

# BOARD MEETING AGENDA

March 28, 2018 - 9:30 AM



## LOCATION

STATE INVESTMENT BOARD  
Large Conference Room, STE 100  
2100 Evergreen Park Drive S.W.  
Olympia, WA 98502  
Phone: 360.586.2320  
Fax: 360.586.2329  
recep@leoff.wa.gov

- |   |          |
|---|----------|
| <b>1. Approval of Minutes</b>           | 9:35 AM  |
| Dennis Lawson, Chair                    |          |
| <b>2. 2018 Legislative Update</b>       | 9:40 AM  |
| Ryan Frost, Research and Policy Manager |          |
| <b>3. Interim Planning</b>              | 10:15 AM |
| Ryan Frost, Research and Policy Manager |          |
| <b>4. Administrative Update</b>         |          |
| • <b>DRS Rulemaking</b>                 | 11:00 AM |
| Steve Nelsen, Executive Director        |          |
| • <b>Outreach Activities</b>            |          |
| <b>5. Executive Session</b>             | 11:30 AM |
| Dennis Lawson, Chair                    |          |

**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.*



## 2018 Legislative Update

**Date Presented:**

3/28/2018

**Presenter Name and Title:**

Ryan Frost, Research and Policy Manager

**Summary:**

A review of the 2018 legislative session

**ATTACHMENTS:**

Description	Type
▫ 2018 Legislative Update	Report
▫ 2018 Legislative Update	Presentation



March 28, 2018

## 2018 Legislative Update

### EDUCATIONAL BRIEFING

By Ryan Frost

Research and Policy Manager

360-586-2325

ryan.frost@leoff.wa.gov

### 2018 SUPPLEMENTAL BUDGET

#### Budget Provisions Affecting LEOFF Plan 2:

- **Contribution rates**
  - Continues to fully fund the LEOFF Plan 2 Retirement Board's employer and state contribution rates.

#### Proposals Not Included in Final Budget:

- **Benefit Improvement Account**
  - Governor Inslee's supplemental budget proposed a payment of \$25 million into the benefit improvement account. That payment was not included in the final budget passed by the legislature.

### BILLS AFFECTING LEOFF PLAN 2 - PASSED

- **Interruptive Military Service Credit (ESHB 2701)**
  - Corrects the current definition of "Veteran"
  - LEOFF Plan 2 Board Request Legislation
- **PTSD (SSB 6214)**
  - Allowing industrial insurance coverage for posttraumatic stress disorders affecting law enforcement officers and firefighters.
- **McNeil Island Firefighters (SHB 2786)**
  - Adds the Department of Social and Health Services and the Department of Corrections to the definition of "employer" for LEOFF Plan 2 when employing firefighters serving at a prison or civil commitment center on an island.

- **LEOFF Plan 2 Board’s Executive Director Salary (HB 2709)**
  - The LEOFF 2 Board is authorized to fix the salary of the Executive Director, and the authority of the OFM to limit the salary of the Executive Director fixed by the LEOFF 2 Board is removed.

## **BILLS AFFECTING LEOFF PLAN 2 – NOT PASSED**

- **Presumption of occupational diseases (ESB 6213)**
  - Makes the occupational disease presumptions for firefighters applicable to certain emergency medical technicians and public employee fire investigators and adds additional cancers to the cancer occupational disease presumption.
  - Creates an occupational disease presumption for heart problems and infectious diseases for law enforcement officers.
  - Requires the Department of Labor and Industries to convene a workgroup to recommend options for amending first responder occupations and diseases for application of a presumption.
- **Authorizing community and technical colleges to establish a police force on their campuses (SB 6119)**
  - Currently, only the State’s four-year institutions have this authorization.
- **Creating a property tax exemption for spouses of military members or first responders killed in the line of duty (SB 6300)**
  - Creates a lifetime property tax exemption for primary residences owned by persons whose spouses were killed in the line of duty, either in the military or as a first responder.
  - Continues exemption even if surviving spouse remarries.

## **SCPP BILLS**

- **Providing a benefit increase to certain retirees of the PERS 1 and TRS 1 systems (SSB 6340)**
  - A one-time increase of 1.5 percent is provided to retirees of the PERS 1 and TRS 1 systems monthly benefits, up to a maximum increase of \$62.50 on July 1, 2018.



