



# Washington State School Retirees' Association



## Legislative Insight

Vol. 20 Issue #3

March 30, 2010

TO: WSSRA Executive Board  
Coordinating Council Chairs  
WSSRA Past-Presidents

WSSRA Legislative Committee  
WSSRA Outreach Committee  
WSSRA Health Services Committee

Unit Presidents  
Unit VPs & Program Chairs  
Unit Legislative Chairs

Interested Parties



FROM: WSSRA Headquarters, Lacey

2010 Session Adjourns ~ Sine Die?

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## **TOP STORY: 2010 Session Adjourns ~ Sine Die?**

The Legislature traditionally uses the phrase, to adjourn “Sine Die,” to indicate adjournment without further business. However, this year the 2010 regular legislative Session, the second-half of the 61<sup>st</sup> Legislature, used the phrase, to adjourn “Sine Die,” to mean adjournment indefinitely, with no appointed date for reconvening. Governor Gregoire promptly followed the Legislature’s adjournment from the 2010 regular Legislative Session with a call for a 7-day Special Session. Following is an extended excerpt of Governor Gregoire’s March 11<sup>th</sup> Press Release summing up the Legislature’s actions to date, and calling for a *seven-day* Special Session:

“Much has been accomplished in these past 60 days,” Gregoire said. “Lawmakers continue to grapple with the worst economic downturn in 80 years. Despite our financial challenges, this session we made significant progress to improve our state and communities, especially in the area of education.”

Gregoire applauded lawmakers for passing comprehensive K-12 education reform legislation that will better position Washington State to compete for federal Race to the top funding. The governor-request bill will ensure improvements are made at the state’s lowest-performing schools to improve student achievement,

For more information, contact WSSRA at 1-800-544-5219, 4726 Pacific Avenue SE, Lacey, WA 98503-1216, [www.wssra.org](http://www.wssra.org).

establish better evaluation criteria for teachers and principals, and encourage innovation by permitting local dollars to be used to increase achievement in science, technology, engineering and math.

"We had to make this happen, not only for Race to the Top dollars, but more importantly, for the success of our children," Gregoire said. "I thank legislators in both chambers for their commitment to getting that bill passed. It required a lot of work and patience, and it paid off."

Gregoire also praised the Legislature for responding to the tragedies our law enforcement community experienced last year by passing legislation to improve public safety. Lawmakers agreed to send voters a constitutional amendment that will allow judges to deny bail to suspects who pose a threat to public safety, as well as approved legislation that improves the support given to the families of officers killed in the line of duty.

In addition, Gregoire recognized lawmakers for passing legislation that will:

- Create a public safety review panel to recommend whether a person found not guilty by reason of insanity should be released from state custody.
- Address levy-equalization to help cash-strapped schools, as well as take the next steps to ensure every child has high-quality early learning opportunities.
- Take the next step to phase-in a new funding system for basic education.
- Lift the levy lid, and allow school districts to ask voters for additional funding.
- Allow work to proceed to replace the 520 Bridge over Lake Washington.
- Reform natural resource agencies.

"We have more to do," Gregoire said. "Washington is at a turning point in our history. We need to get this right."

Gregoire tonight signed a proclamation to convene a special session of the Legislature beginning Monday, March 15th, and has asked Senate and House leadership to focus on reaching a compromise budget and revenue package to close the state's \$2.8 billion gap, as well as legislation to create jobs. Gregoire is urging the House and Senate to complete their work in a seven day session.



"We have to move forward with a jobs package that puts more Washingtonians to work. Jobs are the way out of this recession. We need a package that puts people to work quickly," Gregoire said. "And we have to find a balanced approach that combines difficult cuts and new revenue to fill our budget gap."

Gregoire pointed out that state spending has already been cut sharply. Lawmakers approved nearly \$3 billion in cuts during the last legislative session. This session, Gregoire proposed trimming another \$1 billion from state services.

"I will continue to work with leaders in the House and Senate to find the right approach to cuts and revenue that will keep Washington on the path to economic recovery," Gregoire said. "Under any of the budget proposals now on the table, we will have cut far more in spending than we will raise in revenue. Lawmakers have been working hard, and I know they will continue to do so until we reach an agreement."

As has proven to be the case, the Legislature has used its prerogative to extend its work beyond seven days. The Legislature may stay in this 1<sup>st</sup> Special Session up to 30-days before the Governor must call a formal 2<sup>nd</sup> Special Session. WSSRA members are joined with advocates from across the state, on issues ranging across the political spectrum, in waiting to see what the Legislature will come up with in the next few days or weeks that it wasn't able to accomplish during the sixty-day regular Session.

So far, in addition to the approximately \$18,000 per legislators per day in per diem expenses, the Legislature's inaction has resulted in a loss of approximately \$13 million in new revenues which were to have begun to be collected on April 1<sup>st</sup>, but will not be implemented on schedule due to various implementing bills they are linked to that have not passed. The saying time is money has never been more true.

## KEY BILLS THAT PASSED:

### ➤ **SSB 6584 ~ Monitoring and reporting customer complaints and appeals to the State Health Care Authority**

**WSSRA Position: Support**

#### **Status:**

Delivered to the Governor 3/6/10

#### **Floor Action:**

**Senate 2-16-2010 - Yeas: 46 Nays: 0 Absent: 0 Excused: 3**

**Voting Yea:** Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Gordon, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kohl-Welles, Marr, McAuliffe, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, and Zarelli

**Voting Nay:** none

### **WSSRA Telephone Tree Activation still underway...**

Continue contacts to Governor Gregoire with the following message:

*"Please sign SSB 6584, Monitoring and reporting customer complaints and appeals to the State Health Care Authority, as passed by the Legislature. Thank you."*

**Contact Governor via the Telephone ☎**

**1-800-562-6000** (Toll-free Legislative Hotline)  
**360-902-4111** (Toll-call directly to the Governor)

**Contact the Governor via the Internet ☞**

<http://www.governor.wa.gov/contact/default.asp>

See page 3 for more details.

