

Multiple Agency Fiscal Note Summary

Bill Number: 1055 HB	Title: Pub safety telecommunicators
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Retirement Systems	.8	0	0	199,000	.0	0	0	0	.0	0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
Total \$	0.8	0	0	199,000	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Retirement Systems	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Marcus Ehrlander, OFM	Phone: (360) 489-4327	Date Published: Preliminary
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Individual State Agency Fiscal Note

Bill Number: 1055 HB	Title: Pub safety telecommunicators	Agency: 124-Department of Retirement Systems
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.5	0.0	0.8	0.0	0.0
Account					
Department of Retirement Systems	199,000	0	199,000	0	0
Expense Account-State 600-1					
Total \$	199,000	0	199,000	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: David Pringle	Phone: 360-786-7310	Date: 01/04/2023
Agency Preparation: Amy McMahan	Phone: 360-664-7307	Date: 01/11/2023
Agency Approval: Mark Feldhausen	Phone: 360-664-7194	Date: 01/11/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/11/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill expands eligibility for membership in the Public Safety Employees' Retirement System (PSERS) Plan 2 to include public safety telecommunicators.

Section 1(2) declares that the provisions of this bill apply only to (a) newly hired public safety telecommunicators that would otherwise be eligible for membership in Plan 2 or Plan 3 of the Public Employees' Retirement System (PERS), and (b) current public safety telecommunicators that are currently active members of PERS 2 or 3. It also states that this legislation is not intended to provide membership or benefits to any employees who are not already eligible for state retirement benefits.

Section 3(12)(a) calls out the specific employers participating in PERS, where some or all their employees' primary duty is receiving, processing, transmitting, or dispatching 911 emergency and nonemergency calls for law enforcement, fire, emergency medical, or other public safety services. As stated in section 3(19)(f), these employees are made eligible for PSERS membership.

Section 4(1) provides PERS Plan 2 or 3 members, if they were a member of PERS 2 or 3 before and on June 1, 2024, and they meet the eligibility requirements stated above, the opportunity to (a) remain in their current retirement system or plan, or (b) become a member of PSERS Plan 2 and become a dual member in both retirement systems/plans. Any service credit that had been earned during their time in PERS Plan 2 or 3, should the member decide to join PSERS Plan 2, cannot be transferred to their new retirement system/plan.

Section 4(2) provides an "election period" for eligible PERS Plan 2 or 3 members to make their plan transfer decision. This period, as written in the bill, is between January 1, 2024 and March 1, 2024.* Additionally, section 4(3) states that until an election has been made, the member will remain in PERS Plan 2 or 3, and their membership in PSERS Plan 2 will begin prospective from the date of their election.

Section 4(5) addresses members that are in PERS Plan 1 on or before June 1, 2019 and on or after June 1, 2024, are employed by an employer as identified in section 3(12)(a) and meet the eligibility criteria as defined in section 3(12)(a) will remain in PERS Plan 1.

Section 4(4) states September 1, 2024 as the deadline for eligible PERS Plan 2 or 3 members to elect into PSERS Plan 2. If an election is not made by this date, the member will remain in their current PERS plan.

Section 4(6) declares all new employees hired on or after June 1, 2024 by an employer as defined in section 3(12)(a) and meet the eligibility requirements as defined in section 3(12)(a) will become members of PSERS Plan 2.

*Please note that the election period (January 1, 2024 to March 1, 2024) provided in this bill is misaligned with the September 1, 2024 deadline for eligible PERS Plan 2 and 3 members to elect into PSERS Plan 2. Based on this, DRS would create clarifying WACs to properly administer the intent of this bill that would provide an extended election period.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Administrative Assumptions:

- The estimated number of current PERS members that would benefit from the provisions of this bill is roughly 1,000.
- Based on the intent of the bill and its current language concerning the January 1, 2024 to March 1, 2024 election period, WACs must be developed to provide an extended election period.
- Employers would be responsible to notify DRS of the employees who are eligible for this transfer opportunity.
- DRS will provide informational packets to known eligible members, including a letter explaining their options and directing them to online resources (e.g., member handbooks, dual membership information, and comparison benefit estimates), an election form, and a return envelope.
- DRS will create a new transmittal type code for employer reporting purposes.
- DRS will create and provide additional specialized training to Retirement Specialists to ensure that they are able to address all questions from these members about their choice, including possible scenarios of dual membership and Early Retirement Factor (ERF) choice.
- DRS will make available webinar training to educate eligible members on the differences between PSERS Plan 2 and PERS Plans 2 and 3, benefits of dual membership, and ERF options so that they can make an informed decision.