# Legislative Update

March 28, 2018

# 2018 SUPPLEMENTAL BUDGET

## Budget Provisions Affecting LEOFF Plan 2:

- **Contribution rates**
  - Continues to fully fund the LEOFF Plan 2 Retirement Board's employer and state contribution rates.

## Proposals Not Included in Final Budget:

- **Benefit Improvement Account**
  - Governor Inslee's supplemental budget proposed a payment of \$25 million into the benefit improvement account. That payment was not included in the final budget passed by the legislature.

# Bills Affecting LEOFF Plan 2 - passed

## **Interruptive Military Service Credit (ESHB 2701)**

- Corrects the current definition of “Veteran”
- LEOFF Plan 2 Board Request Legislation

## **PTSD (SSB 6214)**

- Allowing industrial insurance coverage for posttraumatic stress disorders affecting law enforcement officers and firefighters.

## **McNeil Island Firefighters (SHB 2786)**

- Adds the Department of Social and Health Services and the Department of Corrections to the definition of "employer" for LEOFF Plan 2 when employing firefighters serving at a prison or civil commitment center on an island.

## **LEOFF Plan 2 Board's Executive Director Salary (HB 2709)**

- The LEOFF 2 Board is authorized to fix the salary of the Executive Director, and the authority of the OFM to limit the salary of the Executive Director fixed by the LEOFF 2 Board is removed.

# Bills Affecting LEOFF Plan 2 – not passed

## **Presumption of occupational diseases (ESB 6213)**

- Adds additional cancers to the cancer occupational disease presumption.
- Creates an occupational disease presumption for heart problems and infectious diseases for law enforcement officers.
- Requires L&I to convene a workgroup to recommend options for amending first responder occupations and diseases for application of a presumption.

## **Authorizing community and technical colleges to establish a police force on their campuses (SB 6119)**

- Currently, only the State's four-year institutions have this authorization.

## **Creating a property tax exemption for spouses of military members or first responders killed in the line of duty (SB 6300)**

- Creates a lifetime property tax exemption for primary residences owned by persons whose spouses were killed in the line of duty, either in the military or as a first responder.
- Continues exemption even if surviving spouse remarries.



# SCPP BILLS

## Providing a benefit increase to certain retirees of the PERS 1 and TRS 1 systems (SSB 6340)

- A one-time increase of 1.5 percent is provided to retirees of the PERS 1 and TRS 1 systems monthly benefits, up to a maximum increase of \$62.50 on July 1, 2018.



**Thank You**

**Ryan Frost**

**Research and Policy Manager**

**[ryan.frost@leoff.wa.gov](mailto:ryan.frost@leoff.wa.gov)**

**360-586-2325**



## Interim Planning

**Date Presented:**

3/28/2018

**Presenter Name and Title:**

Ryan Frost, Research and Policy Manager

**Summary:**

An overview of actuarial, administrative and potential issue topics for the 2018 interim are before the Board for consideration.

**ATTACHMENTS:**

Description	Type
▢ Interim Planning	Report
▢ Interim Planning	Presentation



March 28, 2018  
2018 Interim Planning

By Ryan Frost  
Research and Policy Manager  
360-586-2325  
ryan.frost@leoff.wa.gov

## OVERVIEW

### Actuarial

1. Contribution rate adoption
2. Supplemental rate adoption
3. LEOFF 2 actuarial valuation
4. Update on cost of benefit improvements
5. Funding policy discussion

### Potential Topics

1. PEBB coverage for catastrophic retirees
2. Disabled members return to work
3. Retiree return to work
4. Standby pay as earnable compensation
5. Definition of child
6. Presumption of occupational diseases
7. Out of State Duty

### Administrative

1. DRS rulemaking
2. Financial audit
3. DRS/SIB presentations
4. October offsite planning meeting
5. Annual AG training
6. Alternate revenue update



# Interim Planning

March 28, 2018

# Actuarial

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# Potential Topics

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# Administrative

1. DRS rulemaking
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**Thank You**

**Ryan Frost**

**Research and Policy Manager**

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