Absent: none

Excused: Senators Kline, McCaslin, and Prentice

**House 2-28-2010 - Yeas: 87 Nays: 9 Absent: 0 Excused: 2**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Herrera, Hope, Hudgins, Hunt, Hunter, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Simpson, Smith, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Condotta, Ericksen, Haler, Hinkle, Klippert, Kretz, Kristiansen, Short, and Taylor

Absent: none

Excused: Representatives DeBolt and Hurst

**Sponsors:**

Senate Health & Long-Term Care (originally sponsored by Senators Fraser, Swecker, Keiser, Schoesler, Roach, McDermott, and Shin)

**Note:** SSB 6584 is the version of the proposal that is moving forward through the legislative process. However, WSSRA very much appreciates those members of the House who signed on to the companion bill, HB 2895: Representatives Cody, Hinkle, Driscoll, Campbell, Roach, Hunt, Morrell, Kenney, Hasegawa, Ormsby, and Kirby.

**Bill Summary:**

**SSB 6584** provides that beginning in 2011, the Health Care Authority (HCA) must capture customer service complaints **and** require each health plan that provides Public Employees Benefits Board (PEBB) medical coverage to submit a summary of customer service complaints and appeals to the agency.

The HCA must summarize the complaints and appeals processed in the preceding 12 months and report to the Legislature with an analysis of any trends by September 30 of each year.

**WSSRA Position: SUPPORT**

- Legislative review of complaints regarding HCA-PEBB sponsored health insurance plans will promote accountability and responsiveness of plans that contract with the HCA.
- SSB 6584 is a **good government** proposal that is estimated by the HCA to have **zero cost**.

This important bill was put forth by the Retired Public Employees Council (RPEC), and WSSRA was proud to join with RPEC in lobbying in support of its passage.



*Congratulations to WSSRA members for your efforts to achieve passage of SSB 6584 by the Legislature with such strong votes.*

**However, our work continues...**

Under Washington State statute, if the Governor does not sign a bill, the bill automatically goes into law. However, the Governor may “schedule a bill for action” in order to veto it.

**SSB 6584, Monitoring and reporting customer complaints and appeals to the State Health Care Authority, received no opposition from Governor Gregoire’s administration during the legislative process. Nonetheless, the Governor has not signed the bill into law.**

Indications up on the Hill are that the Governor does not like reports. However, WSSRA sees no down-side for the Governor supporting this bill. Moreover, the Governor’s signature on SSB 6584 would be an indication of her

**WSSRA Telephone Tree Activation still underway...**

Continue contacts to Governor Gregoire with the following message:

**“Please sign SSB 6584, Monitoring and reporting customer complaints and appeals to the State Health Care Authority, as passed by the Legislature. Thank you.”**

Word up on “the Hill” is that Governor Gregoire is not keen on reports. **WSSRA believes that the reports provided for in SSB 6584 will promote quality in PEBB sponsored health plans by increasing plan accountability to the HCA, and the HCA’s accountability to the Legislature.** SSB 6584 is a “good government,” zero cost proposal that merits the Governor’s support.

Please continue contacts to Governor Gregoire:

Contact Governor via the Telephone ☎

Washington State Legislative Hotline

1-800-562-6000 (Toll-free)

SESSION HOURS: *Monday–Friday 8:00 a.m. – 8:00 p.m. / Saturday 9:00 a.m. – 1:00 p.m.*

~ or ~

360-902-4111 (Toll-call directly to the Governor)

HOURS: *Monday through Friday 8:00 a.m. – 5:00 p.m.*

Contact the Governor via the Internet ☒

<http://www.governor.wa.gov/contact/default.asp>

dedication to accountability in government (particularly for the HCA, an agency that has received bad press recently for its funding shortfalls).

## ➤ **ESSB 6444 ~ 2010 Supplemental Operating Budget**

**WSSRA Position: No position taken.**

### **Status:**

House 2<sup>nd</sup> Reading

### **Floor Action:**

**Senate 2/27/2010 - Yeas: 25 Nays: 19 Absent: 0 Excused: 5**

**Voting Yea:** Senators Berkey, Brown, Eide, Fairley, Fraser, Gordon, Hargrove, Haugen, Jacobsen, Kastama, Kauffman, Keiser, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, and Shin

**Voting Nay:** Senators Becker, Benton, Brandland, Carrell, Franklin, Hewitt, Hobbs, Honeyford, Kilmer, King, Morton, Parlette, Pflug, Roach, Schoesler, Sheldon, Stevens, Tom, and Zarelli

**Absent:** none

**Excused:** Senators Delvin, Hatfield, Holmquist, McCaslin, and Swecker

**House Amended 3/5/2010 - Yeas: 55 Nays: 43 Absent: 0 Excused: 0**

**Voting Yea:** Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Sells, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Wood, and Mr. Speaker

**Voting Nay:** Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeler, DeBolt, Driscoll, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Seaquist, Shea, Short, Simpson, Smith, Taylor, Walsh, Warnick, and Williams

**Absent:** none

**Excused:** none

**Note:** The House of Representatives is delaying the final vote on the 2010 Supplemental Operating Budget until the debate on how to pay for it is resolved between the House and Senate.



