

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1481 HB	<b>Title:</b> Tribal peace officers/LEOFF
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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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Retirement Systems	1.9	0	0	536,000	1.1	0	0	276,000	.0	0	0	0
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
<b>Total \$</b>	<b>1.9</b>	<b>0</b>	<b>0</b>	<b>536,000</b>	<b>1.1</b>	<b>0</b>	<b>0</b>	<b>276,000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Retirement Systems	.0	0	0	.0	0	0	.0	0	0
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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

<b>Bill Number:</b> 1481 HB	<b>Title:</b> Tribal peace officers/LEOFF	<b>Agency:</b> 075-Office of the Governor
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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: 01/25/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 01/31/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/31/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

## 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.*

Sec. 2. of HB 1481 authorizes the Governor to enter into state-tribal compacts for the participation of tribal general authority peace officers, that meet the terms and conditions of this section, in the Law Enforcement Officers' and Firefighters' Retirement (LEOFF) System Plan 2. The Governor shall establish an application and approval process, procedures, and timelines for the negotiation, approval or disapproval, and execution of State-Tribal Law Enforcement Officers' and Firefighters' Retirement System Plan 2 Compacts.

The process may be initiated by submission, to the Governor, of a resolution by the governing body of a federally recognized Tribe in Washington State. The resolution must be accompanied by:

- An application that indicates the police department whose employees will be offered participation in the Law Enforcement Officers' and Firefighters' Retirement System Plan 2
- Attestation that the police department will be operated solely as a governmental entity and compliant with all applicable state and federal laws, the rules adopted thereunder, and the terms and conditions set forth in the application.

Within 90 days of receipt of a resolution and application under this section, the Governor must convene a Government-to-Government meeting for the purpose of considering the resolution and application and initiating negotiator

The Office of the Governor estimates this work can be accomplished within current resources and therefore doesn't have a fiscal impact.

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

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

NONE

### 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1481 HB	<b>Title:</b> Tribal peace officers/LEOFF	<b>Agency:</b> 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	1.0	2.8	1.9	1.1	0.0
<b>Account</b>					
Department of Retirement Systems	126,000	410,000	536,000	276,000	0
Expense Account-State 600-1					
<b>Total \$</b>	126,000	410,000	536,000	276,000	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: 01/25/2023
Agency Preparation: Amy McMahan	Phone: 360-664-7307	Date: 02/01/2023
Agency Approval: Mark Feldhausen	Phone: 360-664-7194	Date: 02/01/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/01/2023

## 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 permits full-time tribal police law enforcement officers to participate in Plan 2 of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System if their tribe is federally recognized and enters a compact with the governor of Washington State.

Sections 1(18) and 1(19)(f) expands the definition of "general authority law enforcement agency" and "law enforcement officer" to include full-time employment with a federally recognized Washington State tribe's government, within a police department maintained by the tribe.

Section 2 adds language to 41.26 RCW to authorize the governor to enter a state-tribal compact to allow tribal police officers to participate in LEOFF Plan 2 and the conditions in which the compact can be achieved. This also includes (specifically in section 2(6)(c)(i-iii)) agreements to participate in LEOFF Plan 2: that the tribe meets the definition of employer as defined in this chapter, and will adhere and make available all reporting, contribution, and auditing requirements and records.

Section 2(7) also states that if a tribe's police department were to opt out of LEOFF Plan 2 membership, their law enforcement officers shall have no right to earn service credit in the plan.

Section 4(1) allows law enforcement officers within the tribe's police department to establish LEOFF Plan 2 service credit for previous, eligible services rendered prior to July 1, 2025, unless they were already credited or a member in receipt of retirement benefits from another DRS retirement system. In addition, establishing this service credit for prior service can be elected before July 1, 2026, and must be filed in writing with DRS by June 30, 2026.

Section 5 declares an effective date of July 1, 2025.

### 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:

- Prior to the establishment of LEOFF Plan 2 membership for a tribal employer, the government-to-government tribal compact must be approved by the governor.
- DRS will provide pension-specific language for use in the state-tribal compacts and be available should any general or specific questions arise during negotiations with the tribes.
- Should a tribal compact dissolve, DRS is still responsible for the administration of retirement accounts, whether the LEOFF Plan 2 member is vested or not.
- Any service credit that would have been earned prior to the existence of LEOFF Plan 2 (i.e., October 1, 1977) is not available for purchase.
- Tribal police law enforcement officers in LEOFF Plan 2 are eligible for the "Career Choice" provision (RCW 41.26.500 and WAC 415-105-111) should they retire out of LEOFF Plan 2.
- A new LEOFF Plan 2 member associated with a tribal employer at the time of the tribal compact's creation will have

their membership begin date match the employer’s start date in LEOFF Plan 2.

- Tribal police are not eligible to participate in the Washington State Deferred Compensation Program.

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, communicate to 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 programmer, communication consultant, program specialist, rules coordinator, and retirement specialist. DRS will also hire a contractor to implement changes to Linux applications.

### 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	126,000	410,000	536,000	276,000	0
<b>Total \$</b>			126,000	410,000	536,000	276,000	0

#### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	2.8	1.9	1.1	
A-Salaries and Wages	90,000	288,000	378,000	197,000	
B-Employee Benefits	30,000	92,000	122,000	64,000	
C-Professional Service Contracts		30,000	30,000	15,000	
E-Goods and Other Services	6,000		6,000		
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-					
<b>Total \$</b>	126,000	410,000	536,000	276,000	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		
Contracts/Rules Mgr	86,940	1.0	1.0	1.0	0.5	
IT Application Dev - Journey	96,888		0.1	0.1	0.1	
IT Business Analyst-Journey	96,888		0.9	0.5	0.3	
IT Project Management - Mgr	123,636		0.6	0.3	0.2	
Program Specialist 5	80,292				0.1	
Retirement Specialist 3	61,224		0.1	0.1	0.1	
<b>Total FTEs</b>		1.0	2.8	1.9	1.1	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.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1481 HB	<b>Title:</b> Tribal peace officers/LEOFF	<b>Agency:</b> 341-Law Enforcement Officer and Fire Fighters' Plan 2 Retirement Board
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**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.

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<b>Agency Approval:</b> Seth Flory	<b>Phone:</b> (360) 407-8165	<b>Date:</b> 01/30/2023
<b>OFM Review:</b> Marcus Ehrlander	<b>Phone:</b> (360) 489-4327	<b>Date:</b> 01/31/2023

## 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.*

House Bill 1481 Amends RCW 41.26 to allow qualifying tribal peace officers to participate in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2.

Including tribal peace officers in the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 will not have a fiscal impact on the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF).

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

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

NONE

### 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.*