



Strategic Plan Linkage

Goal Three: Maintain the financial integrity of the plan

- Objectives
 - Maintain prudent financial policies
 - Identify additional funding mechanisms
 - Maintain the stability of contribution rates
- Key Tactics
 - Adopt adequate contribution rates
 - Adopt financially sustainable budget for board operations
 - Adopt economic assumptions, actuarial tables and cost methodologies
 - Commission independent audits
 - Research other options for revenue
 - Identify best practices from other states and organizations
 - Consult with strategic partners regarding rate stability
 - Ensure the reliability of rate projections
 - Provide information on the fiscal reality of the plan
 - Promote Fiduciary education

Strategic Questions/Discussion Points

- What is the Boards authority to exceed current expenditure authority?
- Does the Board want to take a more active role in budget adoption?

2017 - 2019 Potential Budget Cuts

- Trustee Education
- Employee Education
- Outreach
- Other
 - Fiscal Note Audits
 - Tax Counsel
 - Other Consultants



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

July 13, 2017

TO: Agency Directors

FROM: David Schumacher
Director

SUBJECT: PUBLIC FUNDS EXEMPT FROM ALLOTMENT – RCW 43.88.110(10)

The state Budget, Accounting and Reporting Act grants authority to the director of the Office of Financial Management (OFM) to exempt certain funds from allotment controls.

I am writing to inform you that the public funds on the attached list do not require allotment in the 2017-19 biennium. All other public funds used by an agency, including funds outside the treasury, are to be included in the agency allotment submittal.

If you have any questions, please contact your [assigned OFM budget analyst](#).

Attachment

cc: Bryon Moore, Senate Ways and Means Committee
Charlie Gavigan, House Appropriations Committee
Kelly Simpson, Senate Transportation Committee
Mark Matteson, House Transportation Committee
Richard Ramsey, Senate Ways and Means Committee
Melissa Palmer, House Capital Budget Committee
Agency Budget Officers

2017-19 ALLOTMENT EXEMPTIONS

The following funds/accounts are exempt from expenditure, revenue, and cash allotments:

Account Code	Account Name
01P	Suspense Account
01R	Undistributed Receipts Account
01T	Local Leasehold Excise Tax Account
034	Local Sales & Use Tax Account
035	State Payroll Revolving Account
076	Treasury Income Account
07B	Organ and Tissue Donation Awareness Account
07K	Special License Plant Applicant Trust Account
08B	Foster Care Endowed Scholarship Trust Account
08N	State Financial Aid Account
09K	Life Sciences Discovery Account
09T	Washington Main Street Trust Fund Account
12H	Uniformed Service Shared Leave Pool
12N	GET Ready for Math and Science Scholarship Account
143	Institutions of Higher Education - Federal Appropriation Account
145	Institutions of Higher Education - Grants/Contracts Account
147	Institutions of Higher Education - Plant Account
148	Institutions of Higher Education - Dedicated Local Account
165	Salary Reduction Account
16C	Real Estate and Property Tax Administration Assistance Account
17A	County Enhanced 911 Excise Tax Account
18G	Opportunity Scholarship Match Transfer Account
18K	24/7 Sobriety Account
19V	Cancer Research Endowment Fund Match Transfer Account
20D	CPA Scholarship Transfer Account
241	COP Construction Account
252	Higher Education Non-Proprietary Local Capital
387	UW Facilities Bond Retirement Account
401	Correctional Industries Account
403	Self-Insurance Revolving Account
409	Investment Income Account
411	Natural Resources Equipment Account
416	Surplus/Donated Food Commodities Revolving Account
432	King Street Railroad Station Facility Account
440	Institutions of Higher Education - Stores Account
443	Institutions of Higher Education - Data Processing Account
446	Industrial Insurance Rainy Day Fund Account
448	Institutions of Higher Education - Printing Account
449	COP/Other Financing Account - Local
450	Institutions of Higher Education - Other Facilities Account
457	Institutions of Higher Education - Retirement Benefits Revolving Account
460	Institutions of Higher Education - Motor Pool Account
477	Lottery Investment Account
482	Dairy/Forage Facility Revolving
495	Toll Collection Account
505	University of Washington - University Hospital Account
508	Miscellaneous Enterprise Activities
512	Institutional Stores Account
522	Institutions of Higher Education - Associated Students

