

# SENATE BILL REPORT

## SB 5332

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As Reported by Senate Committee On:  
Transportation, February 24, 2009

**Title:** An act relating to the administration of the Washington state patrol retirement system.

**Brief Description:** Administering the Washington state patrol retirement system.

**Sponsors:** Senators Haugen, Swecker and Delvin.

**Brief History:**

**Committee Activity:** Transportation: 2/05/09, 2/24/09 [DPS].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5332 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Jarrett, Kastama, Kauffman, Kilmer, King, Ranker and Sheldon.

**Staff:** Dory Nicpon (786-7321)

**Background:** In 2003 the Select Committee on Pension Policy (Select Committee) replaced the Joint Committee on Pension Policy as the entity responsible for studying pension issues and the financial condition of the state pension system; developing pension policies; and making recommendations to the Legislature regarding changes to the state pension system.

Created in 1998 the Pension Funding Council (PFC) receives recommendations from the Office of the State Actuary (OSA) regarding the appropriate member and employer contribution rates for the Public Employees', Teachers', School Employees', and Washington State Patrol Retirement Systems, and periodically adopts pension contribution rates and changes to certain long-term assumptions that affect pension funding. The contribution rates adopted by the PFC are subject to revision by the Legislature.

In 2003 Initiative Measure Number 790 (I-790) created a board of trustees to establish contribution rates and pension policy for members for the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF2).

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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.*

Pursuant to instructions in the 2008 Supplementation Transportation Budget, the Office of Financial Management (OFM) reported to the Legislature its study of the relative cost and effectiveness of various methods by which the pension concerns of members of the Washington State Patrol Retirement System (WSPRS) may be considered and submitted to the Legislature.

**Summary of Bill (Recommended Substitute):** A standing subcommittee of the Select Committee is created to focus on pension issues affecting WSPRS members. The activities of the standing subcommittee are subject to appropriation.

The Department of Retirement Systems (DRS) must bill the Washington State Patrol (WSP) for any amount appropriated by the Legislature to support the standing subcommittee's activities. WSP is to recoup the appropriation amount, plus the administrative costs of WSP and DRS, through a payroll deduction from WSPRS members.

If an appropriation is not made by June 30, 2009, the act is null and void.

**EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute):** In lieu of creating a separate, 11-member WSPRS Board to review pension issues germane to WSP, a standing subcommittee of the Select Committee is created. A null and void clause is added.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 24, 2009. [OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** Yes.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill will ensure that the concerns of members of the WSPRS can be better communicated to the Legislature. There are many inconsistencies among the statutes and administrative code provisions regarding WSPRS. The Board created under this bill could review for the purpose of proposing legislation to reconcile those inconsistencies. The Select Committee cannot adequately consider the concerns of WSPRS members. The deliberations of the Select Committee are focused on the pension concerns of much larger plans.

**Persons Testifying:** PRO: Rick Jensen, Tom Pillow, Washington State Patrol Troopers Association; Dave Scherf, Steve Sutton, Washington State Patrol Lieutenants Association.