

BOARD MEETING AGENDA

NOVEMBER 20, 2024 • 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

TRUSTEES

DENNIS LAWSON, CHAIR
Central Pierce Fire and Rescue (Retired)

JASON GRANNEMAN, VICE CHAIR
Clark County Sheriff's Office

MARK JOHNSTON
Vancouver Fire Department (Retired)

AJ JOHNSON
Snohomish County Fire

SENATOR JEFF HOLY
WA State Senator

TARINA ROSE-WATSON
Spokane Int'l Airport Police Dept

PAT MCELLIGOTT
East Pierce County Fire and Rescue

JAY BURNEY
City of Olympia

WOLF OPITZ
Pierce County

REPRESENTATIVE STEVE BERGQUIST
WA State Representative

DARELL STIDHAM
Spokane County Sheriff's Office (Retired)

STAFF

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

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

1. **Approval of September & October 2024 Minutes** 9:30 AM
2. **DRS Annual Update** 9:35 AM
Shawn Merchant, Director Legislative and Community Relations, DRS
3. **CEM Update** 10:00 AM
Mark Feldhausen, Budget and Performance Management Director, DRS
4. **WSIB Annual Update** 10:30 AM
Allyson Tucker, Chief Executive Officer, WSIB
James Aber, Institutional Relations Director, WSIB
5. **2025 Board Meeting Calendar Adoption** 11:00 AM
Chloe Drawsby, Executive Assistant
6. **Part-time Fire Fighter Employment – Comprehensive** 11:15 AM
Jacob White, Sr Research and Policy Manager
7. **Salary Setting Responsibility** 11:45 PM
Karen Durant, Sr. Research and Policy Manager
Possible Executive Session; For the purpose of reviewing the performance of a public employee.
8. **Public Comment** 12:45 PM
9. **Administrative Update** 1:00 PM
Steve Nelsen, Executive Director
10. **Possible Executive Session** 1:10 PM
For the purpose of reviewing potential litigation.
11. **Possible Executive Session** 1:40 PM
For the purpose of reviewing the performance of a public employee.

*Public comment can be provided to the Board in writing 24 hours prior to the meeting via our reception mailbox: recep@leoff.wa.gov.

* Lunch is served as an integral part of these meetings.

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.

Department of Retirement Systems

Annual Update

Shawn Merchant

Legislative and Community Relations

LEOFF Plan 2 Retirement Board

November 20, 2024



Pensions at a Glance

❑ Membership

- 935,598 members and annuitants

❑ Financial

- \$196.8 billion held in retirement trust fund assets
- \$5.5 billion collected annually in contributions
- \$8.1 billion paid annually in benefits and contribution refunds
- 96% funded ratio overall

DCP by the Numbers

□ Participants

- 147,728 total participants
- 96,101 active contributors
 - 89,518 Pre-tax
 - 1,118 Roth
 - 5,465 Both
- Average monthly contributions: 4.56%, \$741

□ Auto Enrollment

- More than 70,000 participants have been auto-enrolled since Jan. 2017
- Retention rate: 88%

□ \$7.1 Billion in Total Assets

DCP Pre-tax by the Numbers

□ Participants

- 146,578 total participants
- 94,983 active contributors
 - 77% state employees
 - 23% non-state employees
- Average monthly contributions: 4.29%, \$720.78