Account Code	Account Name
523	Public Funds Investment Account
524	Institutions of Higher Education - Bookstore Account
525	State Employee Combined Fund Drive
526	Veterans' Memorial Account
527	Administrator for Intestate Estates
528	Institutions of Higher Education - Parking Account
534	Wash Graduate Fellowship Trust Fund
547	Liability Account
569	Institutions of Higher Education - Food Services Account
570	Institutions of Higher Education - Other Enterprises Account
573	Institutions of Higher Education - Housing & Food Account
575	Vocational Education Revolving Account - Corrections
601	Agricultural Permanent Account
603	Millersylvania Park Trust Account
604	Normal School Permanent Account
605	Permanent Common School Fund
606	Scientific Permanent Account
607	State University Permanent Account
610	Accident Reserve Account
614	Volunteer Firefighters' and Reserve Officers' Relief and Pension Principal Account
615	Washington State Patrol Retirement Fund Plan I Account
616	Judges' Retirement Account
620	Unemployment Compensation Fund
622	Unemployment Compensation Federal Employees' Benefit Payment
630	WSP Retirement System Plan 2 Account
631	Public Employees' Retirement Plan I
632	Teachers' Retirement Plan I Account
633	School Employee Combined Plan 2 & 3
635	Public Safety Employees' Retirement System Plan 2 Account
636	Foster Care Trust Account
641	Public Employees' Retirement Plan II
642	Teachers' Retirement System Combined Plan II & III
644	Community Services Revolving Account
646	Higher Education Retirement Plan Supplemental Benefit Account
649	Discrete Component Units Processing
651	Institutional Residents' Deposit
653	Washington Distinguished Professorship Trust Fund
660	Natural Resources Deposit Fund
687	Rural Rehabilitation Account
688	Fed Local Rail Service Assistance
721	Public Employees/Retirees Insurance
722	Deferred Compensation Principal Account
729	Judicial Retirement Principal Account
730	Public Employee/Retiree Ins Reserve
731	Child Care Facility Revolving Account
732	Nursing Home Civil Penalties Account
733	Capitol Campus Reserve Account
734	Centennial Document Preservation/Modern
737	High Occupancy Vehicle Account
738	DSHS Trust Account
739	Certificate of Participation and Other Financing
743	College Faculty Awards Trust Fund

Account Code	Account Name
749	Governor's ICSEW Account
752	Institutional Clearing/Transmittal
753	DSHS Child Support Service Account
755	Community Services Office Administrator
757	Maritime Historic Restore/Preserve
768	Local Real Estate Excise Tax Account
773	Prof Student Exchange Program Trust
774	UW License Plate Account
775	Seized Contraband Account
776	WSU License Plate Account
778	WWU License Plate Account
779	EWU License Plate Account
783	CWU License Plate Account
784	Miscellaneous Transportation Programs Account
786	TESC License Plate Account
789	Advanced Environmental Mitigation
790	College Clearing Account
795	State Investment Board Commingled Monthly Bond Account
797	Local Tourism Promotion Account
799	Washington Achieving a Better Life Experience Program Account
800	Institutional Welfare/Betterment
801	Opportunity Scholarship Custodial Account
819	L.E.O.F.F. Retirement Plan I Account
821	Impaired Physician Account
829	L.E.O.F.F. Retirement Plan II Account
837	Washington Promise Scholarship Account
838	LEOFF Retirement System Benefits Improvement Account
840	Institutions of Higher Education - Agency Account
841	G. Robert Ross Endowment Account
842	American Indian Scholarship Endowment Account
843	Exceptional Faculty Awards Endowment Account
846	Grants-In-Aid Scholarship/Fellowship Account
849	Institutions of Higher Education - Student Loan Account
850	Institutions of Higher Education - Work Study Account
852	Foster Care Scholarship Endowment Account
857	Institutions of Higher Education - Annuity & Life Income Account
859	Institutions of Higher Education - Endowment Local Account
860	Institutions of Higher Education - Long-Term Loan Account
865	SIB Commingled Trust Account
877	OASI Contribution Account
878	Federal Forest Revolving Account
880	Advance Right-of-Way Revolving Account
881	Supplemental Pension Account
882	Washington Judicial Retirement Account
883	Second Injury Account
893	Radiation Perpetual Maintenance Account

Note: Inactive funds/accounts do not need allotments. If an account becomes active again, it will be determined at that time if allotments are necessary.