**Senate 3/15/2010- Yeas: 25 Nays: 19 Absent: 0 Excused: 5**

**Voting Yea:** Senators Berkey, Brown, Eide, Fairley, Fraser, Gordon, Hargrove, Hatfield, Haugen, Jacobsen, Kastama, Kauffman, Keiser, Kline, Kohl-Welles, McAuliffe, McDermott, Murray, Oemig, Prentice, Pridemore, Ranker, Regala, Rockefeller, and Shin

**Voting Nay:** Senators Becker, Brandland, Carrell, Delvin, Franklin, Hewitt, Hobbs, Holmquist, Honeyford, Kilmer, King, Marr, Parlette, Pflug, Schoesler, Sheldon, Swecker, Tom, and Zarelli

**Absent:** none

**Excused:** Senators Benton, McCaslin, Morton, Roach, and Stevens

**House (re-vote required due to Special Session) – action to be determined**

### **Sponsors:**

Senate Health & Long-Term Care (originally sponsored by Senators Fraser, Swecker, Keiser, Schoesler, Roach, McDermott, and Shin)

**Note:** ESSB 6444 is the version of the 2010 Supplemental Operating Budget proposal that was enacted by the Legislature. The companion bill for the 2010 Supplemental Operating Budget was, HB 2824, and was sponsored by House Ways & Means (originally sponsored by Representatives Linville and Ericks; by request of Governor Gregoire).

### **Bill Summary:**

**ESSB 6444** addresses and modifies the 2009-11 biennial appropriations for the various agencies and programs of the state. Of key interest to current and future school retirees, *as of this writing*:

- ✓ **Public Employees Benefits Board (PEBB) Medicare-eligible “explicit” subsidy** – retained as contained in the 2009-11 Operating Budget enacted in 2009 at \$182.89 from January 1, 2010, through the remainder of the biennium.
- ✓ **Funding for continued study of the disability benefits provided to the plan 2 and plan 3 members of the PERS, TRS, and SERS by the Washington State Institute for Public Policy** - among the options the institute shall examine include statutory changes to the retirement systems and insurance products. The institute shall report its findings and recommendations to the Select Committee on Pension Policy (SCPP) by November 1, 2009. (Note: these provisions were originally contained in the SCPP’s 2010 request legislation SB 6493 / HB 2919).
- ✓ **Funding for plan 2/3 half-time educational employee service credit as requested by the SCPP (HB 1541)** – see page 7
- ✓ **Funding for public safety death benefits (EHB 2519)** – see page 8.

### **A TIME TO BE THANKFUL**

As of this writing, we also have two other key “wins” with the 2010 Supplemental Operating Budget:



1. **No further changes to pension contribution rates**, beyond those enacted during the 2009 Session, were enacted for the remainder of the 2009-11 biennium.
2. **Uniform Plan 1 COLA benefits for current and future retirees of TRS 1 and PERS 1 were protected (at least for the remainder of the 2009-11 biennium).**

**WSSRA Position: No position taken.**

WSSRA did not take a formal position on the 2010 Supplemental Operating Budget for two primary reasons:

**On the one hand** – our appreciation of school retiree pension and health benefits escaping cuts, as well as no further manipulation of pension contribution rates; and

**On the other hand** - our disappointment over the Legislature's continuing failure to address long-term funding solutions on issues such as education, health care, long-term care, and pension programs, which are currently inadequately funded and compounds budget challenges which lie ahead.

*When will the time ever be right for the Legislature to substantively address education, health care, and pension funding issues? Where's the leadership in state government in developing solutions to these critical, ongoing, issues? So far, the 2010 Session has primarily focused on short-term fixes aimed at mitigating negative impacts on incumbents during the November General Election. Whatever happened to the "greater good"?*

➤ **E2SHB 2617 ~ Eliminating Boards and Commissions**

**WSSRA Position: Support w/concerns**

**Status:**

Signed by the Governor 3/29/10

**Floor Action:**

**House 3/10/2010 - Yeas: 96 Nays: 1 Absent: 0 Excused: 1**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darnelle, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Uptegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representative Hasegawa

**Absent:** none

**Excused:** Representative Condotta

**Senate 3/11/10 -** Read first time, rules suspended, and placed on second reading calendar. By resolution, returned to House Rules Committee for third reading.

**House (re-vote required due to Special Session) 3/16/2010 - Yeas: 91 Nays: 2 Absent: 0 Excused: 5**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darnelle, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Uptegrove, Van De Wege, Wallace, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Carlyle and Hasegawa

**Absent:** none

**Excused:** Representatives Ericks, Kelley, Morris, Roach, and Walsh

**Senate Amended 3/18/2010 - Yeas: 40 Nays: 1 Absent: 0 Excused: 8**

**Voting Yea:** Senators Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Gordon, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Schoesler, Sheldon, Stevens, Tom, and Zarelli

**Voting Nay:** Senator Swecker

**Absent:** none

**Excused:** Senators Becker, Benton, Brown, McCaslin, Morton, Murray, Roach, and Shin

**House concurred in Senate amendments 3/19/2010 - Yeas: 89 Nays: 3 Absent: 0 Excused: 6**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Clibborn, Cody, Conway, Crouse, Dammeier, Darnelle, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Uptegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood, and Mr. Speaker

**Voting Nay:** Representatives Chase, Hasegawa, and Miloscia

**Absent:** none

**Excused:** Representatives Condotta, Kelley, Kenney, Morris, Roach, and Williams

**Sponsors:** House Ways & Means (originally Sponsored by Representatives Driscoll, Chase, Hunt, Wallace, Williams, Maxwell, White, Kelley, Carlyle, Simpson, Seaquist, Moeller; by request of Governor Gregoire)

**Note:** E2SHB 2617 is the version of the boards and commissions proposal moving forward in the Legislature. The companion bill for the boards and commissions proposal was, ESSB 6426, and was sponsored by the Senate Ways & Means Committee (originally sponsored by Senators Prentice

and Tom, by request of Governor Gregoire). 6426 passed the Senate with an amendment that included suspension of the Select Committee on Pension Policy until June of 2012. However, this provision was among those stripped from 6246 in the House State Government & Tribal Affairs Committee. 6246 has since been set aside by the House in favor of E2SHB 2617.