□ \$7.0 Billion in Total Assets

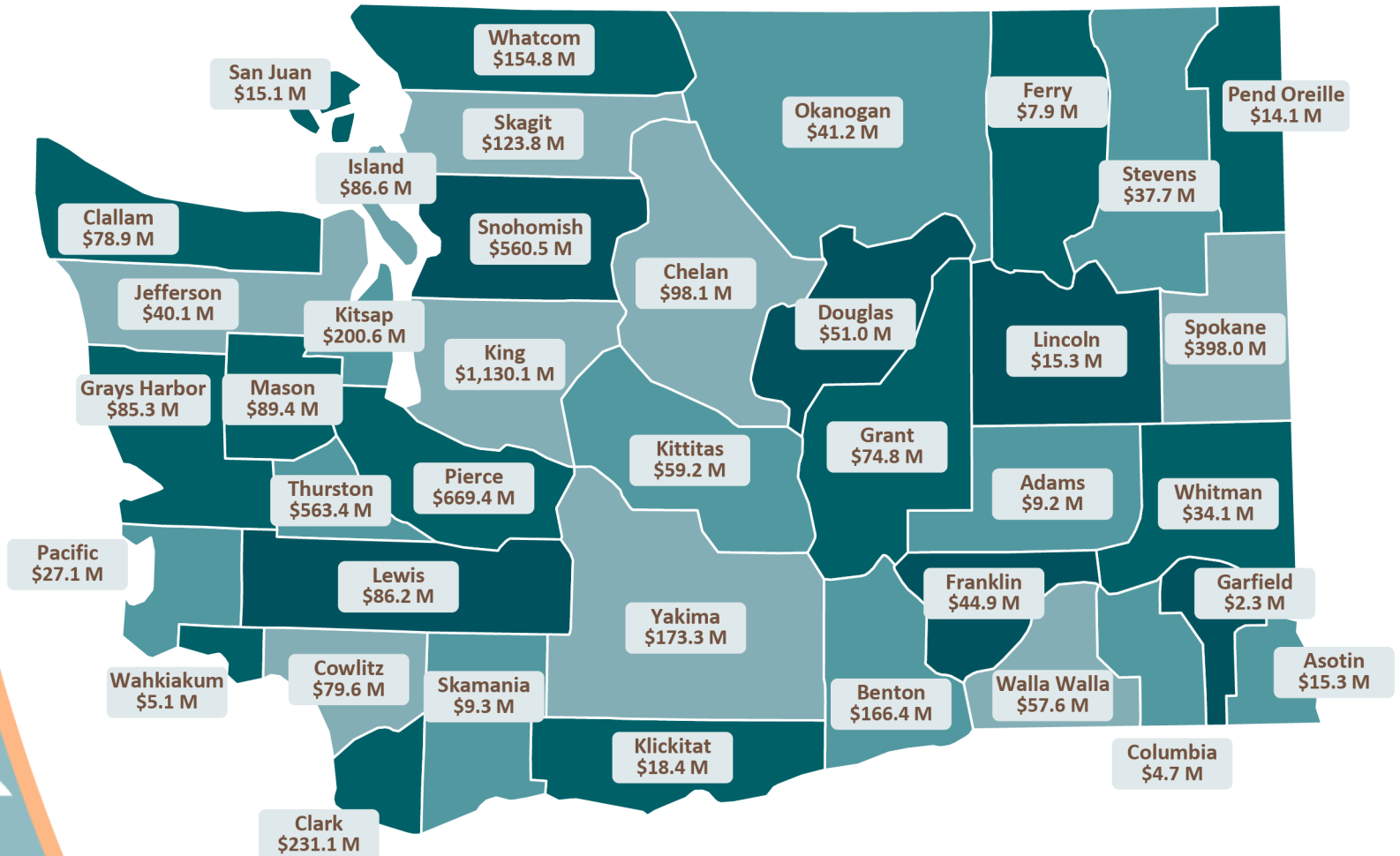
DCP Roth by the Numbers

□ Participants

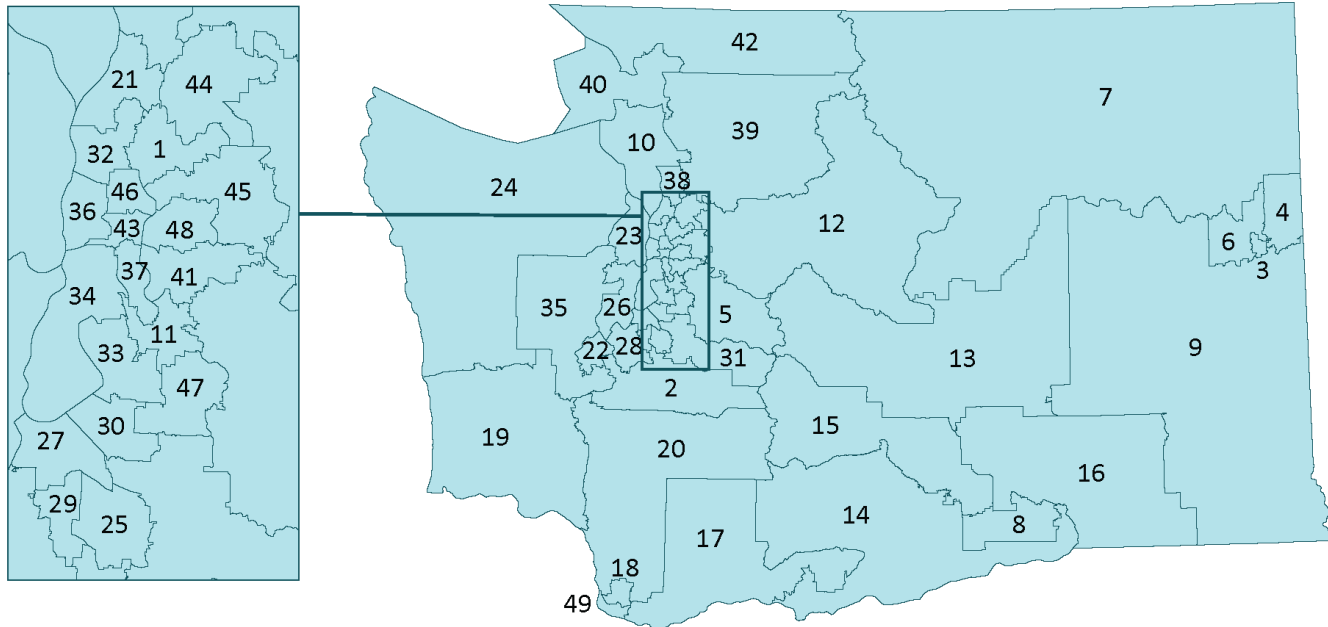
- 6,748 total participants
- 6,583 active contributors
 - 60% state employees
 - 40% non-state employees
- Average monthly contributions: 8.63%, \$898.53

□ \$32.4 Million in Total Assets

Benefits by County (FY24)

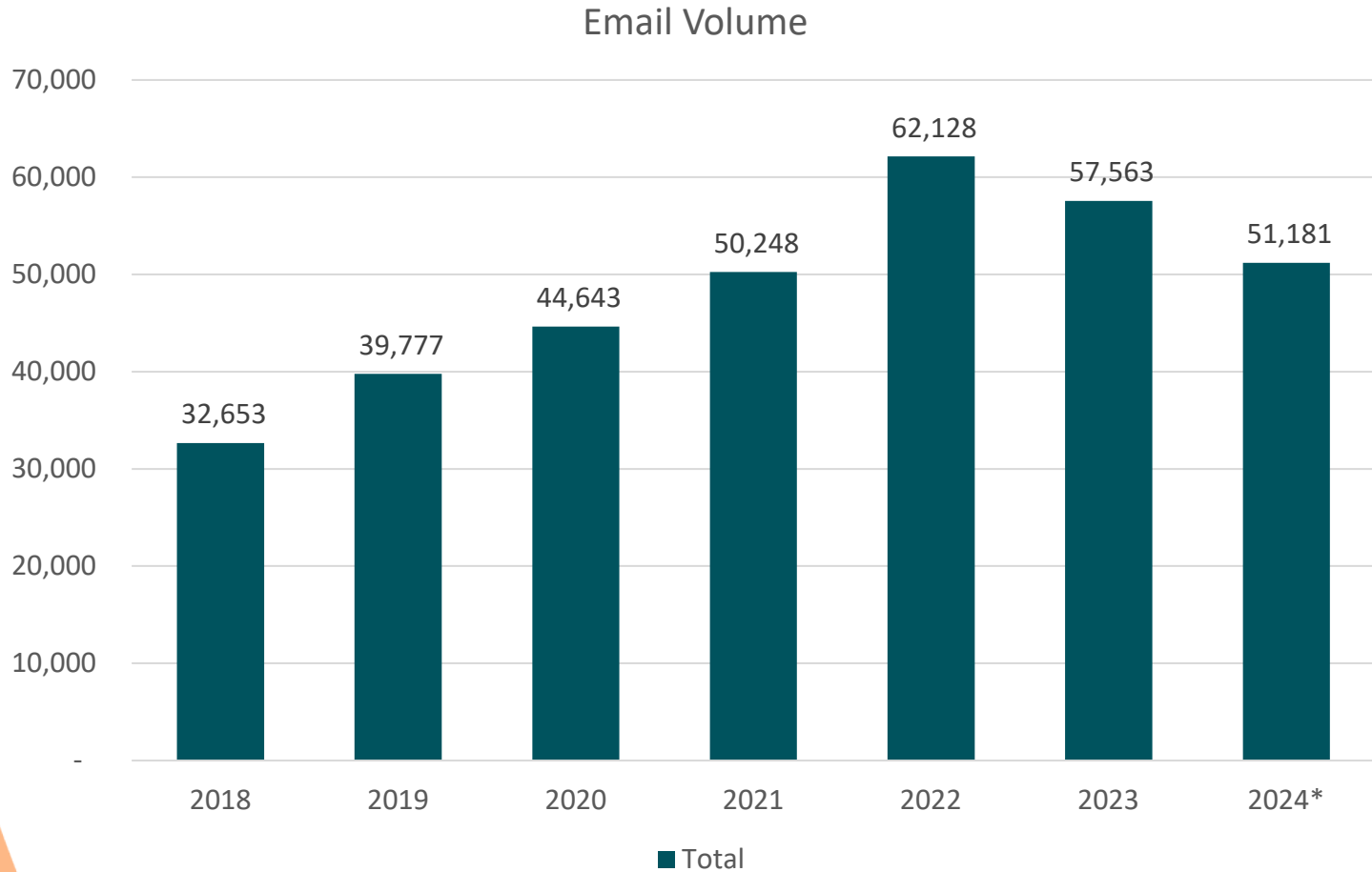


Benefits by Leg. District (FY24)

