

# SCPP Study Of HERPs

## Executive Summary

### Issue

Some policy makers question the current policy of providing Higher Education Retirement Plans (HERPs) to all civil service exempt staff at Higher Education (HIED) institutions. In response to this, the Legislature has directed the SCPP to study HERP eligibility.

The key policy question for this study is to what extent should HERPs be provided to HIED exempt staff?

### Background

Washington State's public universities and colleges are authorized by the Legislature to offer Defined Contribution (DC) retirement income plans to faculty and certain other employees. These plans are referred to as HERPs and operate much like a private-sector 401(k).

HERP eligibility is generally determined by the HIED institutions and depends on employee classification. Faculty and civil service exempt employees are eligible for HERPs. Civil service classified employees are covered by the Public Employees' Retirement System (PERS).

In 1993, the Legislature expanded the number of HIED exempt positions. This change resulted in more positions becoming eligible for HERPs and moving out of PERS.

In 2011, the Legislature made several changes to eligibility, benefits, and funding for HERPs. The Legislature also expanded the SCPP's duties to include periodically reviewing HERPs and directed the SCPP to study HERP eligibility during the 2011 Interim ([ESHB 1981](#)).

### Study Mandate

Chapter 47, Laws of 2011, First Special Session, directs the SCPP, during the 2011 Interim, to evaluate the suitability and necessity of HERPs for employees in various positions within HIED institutions. The SCPP is required to report its findings, including any recommendations for restrictions on future plan membership, to the fiscal committees of the Legislature by December 31, 2011.

## Policy Highlights

- ❖ HERP eligibility for faculty and classified staff is currently not in question.
- ❖ Some exempt positions are likely similar to PERS positions.
- ❖ HERPs may be necessary to recruit some exempt positions.
- ❖ Policy makers may differ on how consistent benefits should be between HIED institutions and other public employers.
- ❖ Policy makers may differ on how much flexibility HIED institutions should have in offering HERPs.
- ❖ Further study could provide more data to better inform policy discussions around HERP eligibility.

## Policy Options

- ❖ No further restrictions on HERP eligibility for exempt staff at this time.
  - ◇ Continues current HIED policy.
  - ◇ Affirms authority of institutions.
- ❖ Limit HERPs to exempt staff where needed for recruitment.
  - ◇ Promotes recruitment.
  - ◇ May result in benefits inconsistent with PERS.
- ❖ Limit HERPs to exempt staff in positions unique to HIED.
  - ◇ Promotes benefit consistency across PERS employers.
  - ◇ Could impact HIED employers ability to recruit.

The last two options represent high-level policy approaches and would require additional work by policy makers to fully develop and implement.

## Key Findings

- ❖ HERPs are likely necessary and suitable for faculty.
  - ◇ Based on industry prevalence and recruitment.
- ❖ HERPs are not necessary for classified staff.
  - ◇ Based on recruitment.
- ❖ HERPs might be necessary and more suitable than PERS for some exempt positions, but not necessary and less suitable than PERS for others.
  - ◇ Finding inconclusive due to insufficient data.

- ❖ Increasing the number of HIED positions exempt from civil service has likely increased the PERS 1 Unfunded Actuarial Accrued Liability (UAAL)\* rate.
  - ◇ Based on current funding policy.

*\* Represents the unfunded cost of past service for PERS 1 members. The PERS 1 UAAL rate is paid over covered payroll by all PERS, School Employees' Retirement System, and Public Safety Employees' Retirement System employers.*

## Options For Further Study

Policy makers seeking to look further into the suitability and necessity of HERPs for HIED exempt employees may wish to further study one of more of the following areas:

- ❖ Workforce mobility comparisons: HIED exempt and PERS.
- ❖ Plan preference of HIED exempt staff: HERPs or Plan 3.
- ❖ Industry prevalence of HERPs for non-faculty.
- ❖ HERP/DC plan participation prior to recruitment for HIED exempt.
- ❖ Positional comparisons: HIED exempt and PERS.
- ❖ Cost/benefit comparisons: HERPs, Plan 2, and Plan 3.
- ❖ Adequacy of benefits: HERPs, Plan 2, and Plan 3.

Policy makers seeking to mitigate the impacts of HERP participation on the PERS 1 UAAL rate may wish to further study PERS 1 UAAL funding policy.

## Committee Activity

The committee considered this issue at their October and November meetings. At the November meeting, the committee voted to take no further action at this time. The results of the SCPP study including an executive summary and a summary of findings were submitted to the fiscal committees of the Legislature on December 31, 2011.

Note: The December SCPP meeting was cancelled due to conflicts with the Second Special Session of the Legislature.

## Staff Contact

Darren Painter  
Policy and Research Services Manager  
360.786.6155  
[darren.painter@leg.wa.gov](mailto:darren.painter@leg.wa.gov)

O:\Reports\HERPstudy\ExecSum.docx

# SCPP Study Of HERPS

## Summary Of Findings

### Findings Of Fact: Suitability And Necessity

1. The Higher Education (HIED) workforce consists of three employee groups with distinct workforce characteristics: faculty, exempt staff, and classified staff.
2. HIED institutions offer Higher Education Retirement Plans (HERPs) to faculty and exempt staff. Classified staff are required by statute to participate in the Public Employees Retirement System (PERS), if eligible.
3. New hires in HERP-eligible positions are not mandated into a HERP—they can choose to join Plan 3 instead.
4. Initial plan choice data shows a large majority of new hires in HERP-eligible positions select HERPs over Plan 3.
5. Defined Contribution (DC) plans such as HERPs are geared toward a more mobile workforce and are generally more portable than Defined Benefit (DB) and DB/DC Hybrid plan designs.
6. HERPs are provided for faculty at HIED institutions in most other states and for non-faculty in some.
7. HIED institutions view faculty and exempt staff as generally mobile and have stated that these employees may not work a full career in one plan.
8. HIED institutions view HERPs as useful for recruiting faculty and exempt staff, but generally not for classified staff.
9. Some exempt positions are likely unique to HIED and others are likely more similar to PERS positions.

## Findings: Suitability And Necessity

- 1. The Legislature views retirement plans as necessary for public employees and HERPs (DC), Plan 2 (DB), and Plan 3 (Hybrid), as generally suitable plan designs for public employees.**

The Legislature generally requires eligible public employees to participate in a state retirement system and has authorized these plans. DC, DB, and Hybrid plans are standard plan designs widely found across the nation.

- 2. A DC plan design is generally suitable for a mobile workforce.**

A DC plan is more portable than other plan designs and may provide greater value to employees who do not work a full career in a single plan.

- 3. The suitability of HERPs can be reasonably assessed by looking at policy implications of plan design, workforce characteristics and needs, recruitment, benefit consistency, and benefit adequacy and cost.**

These factors provide a broad framework for policy makers to evaluate HERPs against many different policy objectives and from a variety of perspectives.

- 4. The necessity for HERPs can be reasonably assessed by looking at recruitment.**

Retirement plans are part of the compensation package used to recruit and retain employees. If the desired employees can be recruited using a different retirement plan, then HERPs are likely not necessary.

- 5. PERS is an appropriate base of comparison when assessing the suitability and necessity of HERPs for non-faculty.**

PERS covers the largest number of public employees and includes HIED classified staff.

- 6. HERPs are likely suitable and necessary for HIED faculty.**

This finding is based on industry prevalence of HERPs for faculty, a possible employee preference for HERPs, and employer statements that faculty are mobile and HERPs are useful for recruitment.

**7. HERPs are not necessary for classified staff.**

Based on employers' ability to fill most classified positions using PERS.

**8. HERPs might be necessary and more suitable than PERS for some exempt positions, but not necessary and less suitable than PERS for others.**

This finding is inconclusive due to insufficient data for exempt staff positions on industry prevalence of HERPs, mobility, and similarities to PERS positions. Some exempt positions are likely similar to PERS positions. However, employers suggest that exempt staff are mobile and that HERPs are useful for recruitment. Data suggests, but is not conclusive, that HERPs may be prevalent for exempt positions within the HIED industry, and that exempt employees may prefer HERPs over PERS.

**9. Further study could provide more data to better inform the policy discussions around this issue.**

Data for some key policy considerations is lacking. Possible areas for further study are separately identified in the Executive Summary for the SCPP Study of HERPs.

## **Findings Of Fact: PERS 1 UAAL**

1. In 1993, the Legislature expanded the number of HIED positions exempt from coverage under state civil service law. This change resulted in more positions becoming HERP-eligible under HIED policy and ultimately moving out of PERS.
2. PERS 1 Unfunded Actuarial Accrued Liability (UAAL) contributions are collected for exempt employees who are members of PERS, but not for exempt employees participating in HERPs.
3. Employer contribution rates for HERPs were generally higher than employer contribution rates for PERS when HIED positions were reclassified.
4. When school and public safety employees were moved out of PERS and into separate retirement systems, their salaries were retained for purposes of amortizing the PERS 1 UAAL.

## **Findings: PERS 1 UAAL**

- 1. Increasing the number of HIED positions exempt from civil service has likely increased the PERS 1 UAAL rate.**

Positions exempted from civil service likely migrated over time from PERS into HERPs. This reduces total PERS salaries available to amortize the PERS 1 UAAL, which will tend to increase the UAAL rate.

- 2. For purposes of amortizing the PERS 1 UAAL, the payroll for HIED exempt positions moved out of PERS is treated differently than the payroll for other groups of public employees moved out of PERS.**

Payroll for HIED positions moved out of PERS was not retained for amortizing the UAAL—payroll for school and public safety employees was.

O:\Reports\HERPstudy\SumOfFind.docx

## In Brief

### Issue

*Universities and colleges provide DC retirement plans, known as HERPs, to their faculty and civil service exempt staff. Some policy makers question the current policy of providing HERPs to all HIED exempt staff.*

*The Legislature directed the SCPP to study HERP eligibility during the 2011 interim and report back findings and any recommendations.*

*The key policy question for this study is to what extent should HERPs be provided to exempt staff?*

### Member Impact

*There are approximately 12,000 FTE HIED exempt positions as of FY2011.*

Darren Painter  
Policy and Research Services  
Manager  
360.786.6155  
Darren.Painter@leg.wa.gov

# SCPP Study Of HERPs

## Introduction

Washington State's public universities and colleges are authorized by the Legislature to offer Defined Contribution (DC) retirement plans to faculty and certain other employees. These plans are collectively referred to as Higher Education Retirement Plans (HERPs).

In 2011, the Legislature made several changes to eligibility, benefits, and funding for HERPs. Among the changes, the Legislature also expanded the SCPP's duties to include periodically reviewing HERPs. During the 2011 Interim, the SCPP was also directed to study the "suitability and necessity" of HERPs for various positions in Higher Education (HIED) and report back findings and any recommendations for restrictions on future plan membership. The HERP changes and study mandate were enacted in [ESHB 1981](#).

## What's The Issue?

In preparing for this study, committee staff spoke with legislators and legislative staff. Based on these discussions, staff found that some policy makers question the current policy of providing HERPs to all HIED civil service exempt staff as an alternative to membership in the Public Employees' Retirement System (PERS). These policy makers may prefer additional restrictions on HERP eligibility for exempt staff. However, HERP eligibility for faculty and HERP non-eligibility for classified staff is not currently in question. Given this, the key policy question before the SCPP is: To what extent should HERPs be provided to exempt staff?

## How Is This Paper Organized?

This paper is organized into four main sections:

- ❖ Background.
- ❖ HERP Suitability and Necessity Analysis.
- ❖ HERP Eligibility Issue Analysis.
- ❖ Appendix.

The **Background** provides an overview of the study mandate, HERPs and the HIED workforce, plan design differences, recent legislative and SCPP activity on HERPs, and HERPs in other states. The **HERP Suitability and Necessity Analysis** analyzes the suitability and



necessity of HERPs for various positions in HIED, reports staff findings, and identifies options for further study. The **HERP Eligibility Issue Analysis** analyzes key policy issues around HERP eligibility for exempt staff and provides high-level policy options to address this issue. The **Appendices** includes supporting data for all sections and stakeholder correspondence on this issue.

## Section 1: Background

### Study Mandate

*The study mandate requires the SCPP to evaluate the suitability and necessity of HERPs.*

[Chapter 47, Laws of 2011 1st Special Session](#) directs the SCPP, during the 2011 Interim, to evaluate the suitability and necessity of HERPs for employees in various positions within higher education institutions. The SCPP shall report its findings, including any recommendations for restrictions on future plan membership, to the fiscal committees of the Legislature by December 31, 2011.

### Overview Of HERPs And The HIED Workforce

HERPs are different from the state's other retirement systems in their design and administration. A general understanding of HERPs and the structure of the HIED workforce will be helpful in framing this issue and following the analysis in this paper.

### ***HERPs Are DC Plans Offered To Certain HIED Employees***

Public universities and colleges in Washington State are authorized by the Legislature to offer retirement income plans to faculty and certain other employees. These plans, collectively referred to as HERPs, are primarily DC plans that work much like a private sector 401(k).

*HERPs are DC plans administered by HIED institutions and work much like private sector 401(k)s.*

In a HERP, employers and employees both make contributions to an individual retirement account. Employees contribute between 5 and 10 percent of pay, matched by employers. Individual accounts are invested under the direction of the employees and serve as the basis for the retirement benefit. An individual's retirement benefit will vary based on the investment earnings of his or her account.

In addition to the DC plan, HERPs also provide a supplemental Defined Benefit (DB). This benefit guarantees a minimum level of retirement benefits for eligible employees. The supplemental benefit was ended for new hires in 2011.

HERPs are administered by the HIED institutions, which are given broad authority to administer the plans within statutory guidelines. For example, institutions generally determine contribution rates, investment options, and eligibility for the plans. Plans are generally similar among institutions with some variation in administrative details.

HERP eligibility is tied to employee classification within the HIED system. Faculty and exempt staff are generally eligible for HERPs,

*HERP eligibility is tied to employee classification and participation is optional for new employees.*

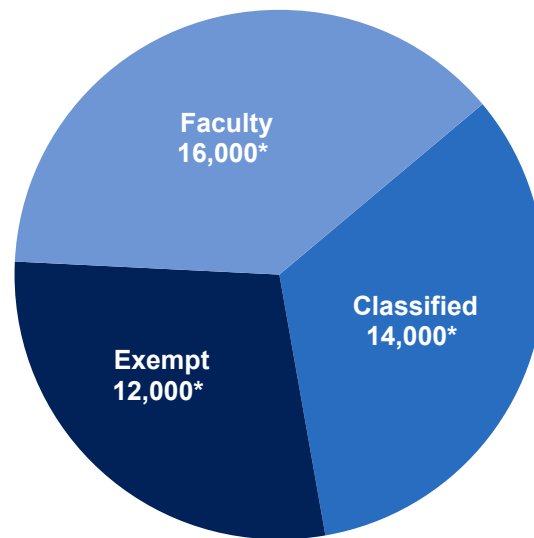
while classified staff are not. Participation in HERPs is optional for new employees in HERP-eligible positions, and they may choose to join Plan 3 instead of a HERP. Plan 3 is a DB/DC Hybrid plan that combines a smaller DB (compared to the Plans 2) with a DC account.

**Appendix A** provides more details on the operation and administration of HERPs and the supplemental benefit.

### ***The HIED Workforce Consists Of Three Employee Groups***

The HIED workforce consists of three employee groups with distinct workforce characteristics: faculty and academic staff, civil service exempt, and civil service classified. The chart below shows the relative size of each category in FTEs.

**Figure 1  
HIED Workforce By Employee Classifications<sup>1</sup>**



\*FY2011 FTEs.

### **Faculty And Academic Staff**

Faculty and academic staff are eligible for HERPs. This class includes professors on a tenure track, classroom instructors, and other staff with academic appointments. Though Human Resource (HR) distinctions can be made between faculty and other academic staff, the remainder of this paper will refer to this entire class as faculty.

*Faculty are eligible for HERPs.*

Faculty are employed at-will. This means the terms and conditions of their employment are not covered by civil service statute and are generally set by employer policy. Data from LEAP shows about 16,000 faculty FTEs for FY 2011.

*Exempt staff are eligible for HERPs.*

### Civil Service Exempt

Civil service exempt staff are eligible for HERPs. Exempt staff include mid-to-upper level administrative, professional, and technical employees. Like faculty, exempt staff are employed at-will and are not covered by civil service statutes. Examples of exempt staff positions include presidents, program directors and coordinators, research scientists, IT managers, executive assistants, and mid-to-upper level attorneys, accountants, and finance officers. Data from LEAP shows about 12,000 exempt FTEs for FY 2011. See **Appendix B, C, and D** for more examples of exempt staff positions.

*Classified staff are in PERS.*

### Civil Service Classified

Civil service classified staff are required by statute to participate in PERS and are not eligible for HERPs. Classified staff include clerical, maintenance, service, nursing, and entry-level professional employees. Classified staff are covered by civil service statutes. Civil service statutes specify the terms and conditions of employment unless superseded by a collectively bargained labor agreement. Civil service rules and labor agreements typically set forth requirements for compensation, leave, hiring practices, promotions, layoffs, etc. Data from LEAP shows about 14,000 classified FTEs for FY 2011.