**Bill Summary:**

**E2SHB 2617** eliminates forty-eight statutory boards, commissions, committees, or councils.

Where appropriate, duties are transferred to the agency that the board, commission, committee, or council advises. All tangible property in the possession of a terminated entity is transferred to the custody of the entity assuming the responsibilities. If the responsibilities of a terminated entity are also terminated, documents and papers shall be delivered to the State Archivist, and equipment or other tangible property to the Department of General Administration. Any contractual rights and duties of the eliminated board, committee, or council are assigned to the entity assuming the responsibilities.

Those boards, commission, councils, or committees eliminated as of June 30, 2010 include:

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Airport Impact Mitigation Advisory Board</li> <li>• Athletic Training Advisory Committee</li> <li>• Basic Health Advisory Committee</li> <li>• Boards of Law Enforcement and Correctional Training Standards (2)</li> <li>• Citizen's Advisory Council on Alcoholism and Drug Addiction</li> <li>• Combined Fund Drive Committee</li> <li>• Committee on Agency Official's Salaries</li> <li>• Community Transition Coordination Networks Advisory Committee</li> <li>• Department of Information Services Customer Advisory Board</li> <li>• Driver Instructor Advisory Committee (Driver Training School Advisory Committee)</li> <li>• Emergency Medical Services Licensing and Certification Advisory Committee</li> <li>• <b>Employee Retirement Benefits Board</b></li> <li>• Environmental Land Use Hearings Board</li> <li>• Family Practice Education Advisory Board</li> <li>• Fire Protection Policy Board</li> <li>• Forest Fire Advisory Board</li> <li>• Hazardous Substance Mixed Waste Advisory Board</li> <li>• Health and Welfare Advisory Board and Property and Liability Advisory Board</li> <li>• HECB Advisory Council</li> <li>• HECB Research Advisory Group</li> </ul> | <p><b>FYI - Employees Retirement Benefits Board (ERBB)</b></p> <p>The Employee Retirement Benefits Board (ERBB):</p> <ol style="list-style-type: none"> <li>1. provides recommendations to the State Investment Board on self-directed investment options for Plan 3 defined contribution plans;</li> <li>2. determines the payment options available for Plan 3 members; ratifies administrative charges assessed to members who participate in self-directed investment options; and</li> <li>3. provides recommendations on investment options for the Deferred Compensation Program.</li> </ol> <p>Board members are appointed by the Governor.</p> | <ul style="list-style-type: none"> <li>• Industry Cluster Advisory Committee</li> <li>• Integrated Justice Information Board</li> <li>• Interagency Integrated Pest Management Coordinating Committee</li> <li>• Juvenile Justice Advisory Committee</li> <li>• K-20 Educational Network Board</li> <li>• K-20 Network Technical Steering Committee</li> <li>• Land Bank Technical Advisory Committee</li> <li>• Migratory Waterfowl Art Committee</li> <li>• Mortgage Broker Commission</li> <li>• Oil Spill Advisory Committee</li> <li>• Olympic Natural Resources Center Policy Advisory Board</li> <li>• On-site Sewage Disposal Systems Alternative Systems Technical Review Committee</li> <li>• On-site Wastewater Technical Advisory Committee</li> <li>• Orthotics and Prosthetics Advisory Committee</li> <li>• Pesticide Advisory Board</li> <li>• Regional Fisheries Enhancement Group Advisory Board</li> <li>• Revenue-Simplified Sales and Use Tax Administrative Advisory Group</li> <li>• Solid Waste Advisory Committee</li> <li>• Special License Plate Review Board</li> <li>• State Board on Geographic Names</li> <li>• Strategic Health Care Planning Office Technical Advisory Committee</li> <li>• Veteran's Innovation Program Board; and</li> <li>• Washington Main Street Advisory Committee.</li> </ul> |
|---|---|---|

The Vehicle Equipment Safety Commission and the Western States School Bus Safety Commission are eliminated as of June 30, 2011. The Women's History Consortium Board of Advisors is eliminated as of November 15, 2010. The Water Supply Advisory Committee is eliminated as of the effective date of this act.

Beginning July 1, 2010, through June 30, 2011, members of boards, commissions, councils, or committees identified as class 1 through class 3 and class 5 groups may not receive allowances for subsistence, lodging, and travel if these costs are funded by the State General Fund. All classes are directed to use methods of conducting meetings that do not require members to travel and to use state facilities for meetings that require member to physically be present. Those boards, commissions, councils, or committees funded by sources other than the State General Fund are encouraged to reduce travel, lodging, and other costs.

The Senate amendments make the following changes to the House bill: (1) The Athletic Training Advisory Committee, the Migratory Waterfowl Art Committee, and the Orthotics and Prosthetics Advisory committee are maintained as statutory

committees; (2) the Title and Registration Advisory Committee is terminated; and (3) the Women's History Consortium Board of Advisors is maintained as a statutory committee but is limited to two meetings per year, and if money is not available, they may meet voluntarily. The Board of Advisors is appointed by the director of the State Historical Society rather than the Governor.

#### **WSSRA Position: SUPPORT w/concerns**

It is essential that current and future retirees have a forum to have their pension concerns addressed. The Select Committee on Pension Policy (SCPP) serves this purpose, for the most part, and we are pleased that the SCPP was retained in the enacted version of this bill. However, there are a variety of other important bodies impacted by this legislation, including the Employees Retirement Benefits Board (ERBB). As more and more such bodies are cut back in the name of "government streamlining," the voice of those impacted, as well as the public in general, must not be lost; thus, the position of support with concerns.