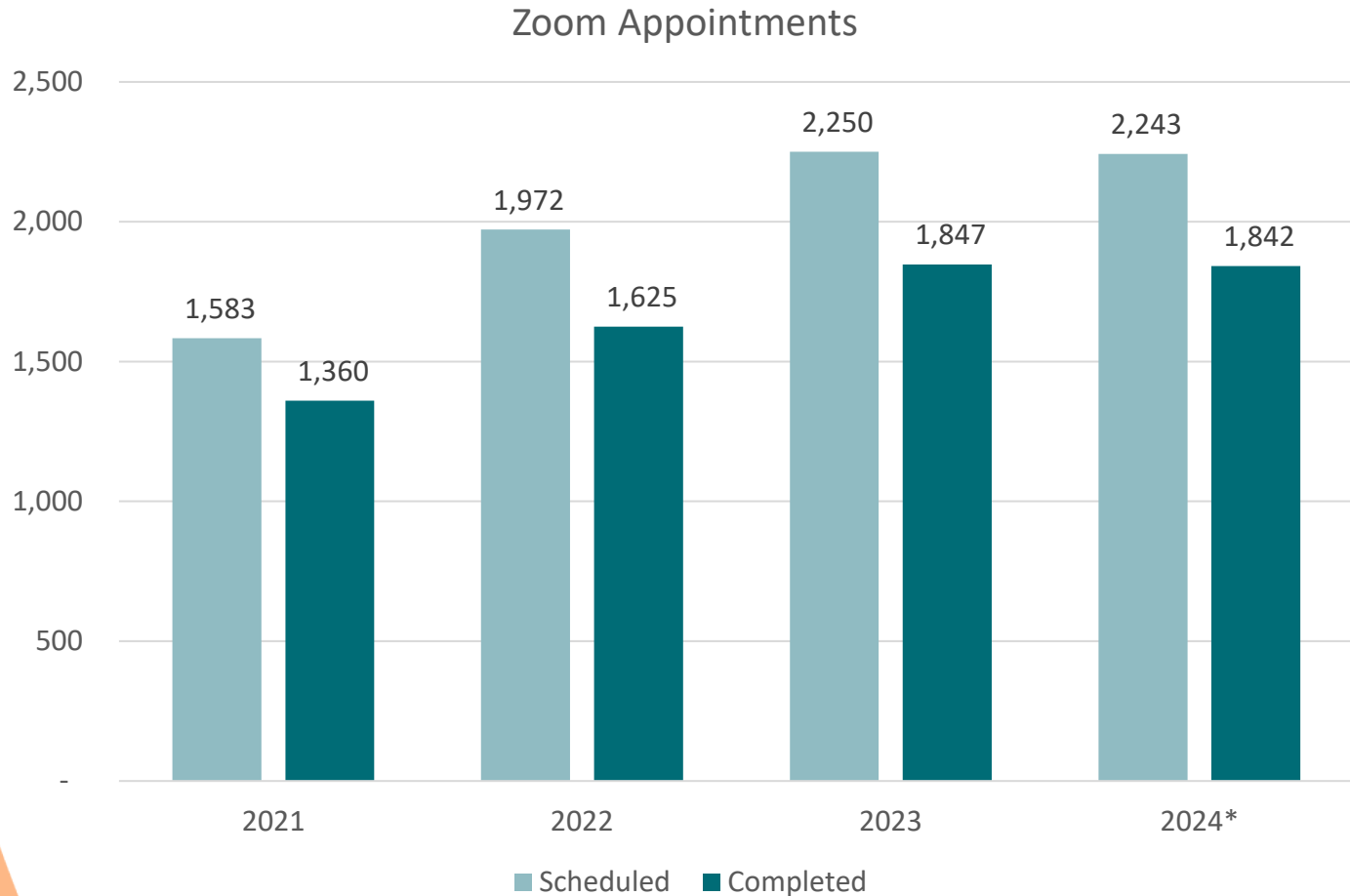


1	\$99,194,088	15	\$49,839,597	29	\$55,814,895	43	\$46,841,501
2	\$108,284,731	16	\$112,787,376	30	\$58,875,436	44	\$95,854,395
3	\$90,144,346	17	\$70,626,622	31	\$115,742,761	45	\$65,613,943
4	\$105,022,186	18	\$72,191,799	32	\$101,191,666	46	\$93,440,421
5	\$84,661,108	19	\$129,659,296	33	\$65,958,090	47	\$66,704,805
6	\$109,603,871	20	\$123,879,304	34	\$79,456,588	48	\$46,490,320
7	\$148,775,110	21	\$92,657,758	35	\$236,660,150	49	\$57,321,054
8	\$123,507,827	22	\$319,781,264	36	\$76,770,214		
9	\$130,752,014	23	\$104,282,823	37	\$72,904,308		
10	\$148,346,302	24	\$167,320,351	38	\$90,779,471		
11	\$60,683,921	25	\$102,062,677	39	\$106,366,255		
12	\$150,088,592	26	\$139,968,960	40	\$129,657,691		
13	\$141,212,210	27	\$121,408,924	41	\$69,757,031		
14	\$114,948,606	28	\$112,541,407	42	\$93,004,789		
						Total:	\$5,159,438,855

Workload Growth: Email



Workload Growth: Zoom

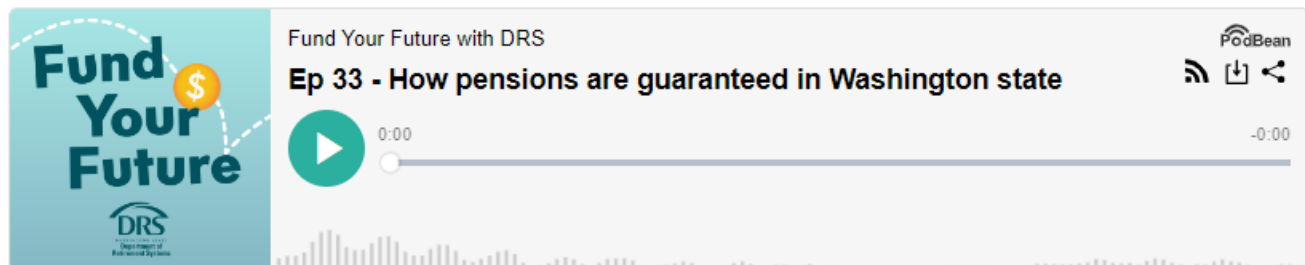


Retirement Readiness

- ❑ To help customers prepare for and enjoy retirement, we launched the “Fund Your Future” podcast series, which has more than 32,000 downloads.

Episode 33 – How pensions are guaranteed in Washington state

Posted on February 7, 2024



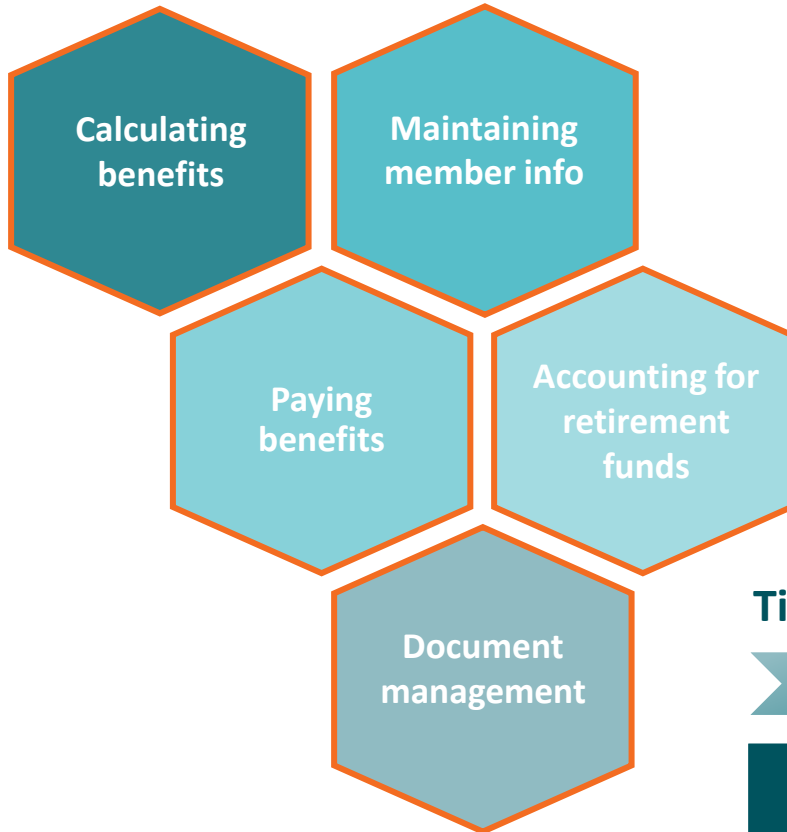
2025-27 Biennial Budget

- ❑ Inflationary impact on CORE
 - \$11.08 million in 25-27
 - \$2.26 million ongoing
 - 0.0 FTEs