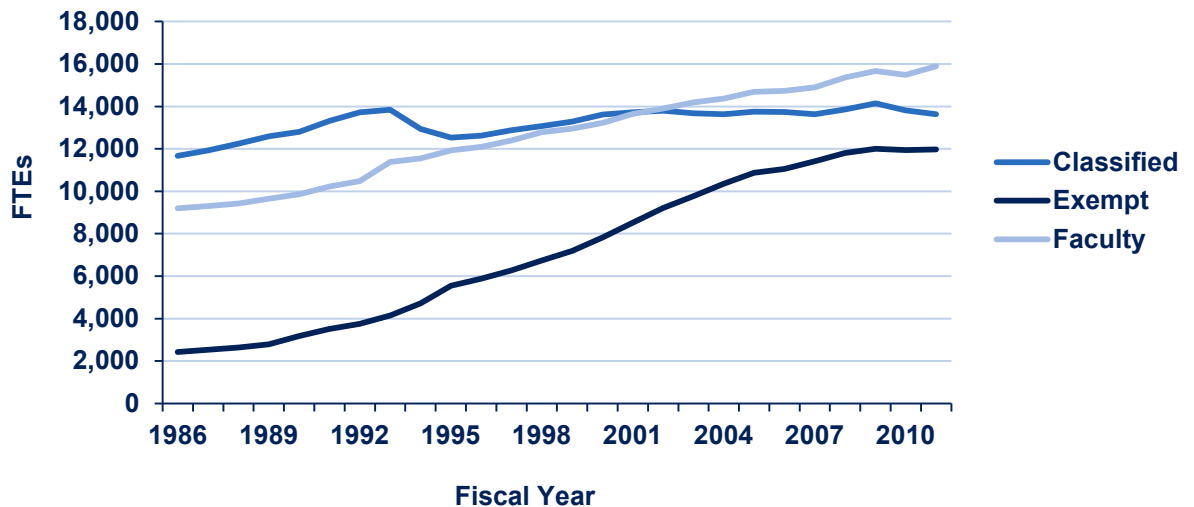
*The Legislature expanded the number of HIED exempt positions in 1993.*

### The Exempt Class Has Expanded Over Time

The types of HIED positions that are exempt from civil service are defined in statute ([RCW 41.06.070](#)) and have changed over time. In 1993, the Legislature expanded the number of HIED exempt positions. Some of the exemptions added include: principal assistants to executive heads of major divisions, professional staff having substantial responsibility for directing program operations or formulating policy, and senior computing system and network programming staff. This change resulted in more positions becoming HERP-eligible under HIED policy and ultimately moving out of PERS. When these positions were reclassified, HERP employer contribution rates (see **Appendix A**) were generally higher than [PERS employer rates](#).

The chart below shows the relative growth in exempt staff compared to faculty and classified staff over time.

**Figure 2**  
**Growth In HIED Exempt Class<sup>1</sup>**



The faster growth of the exempt class from 1993-95—and corresponding drop in classified staff—shows the impact of reclassifying positions following the expansion of HIED civil service exemptions. Additional reasons given by the institutional representatives<sup>2,3</sup> for the more rapid growth of the exempt class relative to the others include:

- ❖ Expansion of student services and research.
- ❖ Increase in grants and contracts.
- ❖ New programs/mission areas.

### Plan Design Differences

Plan design is one of the key policy elements setting HERPs apart from the state’s other retirement systems. HERPs are generally designed to provide DC benefits, while the state’s other systems (such as PERS) are generally designed to provide DB benefits.<sup>4</sup> Each design represents different policy choices and policy goals in providing retirement income. Much of the later analysis in this paper hinges on these policy differences. The remainder of this section will provide a brief overview of key elements and policy implications of DC and DB plan designs later referenced in this paper.

*The DC design of HERPs sets them apart from other state plans.*

## ***DC Plans Are Designed To Accumulate Portable Funds***

*DC plans define the contributions made.*

HERPs are examples of DC plans. DC plans define the contributions made—not the benefit provided. DC plans are designed to accumulate funds in an individual retirement account that can follow an employee when they change jobs. Accounts can be accessed at any age and generally rolled into other DC plans. In DC plans, employees direct the investment of the accounts, and employers carry no further liability once contributions are made. DC plans are more prevalent in the private sector than in the public sector.

Some of the policy implications of a DC plan design include:

- ❖ Benefits are not guaranteed and can vary widely based on economic conditions over an employee's career.
- ❖ Employers carry no long-term liability for plan benefits after making contributions.
- ❖ Contributions are very predictable and stable.
- ❖ Employees have considerable control over how their benefit is accumulated and how and when it is taken.
- ❖ Employees bear the risk of providing the benefit—including investment and longevity risks.
- ❖ Plan doesn't encourage retirement at specific ages or after specific years of service.
- ❖ Benefits are geared toward mobile employees and are very portable.

## ***DB Plans Are Designed To Provide Lifetime Income***

*DB plans define the benefits provided.*

The Plans 2 are examples of DB plans. DB plans define the benefits provided by the plan—not the contributions made. They are designed to provide lifetime income during retirement. Benefits are typically tied to a specific retirement age or years of service, and are generally not transferable to other plans. In DB plans, investments are controlled by employers, and employers carry liability until all required benefit payments are made. DB plans are more prevalent in the public sector than in the private sector.

Some of the policy implications of a DB plan design include:

- ❖ Benefits are guaranteed and generally not impacted by economic conditions over an employees' career.
- ❖ Employers carry long-term liability for plan benefits until all benefits are paid.

- ❖ Contributions can vary widely based on economic conditions and plan experience.
- ❖ Employers have considerable control over how benefits are accumulated and how and when they are taken.
- ❖ Employers bear the risk of providing the benefit—including investment and longevity risks.
- ❖ Plan may encourage retirement at specific ages or after specific years of service.
- ❖ Benefits are geared toward career employees and have limited portability.

## **Legislative/Committee Activity**

HERPs have undergone significant changes since they were last considered by the SCPP a couple of years ago. This section highlights the recent legislative changes to HERPs, and discusses past SCPP work on issues around HERP eligibility.

### ***The Legislature Recently Made Several Changes To HERPs***

In 2011, the Legislature made several changes to eligibility, benefits, and funding for HERPs:

- ❖ Limited eligibility for HERPs to faculty and employees exempt from civil service who are not retired or eligible to retire from a DRS-administered system.
- ❖ Ended HERP supplemental benefits for new hires.
- ❖ Gave new hires the choice to participate in a HERP (without a supplemental benefit) or Plan 3.
- ❖ Capped state contributions to HERPs at 6 percent of salary.
- ❖ Established the infrastructure for prefunding HERP supplemental benefits through employer contribution rates. (Prior to this, supplemental benefits were paid on a pay-as-you-go basis, with no pre-funding.)

*In 2011, the Legislature made several changes to HERPs and expanded the SCPP's duties relating to HERPs.*

The Legislature also expanded the SCPP's duties relating to HERPs by:

- ❖ Giving the SCPP a role in periodically reviewing HERP contribution rates.

- ❖ Directing the SCPP to study HERPs during the 2011 Interim.

More information on the recent changes to HERPs can be found in the bill information for [ESHB 1981](#) on the Legislature's web site.

### ***The SCPP Has Considered HERP Eligibility Before***

The SCPP has considered the issue of HERP eligibility in the past. The committee has recommended expanding eligibility for some groups of employees and limiting eligibility for others.

In 2007, the SCPP studied a proposal brought by the Higher Education Coordinating Board (HECB) to allow the board to offer HERPs to its employees. The committee recommended allowing the HECB to offer HERPs to employees not retired from a state-administered retirement system. Ultimately, this proposal was enacted by the Legislature in Chapter 21, Laws of 2010.

*In the past, the SCPP has recommended both expanding and limiting HERP eligibility for different groups.*

In 2010, the SCPP recommended\* policy changes limiting HERP eligibility across all HIED employers. The committee recommended that HERPs be limited to faculty and senior academic administrators not retired or eligible to retire from a state-administered retirement system.

The Legislature enacted part of the SCPP recommendation in Chapter 47, Laws of 2011, First Special Session. Specifically, the Legislature limited HERP eligibility to all faculty and exempt staff not retired or eligible to retire from a state-administered retirement system.

*\*This recommendation came out of an SCPP study of [retire-rehire](#) in HIED.*

### **Other States**

Policy makers considering the issue of HERP eligibility and the suitability and necessity of the plans may look to other states for additional perspective and trends.

Staff research found a majority of other states offer HERPs in their public universities and colleges. How HERPs coordinate with other state retirement plans and HERP eligibility for employee groups varies among institutions. HERPs may be the sole retirement plan offered at an institution, may be offered as an alternative to a state retirement plan, or may be offered in addition to a state retirement plan. In addition to faculty, HERPs may be provided to exempt staff (all or select) and classified staff.

*A majority of other states offer HERPs to faculty and some exempt staff.*



Data obtained by staff shows at least 45 states (including Washington) offer HERPs in at least one public university or college. Over half these states (26) offer HERPs as an alternative to the state plan, as does Washington. Seventeen states offer HERPs as the only retirement plan. Four states offer HERPs as a supplement to the state plan. The state of Maine offers HERPs as the only plan in some HIED systems, and as an alternate or supplement to the state plan in others.

*HERPs may be the only plan or an alternate to the state plan.*

Staff also looked at a smaller and more detailed sample of HERPs provided in other states to gain a better understanding of eligibility in other states. All of the HIED systems examined provide HERPs to faculty and at least some exempt staff, while some provide HERPs to classified staff as well. Among the 23 systems from 20 states that were sampled:

- ❖ Seven offer HERPs to faculty and select exempt staff.
- ❖ Ten offer HERPs to faculty and all exempt staff.
- ❖ Six offer HERPs to all employees: faculty, exempt, and classified.

The data obtained by staff was for public institutions offering TIAA-CREF<sup>5</sup>— a common investment program offered in HERPs. Additional states may offer HERPs using other investment programs. Also, additional research would be required to determine how representative the sample of 23 systems is of all public HIED systems nationwide. See **Appendix E and F** for more information on other states.

## Section 2: HERP Suitability And Necessity Analysis

### Study Scope And Approach

*Assessing the suitability and necessity of a plan design is a complex policy exercise.*

Assessing the suitability and necessity of a plan design is a complex and challenging policy exercise. Why? Suitability and necessity are subjective terms and cover many areas of policy from pension to HR. Policy makers will likely weigh many factors and consider different viewpoints in assessing suitability and necessity. Supporting this kind of policy analysis requires a broad analytical framework. Accordingly, the study will consider policy implications in many areas including:

- ❖ Plan design.
- ❖ Benefit consistency.
- ❖ Workforce characteristics.
- ❖ Recruitment and retention.
- ❖ Benefit adequacy.
- ❖ Cost.
- ❖ PERS Plan 1 Unfunded Accrued Actuarial Liability (UAAL) funding.

*The study assumes a high bar for finding HERPs generally unsuitable.*

The study assesses suitability by considering the factors above, and necessity by considering the ability of employers to recruit for various positions. The study assumes a high bar for finding HERPs generally unsuitable, since policy makers would likely require a high degree of convincing evidence to reach such a conclusion. The study will generally focus on faculty and exempt staff, as classified staff are not offered HERPs. The study also relies on representatives of the HIED institutions for much of the data included in the analysis. Key findings for the study as a whole are summarized below.

*The study considers which plan is more suitable and necessary for a given group: HERPs or PERS.*

For this study, suitability and necessity are analyzed in the general context of which plan is more suitable and necessary for a given group: HERPs or PERS. This approach is consistent with current statutory policy of providing PERS to classified staff. Also, PERS covers the largest number of public employees in the widest variety of positions.

Given time and resource constraints, the study is limited on the amount of data that can be gathered and analysis that can be performed. Further study could provide more data to better inform the policy discussions around the issue of HERP eligibility. Key areas where additional data could be gathered and analysis performed are identified in the analysis and summarized at the end of this section under **Options For Further Study**.

### **Key Findings**

- ❖ HERPs are likely suitable and necessary for HIED faculty.
  - This finding is based on industry prevalence of HERPs for faculty, a possible employee preference for HERPs, and employer statements that faculty are mobile and HERPs are useful for recruitment.
- ❖ HERPs are not necessary for classified staff.
  - Based on employers' ability to fill most classified positions using PERS.
- ❖ HERPs might be necessary and more suitable than PERS for some exempt positions, but not necessary and less suitable than PERS for others.
  - This finding is inconclusive due to insufficient data for exempt staff positions on industry prevalence of HERPs, mobility, and similarities to PERS. Some exempt positions are likely similar to PERS positions. However, employers suggest that exempt staff are mobile and that HERPs are useful for recruitment. Data suggests, but is not conclusive, that HERPs may be prevalent for exempt positions within the HIED industry, and that exempt employees may prefer HERPs over PERS.
- ❖ Increasing the number of HIED positions exempt from civil service has likely increased the PERS 1 UAAL rate.
  - Positions exempted from civil service likely migrated over time from PERS into HERPs. This reduces total PERS salaries available to amortize the PERS 1 UAAL, which will tend to increase the UAAL rate.
- ❖ Further study could provide more data to better inform the policy discussions around this issue.
  - Data for some key policy considerations is lacking. Possible areas for further study are separately identified in **Section 2: Options For Further Study**.

*Different plan designs represent different policy choices and are geared toward different workforce needs.*

## Plan Design

Plan design has implications for policy makers assessing the suitability of HERPs for the HIED workforce. Different plan designs represent different policy choices and are geared toward different workforce needs. This study will examine various factors that policy makers may consider when assessing the suitability of the HERP plan design including legislative policy, design preference, design fit, other states' practice, and plan choice.

This analysis finds that:

- ❖ The Legislature views both DC and DB plan designs as generally suitable.
- ❖ Policy makers may prefer one design over the other.
- ❖ HERPs may be a better fit for a mobile workforce.
- ❖ HERPs are common in other states.
- ❖ Plan choice may mitigate suitability concerns.

### The Legislature Views DB And DC Plan Designs Generally Suitable

The Legislature generally requires eligible public employees to participate in a state retirement system and has authorized three plan designs: DC plans (HERPs), DB plans (Plans 2), and Hybrid plans (Plans 3). One may infer from this that the Legislature views retirement plans as necessary for public employees and that DC, DB, and DB/DC Hybrid plans are generally suitable plan designs.

Hybrid plans provide a guaranteed benefit—as do other DB plans—and are generally considered a variation of the DB plan design for the analysis in this study.

### Policy Makers May Prefer One Plan Design Over Another

HERPs take a different policy approach than PERS in providing retirement benefits. DC plans, such as HERPs, shield *employers* from the risks (and liability) of providing benefits. DC plans offer employees more control over their benefits and generally provide increased value for employees who move around a lot in their careers. DB plans, such as PERS, shield *employees* from the risks of providing benefits. DB plans offer employees guaranteed benefits and generally provide increased value to long-service, career employees. (Differences between DC and DB plan designs are discussed more fully in **Section 1: Plan Design Differences**.) Given the fundamental differences in plan design, some policy makers may prefer one over the other. This, in turn, may influence their assessment of the suitability of HERPs.

*Preference for a plan design may influence assessment of suitability.*

*HERPs may be a better fit if the HIED workforce is more mobile than PERS.*

### HERPs May Be A Better Fit For A Mobile Workforce

From a plan design perspective, DC plans such as HERPs may be a better fit for a more mobile workforce. Benefits in DC plans are generally more portable than benefits in DB plans such as PERS. More portable benefits generally provide increased value for employees who move around in their careers. Also, given the prevalence of DC plans in the private sector, employees who move between the public and private sectors, could benefit from participating in DC plans during their public employment.

*Other states generally view HERPs as suitable.*

### HERPs Are Common In Other States

Staff research found HERPs are widely offered across the nation. At least 90 percent of states offer HERPs to faculty. This suggests that other states generally view HERPs as suitable for faculty. Data on non-faculty is more limited, but shows HERPs are provided in some degree to exempt and classified staff as well. Extrapolating from the limited data suggests that a majority of other states may view HERPs as suitable for at least some exempt staff, and a minority may view HERPs as suitable for classified staff. (See **Section 1: Other States** for more information about HERPs in other states.)

Additional study on the prevalence of HERPs for non-faculty in other states could add rigor to the data and strengthen the findings of the study.

*Plan choice can reduce the risk that an individual is placed in an unsuitable plan design.*

### Plan Choice May Mitigate Suitability Concerns

New employees are no longer required to participate in HERPs. The Legislature provided plan choice when they ended the HERP supplemental benefit for new hires. The supplemental benefit is a DB add-on to HERPs that guarantees a minimum level of benefits for eligible employees. (See **Appendix A** for more information on the HERP supplemental benefit.)

New hires in HERP-eligible positions are now given the choice between a HERP without a supplemental benefit or Plan 3.\* This means new hires can choose between a plan with no guaranteed benefit (HERP) and one with some guaranteed benefit (Plan 3). Plan choice can reduce the risk that an individual is placed in an unsuitable plan design. However, there is no guarantee that employees will pick the plan design that will result in the highest level of retirement benefits for them.

*\*Some policy makers may prefer that new hires also be given the choice of an entirely DB plan such as the Plans 2.*

## Benefit Consistency

*Some policy makers may prefer that employees in similar positions receive similar retirement benefits.*

The issue of HERP eligibility for exempt staff is primarily driven by concerns over benefit consistency. Some policy makers may prefer that employees in similar positions receive similar retirement benefits. If HERPs are perceived as providing inconsistent benefits for a particular group of employees, they may be viewed as unsuitable for that group.

This study will examine the benefit consistency of HERPs from a variety of viewpoints: Within HIED, across public employers, employees' perspective, across career paths, and with the private sector.

This analysis finds that:

- ❖ State retirement systems generally provide consistent benefits. However, exceptions are made for workforces with different needs.
- ❖ Benefits may appear consistent within HIED.
- ❖ Benefits may appear inconsistent across public employers for some exempt positions.
- ❖ Policy makers may consider other factors such as employees' perspective, consistency across career paths, and consistency with the private sector.

### State Retirement Systems Generally Provide Consistent Benefits

*Benefits for the majority of public employees are similar.*

The Legislature has established as statutory policy that the state retirement systems should provide similar benefits where possible (RCW 41.50.005). Benefits for the majority of public employees are similar. However, there are some exceptions for different groups.