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES
1500 Jefferson, Olympia, WA 98504

TO: Steve Nelsen, Executive Director
Law Enforcement Officers and Fire Fighters Plan 2 Retirement Board (LEOFF2)

FROM: Kai Matthews, Senior Financial Consultant – Department of Enterprise Services,
Small Agency Financial Services

DATE: October 16, 2018

SUBJECT: September (FM15) 2018 Monthly Fiscal Status Report (MFSR)

Biennium-to-date the Law Enforcement Officers Retirement Plan 2 Board has incurred \$1,540,147 in expenditures, which is \$8,565 more than the boards biennial spending plan. For the first three months of fiscal year 2019, the board has spent \$3,795 more than planned and in the most recent month expenditures are \$13,090 less than planned. Current projections estimate that the board will end the biennium underspent by \$10,019.

The following explanations highlight the major differences between the allotment plan and actual expenditures by category:

Salaries and Benefits (A & B)

Salaries and benefit expenses are currently \$3,916 more than the financial plan for the first three months of the new fiscal year. The bulk of this overage is the result of a share leave donation between state employees costing the agency \$4,013.

Professional Service Contracts (C)

The professional service contracts category has incurred no charges this fiscal year.

Goods and Services (E)

Overall, the goods and services category has \$82,971 in charges for fiscal year 2019, which is \$3,202 more than planned. The following sub-objects make the largest variances in this category:

- EB – Communications: Currently this category is \$957 underspent. This is the result of lower than expected postage costs for the bi-annual newsletter.
- EG – Employee Professional Development & Training: Employee development is currently \$9,270 overspent. At the start of the fiscal year, this category was \$13,815 overspent however, due to registration refunds for the IFEBP Conference and a timing

Steve Nelsen, Executive Director

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difference between the allotment and actual expenditure this category is projected to end the fiscal year with a positive balance of \$4,545.

- ET – Audit Services: This category is \$1,663 overspent. This is mere timing issue as charges for audit services were initially expected to occur next month.

Travel (G)

Currently the travel category has a \$3,523 surplus. The main drivers of this positive variance are substantially less than planned spending on in-state per diem and private automobile mileage.

Upcoming Dates of Interest:

October 31, 2018 – *Performance measure actuals for the quarter ending September 30, 2018 are due to OFM.* It is recommended that these are returned to DES SAFS *no later than two business days prior* to allow sufficient time for review and entry into the results through performance management system.

If you have any questions or need additional information, feel free to call me at (360) 407-8165 or e-mail me at kai.matthews@des.wa.gov.

Enclosed Reports:

LEOFF FY19 Projections

341 Agency Expenses FM15

341 MFSR FM15

341 Payroll & Related Expenses FM15

LEOFF Plan 2 Retirement Board Agency Summary BITD as of September 2018

Category	BI Allotment	BITD Allotment	BITD Expenditures	BITD Variance	BI Variance
Salaries and Wages	1,305,522	800,616	785,146	15,470	520,376
Employee Benefits	428,183	263,131	257,569	5,562	170,614
Professional Service Contracts	33,000	23,000	12,603	10,397	20,397
Travel	93,870	54,210	67,991	(13,781)	25,879
Capital Outlays	0	0	523	(523)	(523)
Grants, Benefits & Client Services	0	0	200	(200)	(200)
Goods and Services	625,677	390,625	416,115	(25,490)	209,562
Sum:	2,486,252	1,531,582	1,540,147	(8,565)	946,105