- ❑ Processing Financial Transactions
 - \$0.96 million in 25-27
 - \$0.93 million ongoing
 - 5.0 FTEs

About the project

We're implementing a scalable, modernized system that makes data easily accessible and creates an excellent user experience for team members and customers. This CORE: PAM phase of ongoing technology upgrades will replace our legacy technology in these areas:



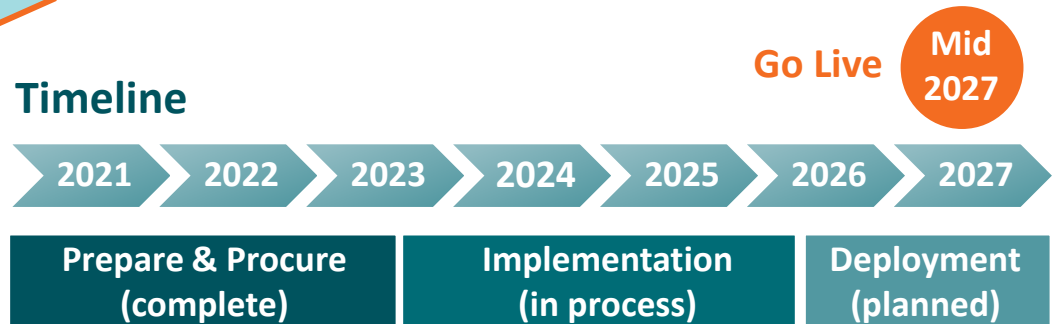
About our vendor:



is a global software provider focused on solving complex, business-rule-driven problems with domain experts and proven technology.

The secure, fully integrated, web-based pension administration solution Neospin™ solution is powered by Xelence, Sagitec's market leading platform, and supports millions of plan participants, thousands of employers, and administers multiple types of pension plans.

Timeline



Questions?



WASHINGTON STATE INVESTMENT BOARD ANNUAL UPDATE – 2024 LEOFF 2 BOARD

NOVEMBER 20, 2024

Allyson Tucker, CFA, CAIA
Chief Executive Officer





Investment Management Profile

- **\$213.3 billion in assets under management as of September 30, 2024**
- **18 pension funds**
- **5 Labor and Industries' funds**
- **16 permanent and other trust funds**

Investment Scope and Scale

- **93 countries**
- **Across 6 continents and 52 currencies**
- **More than 17,000 investment holdings**
- **130+ external investment managers and partners across five asset classes**

Organization Size and Scale

- **Staffing: 117 employees**
- **Two offices: Olympia and Seattle**
- **Hybrid 60/40 on-premise/remote work**
- **Mission-driven culture based on non-negotiable integrity and fiduciary duty**

WSIB Strengths

- **Industry-leading long-term investment performance**
- **Good governance and strategic decision-making**
- **Hard-working, high-quality employees**
- **Willingness to be different**

- Independent Board comprised of 15 members
- 10 voting members
- 5 investment professionals
- Multiple appointment authorities

3 EX-OFFICIO MEMBERS

2 LEGISLATORS

**Tracy
Guerin**
DRS
Director

**Joel
Sacks**
L&I
Director

**Mike
Pellicciotti**
State
Treasurer

**Mark
Mullet**
Member of
the Senate

**Mia
Gregerson**
Member of the House
of Representatives

5 REPRESENTATIVES OF THE PUBLIC EMPLOYEE PENSION SYSTEMS

**Greg
Markley**
Chair
Member of LEOFF

**Yona
Makowski**
Vice Chair
State Pension System Retiree

**Tracy
Stanley**
Active Member of
PERS

**Sara
Ketelsen**
Member of
TRS

**Liz
Lewis**
Member of
SERS

5 INVESTMENT PROFESSIONALS (NON-VOTING MEMBERS)

**David
Nierenberg**

**Mary
Pugh**

**Heather
Redman**

**Ada
Healey**

**George
Zinn**





Retirement Funds 18

- Public Employees' Plans 1, 2, 3
- School Employees' Plans 2, 3
- Teachers' Plans 1, 2, 3
- Law Enforcement Officers' and Firefighters' Plans 1, 2
- Judicial Retirement Account – Defined Contribution
- Washington State Patrol Plans 1, 2
- Deferred Compensation Program
- Public Service Employees' Plan 2
- Higher Education Retirement Plan Supplemental Benefit
- Volunteer Firefighters' and Reserve Officers' Relief and Pension (VFFRO)

Labor and Industries' Funds 5

- Accident
- Medical Aid
- Pension Reserve
- Supplemental Pension
- Industrial Insurance Rainy Day (unfunded)

Permanent Funds 7

- Agricultural College
- Common School
- Normal School
- Scientific
- State University
- American Indian Endowed Scholarship
- Foster Care Endowed Scholarship (unfunded)

Other Funds 9

- Guaranteed Education Tuition
- Developmental Disabilities Endowment (private and state)
- Washington State Opportunity Scholarship (Scholarship, Endowment, Tech Pathway, and Degree Pathway)
- Long-Term Services and Support
- Dan Thompson Memorial



43.33A.110

The Board shall establish investment policies and procedures designed exclusively to maximize return at a prudent level of risk

43.33A.140

The Board shall consider investments not in isolation, but in the context of the investment of the particular fund as a whole and as part of an overall investment strategy, which should incorporate risk and return objectives reasonably suited for that fund

43.33A.010

Unless otherwise prescribed by law, the state investment board shall exercise all the powers and perform all duties with respect to the investment of public trust and retirement funds

43.84.150

When investment authority over a particular fund or account lies with the state investment board, the board shall have full power to invest, reinvest, manage, contract, or sell or exchange investments acquired

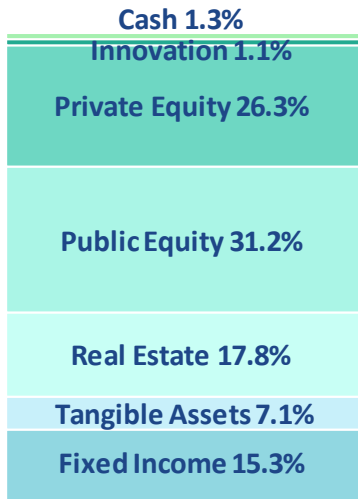
43.33A.170

The state investment board is authorized to establish commingled trust funds in the state treasury for the implementation of specific investment programs for any combination of funds under its jurisdiction

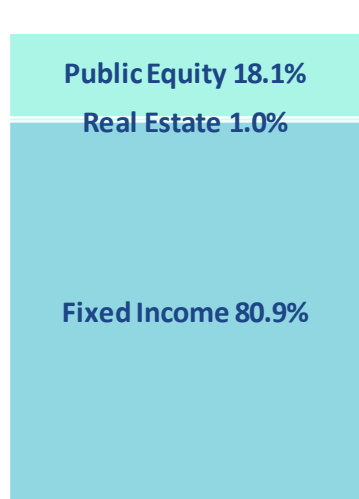
MARKET VALUES AND ASSET ALLOCATIONS

SEPTEMBER 30, 2024 (\$ BILLIONS)

