

**GOVERNMENTAL OPERATIONS**

Agency 341

**LEOFF 2 Retirement Board  
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2017-19 Original Appropriations</b>	7.0	0	2,447	2,447
<b>Maintenance Other Changes:</b>				
1. Update Funding for OSA Agreement	0.0	0	10	10
<b>Maintenance -- Other Total</b>	<b>0.0</b>	<b>0</b>	<b>10</b>	<b>10</b>
<b>Maintenance Comp Changes:</b>				
2. Updated PEBB Rate	0.0	0	(4)	(4)
<b>Maintenance -- Comp Total</b>	<b>0.0</b>	<b>0</b>	<b>(4)</b>	<b>(4)</b>
<b>Maintenance Central Services Changes:</b>				
3. DES Rate Compensation Changes	0.0	0	1	1
<b>Maintenance -- Central Svcs Total</b>	<b>0.0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Total Maintenance Changes</b>	<b>0.0</b>	<b>0</b>	<b>7</b>	<b>7</b>
<b>2017-19 Maintenance Level</b>	<b>7.0</b>	<b>0</b>	<b>2,454</b>	<b>2,454</b>
<b>Policy Comp Changes:</b>				
4. PERS & TRS Plan 1 Benefit Increase	0.0	0	1	1
<b>Policy -- Comp Total</b>	<b>0.0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>Policy Central Services Changes:</b>				
5. CTS Fee for Service Adjustment	0.0	0	4	4
<b>Policy -- Central Svcs Total</b>	<b>0.0</b>	<b>0</b>	<b>4</b>	<b>4</b>
<b>Total Policy Changes</b>	<b>0.0</b>	<b>0</b>	<b>5</b>	<b>5</b>
<b>2017-19 Policy Level</b>	<b>7.0</b>	<b>0</b>	<b>2,459</b>	<b>2,459</b>

**POLICY CHANGES**

**1. Update Funding for OSA Agreement**

The Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF) enters into an interagency agreement with the Office of the State Actuary (OSA) to provide actuarial assistance to the Board. The rates set forth in the agreement increased in the 2017-19 biennium. This item updates non-appropriated funding for LEOFF to cover the increased costs. (LEOFF Plan 2 Expense Fund-Non-Appr)

Agency 341

## LEOFF 2 Retirement Board (cont.)

### Recommendation Summary

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#### 2. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (LEOFF Plan 2 Expense Fund-Non-Appr)

#### 3. DES Rate Compensation Changes

Funding is provided to cover compensation and central service cost increases that were included in the 2017-19 biennial budget in lines of business at the Department of Enterprise Services that have a fee for service structure. (LEOFF Plan 2 Expense Fund-Non-Appr)

#### 4. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (LEOFF Plan 2 Expense Fund-Non-Appr)

#### 5. CTS Fee for Service Adjustment

Rates for wireless, virtual private network, and server infrastructure services are increased effective January 1, 2018 to align revenues with WaTech's cost of providing services. Monthly rates per device or service will increase for wireless to \$50, Centrex services to \$45 and virtual private network to \$285 per tunnel per month with a \$500 setup fee. (LEOFF Plan 2 Expense Fund-Non-Appr)