Benefits for teachers, school employees, and general public employees are similar in the state's plans. However, public safety employees receive different benefits. For example, public safety plans generally provide for lower retirement ages and larger death and disability benefits than other state plans. These different benefits likely reflect different concerns and needs of public safety employees. They may also be necessary to recruit for these positions.

*Exceptions are made for different needs.*

Providing different benefits for public safety employees suggests that policy makers may make exceptions to a general policy of benefit consistency based on different workforce or recruitment needs.

### HERPs May Appear Consistent Within HIED

When consistency is viewed within the confines of HIED institutions, offering HERPs to faculty and exempt staff may be considered consistent pension policy. Faculty and exempt staff may be viewed as similarly situated in their employment conditions for various reasons:

*Faculty and exempt staff may be viewed as similarly situated.*

- ❖ Faculty and exempt staff are not covered by the civil service rules that apply to classified staff.
- ❖ Faculty and exempt staff typically have higher levels of responsibility than classified staff.
- ❖ Faculty and exempt staff are often recruited on a regional or national level from other institutions offering HERPs. Classified staff are usually recruited locally.

### HERPs May Appear Inconsistent Across Public Employers For Some Exempt Staff

When consistency is viewed across all public employers, offering HERPs to some exempt positions may appear an inconsistent pension policy. While faculty and some exempt positions are likely unique to HIED, some exempt positions are likely similar to positions commonly found in PERS. It is these latter positions that may raise questions around benefit consistency.

*Some exempt positions are likely similar to positions commonly found in PERS.*

HIED faculty\* and some exempt positions, such as research scientists, are likely unique to HIED. Policy makers may not view offering HERPs to unique HIED positions as inconsistent with pension policy for other public employers. However, some exempt positions are likely similar to positions commonly found in PERS. For example, both state agencies and HIED institutions employ executive assistants and IT managers. While these positions may be similar\*\* in terms of typical duties and levels of responsibility, HIED exempt staff in these positions are offered HERPs—which are not available to PERS members. Some policy makers might view this as inconsistent pension policy.

It is beyond the scope of this study to determine if specific HIED exempt positions are substantially similar to positions commonly found in PERS. A comprehensive HR study is needed to determine which exempt positions are unique to HIED and which may be similar to PERS positions. Such a study could consider job duties, levels of responsibility, education and training requirements, working conditions, etc.

*\*There may be similarities between some HIED faculty positions and teaching positions in K-12. However, this will not be explored in this study since policy makers are not questioning HERP eligibility for faculty at this time.*

*\*\*Based on limited review. A full HR study would be required to determine how similar these and other exempt positions are to positions in PERS.*

### Policy Makers May Consider Other Factors When Assessing Consistency

Policy makers may consider other factors before making a final assessment of benefit consistency. These factors may include employees' perspective, consistency across career paths, and consistency with the private sector.

*Faculty and exempt staff would likely seek benefits consistent with other faculty and exempt staff.*

When considered from the employees' perspective, it seems likely that most employees would generally seek comparable benefits with their co-workers. For example, faculty and exempt staff would likely seek benefits consistent with other faculty and exempt staff. It is less likely they would compare their benefits to—or seek consistency with—public employees working outside of HIED. This view was expressed by stakeholders in their input to the SCPP and this study. (See **Workforce Characteristics** below.)

*Some policy makers may prefer that benefits be consistent along likely career paths or with the private sector.*

Benefit consistency may also be considered across career paths. For example, if a person starts a HIED career as faculty, and is later promoted into an exempt administration position, should he or she be allowed to continue participating in a HERP? Some policy makers may prefer that benefits be consistent along likely career paths.

Finally, some policy makers may prefer that benefits in the public sector be generally consistent with benefits offered in the private sector. Since DC plans are more prevalent in the private sector than DB plans, HERPs would likely be viewed as more consistent with the private sector than PERS.

*A plan that appears a good fit for workforce needs may be considered suitable.*

### **Workforce Characteristics**

Workforce characteristics are relevant in assessing benefit consistency and the overall suitability of a plan design. A plan that appears a good fit for the needs of the workforce may be considered suitable. Policy makers may also make exceptions to a general policy on benefit consistency for public employees to accommodate different workforce needs.

This study will examine two key workforce characteristics that may give an indication of how well HERPs meet the needs of the HIED workforce and whether those needs are different than PERS employees: mobility and employee plan preference.



This analysis finds:

- ❖ Employers view faculty and exempt staff as mobile and exempt staff may work shorter careers.
- ❖ Findings on mobility are inconclusive due to lack of sufficient data.
- ❖ Faculty and exempt staff likely prefer HERPs and view them as a better fit.
- ❖ Faculty and exempt staff may have different workforce needs than PERS members.
  - Faculty and exempt staff likely prefer DC plans.
  - PERS members may prefer DB plans.

### ***Mobility***

As discussed earlier, HERPs may be a better fit than PERS for a mobile workforce—particularly one that moves between the public and private sectors. This poses two key questions for analysis:

- ❖ Are HIED employees generally more mobile than PERS employees?
- ❖ Do HIED employees typically move between the public and private sectors?

### **Evidence Suggests Faculty And Exempt Staff Are Mobile**

Anecdotal evidence from HIED employers suggests that faculty and exempt staff are mobile and may benefit from a more portable plan design such as HERPs. According to employer representatives,<sup>2,3</sup> faculty and exempt staff tend to move around in the industry and may not work a full career in a single retirement plan. They may move between public institutions in and out of the state, and between the public and private sectors. Finally, some employees, such as senior level administrators, tend to move around more than others.

While this suggests that faculty and exempt staff are mobile, the same statements could likely apply to many PERS employees as well. The increased portability of HERPs may not provide a significant advantage over the continuity of PERS for employees moving between public employers within the state. Additional data is required to determine if faculty and exempt staff are more mobile than PERS employee and the extent they are moving outside of Washington's public employers.

### **Exempt Staff May Work Shorter Careers**

Another way to assess mobility is to look at the length of service for employees. Employees working shorter careers can move around

*According to employers, faculty and exempt staff tend to move around in the industry and may not work a full career in a single retirement plan.*

*The average length of service for exempt staff in CTCs is under ten years.*

more often than employees working longer careers. Data is available on length of service for faculty and exempt staff at community and technical colleges. The data shows the average length of service in the CTC system is under fifteen years for faculty and under ten years for exempt staff. Comparable data is not available for PERS members at this time.

While this length of service data may indicate that exempt staff in particular tend to work shorter careers, many PERS employees likely work shorter careers as well. Again, the increased portability of HERPs may not provide a significant advantage for employees moving within the state's public employers. And additional data is required to determine if faculty and exempt staff generally work shorter careers than PERS members.

### Insufficient Data For Findings On General Mobility With The Private Sector

In addition to general workforce mobility, this study also considers mobility between the HIED institutions and the private sector. Employer representatives<sup>1,2</sup> have indicated that faculty and exempt employees move between the public and private sectors. This includes private sector HIED and non-HIED employers. However, personnel systems do not currently collect data on who is hired from the private sector, and who goes to the private sector when leaving employment. Therefore, it is difficult to determine how frequently this movement occurs and which positions are involved. Given this lack of data, it is not possible to draw a conclusion on whether the HIED workforce is generally mobile with the private sector.

*Data is inconclusive on whether faculty and exempt staff are more mobile than PERS members or mobile with the private sector.*

### Additional Data Could Improve Findings On Mobility

The employer evidence and length of service data gathered for this study suggests that some HIED employees may benefit from a more portable DC plan design such as HERPs. However, this data is inconclusive on whether faculty and exempt staff are more mobile than PERS members in general. The data is also inconclusive on how frequently faculty and exempt staff move between the public and private sectors.

An actuarial experience study could produce additional data that would allow policy makers to objectively measure and compare the mobility of the various HIED employee groups and PERS. Such a study is resource intensive and requires collecting data over a long period of time. OSA will begin collecting data for an experience study of HERPs as part of its duty to perform actuarial valuations of HERPs beginning in 2013.

*An actuarial experience study could produce additional data to objectively measure and compare mobility.*

Additional data could likely be gathered regarding mobility between the public and private sectors for HIED and other public employers. This could possibly be done through an employee survey or by employers collecting such data when employees enter and leave service.

### ***Plan Preference***

An employee preference for HERPs, would suggest that employees view the HERP plan design as generally meeting their needs. If HIED employees generally prefer a different plan design than PERS members, it may suggest that they have different workforce needs. This poses two key question for analysis.

- ❖ Do HIED employees generally prefer DC plans such as HERPs over DB plans such as PERS?
- ❖ Which plan design do PERS members prefer?

In addressing these questions, the analysis will consider input from stakeholders and plan choice data.

### **HIED Stakeholders Expressed A Preference For HERPs**

HIED stakeholders have expressed a preference for HERPs in public testimony before the SCPP, and in written comment. Employers and plan participants expressed a preference for providing HERPs to faculty and all exempt staff. Some of the reasons given include the portability of the benefit, individual control, and prevalence of DC plans in the HIED industry. HIED stakeholders also expressed a desire for exempt staff to have the same retirement plan offered to faculty.

*HIED stakeholders prefer providing HERPs to faculty and all exempt staff.*

Public testimony was provided during a public hearing on this study at the November 15, 2011, SCPP meeting. [Audio](#) of the public hearing is available on the SCPP web site. Employer correspondence submitted to staff for this study is included in **Appendix G**.

### **Plan Choice Data Suggests A Preference For HERPs**

Initial plan choice data shows a majority of newly hired faculty and exempt staff prefer HERPs over DB plans such as PERS. Newly hired faculty and exempt staff in HERP-eligible positions may choose between HERPs or a Plan 3. According to employer representatives,<sup>2,3</sup> over 90 percent\* of eligible new hires choose to participate in HERPs. Since plan choice has only been available since July 1, 2011, additional experience would likely be required to consider this a long-term trend.

*Over 90 percent of eligible new hires choose HERPs.*

*\*Data covers CTCs and the University of Washington (UW). HERP election rates are 90%-95% at CTCs and 95% at UW.*

*Presumably employees would choose the plan design they feel best fits their needs.*

## Faculty And Exempt Staff May View HERPs As A Better Fit

Taken together, the stakeholder input and plan choice data suggests that faculty and exempt staff generally prefer HERPs over DB plans such as PERS. Presumably employees would choose the plan design they feel best fits their individual needs and circumstances. This suggests that faculty and exempt staff view HERPs—and the DC plan design—as a better fit for their needs than DB plans such as PERS.

## Faculty And Exempt Staff May Have Different Workforce Needs Than PERS Members

Plan choice data gives further insight on possible differences in workforce needs between faculty and exempt staff and other public employees. New hires in both PERS positions and HERP-eligible positions may choose between different plan designs. PERS members may choose between a pure DB design (Plan 2) or a DB/DC hybrid design (Plan 3). Exempt staff may choose between a pure DC design (HERP), or Plan 3. As discussed above, initial plan choice data shows a large majority of faculty and exempt staff choose to participate in HERPs. In contrast, a majority of new PERS members (over 60 percent) choose to go into Plan 2. See **Appendix I** for additional detail on plan choice data for PERS members.

*Plan choice data suggests that faculty and exempt staff likely prefer a DC plan design while PERS members may prefer a DB plan design.*

This plan choice data suggest that faculty and exempt staff likely prefer a DC plan design, while PERS members may prefer a DB plan design. How is this conclusion reached? Plan 3 represents a compromise between DB and DC plan designs. If faculty and exempt staff preferred a DB plan design, they would likely choose Plan 3 because of its DB component. In a similar way, if PERS members preferred a DC plan design, they would likely choose Plan 3 because of its DC component. Difference in preferred plan design could indicate that faculty and exempt staff may have different workforce needs than PERS members in general

## **Recruitment And Retention**

Recruitment and retention are often thought of as HR policy issues. However, they are impacted by pension policy since pensions are part of the total compensation package used to recruit and retain employees.

*Policy makers may view HERPs as necessary if employers could not successfully recruit without them.*

Policy makers may view HERPs as necessary if employers would have difficulty recruiting the desired employees without them, and unnecessary if they could successfully recruit using PERS. Policy makers may also make exceptions to a general policy on benefit consistency for public employees to accommodate recruitment needs.

Finally, policy makers may view HERPs as suitable if they help retain experienced employees, and unsuitable if they do not.

This section will examine whether HERPs are necessary for the recruitment of the various HIED employee groups, and how well they serve to retain employees.

This analysis finds:

- ❖ Employers view HERPs as useful for recruiting.
- ❖ HERPs are likely an industry standard for many positions.
- ❖ HERPs may be necessary for recruitment.
  - Likely necessary for recruiting faculty.
  - May be necessary for recruiting some exempt staff.
- ❖ HERPs are less likely to retain employees than PERS.

*Employers could be at a competitive disadvantage if they were not able to offer HERPs.*

### Employers View HERPs As Useful For Recruiting

HIED institutions view HERPs as useful for recruiting and retaining faculty and exempt staff. According to employer representatives,<sup>2,3</sup> faculty and some exempt staff are frequently recruited on a regional, national, and sometimes global basis from other HIED institutions offering DC plans. Many faculty and academic administrators expect they will be able to participate in such plans. Employers could be at a competitive disadvantage with other HIED institutions if they were not able to offer HERPs for these, and other exempt positions.

In contrast, classified positions are generally recruited locally and employers do not feel that offering HERPs would be all that useful in filling most classified positions.

### HERPs Are Likely An Industry Standard For Many Positions

*HERPs are likely an industry standard for faculty.*

Staff research found that HERPs are widely offered to faculty across the nation with over 90 percent of states offering these plans.

Another indication of the national presence of HERPs is that TIAA-CREF<sup>5</sup> is offered at more than 15,000 institutions in the academic, medical, governmental, research and cultural fields.\* This suggests that HERPs are likely an industry standard for faculty.

*HERPs may be an industry standard for some exempt positions.*

Data on the prevalence of HERPs for exempt staff is less conclusive. In a sample of 23 HIED systems examined, 70 percent provided HERPs to all exempt staff, and 30 percent provided HERPs to select exempt staff. If this sample is representative of the HIED industry as a whole, it suggests that HERPs are likely an industry standard for some exempt

positions. Additional data is required to determine with more certainty how prevalent HERPs are for exempt staff.

\*According to the [TIAA-CREF](#) website; May 4, 2012.

### HERPs May Be Necessary For Recruitment

Based on the information examined in this study, HERPs may be necessary for HIED institutions to recruit desired candidates in many faculty and exempt staff positions.

HERPs are likely necessary for recruiting faculty. This is based on industry prevalence of HERPs for faculty, possible employee preference—and expectation—for HERPs, and employers finding them useful for recruitment.

*HERP are likely necessary for recruiting faculty and may be necessary for recruiting some, but not all, exempt staff.*

HERPs may be necessary for recruiting some, but not all, exempt staff. This is based on possible employee preference—and expectation—for HERPs, employers finding them useful for recruitment, and a possible industry prevalence for some exempt staff positions. However, data is insufficient to determine if HERPs are an industry standard for all exempt staff positions. At least some HIED systems do not offer HERPs to all exempt staff—suggesting that these institutions do not view HERPs as necessary for some exempt staff. Also, some exempt positions, such as executive assistants and IT managers, are likely similar to PERS positions and could possibly be recruited using PERS. However it may be difficult to find candidates with HIED experience using a PERS benefits package if they are offered HERPs elsewhere.

### HERPs Are Less Likely To Retain Employees Than PERS

In theory, DC plans such as HERPs are less likely to retain employees than DB plans such as PERS. DC plans are more portable than DB plans and make it easier for employees to leave prior to retirement without giving up the value of the benefit. Also DC plans do not have set retirement ages that encourage employees to work to a specific age. One feature in Washington's HERPs that likely helps retain older employees is increasing the employer matching contribution at age 50.

*HERPs are more portable and make it easier to leave prior to retirement.*

There is one circumstance where DC plans such as HERPs are more likely to retain employees than DB plans such as PERS. This is during periods of poor financial market performance. DC accounts can lose considerable value when markets crash. This could cause employees to defer retirement until markets and their accounts recover. In contrast, DB benefits are guaranteed and members' retirement benefits are generally not impacted by economic conditions.

An actuarial experience study as discussed under **Workforce Characteristics: Mobility** above could provide data to measure how well HERPs retain employees compared to PERS.

*Some policy makers may find HERPs unsuitable if the benefits are perceived as inadequate.*

## Benefit Adequacy

Some policy makers may find HERPs unsuitable if they are perceived to provide inadequate benefits or have a high risk of providing inadequate benefits. Recent changes to HERPs have implications for benefit adequacy. Ending the supplemental benefit for new hires means future participants no longer receive any guaranteed level of retirement income. This will likely increase the risk that future participants may receive inadequate benefits from the plan if their DC accounts perform poorly.

This study will discuss different approaches to evaluating the adequacy of HERP benefits: compared to a standard of living and compared to PERS. However, an actual evaluation of benefit adequacy is a complex and resource intensive actuarial exercise and is beyond the scope of this study.

### Policy Makers May Consider If HERPs Provide An Adequate Standard Of Living

Policy makers may approach benefit adequacy by considering whether benefits provided by HERPs are sufficient to maintain an adequate standard of living during retirement. Evaluating adequacy of benefits in this context is a complex and challenging policy and actuarial exercise. First and foremost, it requires policy makers to determine what an adequate standard of living is. This may involve consideration of other sources of income and different standards based on length of career. It may also involve reconciling different views of what adequate means. On the actuarial side, a benefit adequacy study generally requires actuaries to convert DC account balances into lifetime income streams using actuarial assumptions and methods.

*A typical study of benefit adequacy compares expected benefits to a target level.*

A traditional study of benefit adequacy would look at the benefits expected from the HERP design and compare them to a given target benefit level—often expressed as a percentage of salary. To be most useful, a benefit adequacy study would also incorporate risk analysis to show policy makers the risks that benefits would not meet the target under a wide range of economic scenarios. A traditional benefit adequacy study is a complex and resource intensive actuarial exercise and is beyond the scope of this study. Given sufficient time and resources, OSA could undertake such a study in the future.