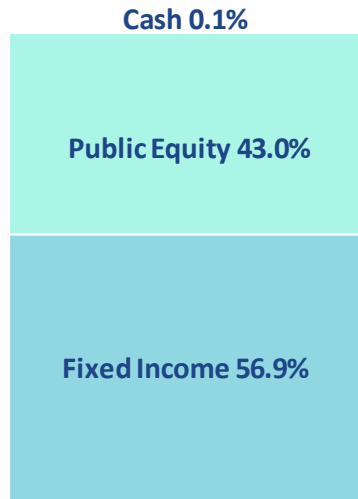
Total Assets Under Management	\$213.3	
Retirement Funds	\$187.3	87.8%
L&I Funds	\$21.3	10.0%
Permanent Funds	\$1.4	0.6%
Other Funds	\$3.4	1.6%



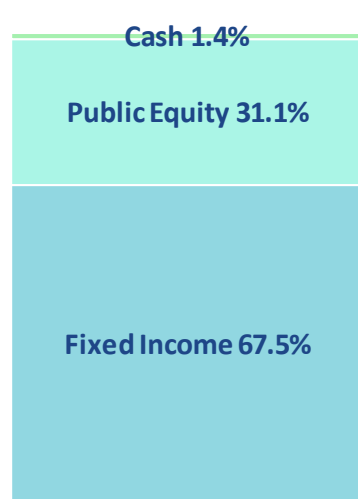
Retirement Funds
(CTF, VFFRO, and Defined Contribution)



Labor & Industries' Funds



Permanent Funds



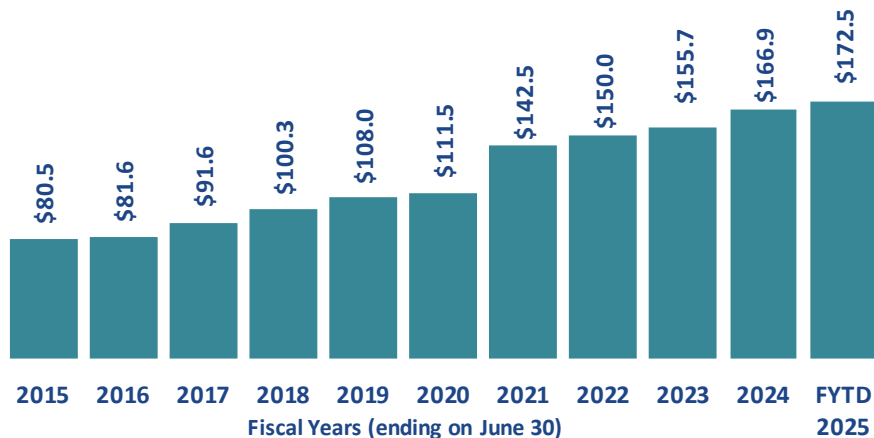
Other

CTF PERFORMANCE AND MARKET VALUES

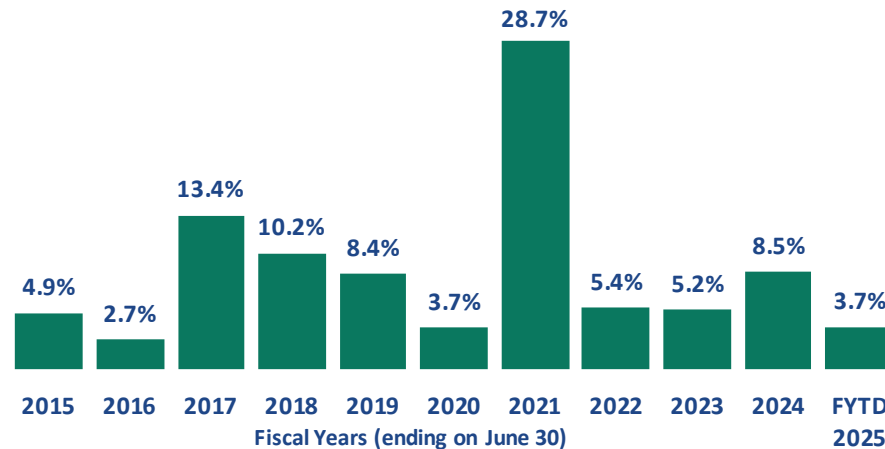
SEPTEMBER 30, 2024



Historical Market Value (\$ Billions)

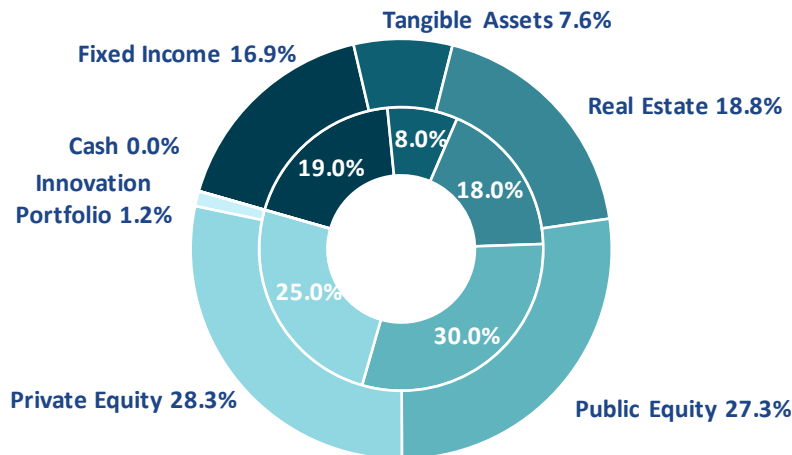


Historical Fund Returns



Asset Allocation

Outer Circle – Actual, Inner Circle – Long-Term Target



Market Values and Returns

		1 Year	3 Year	5 Year	10 Year	20 Year
Total CTF	\$172.5 B	12.7%	6.2%	10.4%	9.3%	8.8%
Fixed Income	\$26.4 B	13.4%	0.3%	1.9%	2.8%	4.2%
Tangible Assets	\$13.1 B	13.8%	10.5%	9.3%	6.8%	N/A
Real Estate	\$32.4 B	-3.8%	10.2%	11.6%	11.6%	10.8%
Public Equity	\$47.3 B	30.9%	8.0%	12.1%	9.7%	8.6%
Private Equity	\$48.9 B	9.5%	5.3%	14.4%	13.2%	13.3%
Innovation Portfolio	\$2.0 B	9.3%	8.7%	10.1%	-2.1%	N/A
Cash	\$2.6 B	5.6%	3.7%	2.5%	1.8%	1.7%

Investment Excellence



- What investment strategies should we pursue?
- How will ESG and geopolitical risk integration evolve over the next 5 to 10 years?
- How can we more effectively manage costs?

Highly Effective Organization



- How do we effectively operate in a period of higher staff transition?
- What are we doing to prepare for retiring staff and Board turnover?
- How can we add further clarity to our decision-making process and roles?

Destination Employer



- What challenges should we anticipate in a rapidly changing workplace?
- How will we enhance our employee experience?
- What can we offer to differentiate the WSIB in a competitive marketplace?

Skillful Board



- How do we maintain trust in the WSIB?
- How do we tell our story in the context of increasing external interest?