### ➤ **HB 1541 ~ Granting half-time service credit for half-time employment prior to 1/1/87**

#### **WSSRA Position: Support**

##### **Status:**

Signed by the Governor 3/18/10

##### **Floor Action:**

**House 3/3/2009 ~ Yeas: 97 Nays: 0 Absent: 0 Excused: 0**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darnelle, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Finn, Flannigan, Goodman, Grant-Herriot, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** none

**Absent:** none

**Excused:** none

**House 2/5/2010 ~ Yeas: 97 Nays: 0 Absent: 0 Excused: 1**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darnelle, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** none

**Absent:** none

**Excused:** Representative Simpson

**Senate 3/3/2010 ~ Yeas: 47 Nays: 0 Absent: 0 Excused: 2**

**Voting Yea:** Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Gordon, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kaslama, Kauffman, Keiser, Kilmer, King, Kohl-Welles, Marr, McAuliffe, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, and Zarelli

**Voting Nay:** none

**Absent:** none

**Excused:** Senators Kline and McCaslin

**Sponsors:** Representatives Seaquist, Conway, Crouse and Simpson; by request of Select Committee on Pension Policy.

#### **Bill Summary:**

**HB 1541** directs the Department of Retirement Systems to recalculate the service credit of currently active Public Employee Retirement Systems (PERS) and School Employee Retirement System SERS Plan 2 or 3 members who worked in an eligible school position prior to 1987 in order to provide half years of service credit for those members who would have been eligible under current rules. A member will receive a half year of service credit for any school year prior to January 1, 1987, in which the member was employed for at least nine months and worked at least 630 hours in an eligible position with a school district, educational service district, the state school for the blind, the state school for the deaf, or an institution of higher education or community college.

The new calculated half years of credit replace whatever credit a member was previously awarded for the relevant period of service. The recalculation of past service credit may not reduce a member's accumulated service credit. To be eligible for a half year of service credit, the member must not have withdrawn contributions for the period in question. The service credit and retirement allowance of a retired member are not affected.

**WSSRA Position: SUPPORT**

WSSRA applauds advocates of SERS active in pursuing, the Select Committee on Pension Policy recommending, and the Legislature's enacting of this legislation which helps to remedy a basic inequity in the crediting of service credit for members of PERS and SERS Plan 2 or 3 members who made required pension contributions while working in an eligible school position prior to 1987.



➤ **EHB 2519 ~ LEOFF 2 Survivor Benefits**

**WSSRA Position: No position taken**

**Status:**

Delivered to the Governor 3/11/10

**Floor Action:**

**House 2/3/2010 ~ Yeas: 93 Nays: 3 Absent: 0 Excused: 2**

**Voting Yea:** Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Ericks, Ericksen, Fagan, Finn, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Condotta, Flannigan, and Klippert

**Absent:** none

**Excused:** Representatives Eddy and Simpson

**Senate Amended 3/1/2010 Yeas: 46 Nays: 0 Absent: 0 Excused: 3~**

Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, and Zarelli

**Voting Nay:** none

**Absent:** none

**Excused:** Senators Holmquist, McAuliffe, and McCaslin

**House 3/9/2010 ~ Yeas: 92 Nays: 2 Absent: 0 Excused: 4**

**Voting Yea:** Representatives Alexander, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Eddy and Klippert

**Absent:** none

**Excused:** Representatives Anderson, Condotta, Rodne, and Upthegrove

**Sponsors:** Representatives Green, Hope, Ericks, Maxwell, Sullivan, Upthegrove, Carlyle, Conway, Simpson, Van De Wege, Kenney, Morrell, Hurst, Campbell, Kelley; by request of the LEOFF 2 Retirement Board

**Bill Summary:**

**EHB 2519** includes the following provisions:

- Removes the 10-year service requirement in Law Enforcement Officers' and Fire Fighters' Retirement Plan 2 (LEOFF 2) and the Washington State Patrol Retirement System Plan 2 (WSPRS 2) for survivors of duty-related deaths to qualify for a survivor annuity.
- Removes the actuarial reduction for a joint and 100 percent survivor option applied to survivor annuities in LEOFF 2 and WSPRS 2 for survivors of duty-related death.
- Provides a minimum survivor annuity in LEOFF 2 and WSPRS 2 of 10 percent of final average salary for survivors of duty-related deaths.
- Increases the lump-sum, duty-related death benefit in all plans of LEOFF and WSPRS to \$214,000 and annually increases the lump sum by up to 3 percent per year.
- Provides LEOFF and WSPRS duty-related death survivors an optional 36 months, rather than 24 months, lump-sum benefit in the provision that halt workers' compensation pension benefits upon remarriage.



- Requires (rather than permits as in current law) state higher education institutions to waive payment of all tuition, services, and activity fees for both the children and surviving spouses of any law enforcement officer, firefighter, or Washington State Patrol Officer that died or became totally disabled in the line of duty.

**WSSRA Position: No position taken**

WSSRA representatives met with Representative Steve Conway (D-29), current Chair of the Select Committee on Pension Policy (SCPP), at the beginning of the 2010 Session to discuss the issue of improvements to survivor benefits for school employees. Rep. Conway asked if WSSRA would hold off on pursuing improvement to the \$150,000 death benefit available to active school employees killed in the line of duty until the Legislature had addressed the proposal put forth by the Law Enforcement Officers & Fire Fighters Plan 2 (LEOFF 2) Board.

As often happens, one pension system/plan is granted a particular benefit improvement, then, as time goes by, that benefit is expanded to other systems/plans. WSSRA looks forward to working with the SCPP to indeed improve the death benefit offered to school and other public employees in order to bring uniformity to this critical pension benefit.