### Policy Makers May Consider How HERP Benefits Compare To PERS

Policy makers may also approach benefit adequacy by considering how HERP benefits compare to PERS benefits. They may ask if HERPs provide more or less benefits than PERS. This is a very difficult

*HERPs may provide a greater or lesser benefit than PERS.*

*A comparison of benefits under various career and economic scenarios could help answer questions of which plan generally provides better benefits.*

*Some policy makers may find HERPs unsuitable if they cost more to provide than PERS.*

question to answer because DC benefits depend upon both individual choices and economic forces. A HERP may provide a greater or lesser benefit than PERS depending on an individual's investment choices and market performance. Also, because of their greater portability, DC plans can provide greater value to individuals who separate from service prior to retirement.

A comparison of benefits from HERPs, PERS Plan 2, and PERS Plan 3 under various career and economic scenarios would give policy makers data to help answer the question of which plan design generally provides larger benefits. Such a comparison may also influence assessments of benefit consistency. Concerns over benefit consistency between HIED and other public employers may be magnified if HERPs are viewed as providing more generous benefits than PERS.

A benefit comparison would require actuaries to convert benefits from the different plans into comparable forms using actuarial assumptions and methods. Comparable forms could include lifetime payments or lump sums amounts. To be most useful, a benefit comparison would also include risk analysis so policy makers could see the probability that one design would underperform or outperform another under a wide range of economic scenarios. Such a comparison is a complex and resource intensive actuarial exercise and is beyond the scope of this study. Given sufficient time and resources, OSA could undertake such a study in the future.

## Cost

Some policy makers may find HERPs unsuitable if these plans generally cost employers more to provide than PERS. Cost may be a more significant factor for policy makers concerned about benefit consistency between HIED and other public employers.

This study will explore comparing costs between HERPs and PERS, and discuss some of the limitations of using contribution rates or contributions over careers as a means to evaluate cost. However, an actual cost comparison is a complex and challenging actuarial exercise that is beyond the scope of this study.

This analysis finds:

- ❖ DC plans generally cost more to produce the same level of benefits.
- ❖ Contributions over a career may not represent the full cost of providing benefits in a DB plan.
- ❖ Comparing HERP and PERS contribution rates or long-term expected costs can be misleading.



### DC Plans Generally Cost More To Produce The Same Benefit

*It is expected to cost more to provide a given level of benefits in a DC plan.*

Generally speaking, it is expected to cost more to provide a given level of benefits under a DC plan design than under a DB plan design. One reason is that DB plans have a much longer investment horizon than individual DC plan participants. The longer investment horizon allows DB plans to earn higher expected returns by taking on more investment risk than is prudent for an individual investor. It also allows DB plans to invest in higher performing, but less liquid, asset classes that may not be available or prudent for an individual investor. For example, private equity or real estate

Policy makers may balance the higher expected costs of offering comparable benefits in DC plans against other factors such as greater portability of benefits, elimination of employer risk and long-term liability, and contribution rate stability.

### Contributions Over A Career May Not Represent The Full Cost Of Providing Benefits

*Amounts contributed over an individual's career do not necessarily represent the full cost of providing benefits.*

Some policy makers may compare amounts contributed over an employee's career as a way of comparing the costs of HERPs and PERS. However, amounts contributed by an employer over an individual's career do not necessarily represent the full cost of providing a given benefits package. Contributions to HERPs are fixed and employers have no further obligation to the plan once they have been made. Contributions to PERS can vary widely based on plan experience—particularly investment return. Employers may also have to make additional contributions for retirees if their benefits are not fully funded during their careers.

### Comparing HERP And PERS Contribution Rates Can Be Misleading

*Comparing contribution rates for DB and DC plans can be misleading.*

Some policy makers may look to contribution rates as a way of comparing the costs of HERPs and PERS. Employer contribution rates for HERPs are generally higher than employer contribution rates for PERS (excluding the UAAL rate). However, directly comparing expected PERS rates to HERPs rates may be misleading. The difference in PERS and HERP employer contribution rates will vary over time. PERS rates are recalculated every two years based on an actuarial valuation, while HERP rates are fixed. Also, PERS rates represent the expected costs of the plan at a single point in time, and not necessarily the actual long-term cost of the plan. PERS costs are expected to change over time based on the actual experience of the plan. HERP costs (excluding supplemental benefits) are not.

## Comparing Long-Term Expected Costs Can Be Misleading

*Comparing expected costs for DB and DC plans can be misleading.*

Some policy makers may compare the long-term expected costs of PERS to HERPs as a way of assessing the relative cost of the plans. One measure of the long-term cost of a DB plan such as PERS is the Entry Age Normal Cost (EANC). The EANC represents the expected long-term costs of the plan, as a percentage of payroll, if:

- ❖ All assumptions are realized.
- ❖ All required contributions are made.
- ❖ Current benefits do not change.

The long-term cost for DC plans such as HERPs, as a percentage of payroll, is the employer contribution rate.

HERPs contribution rates are generally higher than the PERS 2/3 EANC. However, directly comparing the two may be misleading because it does not take into account the risk differences between them. The EANC rate will not represent the true long-term cost of PERS 2/3 if assumptions are not realized (including investment returns), required contributions are not made, or benefits are changed. HERP contribution rates are fixed and do not have the same risks.

*Actuarial analysis is required in order to make an apples-to-apples comparison of costs.*

Because of the risk differential in DB and DC plans, actuarial analysis is required in order to make an apples-to-apples comparison of the long-term expected costs of HERPs and PERS. This would likely require adjusting contribution rates for risk. Calculating risk-adjusted rates is a complex and challenging actuarial exercise that is beyond the scope of this study. Given sufficient time and resources, OSA could undertake such a study in the future.

A cost comparison would likely be more useful if coupled with a benefit comparison as discussed in **Benefit Adequacy** above. A cost/benefit analysis would give a more complete picture of the value of the plans after accounting for possible differences in the level of benefits provided.

## **PERS Plan 1 UAAL Funding**

*Changing HERP eligibility can impact the UAAL rate charged to all employers and the share of UAAL costs paid by the institutions.*

The final area to be examined in this study is the PERS 1 UAAL. Funding policy for the UAAL has implications for policy makers considering the suitability of, or changing eligibility for, HERPs for exempt staff. Changing HERP eligibility can impact the UAAL rate charged to all employers and the share of UAAL costs paid by the institutions.

This study will explore the dynamics behind this, and examine how past changes to HERP eligibility impacted the PERS 1 UAAL rate.

This analysis finds:

- ❖ Changing the salary base used for amortizing the PERS 1 UAAL can impact the rate.
- ❖ Expanding HIED exemptions from civil service in the early 1990s has reduced the share of PERS 1 UAAL costs paid by HIED institutions and likely increased the UAAL rate.
- ❖ Payroll for HIED positions moving out of PERS was treated differently than payroll for other positions moved out of PERS.
- ❖ Restricting HERP eligibility might decrease the PERS 1 UAAL rate. However the full impact might not be realized before the UAAL is expected to be paid off.

### The UAAL Is Amortized Over Salary

PERS Plan 1 has a liability for members' past service known as an Unfunded Accrued Actuarial Liability or UAAL. The UAAL represents the unfunded cost of past service for PERS 1 members. In other words, the costs for benefits already earned by members that are not funded under the plan's funding policy. Employers pay for the UAAL through an additional contribution rate collected as a percentage of salaries. The UAAL is amortized within a rolling ten-year period over the combined salaries for all PERS, School Employees' Retirement System (SERS), and Public Safety Employees' Retirement System (PSERS) members. Under current funding policy, HIED institutions contribute to the UAAL for employees who are members of PERS—but not for employees participating in HERPs.

*The UAAL represents the unfunded cost of past service for PERS 1 members.*

*HIED institutions contribute to the UAAL for employees who are members of PERS.*

### Changing The Salary Base Can Impact The UAAL Rate

Changes to the salary base used for amortizing the PERS 1 UAAL can impact the rate charged to employers. For example, increasing the number of PERS positions will tend to decrease the UAAL rate because the same cost is spread over more salaries. Conversely, decreasing the number of PERS positions will tend to increase the UAAL rate because the same cost is spread over fewer salaries. In both cases, the same total dollars are paid toward the UAAL, but the share of the total cost paid by each employer may differ.

### Expanding HIED Exemptions From Civil Service Has Likely Increased The UAAL Rate

In 1993, the Legislature expanded the number of HIED positions exempt from coverage under state civil service law. (See **Section 1: Background** for more information.) This change resulted in more

positions becoming HERP-eligible under HIED policy and ultimately moving out of PERS over time. The migration of HIED exempt positions out of PERS has reduced the share of PERS 1 UAAL costs paid by HIED institutions—since they no longer pay the UAAL contribution for these positions. It has also decreased the salary base for amortizing the UAAL, which will tend to increase the UAAL rate.

*The migration of exempt positions out of PERS has reduced the share of UAAL costs paid by HIED institutions and likely increased the UAAL rate.*

The exact impact of the reclassification cannot be determined because the necessary data is not available. However, salary data collected for this study indicates there was likely an increase in the UAAL rate. Salary data for exempt staff positions at the University of Washington (**See Appendix H**) shows about \$186 million\* in current annual salaries have been removed from PERS due to the reclassification of positions. Removing this much salary from the base for amortizing the UAAL is sufficient to increase the rate calculation today. The same total dollars have been collected for the UAAL. However, some costs have shifted from HIED institutions to other PERS employers.

*\*\$240 million in salaries for exemptions added after 1993 minus \$54 million in salaries for HERP-eligible members who have remained in PERS. See **Appendix H** for more information.*

### Payroll For HIED Positions Was Treated Differently

Payroll for reclassified HIED positions moving out of PERS and into HERPs was treated differently than the payroll for other positions that have been moved out of PERS. In the past, the Legislature has changed funding policy to mitigate impacts of moving groups of employees out of PERS. When SERS was created in 1998 by moving school employees out of PERS, the Legislature changed funding policy to retain their salaries for purposes of amortizing the PERS 1 UAAL. The Legislature made similar funding policy changes when PSERS was created in 2004 by moving certain public safety employees out of PERS.

*In the past, the Legislature has changed funding policy to mitigate impacts of moving groups out of PERS.*

### Restricting HERP Eligibility Might Decrease The UAAL Rate

Restricting HERP eligibility for new hires would likely increase the number of positions covered by PERS—which will tend to decrease the PERS 1 UAAL rate. The same total dollars will be collected, spread over more positions. This would tend to result in a cost shift from non-HIED employers to HIED employers. HIED employers would pay a greater share of the costs of the UAAL since they will be contributing for more positions. Non-HIED employers would pay a lesser share due to potentially lower contribution rates.

*The full impact of potential UAAL rate decreases may take years to emerge.*

However, potential decreases in the PERS 1 UAAL rate would emerge over time as positions are filled by new hires. The full impact may take

years to emerge and may not be realized before the UAAL is expected to be paid off under the current funding method around 2025.<sup>6</sup>

## Options For Further Study

Data was limited or not available for several areas considered in the study. Policy makers seeking to look further into the suitability and necessity of HERPs for HIED exempt employees may wish to further study one or more of the following:

- ❖ Workforce mobility comparisons: HIED exempt and PERS.
- ❖ Plan preference of HIED exempt staff: HERPs or Plan 3.
- ❖ Industry prevalence of HERPs for non-faculty.
- ❖ HERP/DC plan participation prior to recruitment for HIED exempt.
- ❖ Positional comparisons: HIED exempt and PERS.
- ❖ Cost/benefit comparisons: HERPs, Plan 2, and Plan 3.
- ❖ Adequacy of benefits: HERPs, Plan 2, and Plan 3.

*Policy makers seeking to mitigate impacts on the PERS 1 UAAL rate may wish to study funding policy.*

Policy makers seeking to mitigate the impacts of HERP participation on the PERS 1 UAAL rate may wish to further study PERS 1 UAAL funding policy.

Studies could be undertaken by the SCPP, OSA, or another policy entity such as a HIED policy committee or WSIPP.\* Policy makers seeking further study may wish to consult with OSA, other policy committees, and the HIED institutions to determine the appropriate body to conduct additional study.

*\*Washington State Institute for Public Policy.*

## Conclusion: HERP Suitability And Necessity Analysis

This study has taken a broad approach to assessing the suitability and necessity of HERPs for employees in various positions within HIED. The study has considered policy implications in the areas of plan design, benefit consistency, workforce characteristics, benefit adequacy, cost, and the PERS 1 UAAL. The study assumed a high bar for finding HERPs generally unsuitable, and the analysis considered whether HERPs were more suitable and necessary than PERS for a given class of employees. Data in some areas was limited or not available, and a full consideration of other areas such as benefit

adequacy and cost were beyond the scope of this study due to time and resource constraints.

*The finding for exempt staff was inconclusive due to insufficient data.*

The study generally finds that HERPs are likely suitable and necessary for faculty, and that HERPs are likely not necessary for classified staff. The finding for exempt staff was mixed: HERPs might be necessary and more suitable than PERS for some exempt positions, but not necessary and less suitable than PERS for others. This finding is inconclusive due to insufficient data for exempt positions on mobility, industry prevalence of HERPs, and similarities to PERS positions. Additional findings are presented in the body of this paper and in the attached **Summary Of Findings**. Additional study could strengthen some of the findings, and potential areas are listed under **Options For Further Study** above. Data used for this study is provided in the **Appendices**.

## Section 3: HERP Eligibility Issue Analysis

### Policy Analysis

*The key policy question for this study is to what extent should HERPs be provided to HIED exempt staff?*

Staff research for this study found that some policy makers question the current policy of providing HERPs to all exempt staff and may prefer additional restrictions. In light of this, the key policy question for this study is to what extent should HERPs be provided to HIED exempt staff?

The key study finding on HERP eligibility for exempt staff is that HERPs might be necessary and more suitable than PERS for some exempt positions, but not necessary and less suitable than PERS for others. Given this finding, policy makers will likely differ on their assessments of the suitability and necessity of HERPs for some exempt staff. Policy makers who view HERPs as unsuitable or unnecessary for some exempt positions would likely prefer those positions be covered by PERS and not offered HERPs.

### This Issue Is Primarily Driven By Concerns Over Benefit Consistency For Exempt Staff

*The issue of HERP eligibility is primarily driven by concerns over benefit consistency.*

The issue of HERP eligibility for exempt staff is primarily driven by concerns over benefit consistency. These concerns arise because some exempt staff positions are likely similar\* to positions commonly found in PERS. In deciding this issue, policy makers may differ on how broadly to apply benefit consistency and may balance it with other factors such as workforce needs and recruitment.

*\*It was beyond the scope of the study to determine which exempt positions are substantially similar to positions commonly found in PERS.*

### Policy Makers May Differ On Their View Of Benefit Consistency For Exempt Staff

*The dividing line may fall on whether or not HIED institutions are viewed as standing apart from or alongside other public employers.*

The dividing line on benefit consistency may fall on whether or not HIED institutions are viewed as standing apart from or alongside other public employers. Policy makers who view benefit consistency within HIED institutions—and see faculty and exempt staff as similarly situated—will likely find the current policy of providing HERPs to all exempt staff as generally consistent. Policy makers who view benefit consistency across all public employers may find current policy inconsistent for some exempt positions. In particular, those appearing similar to positions commonly found in PERS.

Some policy makers may make exceptions to a general policy of benefit consistency for different workforce or recruitment needs. While these areas were examined in the study, the findings for exempt

staff were generally inconclusive due to insufficient data for key factors such as mobility and industry prevalence of HERPs. However, the study did find that exempt staff may have different workforce needs than PERS members based on differences in plan design preference. The study also found that HERPs may be necessary to successfully recruit some exempt positions based on employer input and practice in other states.

### Policy Makers May Differ On How Much Flexibility Institutions Should Have In Offering HERPs

Policy makers seeking more benefit consistency between HIED and other public employers may prefer to limit the flexibility of employers to offer HERPs to exempt staff. These policy makers may prefer that HERPs be limited to exempt positions not typically found in PERS. These policy makers may also seek more conclusive data before making any exceptions based on workforce or recruitment needs.

Other policy makers may see little or no need to limit the flexibility institutions have in offering HERPs to exempt staff. These may include policy makers who:

- ❖ Do not seek benefit consistency between HIED and other public employers.
- ❖ View exempt staff as having different workforce needs than other public employees.
- ❖ Want to give employers maximum flexibility in recruiting exempt staff.

While benefit consistency is a key driver of this issue, policy makers may also weigh other factors around the suitability and necessity of HERPs. These factors may include plan design, workforce characteristics, benefit adequacy, cost, and impact on the PERS 1 UAAL. Each of these are discussed more fully in **Section 2: HERP Suitability And Necessity Analysis**.

### **Policy Options**

Policy makers may choose among several high-level policy options to address this issue. The options are not necessarily mutually exclusive, and policy makers may choose more than one. These options generally reflect high-level policy approaches and some would require further study and definition to implement.

- ❖ Continue to provide HERPs to faculty and PERS to classified staff.
- ❖ Allow HIED employers to continue to determine HERP eligibility for exempt staff.

*Policy makers may differ on how much flexibility institutions should have in offering HERPs.*

*Policy makers may choose among several high-level policy options.*



- ❖ Allow HERPs for exempt staff only where necessary for recruitment.
- ❖ Allow HERPs for exempt staff in positions that are unique to HIED and not generally found in PERS.
- ❖ Provide retirement benefits for exempt staff that are consistent with retirement benefits for faculty.
- ❖ Further study
  - Issue in general
  - Specific policy area

*Some policy makers may feel that further study is needed.*

Some policy makers may feel that further study is needed before deciding on a policy option(s). Options for further study are laid out in **Section 2: Options For Further Study**.