2025 CTF Strategic Asset Allocation Study

Advance Climate Blueprint

- Advance TCFD*-aligned reporting
- Evaluate climate risks and opportunities

Continue to integrate the agency's Vision, Mission, and Values across the organization

Manage Board and staff transition risk

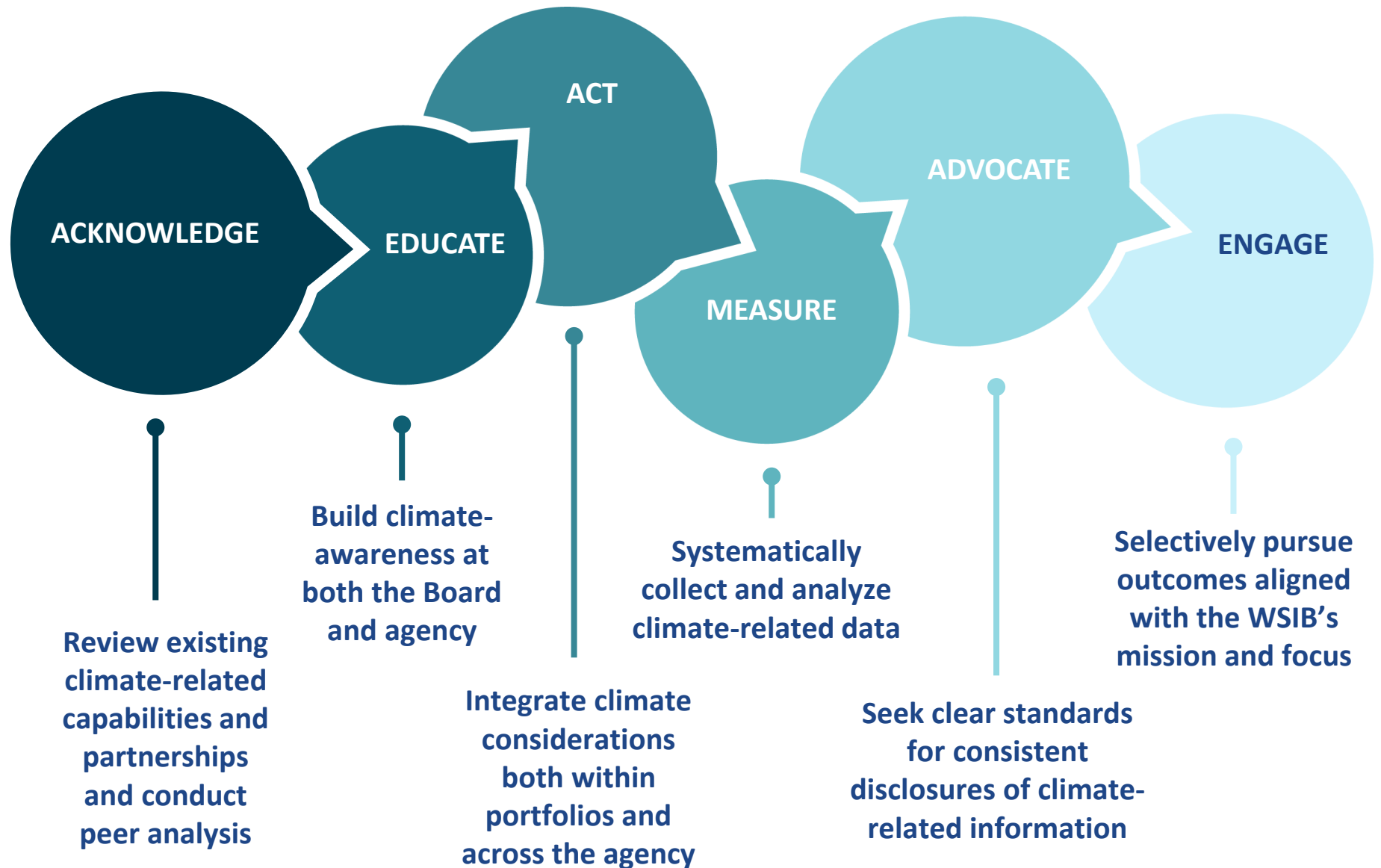
- Succession planning for key positions
- For staff, facilitate growth through education and career development
- For Board members, additional focus on orientation, education, and mentorship

Continue our disciplined, long-term approach amid multiple market uncertainties

- Long-term fund performance has met financial goals, net of all fees
- Outperformance has contributed to the state's pension security, freeing up state resources to support other programs
- Will require diligent and sustained focus due to an ever-shifting investment environment

Onboard new Government and Public Affairs Director

- David Schumacher started in September
- New role provides opportunities to build and enhance relationships with key stakeholders
- Requires a service mindset to maintain and improve timely, relevant, information flow



The WSIB has many strengths yet cannot afford to be complacent in a complex world

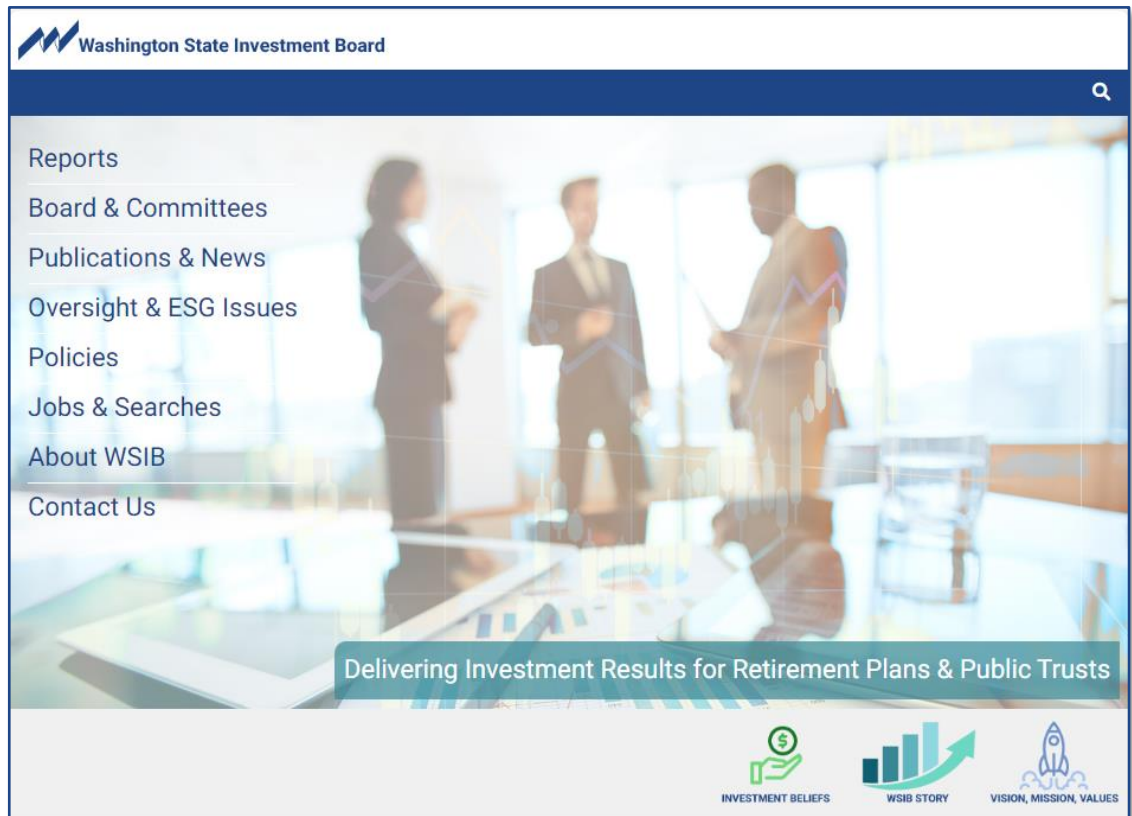
- We always remain focused on:
 - Ensuring that we are adequately resourced to support complex investment program, asset growth, and productivity improvements
 - Delivering and sustaining value by generating exceptional long-term results
 - Building and maintaining support, including public confidence, for our mission

