

# SENATE BILL REPORT

## HB 2709

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As Reported by Senate Committee On:  
Ways & Means, February 26, 2018

**Title:** An act relating to the authority of the law enforcement officers' and firefighters' plan 2 retirement board to set the salary of the executive director.

**Brief Description:** Concerning the authority of the law enforcement officers' and firefighters' plan 2 retirement board to set the salary of the executive director.

**Sponsors:** Representatives Holy and Bergquist.

**Brief History:** Passed House: 2/08/18, 85-13.

**Committee Activity:** Ways & Means: 2/22/18, 2/26/18 [DPA(WM), DNP, w/oRec].

### Brief Summary of Amended Bill

- Authorizes the Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board (LEOFF 2 Board) to fix the salary of the executive director.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Ways & Means.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Honeyford, Assistant Ranking Member; Billig, Brown, Carlyle, Conway, Darneille, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Van De Wege and Warnick.

**Minority Report:** Do not pass.

Signed by Senator Hasegawa.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Bailey, Becker, Schoesler and Wagoner.

**Staff:** Amanda Cecil (786-7460)

**Background:** The LEOFF 2 Board was created in 2003 by the passage of Initiative 790 in 2002. The LEOFF 2 Board is a state agency that serves as the board of trustees for the Law

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) and has the authority to administer the LEOFF 2. The LEOFF 2 Board has the authority to set the economic assumptions and the contribution rates for LEOFF 2 employees, employers, and the state, subject to revision by the Legislature; employ staff that are state employees; and adopt an annual budget.

The LEOFF 2 Board is composed of 11 members, including three members representing law enforcement officers, three members representing fire fighters, three members representing employers, one member of the Senate, and one member of the House of Representatives.

The State Human Resources division of the Office of Financial Management (OFM) manages statewide human resource policy functions, including classification, compensation, workforce data, civil service rules, recruitment, and other policy functions. Like most agency directors, the position of executive director of the LEOFF 2 Board is exempt from civil service rules and serves at the pleasure of the LEOFF 2 Board. OFM requires agencies to establish an initial salary range or band for their exempt positions, and OFM must approve salary or salary range changes outside of the previously approved range prior to adjustments. Agencies are permitted to adjust salaries of exempt employees within the approved bands for specified reasons, but not adjust them above the approved band.

**Summary of Amended Bill:** The LEOFF 2 Board is authorized to fix the salary of the executive director, and the authority of OFM to limit the salary of the executive director fixed by the LEOFF 2 Board is removed.

**EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):**

- Directs that the board consult with the director of the Office of Financial Management when fixing the salary for the executive director and provide notice to the chairs of the House and Senate fiscal committees of changes to the salary.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: The LEOFF 2 Board and members more than adequately manage their pension plan. We want to remove the executive director's salary setting from OFM oversight so that we can compete with other entities who are looking to recruit the director. We have seen directors in our state move to other states. This is about being competitive and retaining good staff. Should the executive director still choose to leave we want to be a competitive employer for other candidates. We are asking to use our own money to pay the salary.

**Persons Testifying:** PRO: Representative Jeff Holy, Prime Sponsor; Michael White, Legislative Liaison, Washington State Council of Fire Fighters.

**Persons Signed In To Testify But Not Testifying:** No one.