## End Notes

<sup>1</sup> Source: *Legislative Evaluation and Accountability Program, October 20, 2011.*

<sup>2</sup> John Boesenberg, Deputy Executive Director, Human Resources, Washington State Board for Community and Technical Colleges.

<sup>3</sup> Kathleen Dwyer, Executive Director, Benefits Office University of Washington.

<sup>4</sup> There is some design overlap when considering HERP supplemental benefits and DB/DC Hybrid plans such as the Plans 3. However, as a practical matter, this overlap is not relevant to the analysis in this paper. Supplemental benefits were ended for new employees, so HERPs will be considered as purely DC plans. The Plans 3 provide a guaranteed benefit—as do other DB plans—and will be considered a variation of the DB plan design.

<sup>5</sup> Teachers Insurance and Annuity Association-College Retirement Equities Fund.

<sup>6</sup> Source: ["State of the State's Pensions,"](#) OSA, January 17, 2012.

P:\Staging Folders\SCPP Staging\HERP Study\HERPStudy.docx

# Appendix A

## Introduction To HERPs

### *Overview*

Public universities and colleges in Washington State are authorized by the Legislature to offer retirement income plans to faculty and certain other employees. These plans, collectively referred to as HERPs, are primarily DC plans. HERPs were first authorized for state universities in 1937, making them one of the first retirement plans provided by the state. HERPs are currently offered at all the HIED institutions in the state including six universities, thirty-four community and technical colleges (CTCs), and two HIED coordinating boards: The State Board for Community and Technical Colleges (SBCTC), and the Higher Education Coordinating Board (HECB<sup>1</sup>).

HERPs are tax qualified DC plans that work much like a private sector 401(k). In a HERP, employers and employees both contribute to an individual retirement account over the employee's working career. Total contributions can range from 10 percent to 20 percent of pay based on age and employee election. Employees direct the investment of their account within the various investment options offered by the plan. The retirement benefit is based on the value of the account at retirement. The account value will vary depending on the contributions made and the investment earnings in the account.

In addition to the DC plan, HERPs also provide a supplemental DB benefit for certain employees. This benefit guarantees eligible retirees receive a minimum level of retirement benefits roughly comparable to PERS 1. The supplemental benefit was not part of the original plan design and was ended for new hires in 2011.

HERPs are administered by HIED institutions within statutory guidelines. Within those guidelines, institutions can generally determine contributions, investment options, and eligibility—which is tied to employee classification.

The remainder of this Appendix will provide more details on HERP administration, contributions, investment and distribution options, eligibility, plan choice, and the supplemental benefit.

### *Administration*

Unlike other state retirement systems—which are administered by the Department of Retirement Systems—there is no single plan

administrator for HERPs. Each university administers their own plan, and the CTCs and HIED coordinating boards participate in a single plan administered by the SBCTC. While generally similar, the plans may differ in investment options and other administrative details.

The basic requirements for HERPs are set forth in HIED statutes ([RCW 28B10.400-480](#)). For example, statute sets minimum and maximum employee contribution rates, restricts eligibility, limits supplemental benefit payments, and addresses employer funding. Within these constraints, the institutions have broad authority to administer the plans.

## Contributions

HERP contribution rates are set by the plan administrators and are currently the same across the plans. Employees contribute a percentage of their salary to their HERP DC account and employers contribute a matching amount. Contribution rates increase with age as shown in the table below. Rates are mandatory before age 50. However, beginning at age fifty members may elect to increase their contribution to 10 percent of pay, matched by the employer.

Age	Employee Contribution	Employer Contribution	Total Contributions
Under 35	5%	5%	10%
35-49	7.5%	7.5%	15%
50+	10%*	10%*	20%*

*\*If elected by member.*

In 2011, the Legislature limited state funding for employer contributions to HERP DC accounts to 6 percent of salaries for universities and CTCs<sup>2</sup>. These institutions have continued making the full matching employer contribution using funds from other sources.

## Investments And Distribution Options

In a HERP, employees direct the investment of their DC accounts. Investment options are determined by the plan administrator and can vary between plans. TIAA/CREF is one of the more common investment options provided, but is not the only one. Employees also have several options for accessing their account upon retirement or separation from service. They may choose to roll their account into another qualified plan, take lump-sum distributions from the account, or purchase an annuity from the plan.

## ***Eligibility***

HERP eligibility is generally determined by the HIED institutions and is tied to employee classification. Faculty and civil service exempt employees are generally eligible for HERPs while civil service classified employees are not. Instead, classified employees are covered by PERS.

In 2011, the Legislature placed additional restrictions on HERP eligibility: HERPs cannot be offered to employees who are retired or eligible to retire from a state-administered plan. At the same time, the Legislature codified current administrative practice by limiting HERPs to faculty and exempt staff.<sup>2</sup>

## ***Plan Choice***

Participation in HERPs is optional for new employees in HERP-eligible positions. Eligible new hires may choose between joining a HERP or joining Plan 3. Newly employed faculty may join TRS 3, while non-faculty may join PERS 3. Plan choice was provided by the Legislature in 2011.<sup>2</sup> Prior to this, participation in HERPs was mandatory under administrative policy for eligible employees— except for those who had already established membership in PERS or the Teachers Retirement System. Employees with prior service in one of these systems could opt to continue their participation in that system instead of participating in a HERP.

## ***Supplemental Benefit***

The HERP supplemental benefit is a DB overlay to the primary DC benefit provided in the plans. The HERP supplemental benefit guarantees eligible retirees receive a minimum level of retirement benefits, roughly comparable to PERS Plan 1. The supplemental benefit mitigates the risk that an individual's HERP account might produce an inadequate benefit because financial markets performed poorly over his or her career. To be eligible for a supplemental benefit calculation, retirees must have at least ten years of service in a state HIED institution and been hired prior to July 1, 2011.

The HERP supplemental benefit is calculated once at retirement. The calculation essentially compares the benefit a retiree would have received from PERS 1 with the benefit the retiree would have received if their HERP DC account had been invested in a model portfolio. If a retiree would have received more under the simulated PERS 1 calculation, the supplemental benefit is the difference between the two, subject to certain limits and offsets.

The formula used for the supplemental benefit calculation is 2.0 percent times years of service times two-year average final compensation. Supplemental benefits are limited to 50 percent of the retiree's highest two-year average salary, and are further reduced by the amount of any other retirement benefit received from a state retirement system.

In 2011, the Legislature ended the supplemental benefit for new hires.<sup>2</sup> The Legislature also established an employer contribution to begin pre-funding the liability for supplemental benefits for eligible current employees.<sup>2</sup> Prior to this, supplemental benefits were paid by the plans on a pay-as-you-go basis.

*Notes:*

<sup>1</sup>*The HECB will be abolished effective July 1, 2012. Many of the functions and employees of the HECB will transfer to the Student Achievement Council, which will likely participate in the SBCTC HERP according to SBCTC staff. (See [section 301, chapter 11, Laws of 2011 1st sp. sess.](#))*

<sup>2</sup>*Changes enacted in [ESHB 1981.2011](#)*

O:\Reports\HERPstudy\Appendices\AppendixA.docx

# Appendix B

## Sample University of Washington Exempt Staff Positions

Job Titles – Research & Development	Department	Detail
Manager - VLSI Program Operations	College of Engineering, Dept. of Electrical Engineering	Very-Large Scale Integration (VLSI) is the process of creating integrated circuits by combining thousands of transistors into a single chip. The College of Engineer, Electrical Engineering Department continues to pursue research into new developments in integrated circuit design.
Production Engineer - Seaglider Fabrication Center	OCEANOGRAPHY	Oversee production of highly specialized long-range autonomous undersea research vehicles. More info, including mention of congressional testimony, at <a href="http://www.seaglider.washington.edu/index.html">http://www.seaglider.washington.edu/index.html</a> .
Coastal Hazards Specialist	Office of Marine Environmental and Resource Programs (OMERP)	Master’s in Marine Biology, PhD desired. The Coastal Resiliency Specialist will serve as an Marine Advisory Services (MAS) technical expert on climate change and coastal hazards. Reporting to the MAS Program Leader, the Coastal Resources Specialist is a new position that will be housed in part at Peninsula College in Port Angeles and in part at the University of Washington’s Olympic Natural Resources Center in Forks. This position is anticipated to interact with stakeholder groups such as: commercial and recreational fishermen, marine industries, port districts, federal and state resource agencies, tribes, Clallam County Commissioners and staff, Olympic National Park, Olympic National Marine Sanctuary, Peninsula College, PNW Lab at Sequim and Fiero Marine Center.

Job Titles – Research & Development	Department	Detail
UW Aero Lab Business Manager	College of Engineering, Dept. of Aeronautics and Astronautics	Manages the Kirsten Wind Tunnel, which is a resource to Boeing, Lamborghini, Honda, Volvo, Kenworth, Peterbilt and other high-tech manufacturing firms.
Associate Director for Science & Technology Integration	Applied Physics Lab	PhD, Oceanography. Leads the Remote Sensing, Bio-optical Oceanography unit, including efforts to identify and define research problems, and to obtain research grants and contracts through liaison with sponsors and funding organizations.
Oceanographer	Applied Physics Lab	PhD., Oceanography. Studies the inland Puget Sound (Salish Sea), toxic algal blooms, Columbia River ecosystem and multiple other Pacific Northwest ocean and river topics. Joint faculty appointment.
Director, Regional Scale Nodes	OCEANOGRAPHY	The OOI (Ocean Observatories Initiative) is a long-term (25-30 year) research study of the oceans funded by the National Science Foundation. It involves installation and maintenance of a network of undersea sensors and 540 miles of fiber optic cable on the Pacific Ocean floor which will provide real-time streaming data on ocean floor environmental conditions.
Principal Mathematician	Applied Physics Lab	PhD, Statistics. Conducts research in spectral analysis, wavelets and use of statistical methodology in the physical sciences. Co-author of a number of scientific textbooks, Associate Editor of the <i>Journal of Computational and Graphical Statistics</i> . Joint faculty appointment.
Principal Oceanographer	Applied Physics Lab	PhD, Oceanography and Ocean Engineering. Chairs department of Air-Sea Interaction and Remote Sensing (AIRS). Joint faculty appointment.

<b>Job Titles – Research &amp; Development</b>	<b>Department</b>	<b>Detail</b>
Tsunami Support Scientist	Joint Institute for the Study of the Atmosphere and Oceans (JISAO)	Models the activity of tsunamis. Position requires PhD in physics and mathematics, and knowledge of mechanics, thermodynamics, hydrodynamics, oscillations and wave theory, electromagnetism, optics and methods of data processing.
Research Scientist/Engineer 4	BIOSTATISTICS	Master's in Biostatistics. Provides data analysis, programming, experimental design and reporting of results for statistical genetics/genomics projects, both independently and in collaboration with other staff of the Genetics Coordinating Center (GCC)
Research Scientist/Engineer 2	Dept. of Earth and Space Sciences	Bachelor of Science plus 3 years in a stable isotope mass spectrometer facility. Responsible for carbon, nitrogen, and sulfur isotope analysis of solid materials, participates in a team effort to construct a continuous flow ice-core water isotope analysis system, prepares and analyzes water samples for oxygen isotope analysis, and teaches technicians and graduate students how to use our carbonate preparation vacuum line.
<b>Job Titles – Medical Research</b>	<b>Department</b>	<b>Detail</b>
Director, Center for Industrial and Medical Ultrasound	Applied Physics Lab	PhD, Physics. Research into biomedical applications includes ultrasound contrast agents, shock wave therapy, sonoluminescence, megasonic cleaning, as well as ultrasound applications in the area of food processing.
Research Coordinator	School of Medicine, Dept. of General Internal Medicine	Duties performed in Poplar, Montana on the Fort Peck Reservation. BA in Public Health, Nursing, and 2-3 years of research project management experience. Provide essential research collaboration between the Fort Peck Tribes and University of Washington, part of the UW's Native People for Cancer Control, a National Cancer Institute Regional Native American Community Networks Program.



<b>Job Titles – Research &amp; Development</b>	<b>Department</b>	<b>Detail</b>
Research Scientist 3	Primate Center	Bachelor's in Microbiology, Cell Biology or related field. Works on an NIH (National Institutes of Health)-funded research investigating novel influenza and HIV DNA-based vaccines in nonhuman primates with a key role in defining mucosal and systemic cell-mediated immune mechanisms of viral control.
DNA Sequencing Analyst	Dept. of Pediatrics, General Internal Medicine	Master's degree in molecular biology, genetics, epidemiology, bioinformatics or a related field. Specific work will focus on analyzing patterns of genetic variation.
Biomechanics Researcher	School of Medicine, Dept. of Orthopedics and Sports Medicine	Bachelor's in Mechanical Engineering. Part of a team of scientists and clinicians employing robotic technology to investigate knee biomechanics.
<b>Job Titles- Intellectual Property Commercialization and Management</b>	<b>Department</b>	<b>Detail</b>
New Ventures Program Manager	C4C	The C4C New Ventures unit is responsible for increasing the number and quality of spin-out companies launched around University of Washington technology. New Ventures assists the Vice Provost in the establishment and execution of new programs and partnerships that will accelerate the formation of companies from UW innovations.
Director, Intellectual Property Management	C4C	Intellectual Property Attorney and three years of experience in a law firm or an intellectual property office with experience in perfecting intellectual property rights and knowledge of federal and state laws, rules and procedures regarding intellectual property, including patents, copyright, trademark and trade secrets. Plan and direct the varied functions of the Intellectual Property Management unit. Prior to joining C4C worked for National Institutes of Health and various law firms.
Industry Relations	C4C	Ph.D. in Chemical Engineering, BS in Chemical Engineering and a BA in Mathematics from Grinnell. Work with UW researchers and potential investors to facilitate new product

<b>Job Titles – Research &amp; Development</b>	<b>Department</b>	<b>Detail</b>
Officer, Arts & Sciences		development, technology commercialization, strategic partnership and business development, and management.
Patent Agent	C4C	Ph.D. in molecular and cellular biology. Manages all aspects of patent prosecution and strategy for life science related technologies including partnering with UW researchers and commercialization teams to develop strong IP. Prior to joining C4C employed as a patent agent at Perkins Coie LLP, focusing on biotechnology, chemistry, and medical device technologies, working closely with inventors, business teams, and legal colleagues on a variety of matters, from drafting patent applications to assisting in patentability evaluations, and freedom-to-operate and invalidity opinions. Requires broad technical experience in nucleic acid and protein biochemistry as well as understanding of research to investigate a variety of cellular processes including protein translation control, early cell identity, cell cycle and oncogene regulation.
<b>Job Titles - Public Radio and Television Stations (KUOW and KEXP)</b>	<b>Department</b>	<b>Detail</b>
Senior Talk Show Producer	KUOW	BA plus 5 years of professional broadcast experience. Manage production of daily talk show program; lead talk show staff in topic and guest selection; coordinate assignments for announcer and engineering support staff. Direct editorial planning and selection of public affairs and cultural issues. Participate in on-air fundraising campaigns and make public appearances on behalf of station.
Reporter	KUOW	BA plus broadcast experience. Gathers, writes, produces and edits news spots and wraps. May produce feature-length reports. May be assigned pitch shifts during on-air fund-raising.
Public Insight Journalism Analyst	KUOW PRODUCTIONS	

<b>Job Titles- Global Health</b>	<b>Department</b>	<b>Detail</b>
Country Director - Malawai	Dept. of Global Health, International Training and Education Center for Health (I-TECH)	MD, PhD or Master's degree in Public Health, Health Administration or related field. Manages program operations for the International Training and Education Center for Health (I-TECH) office in Malawi, Africa.
Travel Security and Information Manager	Dept. of Global Affairs	The UW has many faculty and students traveling abroad. This position focuses on keeping them prepared and safe and dealing with travel emergencies outside the US.
Senior Project Officer	Dept. of Global Health, Institute of Health Metrics Evaluation (IHME)	Masters in relevant field and 5-10 years proven success managing diverse and successful teams. Manages projects and project managers orchestrating projects related to Health Metric's mission is to monitor global health conditions and health systems, as well as to evaluate interventions, initiatives, and reforms.
Senior Evaluation Advisor – Namibia	Dept. of Global Health, International Training and Education Center for Health (I-TECH)	Master's Degree in public health or a related field and 7 years' experience with international health programs. Participates in implementation and oversight of a CDC-funded public health evaluation. The evaluation looks at the effectiveness of patient empowerment training in improving patient satisfaction, clinical outcomes and quality of care of HIV patients at four Ministry of Health ART clinics in Namibia, Africa.
<b>Job Titles – Health Care</b>	<b>Department</b>	<b>Detail</b>
Executive Director of HMC Emergency Services	PATIENT CARE SVCS ADM	Responsible for the 24/7 operation of the Emergency Trauma Department, Urgent Care Center, and Psychiatric Emergency Department of Harborview Medical Center. (Over 76000 patients annually come through the Emergency Department at Harborview.)
NURSE MANAGER, REGIONAL/PEDIATRIC	AIRLIFT NORTHWEST	Bachelor's degree in Nursing or equivalent required. Certifications Required: CEN, CCRN, RNC, ACLS, BLS, PALS, NRP, ATLS, TNCC. Responsible for the daily coordination of Airlift Northwest's patient care and related services, and serves as primary liaison with clinical staff on patient care matters

Job Titles – Research & Development	Department	Detail
NURSE MANAGER, AMB. PROC.	HARBORVIEW - AMBULATORY PROCEDURE AREAS/ENDOSCOPY	The Nurse Manager has 24-hour accountability and responsibility for managing the nursing unit to provide safe, efficient and quality patient centered care. The Nurse Manager directs and coordinates all activities of the patient care unit including: plans, implements, and evaluates unit programs to meet specific patient care needs; selects and supervises unit staff; plans and manages the unit budget, and provides leadership to promote professional practice.
Director of Care Management	PATIENT CARE SVCS ADM	Responsible for the overall operation of care management functions through oversight of both daily and long term functions. Provide leadership for developing and implementing effective systems to assure compliance with all applicable regulatory agencies, clinical practice guidelines, and health and safety standards. Master’s degree in nursing, business administration or a health related field plus a Bachelor’s degree in nursing. Current RN license to practice in Washington.
CRNA (Certified Registered Nurse Anesthetist)	HMC Nursing Services	The CRNA provides expert clinical anesthesia care for peri-operative patients. The CRNA is an adjunct member of the medical staff and reports to the Chief of Anesthesia for matters related to clinical practice. Requires: Washington State Advanced Registered Nurse Practitioner License -AND- ACLS Certification -AND- Certification from accredited AANA program or Master’s Degree -AND- National certification, as appropriate.
Director of Clinical Care Systems	AACS ADMINISTRATION	
Radiation Oncology Residency Manager	RADIATION ONCOLOGY	Manages operational aspects of Radiation Oncology Residency Program, a medical residency program. Requires familiarity with ACGME (Accreditation Council for Graduate Medical Education), AAMC (Association of American Medical Colleges) and other accrediting and regulatory bodies that affect resident and fellow education.