To implement this legislation, DRS will:

- Confirm project scope, timeline, and conduct project implementation tasks,
- Conduct business analysis and business process design,
- Complete systems changes (which includes defining system requirements, coding system changes in our web and Linux applications, testing, and deployment),
- Identify impacted members,
- Update agency WACs,
- Update member handbooks and all relevant letters, create a PSERS Enrollment form and a PSERS Election form, communicate to members and employers by mail, and
- Train team members.

To support this implementation DRS will form a project team that will include a project manager, business analyst, web and Linux programmers, communication consultant, program specialist, and retirement specialist.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
600-1	Department of Retirement Systems Expense Account	State	199,000	0	199,000	0	0
Total \$			199,000	0	199,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.5		0.8		
A-Salaries and Wages	151,000		151,000		
B-Employee Benefits	48,000		48,000		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	199,000	0	199,000	0	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Communications Consultant 5	84,396	0.1		0.1		
IT Application Develop-Journey	96,888	0.1		0.1		
IT Application Develop-Snr/Spec	112,176	0.1		0.0		
IT Business Analyst-Journey	96,888	0.5		0.3		
IT Project Manager-Mgr	123,636	0.3		0.2		
Program Specialist 5	80,292	0.2		0.1		
Retirement Specialist 3	61,224	0.1		0.1		
Total FTEs		1.5		0.8		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Relevant WACs must be updated and or created according to the provisions of this bill.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1055 HB

Title: Pub safety telecommunicators

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: Indeterminate expenditures due to a slight increase in the employer contribution rate. Please see discussion.

Counties: Same as above.

Special Districts:

Specific jurisdictions only:

Variance occurs due to:

Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: The number of telecommunicator employees that meet eligibility requirements and the number of eligible employees that will transfer to the Public Safety Employees' Retirement System (PSERS) retirement plan.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/11/2023
Leg. Committee Contact: David Pringle	Phone: 360-786-7310	Date: 01/04/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/11/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/11/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

The proposed legislation would amend RCW 41.37.005 and 41.37.01 and add a new section to RCW 41.37 to extend membership into the Public Safety Employees' Retirement System (PSERS) Plan 2 to current public safety telecommunicator employees.

Section 2 would amend RCW 41.37.005, which defines the eligibility for the public safety employees' retirement system to include certain public employees whose jobs contain a high degree of "psychological" risk to their own personal safety.

Section 3 would amend RCW 41.37.010 to add subsection numbers for eligible employers and adds a new subsection (xiii) definition that states: "Any employer participating in the public employees' retirement system in chapter 41.40 RCW, some or all of whose employees' primary responsibility is to receive, process, transmit, or dispatch 911 emergency and nonemergency call for law enforcement, fire, emergency medical, or other public safety services that is not already covered by the provisions of this subsection."

Section 3 would amend RCW 41.37.010 to add new subsection (19)(f) and would extend membership to those employees whose responsibilities include the handling of 911 emergency and nonemergency calls for public safety services or how supervise those employees.

Section 4 would add a new section to chapter 41.37 which establishes the election period for eligible participants as between January 1, 2024, and March 1, 2024, and states the conditions for enrollment for employees hired between certain time periods.

Section 5 would add a new section to chapter 41.37 RCW which states that the act takes effect June 1, 2024.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate impact for local governments.

According to the administrative assumptions in the Department of Retirement Systems (DRS) fiscal note, the estimated number of current PERS members that would benefit from the provisions of this bill is approximately 1,000. This data point may increase, or decrease, for each employer once a transmittal type code is established for reporting purposes. Local government expenditures may increase due to differences in respective employer contribution plan rates calculated by the number of employees who transfer to the PSERS retirement plan.

The 2023-25 biennium (adopted) total employer contribution rate for the PSERS retirement plan (10.45%) is slightly higher than the PERS retirement plan (10.21%) which represents a slight rate increase. According to 2022 survey data provided by the Association of Washington Cities (AWC), there were 311 public safety telecommunicators estimated employed by cities and counties. This number does not reflect the number of telecommunicators employed by local governments who did not respond to the survey, or those employees that were inadvertently excluded. The Local Government Fiscal Note Program assumes there will be an expenditure impact for local governments related to the rate increase. However, this impact is indeterminate, pending reporting provided by these employers.

The administrative assumptions in the DRS fiscal note also state that employers will be responsible for notifying DRS of the employees who are eligible for this transfer opportunity. The Local Government Fiscal Note Program assumes this function to be a de minimus expenditure impact.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have no revenue impact for local governments.

SOURCES

Department of Retirement Systems (DRS) fiscal note, HB 1055

Department of Retirement Systems (DRS) Pension Funding Contribution Rates (wa.gov)

Select Committee on Pension Policy (SCPP)