CONTACT INFORMATION

Website: <http://www.sib.wa.gov>

Address: 2100 Evergreen Park Drive SW
P.O. Box 40916
Olympia, WA 98504-0916

Phone: (360) 956-4600





2025 Board Meeting Calendar Adoption



2025 Proposed Board Meeting Calendar

January						
S	M	T	W	T	F	S
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Board Meetings
Observed Holidays
Legislative Session

Meeting Location: 2100 Evergreen Park DR SW Olympia, WA 98502
Contact Email: recep@leoff.wa.gov **Contact Phone:** 360.586.2320

2025 EVENT CALENDAR

FIDUCIARY EDUCATION	STARTING	ENDING	STAKEHOLDER EVENTS	STARTING	ENDING
IFEBP ANNUAL (HONOLULU, HAWAII)	11/08/2025	11/12/2025	WACOPS WINTER (OLYMPIA, WA)	02/19/2025	02/21/2025
NCPERS ANNUAL (DENVER, CO)	05/17/2025	05/21/2025	WACOPS SPRING (EVERETT, WA)	05/22/2025	05/23/2025
NCPERS PUBLIC SAFETY	10/27/2025	10/30/2025	WACOPS FALL (WENATCHEE, WA)	09/10/2025	09/12/2025
NAPPA LEGAL ED. (DENVER, CO)	06/24/2025	06/27/2025	WSCFF ANNUAL (MARYSVILLE, WA)	06/24/2025	06/26/2025
NAPPA WINTER (CHARLOTTE, NC)	02/19/2025	02/21/2025	WSCFF EDU. (KENNEWICK, WA)	04/22/2025	04/24/2025
NASRA ANNUAL (SEATTLE, WA)	08/09/2025	08/13/2025	WSCFF KELLY L. FOX (OLYMPIA, WA)	02/04/2025	02/05/2025

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28	29	30	31			

Board Meetings
Observed Holidays

Next Steps

- Adoption of the 2025 Board Meeting Calendar



Thank You

COMPREHENSIVE REPORT

By Jacob White

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ISSUE STATEMENT

A LEOFF member working concurrently in a part-time fire fighter position for another LEOFF 2 employer would not be covered by LEOFF 2 death and disability benefits in their part-time position.

OVERVIEW

The Board became aware of full time LEOFF 2 fire fighters picking up additional work for other LEOFF employers in positions that do not qualify for LEOFF 2 membership. These members do not qualify for LEOFF 2 pension benefits, including death and disability benefits, when they are working in their secondary part-time position. Furthermore, these positions may not qualify for membership in PERS or BVFF either. Therefore, if these LEOFF 2 members are injured or killed in the line of duty in their part-time position they would not qualify for LEOFF 2 death and disability benefits.

BACKGROUND AND POLICY ISSUES

There is at least one LEOFF 2 employer utilizing a pool of LEOFF 2 members, who are employed full-time with another LEOFF 2 employer, to fill shifts as fire fighter EMTs. These positions are not eligible for LEOFF 2. Therefore, if the member is injured or killed in the line-of-duty in their part-time position they are not eligible for LEOFF 2 death and disability benefits. Furthermore, since these positions are not reported under PERS or the Board of Volunteer Fire fighters, they would not be eligible for those plan's benefits either.

Retirement Plan Eligibility

Not all fire fighters are eligible for LEOFF Plan 2. To be eligible for LEOFF Plan 2 a fire fighter must be a “full time, fully compensated [...] member of a fire department [...]”¹ The key part of this definition that delineates between the state pension systems is the term “full time”. It is further defined by the

¹ [RCW 41.26.030: Definitions.](#)

Department of Retirement Systems (DRS) in rule as “normally expected to earn basic salary from an employer for a minimum of 160 hours in a calendar month.”²

If a fire fighter position does not meet the definition of “full time” it may be eligible for the Public Employees’ Retirement System (PERS). For a position to be eligible for PERS it “[...] normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof.”³

If a fire fighter does not meet these eligibility definitions for LEOFF Plan 2 or PERS than they may be eligible for the BVFF. The eligibility definition for fire fighters in the BVFF are “[...] any fire fighter or emergency worker who is a member of any fire department of any municipality but shall not include fire fighters who are eligible for participation in LEOFF or PERS [...]”.⁴ However, not all fire fighter positions that are ineligible for LEOFF or PERS are eligible for BVFF. Employers must opt into BVFF, and not all employers have. Furthermore, according to the Executive Director of the BVFF, to be a volunteer they should be participating in regular training and call response, and they would have been approved by the employer as a volunteer.

There are additional eligibility reasons other than those identified above that may change the pension plan eligibility of a fire fighter position. For example, the Department of Natural Resources (DNR) fire fighters are not eligible for LEOFF Plan 2 because DNR is not an eligible employer.

Death and Disability Benefits

If a LEOFF Plan 2 member works concurrently in a non-LEOFF eligible position they, in most situations, would not be eligible for LEOFF Plan 2 duty disability or death benefits for injuries sustained in their non-LEOFF employment. However, in certain situations LEOFF Plan 2 members are still eligible for some LEOFF Plan 2 death and duty disability benefits for injuries or death occurring in non-LEOFF employment.

In 2015 the LEOFF Plan 2 Board endorsed legislation, SB 6263 (2016)⁵, that provided LEOFF Plan 2 members called into eligible federal service to respond to natural disasters or other federal emergencies with similar LEOFF Plan 2 benefit protections provided to members of the National Guard or Military Reserves who are called up during a time of war.

² [WAC 415-104-011:](#)

³ [RCW 41.40.010: Definitions. \(wa.gov\)](#)

⁴ [RCW 41.24.010: Definitions. \(wa.gov\)](#)

⁵ [6263.SL.pdf \(wa.gov\)](#)

Those benefit protections included providing:

- the survivor of a member who is killed while providing eligible federal service with service credit at no cost for the period of service up until the member's death;
- a member who is disabled while providing eligible federal service with service credit at no cost for the period of service up until the member's separation from that service;
- survivor retirement benefits which are not actuarially reduced for the survivor of a member who is killed while providing eligible federal service; and,
- duty-disability retirement benefits which are not actuarially reduced for a member who is disabled while providing eligible federal service.