Job Titles – Research & Development	Department	Detail
Chief Nursing Officer/Patient Care Operations	HMC ADMINISTRATION	
CLINICAL NURSE EDUCATOR	NURSING STAFF DEV	Master’s in Nursing plus experience as a Registered Nurse. Prepare and train nursing students. This role is important to the future of nursing. Along with teaching and guiding student nurses, a clinical nurse educator may have responsibilities such as designing curricula, developing programs of study and related courses, evaluating learning, and documenting all phases of the educational process.
Director, UWMC Epic Revenue Cycle	UWMC ADMINISTRATION	EPIC is medical information software used by UW Medicine. Employees with EPIC skills are highly valued in the health care industry.
Phlebotomy Manager	Dept. of Laboratory Medicine, UWMC	Manages the entire Phlebotomy (blood draw) program and practice for all of UW Medical Center.
Maternal Infant Care Clinic Manager	Maternal Infant Care	
Director, Community-Based and Volunteer Services, UWMC	UWMC STRATEGY AND COMMUNITY RELATIONS	Master's degree in Business Administration, Healthcare Administration, or Public Administration. Directs activities of the Community Based Services/Volunteer Services Department (more than 1,400 volunteers give more than 100,000 hours of service each year throughout UW Medical Center and UW Medical Center at Roosevelt.
Nurse Manager, Cardiovascular Procedure Unit	UW Medical Center, Regional Heart Center	Provide leadership for the Cardiac Catheterization Lab, Interventional Cardiology Recovery Unit (ICRU) and the Electrophysiology Lab.

Nurse Manager, Rehab Medicine	UW Medical Center, Rehabilitation Medicine	Manage 20-bed Inpatient Rehabilitation Unit. This unit is a regional center for spinal cord injury and also provides care for patients with stroke, neuromuscular disease and non-traumatic brain injury.
<b>Job Titles - Health Systems Management</b>	<b>Department</b>	<b>Detail</b>
Health System Director of Finance	FINANCE AND BUDGET	With a focus on long range financial planning, operating and capital budget development and consolidated decision support, this individual will direct the development and maintenance of multi-year, annual and monthly key operating metrics, identifying underlying critical issues and, working with the Health System's administrative and operational teams, communicate, implement and integrate necessary processes and procedures to establish fiscal accountability, achieve strategic goals, improve operating performance and reduce costs. Applies deep knowledge of medical center finance.
<b>Job Titles – Higher Education</b>	<b>Department</b>	<b>Detail</b>
International Exchange Student Advisor	Office of International Programs and Exchanges	Advises students who wish to be an “exchange student” from or to the UW.
International Scholar Adviser	Office of International Programs and Exchanges	Advises students regarding all aspects of possible study abroad opportunities.
Educurious Project Manager	DEAN EDUCATION	Master’s in Education, PhD preferred. Although some of the UW's non-academic staff have titles that may sound like they might be found in K12 schools, they tend to be focused not on delivering K12 education so much as on research and projects to shape the future of public education. The Educurious project involves working with a Seattle-based nonprofit organization dedicated to reducing high school dropout rates.
Assistant to the Dean of University Libraries	LIBRARY	UW's 17 libraries have over 7 million volumes and have major collections in engineering, chemistry, health sciences and medicine, law, music and more. The Odegaard Undergraduate Library serves students 24 hours a day, 7 days a week.

Manager of Faculty-Led Programs	Office of International Programs and Exchanges	Provides support to faculty, departments, staff and students for matters related to faculty-led study abroad programs through the Office of International Programs and Exchanges.
Confucius Institute Assistant Director	Jackson School of International Studies	First statewide Confucius Institute, affiliated with the UW Jackson School of International Studies (JSIS), to promote study of Chinese language and culture, and facilitate cultural exchanges. Responsible for day-to-day management and oversight of current and new CIWA projects.
Vice Chancellor for Student Affairs	STUDENT AFFAIRS-T	Master's degree plus 8 years of experience in overseeing student affairs at the baccalaureate level or higher. Serves student affairs needs of the entire UW Tacoma campus.
Master of Nursing Advisor	UW Bothell, Master's in Nursing Program	BA/BS required, Masters in nursing or health-related background preferred. Recruit and advise Master in Nursing (MN) students from admission through graduation. This includes the development and maintenance of systems to facilitate processes and ensure compliance with the UW Graduate School and UW Bothell policies and procedures. The position works closely with the Assistant Director for Nursing Student Recruitment and Community Outreach in recruitment and outreach efforts; provides oversight of development, monitoring and revision of legal contracts with clinical agencies used for nursing student placements.
Archivist, Ethnomusicology	MUSIC	In support of the UW's mission of scholarly study, many departments have collections -- outside of the UW Library system -- related to specialized fields of study. One such collection is the UW Ethnomusicology Archives which, since 1963, has collected ethnographic data in the form of field recordings, live concert recordings, films and videos of a variety of musical events, and musical instruments. The collection of nearly 10,000 tapes and discs is available for listening; depending on deposit agreements, copies of some materials may be obtained by researchers.
QuarkNet National Staff	College of Arts & Sciences, Dept. of Physics	Master's Degree in Physics or related science field and 2 years of teaching science at middle school or high school level. Responsible for the day-to-day management of the NSF QuarkNet educational program, to plan, execute and evaluate all activities for teams of

		teachers and physicists nationwide to develop and implement programs. Program is funded by the National Science Foundation.
Bilingual Curriculum Specialist/Writer	EXPER EDUC UNIT CDMR	
Financial Aid Counselor	UW Tacoma, Enrollment Services	Counsel financial aid applicants, parents and other interested parties regarding financial aid eligibility, application, awarding, disbursement, and repayment. Review and verify data for student financial aid applications; award and utilize professional judgment in revising financial aid to students; assist students in receiving aid. Participate in outreach activities to increase community awareness of financial assistance for education.
Sustainability Manager	CPO SOUTH	
Archaeology Collections Manager	Burke Museum of Anthropology	Master's in Museology, BA in Anthropology. Manage 1 million+ international archaeological collection, with majority of artifacts from Pacific Northwest, Mexico and Pacific Islands. Coordinate research. Supervise 8 - 20 employees, students, and volunteers. Teach collections management courses to graduate and undergraduate students and sit on thesis committees. Collaborate with Native American tribes on archaeological excavations, artifact and site interpretation (i.e. exhibits and education kits), collections management workshops, rehousing projects, and repatriation (NAGPRA). Coordinate with government agencies to develop curation agreements and operating policies for held-in-trust collections, such as the Kennewick Man collection. Partner with private foundations to develop site stewardship opportunities for the public.
Director, East Asia Resource Center	SCH INTERNATL STUDIES	
Director, MBA Career Services & Director, MBA Mentor Program	DEAN BUSINESS ADMIN	



<p>Translation, Outreach &amp; Education Director</p>	<p>College of Arts &amp; Sciences, Institute for Learning and Brain Sciences (I-LABS)</p>	<p>Ph.D. in developmental and/or neuroscience-related discipline plus 3 years speaking to/writing for a variety of audiences to communicate scientific material. The Institute for Learning and Brain Sciences (I-LABS) is an interdisciplinary research organization dedicated to the study of early learning and brain development in childhood. The Institute has an opportunity for a Public Information Specialist responsible for 'translating' the leading-edge science of I-LABS into usable messages that will help constituents to promote early linguistic, cognitive, social/emotional, and brain development in WA State's children. These messages will take the form of written articles, delivering lectures, hosting tours and/or giving interviews about early learning and the brain. In addition, this position will work with partnership groups in the community to provide original materials and feedback on third party materials concerning early learning and the brain. The incumbent will assist with, for example, blogs and electronic news blasts, and be responsible for crafting short articles that cover scientific discoveries.</p>
<p>Manager of Graduate Programs and External Relations</p>	<p>AERONAUTICS &amp; ASTRO-</p>	
<p>Assistant Vice Provost for Academic Personnel</p>	<p>PROVOST</p>	
<p>Director of Digital Media and Special Programs</p>	<p>EXTERNAL AFFAIRS</p>	
<p>Exec. Dir Meany Hall &amp; Artistic Dir World Series</p>	<p>MEANY PUBLIC ARTS WS</p>	

Job Titles – Software & Technology	Department	Detail
Interface Designer and Developer	UW-IT	Responsible for designing and developing web interfaces for web applications that support a wide range of networking technologies and a diverse customer base. From the UW enterprise campus network serving advanced researchers in the Seattle area, to the state-wide K20 network serving more than one million educational users, to the advanced Pacific Northwest Gigapop providing connectivity to Internet2 from throughout the pacific northwest, extending to the Americas and many pacific rim nations. Works closely with customers and partners to design and develop web interfaces for network management, monitoring, reporting, support, and automation systems. Assists UW-IT in developing and supporting a state-of-of the art network environment for the University and its affiliated organizations.
eScience Administrative Specialist	OFFICE OF RESEARCH	The eScience Institute launched in July 2008, dedicated to the support of research computing and to leadership in key areas of eScience expertise, including data mining, machine learning, and sensor networks. Our emphasis is on the emerging need to support data-centric high performance computing.
Manager Windows Engineering	UW-IT	
Network Engineer	UW-IT	
Java Developer	UW-IT	Senior Java developer to participate in the development and/or local university implementation of the Kualu family of products. The Kualu Foundation ( <a href="http://kuali.org/">http://kuali.org/</a> ), a partnership among higher education institutions across the world, is developing a comprehensive suite of open, modular, distributed and community-built administrative software. Products currently in development include Kualu Financial Systems (KFS), Kualu Research Administration (KRA), Kualu Student (KS) and Kualu Rice (Rice).

<b>Job Titles – Software &amp; Technology</b>	<b>Department</b>	<b>Detail</b>
Senior Manager, Large-Scale Storage and Systems	UW-IT	
Technical Architect	UW-IT	
User Experience Architect	UW-IT	
Data Warehouse Analyst	UW Medicine IT Services	Responsible for developing and maintaining industry-standard data warehousing data structures in support of UW Physicians, UW Medicine and multiple affiliate organizations. This individual will participate in the discovery of the data warehouse business requirements, perform detail data analysis and translate business requirements into data warehouse structures. Main responsibilities of the Data Warehouse Analyst are to: design, create, test and maintain database tables, plan and schedule data warehousing design tasks, understand existing structures and how to best utilize them, design conceptual and logical models for the data warehouse or data mart and develop processes for capturing and maintaining metadata from all data warehousing components.
Learning Technologies Specialist	UW Bothell, Information Systems	

Source: Kathleen Dwyer, Executive Director, Benefits Office, University of Washington, 10/14/2011

O:\Reports\HERPstudy\Appendices\AppendixB.docx

# Appendix C

## UNIVERSITY OF WASHINGTON

### Exempt Staff Job Titles And Head Counts

Information Extrapolated from Pay Period Ending 10/15/2011

Payroll Title	Head Count
ACADEMIC COUNSELOR LEAD - UAA	13
ACADEMIC COUNSELOR PRINCIPAL - UAA	1
ACADEMIC COUNSELOR	35
ACADEMIC COUNSELOR - LEAD	17
ACADEMIC COUNSELOR - SENIOR	32
ACADEMIC SERVICES-ASSOCIATE DIRECTOR	11
ACADEMIC SERVICES-ASSISTANT DIRECTOR	41
ACADEMIC SERVICES-DIRECTOR	50
ADMINISTRATIVE ASSISTANT TO PRES/VP	13
ADMINISTRATIVE SPECIALIST	182
ADMINISTRATOR	141
ADMINISTRATOR-PROGRAM OPERATIONS	50
ANALYST	89
ANALYST-POLICY DEVELOPMENT	15
APL-ENGINEER 1	1

<b>Payroll Title</b>	<b>Head Count</b>
APL-ENGINEER 2	2
APL-ENGINEER 3	19
APL-ENGINEER 4	32
APL-PRINCIPAL ENGINEER	15
APL-SENIOR ENGINEER	34
APL-FIELD ENGINEER	10
APL-FIELD ENGINEER 2	9
APL-FIELD ENGINEER 3	1
APL-MATHEMATICIAN 2	1
APL-MATHEMATICIAN 3	3
APL-PRINCIPAL MATHEMATICIAN	2
APL-SENIOR MATHEMATICIAN	3
APL-OCEANOGRAPHER 2	2
APL-OCEANOGRAPHER 3	3
APL-OCEANOGRAPHER 4	13
APL-PRINCIPAL OCEANOGRAPHER	17
APL-SENIOR OCEANOGRAPHER	8
APL-PHYSICIST 3	3
APL-PHYSICIST 4	5

<b>Payroll Title</b>	<b>Head Count</b>
APL-PRINCIPAL PHYSICIST	9
APL-SENIOR PHYSICIST	7
ASSISTANT DIRECTOR-PROGRAM OPERATIONS	14
ASSISTANT TO THE CHAIR	49
ASSISTANT TO CHIEF	1
ASSISTANT TO THE DEAN	24
ASSISTANT TO THE DIRECTOR	62
ASSISTANT TO OMBUDSMAN	1
ASSISTANT TO PRESIDENT	1
ASSISTANT TO THE VICE PRESIDENT	9
ASSISTANT TO VICE PROVOST	5
ASSISTANT DEAN	16
ASSISTANT DIRECTOR	125
ASSISTANT TO THE PROVOST	1
ASSOC DIRECTOR STUDENT HEALTH CENTER	1
ASSOCIATE DIRECTOR-PROGRAM OPERATIONS	8
ASSOCIATE TREASURER	5
ASSOCIATE VICE PRESIDENT	21
ASSOCIATE VICE PROVOST	2

<b>Payroll Title</b>	<b>Head Count</b>
ASSOCIATE DEAN	4
ASSOCIATE DIRECTOR	85
ASSISTANT COACH-BASKETBALL	6
ASSISTANT COACH	33
ASSISTANT COACH-FOOTBALL	9
ASSISTANT DEAN FOR DEVELOPMENT	9
ASSISTANT VICE PRESIDENT/PROVOST	18
AUDIOLOGIST	1
AUDITOR	10
BUSINESS SYSTEMS ANALYST	7
CHIEF	1
CHIEF CURATOR	1
CLINICAL NURSE EDUCATOR	40
COACH	14
COACH-BASKETBALL	1
COACH-FOOTBALL	1
COACH - WOMEN'S BASKETBALL	1
COMPLIANCE ANALYST	97
CONSTRUCTION PROJECT MANAGER	37

<b>Payroll Title</b>	<b>Head Count</b>
CONSULTANT	1
CONTINUING EDUCATION COORDINATOR	106
CONTINUING EDUCATION SPECIALIST 1	2
CONTINUING EDUCATION SPECIALIST 2	27
CONTINUING EDUCATION SPECIALIST 3	39
CONTINUING EDUCATION SPECIALIST 4	14
CONTINUING EDUCATION SPECIALIST 5	5
CONTINUING EDUCATION SPECIALIST 6	2
COUNSELING SERVICES COORDINATOR	207
COUNSELING-AREA COORDINATOR	1
COUNSELOR	21
COUNSELOR, LEAD	12
COUNSELOR, SENIOR	17
COUNSELOR-INTERN	3
COUNSELOR-SENIOR	12
COUNSELOR-STUDENT SERVICES	6
COUNSELING PSYCHOLOGY PARAPROFESSIONAL	3
COUNSELING-RESIDENT DIRECTOR	14
CURATOR, SENIOR	2



<b>Payroll Title</b>	<b>Head Count</b>
DEVELOPMENT DIRECTOR - SENIOR	21
DEVELOPMENT DIRECTOR	12
DEVELOPMENT OFFICER	45
DEVELOPMENT SERVICES DIRECTOR	11
DEVELOPMENT SERVICES OFFICER	57
MAJOR GIFT OFFICER - DEVL	36
MAJOR GIFT OFFICER SENIOR-DEVELOPMENT	1
MAJOR GIFT OFFICER ASSOCIATE-DEVELOPMENT	1
DIRECTOR - ICA OPERATIONS	5
DIRECTOR-DEPARTMENTAL COMPUTING	20
DIRECTOR	315
DIRECTOR-PROGRAM OPERATIONS	14
EDITOR	13
EXECUTIVE ASSISTANT TO THE PRESIDENT	1
FACILITIES PROJECT ENGINEER/ARCHITECT	19
GRANTS AND CONTRACTS MANAGER/SPECIALIST	2
GRAPHIC DESIGNER	22
HEALTH & SAFETY SUPERVISOR	4
HEALTH SERVICES MANAGER	74

