increase in fund balance.

End sick leave cash-outs for employees who are not retiring **\$476,000**

Terminates the practice of paying state employees annually for one-quarter of their unused sick leave for balances in excess of 480 hours. For represented employees, will require reopening the collective bargaining agreements and reaching agreement with each union.

3410 - Law Enforcement & Fire Fighters Plan2 Re

Allotment Expenditure/Revenue BTD Flexible by Account

(*)

Report Number: AEF04

Date Run: Nov 9, 2011 11:39AM

Biennium: 2013

As of Fiscal Month: Oct FY1

Transactions Through: Nov 8, 2011 8:21PM

Objects to Expand: e,g,j Allotment Content: Approved & Adjusted Estimated Revenue Content: Approved & Adjusted Expenditure Content: Cash, Accr(all), Encum
 (For a complete listing of all input parameter values, please see the last page of the report)

Account	548 - LEOFF System Plan 2 Expense Account	BTB	BTB	BTB	BTB	BTB	BTB	Biennium
		Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining	

By Account/Expenditure Authority Index

548 - LEOFF System Plan 2 Expense Account								
960 - Salaries & Expenses		348,570	278,266.26	28,737.60	0.00	41,566.14	1,747,996.14	
Total for Account		348,570	278,266.26	28,737.60	0.00	41,566.14	1,747,996.14	

By Account/Expenditure Authority Index

By Object/Subobject/Sub-subobject

A - Salaries and Wages								
AA - State Classified								
SW01 - State Classified-Regular Salaries		106,364	70,758.69	9,577.17	0.00	26,028.14	557,848.14	
AC - State Exempt								
SW01 - State Exempt-Regular Salaries		53,956	47,211.50	6,744.50	0.00	0.00	269,780.00	
A - Salaries and Wages		160,320	117,970.19	16,321.67	0.00	26,028.14	827,628.14	
B - Employee Benefits								
BA - Old Age and Survivors Insurance								
- Not Specified		9,940	7,130.11	985.23	0.00	1,824.66	51,524.66	
BB - Retirement and Pensions								
- Not Specified		9,736	8,428.62	1,183.32	0.00	124.06	49,332.06	
BC - Medical Aid & Industrial Insurance								
- Not Specified		936	647.61	99.56	0.00	188.83	4,868.83	
BD - Health, Life & Disability Insurance								
- Not Specified		17,060	17,850.00	80.00	0.00	(870.00)	84,550.00	
BE - Allowances								
SW21 - Allowance - Commute Trip Reduction		100	100.00	0.00	0.00	0.00	700.00	
BH - Hospital Insurance (Medicare)								

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		Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining
- Not Specified		2,324	1,667.52	230.41	0.00	426.07	12,046.07
BZ - Other Employee Benefits							
- Not Specified		25	0.00	25.00	0.00	0.00	0.00
B - Employee Benefits		40,121	35,823.86	2,603.52	0.00	1,693.62	203,021.62
C - Personal Service Contracts							
CA - Management/Organizational Services							
- Not Specified		0	2,945.28	0.00	0.00	(2,945.28)	(2,945.28)
CB - Legal/Expert Witness Services							
- Not Specified		3,332	0.00	0.00	0.00	3,332.00	20,000.00
CC - Financial Services							
0001 - Fiscal Note Review		3,332	0.00	0.00	0.00	3,332.00	20,000.00
0002 - Actuarial Audit		3,332	0.00	0.00	0.00	3,332.00	20,000.00
0003 - Financial Audit		3,332	4,700.00	0.00	0.00	(1,368.00)	15,300.00
CC - Financial Services		9,996	4,700.00	0.00	0.00	5,296.00	55,300.00
CZ - Other Services							
- Not Specified		1,668	0.00	0.00	0.00	1,668.00	10,000.00
C - Personal Service Contracts		14,996	7,645.28	0.00	0.00	7,350.72	82,354.72
E - Goods and Services							
EA - Supplies and Materials							
- Not Specified		2,000	4,405.36	221.11	0.00	(2,626.47)	7,373.53
EB - Communications/Telecommunications							
0001 - Telephone		2,420	1,461.74	473.00	0.00	485.26	12,585.26
0002 - Postage		5,000	5,002.89	0.00	0.00	(2.89)	14,997.11
0003 - Internet		1,556	1,101.35	366.00	0.00	88.65	7,868.65
EB - Communications/Telecommunications		8,976	7,565.98	839.00	0.00	571.02	35,451.02
EC - Utilities							
- Not Specified		1,740	2,079.52	(339.52)	0.00	0.00	8,700.00
ED - Rentals and Leases - Land & Buildings							