➤ **ESSB 6696 ~ Education Reform**

**WSSRA Position: No position taken**

**Status:**

Signed by the Governor 3/29/10

**Floor Action:**

**Senate** 2/11/2010 ~ Yeas: 41 Nays: 5 Absent: 0 Excused: 3

**Voting Yea:** Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Gordon, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Honeyford, Jacobsen, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Morton, Murray, Oemig, Parlette, Prentice, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, and Shin

**Voting Nay:** Senators Holmquist, Kastama, Stevens, Swecker, and Zarelli

**Absent:** none

**Excused:** Senators McCaslin, Pflug, and Tom

**House Amended** 3/5/2010 ~ Yeas: 76 Nays: 22 Absent: 0 Excused: 0

**Voting Yea:** Representatives Anderson, Angel, Appleton, Armstrong, Blake, Campbell, Carlyle, Chase, Clibborn, Cody, Condotta, Conway, Dammeier, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, McCune, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Santos, Seaquist, Sells, Simpson, Smith, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Alexander, Bailey, Chandler, Crouse, DeBolt, Ericksen, Fagan, Herrera, Johnson, Klippert, Kretz, Kristiansen, Miloscia, Nealey, Orcutt, Pearson, Roach, Ross, Schmick, Shea, Short, and Taylor

**Absent:** none

**Excused:** none

**Senate** refuses to concur in House amendments 3-8-10; asks House to recede from amendments.

**House** receded from amendments 3/11/10 ~ Yeas: 72 Nays: 25 Absent: 0 Excused: 1

**Voting Yea:** Representatives Anderson, Angel, Appleton, Blake, Campbell, Carlyle, Chase, Clibborn, Cody, Conway, Dammeier, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, McCune, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Warnick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Alexander, Armstrong, Bailey, Chandler, Crouse, DeBolt, Ericksen, Fagan, Herrera, Johnson, Klippert, Kretz, Kristiansen, Miloscia, Nealey, Orcutt, Parker, Pearson, Ross, Schmick, Shea, Short, Smith, Taylor, and Walsh

**Absent:** none

**Excused:** Representative Condotta

**Senate** 3/11/2010 ~ Yeas: 46 Nays: 1 Absent: 0 Excused: 2

**Voting Yea:** Senators Becker, Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Gordon, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Pridemore, Ranker, Regala, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, and Zarelli

**Voting Nay:** Senator Kastama

**Absent:** none

**Excused:** Senators McCaslin and Roach

**Sponsors:**

Senate Ways & Means (originally sponsored by Senators McAuliffe, King, Gordon, Oemig, Hobbs, Kauffman, McDermott, Roach, Berkey, Murray, Tom, Prentice, Haugen, Fairley, Kline, Rockefeller, Keiser, Marr, Ranker, Regala, Eide, Kilmer, Hargrove, Franklin, Shin, Kohl-Welles; by request of Governor Gregoire)

**Bill Summary:**

**ESSB 6696** addresses school and school district accountability, educator preparation, teacher and principal evaluations, academic standards, and parent and community involvement in schools.

- Provides authority and specifies a process for the Superintendent of Public Instruction (SPI) and the State Board of Education to implement an accountability system that recognizes successful schools and requires certain actions by school districts with persistently lowest-achieving schools, according to federal definitions.
- Requires development and implementation of new classroom teacher and principal four-level rating evaluation systems with specified minimum criteria, and extends provisional status for non-supervisory certificated staff from two to three years.
- Establishes a new process for transferring principals to a subordinate position, which applies only to principals hired after the bill takes effect and in school districts with more than 35,000 students.
- Authorizes the Professional Educator Standards Board to accept proposals for new preparation program providers that include community colleges and non-higher education providers.
- Requires public colleges of education that offer residency certification to submit a proposal to offer an alternative route program.
- Requires all teacher preparation programs to administer a new evidence-based assessment to all pre-service candidates beginning in 2011-12.
- Authorizes the SPI to provisionally adopt, by August 2, 2010, the Common Core Standards developed by a multi-state consortium, but prohibits implementation until the Legislature has an opportunity for review.



**WSSRA Position: No position taken**

**KEY BILLS THAT DIED:**

➤ **SB 6516 ~ Plan 2 Default for New Hires in PERS, TRS & SERS**

**WSSRA Position: Support**

**Sponsor:** Senator Hobbs

**Status:** Senate Ways & Means – **dead**

**Bill Summary:**

**SB 6516** establishes Plan 2 as the **default plan** for new employees who fail to select a retirement plan within 90 days of employment in the Public Employees Retirement System (PERS), Teachers Retirement System (TRS), and School Employees Retirement System (SERS).

**WSSRA Position: SUPPORT**

- Upon employment, new employees in the Public Employees Retirement System (PERS), Teachers Retirement System (TRS), and School Employees Retirement System (SERS), have 90 days to choose between the fully Defined Benefit - Plan 2 and the “split” Defined Benefit/Defined Contribution - Plan 3.

Plan 2 = 2% Defined Benefit funded by equal employer and employee contributions

Plan 3 = 1% Defined Benefit funded by employer contributions / Defined Contribution account funded by employee contributions

- The contribution rate collected during the 90-day period that new employees have to choose a plan is the Plan 2 employee rate. If the new employee fails to make a choice, they are defaulted into Plan 3.
- **The Plan 2 full 2% Defined Benefit provides more retirement security than does the Plan 3 “split” Defined Benefit/Defined Contribution plan.** Plan 3 effectively shifts the risk of achieving a secure **full** retirement benefit from the employer to the employee.
- It makes no sense to default new employees who fail to choose a retirement plan into a pension plan (Plan 3) which requires employees to make retirement funding and investment choices throughout the course of their careers.

- **Plan 3** “pension-wealth” takes two forms:
  - Defined Benefit (DB) plan = the capitalized value of the accrued benefit
  - Defined Contribution (DC) plan = accumulated balance in participant’s account



- Members of Plan 3 who are unable to make substantial contributions to their Defined Contribution (DC) account, fare poorly in investing their funds, or who outlive their DC retirement benefit, may use more social services and need governmental financial assistance in their retirement years, offsetting any perceived “savings” to taxpayers.

