

# BOARD MEETING AGENDA

APRIL 26, 2023 • 9:30AM



## LOCATION - Hybrid Meeting

In-Person:  
Washington State Investment Board  
2100 Evergreen Park Drive SW, Suite 100  
Olympia, WA 98502

Or Virtual Meeting Information at  
[www.leoff.wa.gov](http://www.leoff.wa.gov)

## TRUSTEES

DENNIS LAWSON, CHAIR  
*Central Pierce Fire and Rescue*

JASON GRANNEMAN, VICE CHAIR  
*Clark County Sheriff's Office*

MARK JOHNSTON  
*Vancouver Fire Department*

AJ JOHNSON  
*Snohomish County Fire*

SENATOR JEFF HOLY  
*Spokane Police Department (Ret)*

TARINA ROSE-WATSON  
*Spokane Int'l Airport Police Dept*

PAT MCELLIGOTT  
*East Pierce County Fire*

JAY BURNEY  
*City of Olympia*

WOLF OPITZ  
*Pierce County*

REPRESENTATIVE STEVE BERGQUIST  
*WA State Representative*

SENATOR ANN RIVERS  
*WA State Senator*

## STAFF

Steve Nelsen, Executive Director  
Tim Valencia, Deputy Director  
Jessie Jackson, Executive Assistant  
Jessica Burkhart, Administrative Services Manager  
Jacob White, Senior Research and Policy Manager  
Karen Durant, Senior Research and Policy Manager  
Tammy Sadler, Benefits Ombudsman  
Sarah White, Benefits Ombudsman  
Tor Jernudd, Assistant Attorney General

**THEY KEEP US SAFE,  
WE KEEP THEM SECURE.**

- 1. Approval of Minutes** **9:30 AM**  
November 2022 - March 2023
- 2. Legislative Session Debrief** **9:35 AM**  
*Jacob White, Sr. Research & Policy Manager*
- 3. Interim Planning Preview** **10:00 AM**  
*Jacob White, Sr. Research & Policy Manager*
- 4. Administrative Update** **11:00 AM**

*\*Lunch is served as an integral part of the meeting.*

*In accordance with RCW 42.30.110, the Board may call an Executive Session for the purpose of deliberating such matters as provided by law. Final actions contemplated by the Board in Executive Session will be taken in open session. The Board may elect to take action on any item appearing on this agenda.*



# 2023 Legislative Session Debrief

April 26, 2023

# No-Cost Interruptive Military Service Credit

- **HB 1007 Signed by Governor**
  - Expands no-cost interruptive military service credit to include service where a member earns an expeditionary medal. Currently, no-cost interruptive military service credit is limited to interruptive service where the member earns a campaign badge or medal.
  - Amended in the House Committee of Appropriations to clarify that this benefit applies retroactively to members who have already retired.
  - Effective 90 days after the end of the session (July 23, 2023)
- **Next Steps**
  - DRS assigning Project Manager

# Tribal Law Enforcement LEOFF 2 Eligibility

- **HB 1481 Signed by Governor**
  - This bill would allow tribes to enter into compacts with Washington State and participate in LEOFF 2
  - Effective 90 days after the end of the session (July 23, 2023)
- **Next Steps**
  - Waiting on direction from Governor's Office, may not occur until a tribe requests to begin process

# 2023-25 Operating Budget

- **LEOFF 2 Budget**
  - The House and Senate budgets fully fund LEOFF plan 2
    - Appropriations reflect pension rates adopted by the Board
  - **LEOFF 2 Board Staff**
    - General Wage Increases
    - Vaccine incentive payments
- **DRS Budget**

# LEOFF 2 Legislation Not Passed

- **SB 5648/HB 1279 - Promotional firefighter positions**
  - Clarifies the definition of Fire to include positions within a fire department that require an experienced fire fighter
  - Status SB 5468 - Passed through Senate Ways and Means
  - Status HB 1279 – Did not receive a hearing
- **SB 5625 - Concerning public employee retirees**
  - Status – Received a hearing in Senate Ways and Means
  - This bill creates an ombudsman position at DRS in addition to the items on the following two slides

# SB 5625

- **“In the course of employment” has the same meaning as “in the line of duty” for purposes of qualifying for a LEOFF 2 disability benefit. DRS must review past duty disability denials and determine if the disability was incurred “in the line of duty”. Also, an occupational assessment must be conducted either by LNI or DRS before denying a member’s duty disability application based on the member being capable of employment**
- **DRS administrative fees and employer charges for the unfunded liability in a plan should not be included in employer contribution calculation charged to members to purchase service credit**

# SB 5625, Continued

- The appeal deadline for DRS administrative decisions must be no less than 90 days. If DRS requests additional information from a member their time to file an appeal must be tolled at least 90 days. Also, allows members who had their decision dismissed by DRS for failing to meet the appeal deadline to refile their claim with DRS
- Allows members to change their survivor option election if they requested to after the passage of the survivor option reelection window legislation (2020 SB 6417) but prior to DRS receiving approval from the IRS that the legislation did not violate federal law
- Basic salary includes holiday payments, as well as all sick leave and vacation leave used by the member. Currently, these types of pay may not be considered basic salary by DRS in certain situations (see DRS Employer Notice 22-012, and DRS Employer Notice 17-007)



# Other Bills of Interest

- **HB 1413/SSB 5424 – Concerning flexible work schedules for General and Limited Authority Peace Officers**
- **HB 1814 - Reemployment and pension service credit of public employees separated from service due to a vaccination mandate**



**Thank You**

**Jacob White**

**Senior Research and Policy Manager**

**(564) 999-0738**

**[jacob.white@leoff.wa.gov](mailto:jacob.white@leoff.wa.gov)**



# 2023 Interim Preview

April 26, 2023



# Benefit Topics – Last interim and Other Issues

1. **Overpayment responsibility**
2. **Benchmarking peer comparison**
3. **BIA tiered multiplier date**
4. **Taxation of catastrophic disability benefits**
5. **DROP Plan**
6. **Secure Act 2.0 (Federal Legislation)**



# Benefit Topics – 2023 Bills Not Passed

1. Firefighter definition (HB 1279/SB 5468)
2. DRS disability determination process (SB 5625)
3. DRS admin fees and UAAL charges for purchasing service credit (SB 5625)
4. DRS appeal deadlines (SB 5625)
5. Survivor reelection window prior to IRS approval (SB 5625)
6. Basic salary holiday payments definition (SB 5625)

# Actuarial Topics

1. Long-term Economic Assumptions and Report on Financial Condition
2. Off-Cycle Actuarial Valuation Report Results
3. OSA Request Legislation
  - Update statutes to reflect current practices

# Administrative Topics

1. Interim Planning
2. AGO Training
3. Agency Operating Budget
4. DRS/CEM Benchmarking
5. Board Strategic Planning and Expectations
6. 2023 Meeting Calendar
7. Financial Expenditure Audit Results
8. WSIB Annual Update
9. DRS Annual Update
10. Succession Planning
11. Recruitment, Retention, Salary Setting Structure for Staff

# Next Steps

- May meeting the Board will discuss a draft interim workplan
- June meeting the Board may vote to adopt an interim workplan





**Thank You**

**Jacob White**

**Senior Research and Policy Manager**

**(564) 999-0738**

**[jacob.white@leoff.wa.gov](mailto:jacob.white@leoff.wa.gov)**