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		Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining
- Not Specified		15,320	19,147.50	(3,829.50)	0.00	2.00	76,602.00
EE - Repairs, Alterations & Maintenance							
0003 - Other (Copier,telephone)		667	0.00	0.00	0.00	667.00	4,000.00
EF - Printing and Reproduction							
- Not Specified		6,420	3,551.81	147.00	0.00	2,721.19	22,821.19
9999 - Refund Printing Cost		0	(46.20)	0.00	0.00	46.20	46.20
EF - Printing and Reproduction		6,420	3,505.61	147.00	0.00	2,767.39	22,867.39
EG - Employee Prof Dev & Training							
0002 - Non-IT Training		5,815	15,637.00	17.32	0.00	(9,839.32)	44,345.68
EH - Rental & Leases - Furn & Equipment							
0001 - Equipment Rental/Lease		2,036	2,040.77	0.00	0.00	(4.77)	10,175.23
EJ - Subscriptions							
- Not Specified		359	542.05	0.00	0.00	(183.05)	893.95
EK - Facilities and Services							
0001 - Facilities & Services		632	464.00	155.00	0.00	13.00	3,171.00
0002 - Campus Mail		680	502.10	166.00	0.00	11.90	3,411.90
0003 - Des/GA Other (Parking,paf)		600	900.00	366.00	0.00	(666.00)	(66.00)
EK - Facilities and Services		1,912	1,866.10	687.00	0.00	(641.10)	6,516.90
EL - Data Processing Services (Interagency)							
0001 - Des/OFM Finacial Systems		388	341.40	113.00	0.00	(66.40)	1,873.60
0003 - Des/DOP Payroll Services		480	310.00	90.00	0.00	80.00	2,480.00
0004 - Other (Jls,dis Policy)		84	0.00	0.00	0.00	84.00	500.00
EL - Data Processing Services (Interagency)		952	651.40	203.00	0.00	97.60	4,853.60
EM - Attorney General Services							
- Not Specified		6,668	9,455.76	3,151.00	0.00	(5,938.76)	27,393.24
EN - Personnel Services							
0002 - Des/DOP System Surcharge		381	414.00	0.00	0.00	(33.00)	(33.00)
EP - Insurance							

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		Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining
0003 - Other Insurance		25	25.00	0.00	0.00	0.00	0.00
ER - Other Purchased Services							
0004 - Sacs Financial Services		5,579	0.00	5,576.00	0.00	3.00	27,894.00
0006 - IT Website Software Support		25	75.12	24.00	0.00	(74.12)	(74.12)
0007 - Other		11,268	2,498.00	0.00	0.00	8,770.00	68,322.00
0009 - State Actuary		34,860	33,814.84	0.00	0.00	1,045.16	175,349.16
ER - Other Purchased Services		51,732	36,387.96	5,600.00	0.00	9,744.04	271,491.04
ET - Audit Services							
- Not Specified		2,000	0.00	664.00	0.00	1,336.00	3,336.00
EW - Archives & Records Management Svcs							
- Not Specified		20	14.00	5.00	0.00	1.00	101.00
EY - Software Licenses and Maintenance							
- Not Specified		3,550	0.00	0.00	0.00	3,550.00	7,100.00
EZ - Other Goods and Services							
- Not Specified		60	15.76	0.00	0.00	44.24	344.24
E - Goods and Services		110,633	103,753.77	7,365.41	0.00	(486.18)	531,511.82
G - Travel							
GA - In-State Subsistence & Lodging							
- Not Specified		1,668	2,175.66	975.00	0.00	(1,482.66)	6,857.34
SW41 - In State Subsistence & Lodging Taxable M		0	129.00	43.00	0.00	(172.00)	(172.00)
GA - In-State Subsistence & Lodging		1,668	2,304.66	1,018.00	0.00	(1,654.66)	6,685.34
GB - In-State Air Transportation							
- Not Specified		668	0.00	0.00	0.00	668.00	4,008.00
GC - Private Automobile Mileage							
- Not Specified		2,500	2,562.75	1,125.00	0.00	(1,187.75)	11,312.25
GD - Other Travel Expenses							
- Not Specified		1,332	699.79	304.00	0.00	328.21	6,988.21