POLICY OPTIONS

1. Make part-time fire fighters eligible for LEOFF 2
 - Pros – Aligns fire fighters with law enforcement officers by making part-time positions eligible for LEOFF 2.
 - Cons – Makes it consistent but fire fighters do not have recruiting issues that were behind LEO bill; May have unintended consequences; Reversal of historical practice.
2. Make part-time fire fighters eligible for LEOFF 2, if the position is filled with an active LEOFF 2 member and the position would be in LEOFF 2 if it were full-time
 - Pros – LEOFF 2 members would be eligible for all LEOFF 2 benefits for their part-time work; eliminates potential confusion about eligibility of disability benefits
 - Cons – May increase costs to employers who are hiring these types of positions; cost to the plan if retroactive



Part-Time Fire Fighter

Comprehensive Report
November 20, 2024

Issue

1. **A LEOFF member working concurrently in a part-time fire fighter position for another LEOFF 2 employer would not be covered by LEOFF 2 death and disability benefits in their part-time position.**

Hourly Fire Fighter EMTs

- There is at least one LEOFF 2 employer utilizing a pool of LEOFF 2 members, who are employed full-time with another LEOFF 2 employer, to fill shifts as Firefighter EMTs
- Part-time positions are ineligible for LEOFF 2 benefits, including death and disability benefits
- Not reported in PERS or BVFF

Fire Fighter Eligibility

- **LEOFF Plan 2 – Firefighter** is [...] full time, fully compensated [...] as a member of a fire department of an employer [...]
- **PERS** – An eligible position “[...] normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof.”
- **Vol. FF** - “Firefighter includes any firefighter or emergency worker who is a member of any fire department of any municipality but shall not include firefighters who are eligible for participation in LEOFF or PERS [...]”.

Service Credit vs LEOFF Eligibility

- Different definition of full-time eligibility vs full month of service credit
- Full-time = normally expected to earn basic salary for a minimum of 160 hours in a calendar month
- Full month of service credit = at least 90 hours in a month

Current Law – Death and Disability Coverage

- LEOFF Plan 2 member injured or killed while working in a non-LEOFF 2 position would not qualify for in-line of duty LEOFF Plan 2 benefits
- Members would be eligible for non-duty death and disability benefits in LEOFF Plan 2 and any benefits in the other pension system, if eligible

Exceptions

Federal service emergency management services (2016 LEOFF Plan 2 endorsed legislation)

- Working for a LEOFF employer: May qualify for a disability benefit if they leave the employment of their LEOFF employer to provide a disaster response and become disabled. Member's benefit won't be reduced if they retire early
- Working in eligible federal service: May qualify for service credit for a leave of absence if they become disabled after they leave the employment of their LEOFF employer to provide a disaster response

Data

- No data source for identifying how many positions like this exist
- Positions are not reported to DRS or the BVFF because they are ineligible for those plans

Policy Option 1

Make part-time Fire Fighters eligible for LEOFF 2

- Pros – Aligns FF with LEO in LEOFF 2
- Cons – May have unintended consequences, beyond resolving this issue

Policy Option 2

Make part-time fire fighter employment eligible for LEOFF 2, if the position is filled with a LEOFF 2 member and the position would otherwise be eligible for LEOFF 2 if it were full-time

- **Pros – LEOFF 2 members would be eligible for all LEOFF 2 benefits for their part-time work; prevents members from not qualifying for benefits because employer believes disabling condition occurred at part-time position**
- **Cons – Increases costs to employers, may result in employers not offering these part-time positions to LEOFF 2 members anymore**

Board Action

- 1. Motion for Final Briefing on Policy Option 1: Make part-time fire fighters eligible for LEOFF 2**
- 2. Motion for Final Briefing on Policy Option 2: Make part-time fire fighter employment eligible for LEOFF 2, if the position is filled with an active LEOFF 2 member and the position would otherwise be eligible for LEOFF 2 if it were full-time**
- 3. No Action**



Thank You

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Salary Setting Responsibility Next Steps

November 20, 2024

Update

- **Letter to OFM Director on consultation**
- **Update on Consultation**

Budget Letter from OFM Director

- OFM Director sent budget letter November 8, 2024
- Operating budget deficit between \$10 -\$12 billion
- Governor's Budget will prioritize
 - Continuing essential programs
 - Addressing caseload increases
 - Not expanding existing programs and services

Board Salary Setting - Phase 1 Initial Implementation

- Implementation of salary setting provisions of SSB 6197
 - Adoption of market-based salary range recommendations provided by consultant

	MIN	MID	MAX	RANGE WIDTH
Executive Director	\$145,907	\$190,287	\$248,165	70%
Deputy Director	\$116,726	\$152,229	\$198,532	70%
Senior Research and Policy Manager	\$106,538	\$138,943	\$181,204	70%

Board Salary Setting – Phase 1 Initial Implementation

- **Adoption of increases** (*Possible Executive Session for Performance Review*)
 - Deputy Director
 - Senior Research and Policy Managers

	CURRENT PAY	MIN	MID	MAX
Executive Director	\$178,620	\$145,907	\$190,287	\$248,165
Deputy Director	\$142,512	\$116,726	\$152,229	\$198,532
Senior Research and Policy Manager (1)	\$138,504	\$106,538	\$138,943	\$181,204
Senior Research and Policy Manager (2)	\$144,420	\$106,538	\$138,943	\$181,204

Board Salary Setting – Phase 2 On-going Process

- **Consultant Recommendations/Best Practice**
 - Adoption of automatic annual adjustments to the ranges
 - Adoption of market evaluation analysis every two years
- **Performance evaluation consideration**
- **Adoption of process timeline**

Board Salary Setting – Phase 2 On-Going Process

January –
Performance
Evaluations
Calendar
Year

April/May –
Even Years
Market
Analysis

June - Board
Receives
Market Data
and OFM
Consultation

July - Board
Decision
Adopted

August –
Summer
Break
Budget
Request

September –
Budget
Decision
Packages to
OFM

Possible Board Actions

1. Adoption of consultant process recommendations

- Adoption of Salary Range/Structure
- Adoption of General Wage Increase annual adjustment methodology
- Adoption of market approach
- Adoption of timeline

2. Adoption of specific staff salary increases

- Presentation of past performance evaluations in executive session if necessary



Thank You

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Law Enforcement Officers' & Fire Fighters' Plan 2 Retirement Board Budget Report for October 2024



Biennium 2023 - 2025
(July 2023 - June 2025)

Expense Category	Budgeted for Biennium 2023-25	Projected Biennial Total	Projected Biennial Variance	Budgeted through October 2024	Actual through October 2024	Variance through October 2024
Salary & Wages	\$1,970,024	\$1,955,915	\$14,109	\$1,299,552	\$1,285,443	\$14,109
Employee Benefits & Taxes	\$577,798	\$572,805	\$4,993	\$376,742	\$372,909	\$3,833
State Actuary Services	\$257,090	\$257,089	\$1	\$171,394	\$171,393	\$1
Rent & Utilities	\$124,176	\$122,597	\$1,579	\$82,784	\$81,205	\$1,579
State Central Services ¹	\$509,368	\$506,809	\$2,559	\$320,122	\$323,101	(\$2,979)
Staff & Trustee Development ²	\$224,186	\$191,310	\$32,876	\$182,564	\$149,088	\$33,476
Communications & IT ³	\$117,589	\$115,794	\$1,795	\$76,151	\$75,056	\$1,095
Contracts	\$71,600	\$62,607	\$8,993	\$54,600	\$31,607	\$22,993
Other Operating Expenses	\$36,169	\$31,675	\$4,494	\$33,689	\$15,970	\$17,719
Biennium 23-25 TOTALS	\$3,888,000	\$3,816,602	\$71,398	\$2,597,598	\$2,505,772	\$91,826

¹State Central Services includes:

- DES - Financial Services, HR Services, Risk Management Services, & Facility Services
- WaTech - Network and Data Services, Security Services, & IT Support Services
- OFM - Enterprise Systems, State Personnel (HR) Services, & OneWa Development
- SOS - Archival Services, SAO - Audit Services, GOV - Equity Office, and ATG - Legal Services

²Includes Travel Expenses

³Includes Newsletter Printing and Mailing