<b>Payroll Title</b>	<b>Head Count</b>
HEALTH SERVICES-ASSOCIATE DIRECTOR	8
HEALTH SERVICES-ASSISTANT DIRECTOR	9
HEALTH PROFESSIONAL PRACTITIONER	53
HEALTH PROGRAM OPERATIONS SPECIALIST	23
HOSPITAL-ASSOCIATE ADMINISTRATOR	9
HOSPITAL-ASSOCIATE ADMINISTRATOR SENIOR	2
HOSPITAL-ASSISTANT ADMINISTRATOR	11
HUMAN RESOURCES ANALYST	6
HUMAN RESOURCES ASSOCIATE DIRECTOR	1
HUMAN RESOURCES BENEFITS CONSULTANT	2
HUMAN RESOURCES BENEFITS SPECIALIST	3
HUMAN RESOURCES COMPENSATION CONSULTANT	4
HUMAN RESOURCES CONSULTANT	17
HUMAN RESOURCES DEPT MGR/ADMIN	48
HUMAN RESOURCES EMPLOYMENT SPECIALIST	10
HUMAN RESOURCES MANAGER	1
HUMAN RESOURCES RECRUITER	8
HUMAN RESOURCES SPECIALIST	30
HUMAN RESOURCES TRAINING & OD CONSULTANT	3

<b>Payroll Title</b>	<b>Head Count</b>
INSTRUCTIONAL SUPERVISOR	4
INTERNATIONAL CONTINUING ED - OT EX	17
INTERNATIONAL CONTINUING ED - OTX 11-14	9
INTERNATIONAL PROG OPERATIONS-OTX 11-14	1
INTERNATIONAL PROGRAM OPERATIONS - OT EX	8
INTERNATIONAL RESEARCH - OT EX	6
IT HUMAN RESOURCES RECRUITER	2
LICENSING SPECIALIST	19
LIMITED TERM APPOINTMENT - PROF STAFF	2
MANAGER	108
MANAGER OF PROGRAM OPERATIONS	451
MARINE ENGINEERING MANAGER	1
MARINE FIELD SPECIALIST, SENIOR	3
MARINE FIELD SPECIALIST-SENIOR	5
MASTER R/V THOMAS G. THOMPSON	1
MEDICAL PHYSICIST	2
MENTAL HEALTH THERAPIST	9
MANAGER-DEPARTMENTAL COMPUTING	58
NETWORK ENGINEER	27

<b>Payroll Title</b>	<b>Head Count</b>
NETWORK SPECIALIST	28
NURSING SERVICES-ASSOCIATE DIRECTOR	1
NURSING SERVICES-ASSISTANT DIRECTOR	1
NURSE MANAGER	53
NURSE-OCCUPATIONAL HEALTH	4
OFFICER	9
OT COVERED/SALARY BASIS	10
PHYSICIAN CONSULTANT	2
PHYSICIAN II	4
PHYSICIAN III / SR PHYSICIAN - UNIT HEAD	10
POST BACCALAUREATE APPOINTMENT	36
PRODUCER RADIO - EXECUTIVE	6
PRODUCER-RADIO	29
PRODUCTION COORDINATOR	3
PROFESSIONAL STAFF - CONTRACT P2	8
PROFESSIONAL STAFF - CONTRACT P3	8
PROGRAM DIRECTOR - KUOW	1
PROGRAM FINANCIAL ANALYST	28
PROGRAM FINANCIAL MANAGER	6

<b>Payroll Title</b>	<b>Head Count</b>
PROGRAM OPERATIONS ANALYST	3
PROGRAM OPERATIONS SPECIALIST	591
PROJECT APPOINTMENT - OVERTIME COVERED	57
PROJECT APPOINTMENT - OVERTIME EXEMPT	254
PROJECT APPOINTMENT - O/T EXEMPT 11-14	6
PSYCHOLOGIST	12
PUBLIC INFORMATION EDITOR	9
PUBLIC INFORMATION SPECIALIST	137
PUBLICATIONS COORDINATOR	6
PUBLISHER STUDENT PUBLICATIONS	1
REGISTRAR	1
REGISTRAR ASSISTANT	3
REGISTRAR-ASSOCIATE	1
REPRESENTATIVE/INVESTIGATOR	7
RESEARCH SCIENTIST/ENGINEER - ASSISTANT	82
RESEARCH SCIENTIST/ENGINEER 1	249
RESEARCH SCIENTIST/ENGINEER 2	323
RESEARCH SCIENTIST/ENGINEER 3	363
RESEARCH SCIENTIST/ENGINEER 4	291

<b>Payroll Title</b>	<b>Head Count</b>
RESEARCH SCIENTIST/ENGINEER PRINCIPAL	52
RESEARCH SCIENTIST/ENGINEER-SENIOR	98
RESEARCH SCIENTIST/ENGINEER-SR PRINCIPAL	10
RESEARCH CONSULTANT	128
RESEARCH COORDINATOR	339
RESEARCH MANAGER	11
SECRETARY TO BOARD OF REGENTS	1
SENIOR VICE PRESIDENT	1
SOFTWARE ENGINEER	123
SOM DIRECTOR - CLINICAL DEPARTMENT	16
SENIOR APPLICATIONS SYSTEM ENGINEER	67
SR COMPUTER SPECIALIST-OT COVERED	17
SENIOR COMPUTER SPECIALIST	707
SENIOR PUBLICATIONS DESIGNER	7
STAFF ASSISTANT	8
STUDY SKILLS INSTRUCTOR	26
STUDY SKILLS TUTOR	1
SYSTEMS PROGRAMMER	54
TECHNOLOGY PROJECT MANAGER	14

<b>Payroll Title</b>	<b>Head Count</b>
TECHNOLOGY MANAGER	37
TRAINER	11
TRAINER-HEAD	1
VETERINARIAN SENIOR	4
VETERINARIAN SUPERVISORY	1
VICE PRESIDENT	5
VICE PROVOST	4
VICE PROVOST-PLANNING AND BUDGETING	1
WEB COMPUTING SPECIALIST	75
WEB GRAPHICS SPECIALIST	5
WEB INFORMATION SPECIALIST	32
WOMENS HEALTH CARE ADVOCATE	1
	<b>8,257</b>

Note: Some individuals may be counted twice if they hold two 50% appointments.

Source: Kathleen Dwyer, Executive Director, Benefits Office,  
University of Washington, 10/14/2011

O:\Reports\HERPstudy\Appendices\AppendixC.docx

# Appendix D

## Sample Community And Technical Colleges Exempt Staff Positions

**CHIEF EXECUTIVE OFFICER OF A SYSTEM OR DISTRICT (PRESIDENT OR CHANCELLOR):** Directs all affairs and operations of a higher education system or district. Each subordinate campus has its own President or Provost, administrative offices and independent programs.

**CHIEF EXECUTIVE OFFICER OF A SINGLE INSTITUTION (PRESIDENT/CHANCELLOR):** Directs all affairs and operations of a higher education institution or of a campus within a system.

**EXECUTIVE VICE PRESIDENT/VICE CHANCELLOR:** Responsible for all or most functions and operations of an institution under the direction of the Chief Executive Officer.

**CHIEF ACADEMIC AFFAIRS OFFICER AND PROVOST:** Directs the academic program of the institution. Overall responsibilities typically include academic planning, teaching, research, extensions and coordination of interdepartmental affairs (e.g. Admissions, Registrar, and library activities).

**ASSOCIATE PROVOST:** (Previously, Associate Chief Academic Affairs Officer). Responsible for one or several broad-based areas within Academic Affairs under the direction of the CAO or another Provost. Only report individuals that do not serve as a Chief Functional Officer.

**DIRECTOR, LIBRARY SERVICES:** Provides strategic leadership for all functions of the library in collaboration with other academic units and in support of the mission of the College/University; serves as primary advocate for the library. At some institutions, position may be referred to as Chief Librarian or have the title of Dean. Degree requirement: ALA Accredited Masters.

**REFERENCE LIBRARIAN:** Senior person responsible for facilitating access to information by students, faculty, and staff and for developing a collection of reference resources in all formats (including electronic format).

**DIRECTOR OF INSTITUTIONAL RESEARCH:** Conducts research and studies on the institution, including design of studies, data collection, analysis and reporting.



**DIRECTOR, LEARNING RESOURCES CENTER:** Directs all activities of the institution's Learning Resources Center for students.

**DIRECTOR, INTERNATIONAL EDUCATION:** Directs all activities of the institution's international education programs. Responsibilities typically include international study, English study, international visitors, visa certification, education abroad, and international student admission functions.

**DIRECTOR, INTERNATIONAL STUDIES EDUCATION:** Coordinates academic studies conducted outside the United States, advises students and faculty on international study and travel and promotes campus activities of an international nature.

**DIRECTOR, ACADEMIC COMPUTING:** Directs the institution's academic/research computing activities and labs for faculty, staff and students.

**DIRECTOR, SPONSORED RESEARCH AND PROGRAMS:** Directs administrative activities for externally funded grants and contracts, including funding source identification, institutional review, and sign-off of proposals. Also negotiates contracts; and develops research policy.

**DEAN, BUSINESS**

**DEAN, CONTINUING EDUCATION**

**DEAN, EXTERNAL DEGREE PROGRAMS**

**DEAN, HEALTH-RELATED PROFESSIONS**

**DEAN, HUMANITIES**

**DEAN, OCCUPATIONAL STUDIES/VOCATIONAL EDUCATION/TECHNOLOGY**

**DEAN, SCIENCES**

**DEAN, SOCIAL SCIENCES**

**DEAN, SPECIAL PROGRAMS**

**DEAN, LIBERAL ARTS AND SCIENCES:** Position serves as principal administrator of the humanities, sciences, and social science divisions.

**DEAN, WORKFORCE EDUCATION:** Position responsible for workforce training and re-training programs.

**DEAN, BASIC SKILLS/ABE:** Position serves as principal administrator of the basic skills/adult basic education division.

**DIRECTOR, CONTINUING EDUCATION:** Directs all activities of the institution's continuing education operation, including both on- and off-campus programs. Report Dean, Continuing Education in 216.0.

**DIRECTOR, DISTANCE LEARNING:** Develops and promotes distance learning initiatives. Plans, schedules, and coordinates compressed video programs. Plans and develops Internet courses and provides faculty and staff training for distance teaching.

**CHIEF BUSINESS OFFICER:** Responsible for the combined functions of administrative and financial affairs. Overall responsibilities typically include accounting, purchasing, physical plant and property management, human resources, food services, auxiliary enterprises, investments and related business matters.

**CHIEF FINANCIAL OFFICER:** Responsible for the direction of financial affairs. Overall responsibilities typically include investments, accounting and budgets. Report Comptroller in 313.0, not here.

**CHIEF BUDGET OFFICER:** Responsible for current budgetary operations. May also be responsible for long-range planning in the absence of a planning officer.

**CHIEF PLANNING AND BUDGET OFFICER:** Combines the major duties and responsibilities of Chief Planning Officer and Chief Budget Officer.

**CHIEF HUMAN RESOURCES OFFICER:** Responsible for administering institutional human resource policies and practices for staff and/or faculty. Overall responsibilities typically include personnel records, benefits, staff employment, wage and salary administration and (where applicable) labor relations.

**ASSOCIATE DIRECTOR, HUMAN RESOURCES:** Responsible for one or several areas of human resources. Reports to the CHRO.

**DIRECTOR/MANAGER, EMPLOYEE BENEFITS:** Responsible for implementing staff and/or faculty benefits, such as medical, dental, long-term disability, retirement, and accidental death benefits.

**DIRECTOR/MANAGER, TRAINING AND DEVELOPMENT:** Directs and coordinates employee training which may include in-house training for management and faculty as well as staff.

**DIRECTOR, HUMAN RESOURCES AND AFFIRMATIVE ACTION:** Position combines the major duties and responsibilities defined in the Chief Human Resources Officer and Director, Affirmative Action/Equal Employment.

**CHIEF INFORMATION OFFICER (CIO):** Directs the institution's major academic and administrative computing activities, as well as voice and data communications. May also be called the Chief Technology Officer.

**DEPUTY CHIEF INFORMATION OFFICER:** The explicit second-in-command in many large campus IT organizations, often with responsibilities for day-to-day management of technical operations (e.g. COO). Previously called Associate Director, Information Systems.

**DIRECTOR, ADMINISTRATIVE COMPUTING:** Directs the institution's administrative computing activities.

**PROGRAMMER ANALYST:** Designs data retrieval and management systems to meet user needs. Conducts feasibility studies, evaluates costs, analyzes user needs, designs in-house data processing systems or subsystems, programs the systems or subsystems, develops testing criteria, and establishes documentation to support the new systems. This is not an entry-level position.

**PROGRAMMER ANALYST, SUPERVISOR:** Supervises a unit of Programmer Analysts and/or Senior Programmer Analysts in the design of data retrieval and management systems to meet user needs. Conducts feasibility studies, evaluates costs, analyzes user needs, designs in-house data processing systems or subsystems, programs the systems or subsystems, develops testing criteria, and establishes documentation to support the new systems.

**DATABASE ADMINISTRATOR (MAINFRAME):** Maintains effective and efficient operation of a mainframe computer database. Ensures database runs properly, keeps database current, makes access readily available and timely, and formulates and designs new database applications. Makes decisions regarding procedures for set up of, access to, and operation of database. Refers decisions relating to major policy changes or the purchase of new software to the supervisor.

**LOCAL AREA NETWORK SPECIALIST:** Responsible for the operations of mini-computers or multiple smaller servers with terminals. Maintains effective and efficient operations of a Local Area computer communications Network (LAN). Ensures that the LAN runs smoothly and properly, maintains network security, makes access for authorized users readily available and timely, and designs new LAN applications. Makes decisions regarding procedures for set up of, access to, and operation of LAN. Refers decisions relating to major policy changes or the purchase of new hardware or software to the supervisor.

**HELP DESK MANAGER:** Responsible for development and implementation of technical support processes and procedures, evaluation and recommendation of Help Desk tools, development of Help Desk scripts, creation and publication of Help Desk materials and documentation, and design and implementation of reports to measure performance of Help Desk staff. May provide advice and assistance regarding PC- or network related problems.

**WEB MASTER:** Responsible for development and maintenance of the institution's Web site and creation and management of the site's content. Also responsible for selection and implementation of Web tools and resolution of performance issues such as speed of access. Monitors Web site use and trends.

**EMAIL ADMINISTRATOR:** Responsible for setup, administration, and security of email server(s) and software. Works closely with Network Administrator to determine appropriate firewall settings to ensure secure email transmissions externally. Also responsible for setting appropriate email policy within the organization.

**NETWORK ADMINISTRATOR:** Responsible for network connectivity, setup, and maintenance. Also responsible for remote VPN connections, network security (firewall protection), as well as WI-FI connectivity.

**SYSTEMS ADMINISTRATOR:** Installs, configures, monitors and maintains systems, including email and web servers. Monitors data integrity and system security.

**SYSTEMS ANALYST:** Assists in the design and development of systems projects. Evaluates existing systems processes, software, and hardware configurations on a specified basis to determine effectiveness and identify changes and/or improvements to be made. May also be involved in systems documentation and training.

**CHIEF PHYSICAL PLANT/FACILITIES OFFICER:** Responsible for the construction, rehabilitation, and maintenance of physical plant facilities. Overall responsibilities typically include new construction and remodeling, grounds and building maintenance, power plant operation and parking.

**MANAGER, LANDSCAPE AND GROUNDS:** Responsible for administration of the institution's landscape and grounds programs. Reevaluates and redesigns existing landscaping.

**MANAGER, CUSTODIAL SERVICES:** Responsible for the management of institutional custodial services.

**CHIEF ACCOUNTING OFFICER/COMPTROLLER:** Directs accounting, payroll, cashiering, and related functions. Also may be responsible for office services, such as mail and telephone services.

**DIRECTOR/MANAGER, PAYROLL:** Supervises the operation of the institution's payroll system.

**DIRECTOR, ACCOUNTING:** Responsible for the daily operation of the institution's budgetary accounting system.

**DIRECTOR, PURCHASING/MATERIALS MANAGEMENT:** Directs central purchasing operations for the institution. Functions typically include preparation of specifications, contracting, bidding, receiving and stores, and approval of invoices.

**DIRECTOR, BOOKSTORE:** Directs the operation of the campus bookstore, usually under the direction of the Chief Business Officer. Functions typically include purchase and sale of new and used books, supplies and equipment, advertising, employment and supervision of sales staff, maintenance of sales and inventory records.

**DIRECTOR, CAMPUS SECURITY/SAFETY:** Manages campus police and patrol units; directs campus vehicle traffic and parking; organizes security programs and training as needed.

**CHIEF DEVELOPMENT OFFICER:** Responsible for institutional development programs. Overall responsibilities typically include institutional fundraising, public relations and alumni relations.

**CHIEF PUBLIC RELATIONS OFFICER:** Responsible for communications/public relations programs. Overall responsibilities typically include public relations, news media relations, legislative relations, alumni relations and information office services.

**CHIEF DEVELOPMENT AND PUBLIC RELATIONS OFFICER:** Position combines the major duties and responsibilities of both a Chief Development and Chief Public Relations Officer.

**ANNUAL GIVING OFFICER:** Under supervision of the Director, Annual Giving, assists in the administration and implementation of annual giving programs. Develops, oversees, and evaluates assigned area of the campaign; researches, visits, cultivates, solicits, and thanks prospective donors to annual fund; monitors content and substance of mailings to constituents and analyzes past responses; coordinates staff reunion development committees. May supervise support staff and/or a group of volunteers.

**MAJOR GIFT OFFICERS:** Responsible for the identification, cultivation and solicitation of alumnae, parents, and friends of the institution capable of making gifts of \$50,000 or more.

**TRAINING SPECIALIST:** Responsible for the design, modeling, testing, delivery, and evaluation of training programs of a highly technical or sophisticated nature and coordination of organizational and career consultation services.