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		BTB	BTB	BTB	BTB	BTB	
		Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining
GF - Out-Of-State Subsistence & Lodging - Not Specified		3,332	4,498.96	0.00	0.00	(1,166.96)	15,493.04
GG - Out-Of-State Air Transportation - Not Specified		1,668	3,007.00	0.00	0.00	(1,339.00)	7,001.00
G - Travel		11,168	13,073.16	2,447.00	0.00	(4,352.16)	51,487.84
J - Capital Outlays							
JA - Noncapitalized Assets							
0001 - IT Equipment < \$5000		3,332	0.00	0.00	0.00	3,332.00	19,992.00
0003 - Furniture < \$5000		4,000	0.00	0.00	0.00	4,000.00	24,000.00
JA - Noncapitalized Assets		7,332	0.00	0.00	0.00	7,332.00	43,992.00
JB - Noncapitalized Software - Not Specified		3,000	0.00	0.00	0.00	3,000.00	6,000.00
J - Capital Outlays		10,332	0.00	0.00	0.00	10,332.00	49,992.00
N - Grants, Benefits & Client Services							
NZ - Other Grants/Benefits/Client Svcs - Not Specified		1,000	0.00	0.00	0.00	1,000.00	2,000.00
Total for Account		348,570	278,266.26	28,737.60	0.00	41,566.14	1,747,996.14
By Object/Subobject/Sub-subobject							
By Staff		BTB	BTB	BTB	BTB	BTB	Biennium
		Allotment	Actual	Accrual	Total	Variance	Remaining
Staff Months		0.00	18.01	2.51	20.52	(20.52)	(20.52)
Months		4.00	4.00	4.00	4.00	4.00	20.00
FTE		0.00	4.50	0.63	5.13	(5.13)	(5.13)

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Account	996 - Estimated All Other Funds Fte's	BTB	BTB	BTB	BTB	BTB	BTB
		Allotment	Actual	Accrual	Total	Variance	Remaining
By Staff							
Staff Months		24.00	0.00	0.00	0.00	24.00	144.00
Months		4.00	4.00	4.00	4.00	4.00	20.00
FTE		6.00	0.00	0.00	0.00	6.00	6.00

Allotment Expenditure/Revenue BTD Flexible by Account

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Input Parameters:	Entered As	Interpreted As
User ID:	dwsa105	
Show parms on every page:	No	No
Agency:	341	341
Fiscal Month:	04 -Oct FY1	04 -Oct FY1
Account:	*	All
Expenditure Authority:	*	All
Expenditure Authority Index:	*	All
Expenditure Authority Type:	*	All
Program:	*	All
Subprogram:	*	All
Activity:	*	All
Subactivity:	*	All
Task:	*	All
Program Index:	*	All
Object:	*	All
Subobject:	*	All
Sub-subobject:	*	All
Objects to Expand:	e,g,j	e,g,j
Division:	*	All
Branch:	*	All
Section:	*	All
Unit:	*	All
Cost Center:	*	All
Organization Index:	*	All
Budget Unit:	*	All
Project:	*	All
Subproject:	*	All
Project Phase:	*	All

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Major Source:	*	All
Source:	*	All
Subsource:	*	All
Allotment Content:	Approved & Adjusted	Approved & Adjusted
Estimated Revenue Content:	Approved & Adjusted	Approved & Adjusted
Expenditure Content:	Cash, Accr(all), Encum	Cash, Accr(all), Encum
Revenue Content:	None	None
Program Function Content:	*	All
Report Group 1:	Account	Account
Report Group 2:	None	None
Report Group 3:	None	None
Report Group 4:	None	None
Report Group 5:	None	None
Account / Expenditure Authority Section:	Account/Expenditure Authority Index	Account/Expenditure Authority Index
Expenditure Authority Type Section:	None	None
Organization Structure Section:	None	None
Project Structure Section:	None	None
Custom Section 1 Group 1:	None	None
Custom Section 1 Group 2:	None	None
Custom Section 1 Group 3:	None	None
Custom Section 1 Group 4:	None	None
Custom Section 2 Group 1:	None	None
Custom Section 2 Group 2:	None	None
Custom Section 2 Group 3:	None	None
Custom Section 2 Group 4:	None	None
Object Structure Section:	Object/Subobject/Sub-subobject	Object/Subobject/Sub-subobject
Staffing Section:	Yes	Yes
Revenue Source Structure Section:	None	None

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