- Establishing Plan 2 as the default plan for new employees in TRS, PERS, and SERS would promote **employee recruitment and retention**.
- The National Institute on Retirement Security, August 2008, study, *“A Better Bang for the Buck: The Economic Efficiencies of DB Plans”* found that **economic efficiencies of Defined Benefit (DB) pension plans deliver the same retirement income at 46% lower cost than Defined Contribution (DC) Plans**. View this important report via the Internet using the following link:  
<http://www.nirsonline.org/storage/nirs/documents/Bang%20for%20the%20Buck%20Report.pdf>
- This was a rare occasion when a proposed pension benefit improvement has a significant projected **25-year savings: General Fund-State savings = \$15.3 million**, and **total employer pension savings: \$60.5 million** (according to the Office of the State Actuary fiscal note on SB 6156).
- SB 6516 was **good pension policy** and **good fiscal policy**.

**FYI ~ Legislators Tie Improvement of Plan 2 Default to Ongoing Litigation Challenging the Repeal of Gain Sharing**

Prior to the repeal of Gain Sharing in 2007, only new hires PERS were provided a choice between Plan 2 and Plan 3 upon employment (with Plan 3 as the default plan). New hires in TRS and SERS were mandated in Plan 3 upon employment.

The Gain Sharing “trade-off” benefits enacted in 2007 included provisions that new hires in TRS and SERS would also have a choice between Plan 2 and Plan 3 upon employment (with Plan 3 as the default plan).

The constitutionality of the Legislature’s 2007 repeal of Gain Sharing is currently being challenged in Court. Plaintiffs in the case are also seeking to retain “trade-off” benefits which enacted when Gain Sharing was repealed.

Since the issue of Plan 2 default choice for TRS and SERS is part of the “trade-off” benefits, the Legislature has determined that it should not address this issue at this time.

**WSSRA and members of the Public Employees for Pension Reform (PEPR) Coalition disagree.** If the state stopped addressing every policy area that is currently the subject of litigation, the state would come to a grinding halt (i.e. DOT foods litigation, litigation challenging the cutting of long-term care benefits during the ‘09 Session, etc.). Again, the Legislature’s non-action on this issue is more of a reflection of its disaffection to the fully Defined Benefit - Plan 2.

**WSSRA Position: SUPPORT**

WSSRA worked to get SB 6516 designated as **“necessary to implement the budget,”** and thus received exemption from legislative cut-offs. However, due to concerns about issues related to plan default being addressed in litigation currently underway challenging the 2007 repeal of Gain Sharing, 6156 was not moved forward.

Upon consideration of these concerns, members of the Public Employees for Pension Reform (PEPR) Coalition shifted focus to the SPCP’s 2009 request legislation providing Plan 2 default only for new hires in PERS. It was thought that if the Plan 2 default statute was enacted PERS, the Legislature would expand the statute hereafter to include new hires in TRS and SERS.

➤ **SB 5307 / HB 1722 (2009) ~ Plan 2 Default for New Hires in PERS**

**WSSRA Position: Support**

**Status of SB 5307:** Senate Ways & Means – **dead**

**Sponsors of SB 5307:** Senators Hobbs, Fraser, Holmquist, and Schoesler; by request of the Select Committee on Pension Policy

**Status of HB 1722:** House Ways & Means – **dead**

**Sponsors of HB 1722:** Representatives Crouse, Conway, Seaquist, Simpson; by request of the Select Committee on Pension Policy

**Floor Action on HB 1722:**

**House 3/11/2009 ~ Yeas: 85 Nays: 12 Absent: 0 Excused: 0**

**Voting Yea:** Representatives Alexander, Angel, Appleton, Armstrong, Blake, Campbell, Carlyle, Chase, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Grant-Herriot, Green, Haigh, Haler, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen,

Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rolfes, Santos, Schmick, Seaquist, Sells, Short, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, Warrick, White, Williams, Wood, and Mr. Speaker

**Voting Nay:** Representatives Anderson, Bailey, Chandler, Ericksen, Herrera, Hinkle, Johnson, Klippert, Rodne, Ross, Shea, and Smith

**Absent:** none

**Excused:** none

**Bill Summary:**

**SB 5307 / HB 1722** changes the default plan for new members of PERS 2/3 that do not choose a plan within 90 days of becoming employed in an eligible position from Plan 3 to Plan 2.

**WSSRA Position: SUPPORT**

As stated above WSSRA, joined the Public Employees for Pension Reform (PEPR) coalition lobbied in support of this proposal during the end of the 2010 regular Session with the thought that if the Plan 2 default statute was enacted PERS, the Legislature would expand the statute hereafter to include new hires in TRS and SERS

The Office of the State Actuary projected SB 5307 / HB 1722 to realized a **25-year savings: General Fund-State savings = \$10.1 million** savings, and **total employer pension savings: \$50.8 million.**



WSSRA believes that the failure of the Legislature to at least enact SB 5307/HB 1722, especially with the saving which would be realized during these tough budget times, is a reflection of the negative feelings key members of the Legislature have for fully defined benefit plans, such as Plan 2. Such legislators wish to see state retirement plans move more toward Plan 3's "split" defined benefit/defined contribution design, or even towards a future fully defined contribution plan.

➤ **SB 6045 (2009) ~ Developing a Defined Contribution Plan for PERS, TRS, and SERS**

**WSSRA Position: Oppose**

**Sponsor:** Senator Zarelli

**Status:** Senate Ways & Means - **dead**

**Bill Summary:**

**SB 6045** declares an intent to **design a defined contribution pension system for new public employees, teachers, and school employees** that uses best practices of defined contribution plans to provide opportunity and flexibility to accrue a viable retirement benefit, while providing stable funding requirements for public employers and taxpayers. Additionally, SB 6045 requires the Office of the State Actuary, with the assistance and support of the Department of Retirement Systems, to develop a legislative proposal in bill draft form that would implement a mandatory defined contribution retirement system.