Category	FM Allotment	FM Expenditure	FM Variance	BITD Allotment	BITD Expenditures	BITD Variance
Salaries and Wages	55,036	55,028	8	800,616	785,146	15,470
A AA State Classified	37,052	37,046	6	543,054	524,942	18,112
AC State Exempt	17,984	17,982	2	257,562	258,649	(1,087)
AS Sick Leave Buy-Out	0	0	0	0	1,555	(1,555)
Employee Benefits	17,867	17,953	(86)	263,131	257,569	5,562
BA Old Age and Survivors Insurance	3,412	3,359	53	49,317	47,722	1,595
BB Retirement and Pensions	6,990	7,060	(70)	101,682	99,588	2,094
BC Medical Aid & Industrial Insurance	255	250	5	4,149	3,896	253
BD Health, Life & Disability Insurance	6,412	6,412	0	95,928	94,117	1,811
BE Allowances	0	86	(86)	420	462	(42)
BH Hospital Insurance (Medicare)	798	786	12	11,610	11,169	441
BV Shared Leave Provided Annual Leave	0	0	0	0	4,013	(4,013)
BW Shared Leave Received	0	0	0	0	(3,424)	3,424
BZ Other Employee Benefits	0	0	0	25	25	0
Professional Service Contracts	0	0	0	23,000	12,603	10,397
C Professional Service Contracts	0	0	0	23,000	0	23,000
CC Financial Services	0	0	0	0	12,603	(12,603)
Goods and Services	32,766	20,220	12,546	390,625	416,115	(25,490)
E Goods and Other Services	0	0	0	0	0	0
EA Supplies and Materials	585	691	(106)	2,055	8,693	(6,638)
EB Communications/Telecommunications	7,445	6,127	1,318	28,425	29,210	(785)
EC Utilities	515	259	256	7,185	7,060	125
ED Rentals and Leases - Land & Buildings	3,830	3,830	1	57,450	57,443	8
EE Repairs, Alterations & Maintenance	0	0	0	0	223	(223)
EF Printing and Reproduction	3,550	(6,482)	10,032	10,300	10,488	(188)
EG Employee Prof Dev & Training	0	0	0	32,212	62,964	(30,752)
EH Rental & Leases - Furn & Equipment	810	303	507	5,650	6,082	(432)
EJ Subscriptions	150	156	(6)	1,350	2,014	(664)
EK Facilities and Services	3,211	3,233	(22)	49,189	49,586	(397)
EL Data Processing Services (Interagency)	736	1,231	(495)	9,962	9,808	154
EM Attorney General Services	1,905	(284)	2,189	27,999	15,788	12,211
EN Personnel Services	676	441	235	7,242	8,045	(803)
EP Insurance	0	0	0	140	50	90
ER Other Contractual Services	9,185	9,138	47	137,699	137,778	(79)
ET Audit Services	0	1,663	(1,663)	0	1,663	(1,663)
EW Archives & Records Management Svcs	0	0	0	199	160	39
EY Software Licenses and Maintenance	1,018	703	315	14,238	13,190	1,048
EZ Other Goods and Services	(850)	(789)	(61)	(670)	(4,129)	3,459
Travel	4,050	3,427	623	54,210	67,991	(13,781)
G Travel	0	0	0	0	0	0
GA In-State Subsistence & Lodging	1,250	389	861	11,372	7,686	3,686
GB In-State Air Transportation	0	264	(264)	1,584	1,299	285
GC Private Automobile Mileage	2,550	1,119	1,431	10,394	13,724	(3,330)
GD Other Travel Expenses	0	104	(104)	4,560	3,912	648
GF Out-of-State Subsistence & Lodging	250	1,550	(1,300)	18,044	28,964	(10,920)
GG Out-of-State Air Transportation	0	0	0	8,256	12,406	(4,150)
Capital Outlays	0	0	0	0	523	(523)
JA Noncapitalized Assets	0	0	0	0	523	(523)
Grants, Benefits & Client Services	0	0	0	0	200	(200)
NZ Other Grants and Benefits	0	0	0	0	200	(200)
Total Dollars	109,719	96,629	13,090	1,531,582	1,540,147	(8,565)