**WSSRA Position: Oppose**

As previously reported, **WSSRA views that fact that the Senate Democrats, who currently hold the majority, even brought this bill up for a public hearing appears to be a very bad precursor of what's in store for the future with respect to future pension benefit policy.** It indicates a willingness of the State to risk retention and recruitment of a quality work-force that can deliver excellence in education, state, and other public services; and a lack of concern over the retirement security of those who do dedicate their careers as educators and public servants. Enactment of SB 6045 would jeopardize the retirement security of thousands of future school and public employees by providing **no guaranteed level of life-time retirement benefits.**



**MISCELLANEOUS INFORMATION ~ FYI**

**Legislative Offices Subject to Election in November**

All House members are elected for two years. All members stand for reelection in the general election during even years and begin serving the first day of the legislative session following the general election (*the second Monday of January*).

**Senate Members' Terms that Expire in January, 2011**

Berkey, Jean (D-38)	Fairley, Darlene (D-32)	Honeyford, Jim (R-15)	Kilmer, Derek (D-26)
Brandland, Dale (R-42)	Franklin, Rosa (D-29)	Jacobsen, Ken (D-46)	Kline, Adam (D-37)
Delvin, Jerome (R-8)	Hobbs, Steve (D-44)	Kauffman, Claudia (D-47)	Kohl-Welles, Jeanne (D-36)
Eide, Tracey (D-30)	Holmquist, Janéa (R-13)	Keiser, Karen (D-33)	Marr, Chris (D-6)

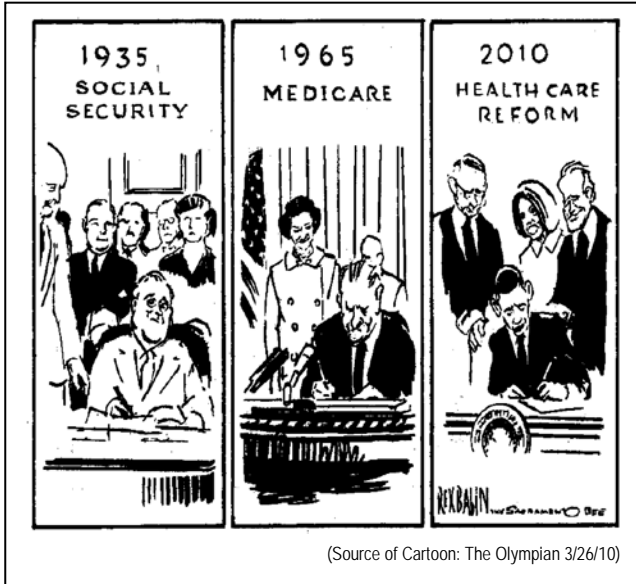
McDermott, Joe (D-34)  
Morton, Bob (R-7)

Murray, Ed (D-43)  
Oemig, Eric (D-45)

Roach, Pam (R-31)  
Sheldon, Tim (D-35)

Shin, Paull (D-21)  
Tom, Rodney (D-48)

## Federal Health Care Reform



Following is a review of the recently enacted federal Health Care Reform obtained from the White House web site March 30<sup>th</sup> 2010:

### Overview of Health Reform

Health reform puts American families and small business owners in control of their own health care.

- It makes insurance more **affordable** by providing the largest middle class tax cut for health care in history, reducing premium costs for tens of millions of families and small business owners who are priced out of coverage today. This helps over 32 million Americans afford health care who do not get it today – and makes coverage more affordable for many more. Under the plan, 95% of Americans will be insured.
- It sets up a **new competitive health insurance market** giving tens of millions of Americans the same choices of insurance that members of Congress will have.
- It brings **greater accountability** to health care by laying out commonsense rules of the road to keep premiums down and prevent insurance industry abuses and denial of care.
- It will **end discrimination** against Americans with pre-existing conditions.

- It puts our **budget and economy** on a more stable path by reducing the deficit by more than \$100 billion over the next ten years – and more than \$1 trillion over the second decade – by cutting government overspending and reining in waste, fraud and abuse.

Health reform bridges the gap between the House and Senate bills and includes new provisions to crack down on waste, fraud and abuse.

It includes a targeted set of changes to the Patient Protection and Affordable Care Act, the Senate-passed health insurance reform bill. Health reform reflects policies from the House-passed bill and the President's priorities. Key changes include:

- Eliminating the Nebraska FMAP provision and providing significant additional Federal financing to all States for the expansion of Medicaid;
- Closing the Medicare prescription drug "donut hole" coverage gap;
- Strengthening the Senate bill's provisions that make insurance affordable for individuals and families and increase protections for out-of-pocket costs;
- Strengthening the provisions to fight fraud, waste, and abuse in Medicare and Medicaid;
- Increasing the threshold for the excise tax on the most expensive health plans from \$23,000 for a family plan to \$27,500 and starting it in 2018 for all plans.

View additional more information on this historic legislation using the following internet link:

<http://www.whitehouse.gov/healthreform>.

## Calendar of Key Legislative Events

June 7, 2010 WSSRA Pre-Convention Workshop, Yakima

June 8, 2010 WSSRA Convention, Yakima

June 9, 2010 WSSRA Committee Break-Out Sessions, Yakima

(Note: WSSRA Legislative Committee members and Local Unit Legislative Chairs attending Convention as delegates are asked to sign up for, and attend, the Legislative Break-Out Session. Thank you.)



*WSSRA - working to protect and improve the pension and health benefits of current and future school retirees!*