**EMPLOYEE RELATIONS ANALYST, SENIOR:** Responsible for the development, implementation, and administration of employee relations programs and policies. Advises and assists staff and/or faculty regarding human resource policies and procedures, such as grievance and disciplinary action.

**PERSONNEL ANALYST:** Performs a variety of analytical activities in personnel administration. Administers policies and programs covering several or all of the following: recruiting, compensation, benefits, training, employee and/or labor relations, safety, and personnel research.

**PERSONNEL ANALYST, SENIOR:** Performs activities in various areas of personnel. May be expert in a particular field. Screens resumes and applications and may interview applicants. Counsels employees concerning work-related problems; maintains records for EEO/AAP reporting requirements. May write position descriptions, benefits brochures, and/or employee handbooks. Conducts research and analyzes data on assigned projects. May assist in the formulation of staffing plans and personnel policies and procedures.

**BENEFITS SPECIALIST:** Counsels employees regarding routine benefits programs, including pre-retirement planning, insurance programs, death benefits, and workers' compensation. Publicizes benefits programs; conducts individual orientation sessions and group benefits reviews. Maintains benefits records and prepares necessary documents for implementing coverage.

**BENEFITS UNIT SUPERVISOR:** Supervises the development, implementation, and maintenance of benefits programs, including vacation, holiday, time off, sick pay, unemployment, service awards, group health/medical/dental coverage, and life insurance. Ensures programs are current with regard to trends, practices, and costs. May supervise workers' compensation. May negotiate coverage, services, and costs with carriers.

**LABOR RELATIONS ANALYST, SENIOR:** Responsible for the development, implementation, and administration of labor relations programs and policies. Assists with collective bargaining contract negotiations, grievances, and arbitration. Prepares final contracts for review and approval.

**EMPLOYMENT UNIT SUPERVISOR:** Supervises the personnel staffing and planning functions. Ensures staffing requirements are met in accordance with governmental requirements. Oversees recruiters and employment analysts in staffing activities. May search for and identify candidates for highly specialized and difficult-to-attract positions. Maintains workforce planning system and provides guidance to management on union matters and/or affirmative action plans.

**BUDGET ANALYST:** Provides analytical support for routine budget projects. Advises administration and staff regarding available options and budgetary implications. Assists in preparation of operational budgets for departments; reviews expenditures to ensure conformance with budgetary provisions. Compiles data and prepares reports.

**DIRECTOR, COMMUNITY SERVICES:** Directs or coordinates the conduct of special (usually non-credit) educational, cultural, and recreational services to the community.

**DIRECTOR, INFORMATION OFFICE:** Responsible for providing information about the institution to students, faculty, and the public. Functions typically include news media relations; preparation or review of news releases and photographs; and preparation and distribution of newsletters, magazines, and other publications.

**CHIEF STUDENT AFFAIRS/LIFE OFFICER:** Responsible for the direction of student services and student life programs. Overall responsibilities typically include student conduct, counseling and testing, career development and placement, student housing, student union, campus/student activity, minority student support program, residence life and related functions.

**CHIEF ADMISSIONS OFFICER:** Responsible for the admission of undergraduates. May also be responsible for recruitment and selection and for the admission of graduate and professional students or for scholarship administration or similar functions.

**DIRECTOR, ADMISSIONS AND REGISTRAR:** Combines the major duties and responsibilities of the admissions director and registrar.

**REGISTRAR:** Responsible for student registrations and records. Specific responsibilities typically include registration, classroom scheduling, maintenance of student records, graduation clearance, and related matters.

**DIRECTOR, ADMISSIONS AND FINANCIAL AID:** Combines the major duties and responsibilities of the admissions director and financial aid director.

**DIRECTOR, STUDENT FINANCIAL AID:** Directs the administration of all forms of student aid. Functions typically include assistance in the application for loans or scholarships; administration of private, state, or federal loan programs; awarding of scholarships and fellowships; and maintenance of appropriate records.

**ASSOCIATE DIRECTOR, STUDENT FINANCIAL AID:** Responsible for one or several areas student financial aid. Reports to the director of financial aid.

**DIRECTOR, FOOD/DINING SERVICES:** Administers all institutional food services, whether directly managed and operated or catered.

**DIRECTOR, STUDENT HOUSING:** Manages student housing operations. Responsible for the direction of all residence hall operations for students. Also may administer off-campus housing programs. If housing (room and board) is provided and is reported as taxable income, add its value to the reported salary data for this position. Report 12-month, fulltime equivalent salary.

**DIRECTOR, FOREIGN STUDENTS:** Recruits and advises foreign students and coordinates academic studies for foreign students on campus.

**DIRECTOR, STUDENT ACTIVITIES:** Responsible for coordinating all campus student activities including special events, student organizations, publications, and student government activities.

**DIRECTOR, CAREER DEVELOPMENT AND PLACEMENT:** Directs the operation of a student placement office to provide job placement and counseling services to undergraduates, graduates, and alumni. Also may be responsible for placement of students in part-time jobs or jobs outside the institution.

**DIRECTOR, STUDENT COUNSELING:** Directs the provision of counseling and testing services for students. Report to Director, Academic Advising as Director, Academic Advising.

**DIRECTOR, ATHLETICS:** Directs intramural and intercollegiate athletic programs for men and women. Functions typically include scheduling and contracting for athletic events, employment and direction of athletic coaches, publicity, ticket sales, and equipment and facilities maintenance.

**DIRECTOR, MINORITY AFFAIRS:** Responsible for the direction of counseling programs, cultural affairs, and remedial and support programs. Also invites minority speakers to campus. In addition, may be responsible for minority housing and intercultural centers.



**EARLY CHILDHOOD PROGRAM MANAGER:** Position responsible for program management (including fiscal, facility, and human resources) of an early childhood education program.

**ACADEMIC ADVISOR:** Advises undergraduate students in the construction of schedules and core curriculum, major, and elective requirements. Assists in registration and drop/add, approved AP credit, and approves transfer credit to satisfy curriculum requirements.

**ACADEMIC ADVISOR/COUNSELOR:** Advises students concerning an appropriate academic schedule, choice of major, number of hours that may be taken, probation, and/or suspension. Contact may be on individual or group basis or be made by correspondence. No supervisory responsibilities. Exclude instructional faculty.

**STUDENT CAREER COUNSELOR:** Advises and counsels students concerning employment opportunities and careers. Encourages employers to recruit campus graduates. Conducts individual and group sessions to inform students of services, policies, and procedures and to provide assistance in resume preparation and interviewing techniques. Serves as liaison between employers and students; administers and coordinates activities associated with the campus interview program. Coordinates production of job opportunities bulletin and refers students to prospective employers. Exclude instructional faculty.

**ADMISSIONS REPRESENTATIVE-HIGH SCHOOL RELATIONS:** Recruits freshmen and transfer students from high schools and community colleges. Makes presentations to student groups. Counsels students and parents regarding the admissions process.

**COUNSELING PSYCHOLOGIST:** Provides psychological and counseling services of a remedial, preventive, and developmental nature through direct and indirect (consultation) contacts with students, faculty, and staff (individually and in groups).

**COUNSELOR:** Provides professional counseling to students on academic, financial, and personal matters. Provides individual and group therapy and counseling. Responsible for vocational testing and assessment, program development and evaluation, and outreach activities. Consults with academic departments and student affairs organizations.

**COOPERATIVE PROGRAM COORDINATOR:** Coordinates and administers a cooperative education program. Serves as the college or university representative on off-campus visits for the solicitation of cooperative jobs and scholarships from local and national firms and organizations. Interprets policies

and procedures of cooperative programs for students and industry, interviews student applicants, and matches job/company to student.

**FINANCIAL AID COUNSELOR:** Provides personal and financial aid application counseling to students and parents. Assists in the administration of the financial aid program. Makes decisions to award funds to students eligible for scholarships, grants, and college work-study. Responsible for auditing and reconciling financial aid accounts and packaging financial aid awards.

**EXECUTIVE ASSISTANT TO THE CHIEF EXECUTIVE OFFICER:** Position responsible for providing confidential administrative assistance to the chief executive officer of a district or campus.

**DIRECTOR, BUSINESS DEVELOPMENT:** Position responsible for securing contracted training with businesses, agencies, and organizations.

**PUBLIC INFORMATION SPECIALIST:** Writes brochures and articles for publication. Prepares and disseminates information to the internal college and university community as well as to local and state media. Promotes and publicizes institutional activities and programs.

**GRAPHIC DESIGNER:** Creates original designs and executes the artwork for publications. Conceptualizes design layout of finished art for reproduction and coordinates final production of finished product with printing department.

**WRITER:** Writes brochures and articles for publication and/or technical/scientific material for manuals or journals. May assist in the writing aspects of proposal preparation and provide other technical assistance in manuscript writing.

**CONTRACT AND GRANT SPECIALIST:** Responsible for the coordination of pre-award and/or post-award activities relating to grant and contract proposals. Pre-award activities include assisting departmental faculty in the development, preparation, and submission of grant and contract proposals. Also ensures that all applications meet agency and university guidelines and published timetables and deadlines. Post-award activities include establishment of accounts in the financial accounting system, re-budgeting of funds, and marking of changes to the award or expenditures.

**EVALUATOR:** Responsible for the review, analysis, assessment, and processing of information, records and transcripts for determining academic credit and eligibility for degrees and specialized program designations.

**ADMINISTRATIVE SPECIALIST:** Performs a variety of professional and administrative duties in support of the day-to-day operations of a function,

program, and/or department; assists in program planning and development; interprets, monitors, and analyzes information regarding operating policies and procedures; administers budgets; and coordinates academic and/or staff personnel matters. Resolves problems that have a significant impact on the overall goals of the department. Excludes nonexempt employees and departmental business officers.

**DAY CARE CENTER TEACHER:** Responsible for providing day care classroom activities, including curriculum preparation. Interacts with parents and faculty to review curriculum and activities. Meets state license requirements.

**DAY CARE SITE DIRECTOR:** Responsible for the direction and supervision of day care center activities. Performs a variety of professional and administrative duties, including program administration and management of budgets, facilities, personnel, and special projects for a single site. Coordinates the childcare support services program with day care center teachers and other staff. Must meet state license requirements.

**COORDINATOR, DISABILITY SERVICES:** Plans, directs, and oversees the administration of all programs and services ensuring compliance with ADA and provides leadership and consultation in promoting access and equity for persons with disabilities.

**COORDINATOR CONSTRUCTION PROJECTS:** Coordinates projects involving major renovations and/or alterations to campus buildings. Serves as liaison among physical plant shops, campus departments, and external contractors for coordinating and scheduling construction projects (excludes new construction). Visits work site to determine necessary resources. Inspects projects to ensure compliance with specifications and standards.

**STUDENT ACTIVITIES OFFICER:** Under supervision of the office of Dean of Students, assists in the organization of student activities, which may include social events, Greek programs, student government/committees, newspaper, clubs, and organizations.

**CONFERENCE/ WORKSHOP EDUCATION COORDINATOR (CONTINUING EDUCATION):** Coordinates activities involved in provision of conference and workshop services. Assists in the selection or design of workshops to be presented. Develops preliminary program budget. Coordinates registration process, including fee collection and payment of honorarium and conference expenses. Secures appropriate conference setting and arranges for auxiliary services, including lodging, meals, and transportation.

**CONTINUING\ EDUCATION SPECIALIST:** Responsible for planning and developing continuing education programs. Coordinates and manages the

planning, design, and development of university level credit and non-credit courses. May include planning and development of workshops, certificate programs, seminars, and special events.

**LABORATORY TECHNICIAN IV:** With supervision from a designated supervisor provides high-level technical laboratory assistance. Manages and performs experiments, orders equipment and supplies, assigns and reviews work of technical support staff in routine procedures, prepares support materials, and assists in the plan and design of protocols and experiments. May supervise technical staff and students.

Source: John Boesenberg, Deputy Executive Director, Human Resources, Washington State Board For Community And Technical Colleges, 10/31/2011

O:\Reports\HERPstudy\Appendices\AppendixD.docx

# Appendix E

## TIAA-CREF Presence In States

State	Institution/System	Year	Use of TIAA-CREF
Alabama	University of Alabama System	1925	Supplements State Plan
Alaska	University of Alaska	1990	Alternate to State Plan
Arizona	HIED Board of Regents	1975	Alternate to State Plan
Arizona	Community Colleges	1995	Alternate to State Plan
Arkansas	State Colleges & Universities	1923	Alternate to State Plan
Arkansas	University of Arkansas	1923	Alternate to State Plan
California	California State University	2010	Alternate to State Plan
Colorado	University of Colorado	1924	Only Plan Available
Colorado	University of Northern CO	1992	Only Plan Available
Colorado	University of S. Colorado	1992	Only Plan Available
Colorado	State Colleges in CO	1994	Only Plan Available
Connecticut	Higher Education System	1977	Alternate to State Plan
Columbia, District of		1979	Only Plan Available
Delaware		1971	Alternate to State Plan
Florida	Community Colleges	1996	Alternate to State Plan
Georgia		1990	Alternate to State Plan
Hawaii	University of Hawaii System	2011	Alternate to State Plan
Idaho	Colleges and Universities	1990	Only Plan Available
Idaho	Community Colleges	1997	Only Plan Available
Illinois	HIED	1998	Alternate to State Plan
Indiana		1937	Alternate to State Plan
Iowa	Iowa Bd of Regents	1944	Alternate to State Plan
Kansas	Board of Regents	1962	Only Plan Available
Kentucky		1955	Independent Plans
Kentucky	Regional Universities	1996	Alternate to State Plan
Louisiana		1990	Alternate to State Plan
Maine	University of Maine System for Faculty and Professional Employees	1961	Only Plan Available
Maine	University of Maine System	1997	Supplements Independent Plan
Maine	University of Maine System for Classified Employees	1998	Only Plan Available
Maine	Maine Technical College System	1992	Alternate to State Plan

State	Institution/System	Year	Use of TIAA-CREF
Maine	Maritime Academy	1991	Alternate to State Plan
Maryland	Higher Education System	1976	Alternate to State Plan
Massachusetts	Higher Education System	1995	Alternate to State Plan
Michigan	Public Institutions	1919	Only Plan Available
Michigan		1967	Only Plan Available
Michigan	Community Colleges	1995	Only Plan Available
Minnesota		1989	Alternate to State Plan
Minnesota	Minnesota State University	1989	Supplement to State Plan
Minnesota	University of Minnesota	1954	Only Plan Available
Mississippi	Institutions of Higher Learning	1990	Alternate to State Plan
Montana	Montana University System	1988	Alternate to State Plan
Nebraska	University of Nebraska	1961	Only Plan Available
Nebraska	State Colleges	1964	Only Plan Available
Nebraska	Community Colleges	1964	Only Plan Available
Nevada	University of Nevada System	1972	Only Plan Available
New Hampshire	University of NH System	1938	Only Plan Available
New Jersey		1968	Only Plan Available
New Mexico		1991	Alternate to State Plan
New York	CUNY	1968	Alternate to State Plan
New York	SUNY	1964	Alternate to State Plan
North Carolina	University of NC System	1972	Alternate to State Plan
North Dakota	ND University System	1964	Only Plan Available
Ohio		1998	Only Plan Available
Oklahoma	Colleges and Universities	1987	Supplement to State Plan
Oklahoma	OK State University	1972	Supplement to State Plan
Oklahoma	University of OK	1972	Supplement to State Plan
Oregon	Oregon State System of HIED	1967	Alternate to State Plan
Oregon	Oregon Health Sciences Univ.	1996	Alternate to State Plan
Pennsylvania	Universities	1974	Alternate to State Plan
Pennsylvania	Community Colleges	1964	Alternate to State Plan
Rhode Island		1967	Only Plan Available
South Carolina		1988	Only Plan Available
Tennessee	Institutions of Higher Education	1955	Only Plan Available
Texas		1968	Alternate to State Plan
Utah	System of Higher Education	1923	Only Plan Available
Vermont	Vermont State Colleges	1946	Only Plan Available
Vermont	University of Vermont	1946	Only Plan Available
Virgin Islands		1964	Only Plan Available
Virginia	Higher Education System	1928	Alternate to State Plan

<b>State</b>	<b>Institution/System</b>	<b>Year</b>	<b>Use of TIAA-CREF</b>
West Virginia	WV HIED Policy Commission	1970	Only Plan Available
Washington	Universities	1939	Alternate to State Plan
Washington	Community Colleges	1973	Alternate to State Plan
Wyoming	Universities & community Colleges	1970	Alternate to State Plan

Source: John Boesenberg, Deputy Executive Director, Human Resources, Washington State Board For Community And Technical Colleges, 10/31/2011.

O:\Reports\HERPstudy\Appendices\AppendixE.docx

# Appendix F

## HERP Contribution And Eligibility Comparisons For Select Plans

Institution or System	Employee Contribution	Employer Contribution	Eligible Employees
Arizona Board of Regents	7%	7.00%	Faculty, Administrators, Academic and Service Professionals
Colorado, University of	5%	10.00%	Faculty, Officers and exempt professionals
Florida - State University System of	0	10.42%	Faculty, administrators and professional employees not in the civil service
Florida Community Colleges	0%	10.42%	Faculty, administrators and professional employees not in the civil service
Georgia State College & University system	5%	9.24%	Faculty, principle administrator, athletic staff, assistant coaches
Houston Community College	6.65%	6.58%	Faculty, Faculty Administrators, Executive Administrators, Other key administrators, librarians
Idaho Colleges and Universities	6.97%	9.27%	Faculty and non-faculty exempt
Illinois, State Universities of	7.60%	7.60%	All employees
Kansas Board of Regents (8 Locations)	5.50%	8.50%	All employees except classified
Kellogg Community College	4%	10.50%	All Employees



Institution or System	Employee Contribution	Employer Contribution	Eligible Employees
Maryland Community Colleges		7.25%	Faculty and Administrators
Massachusetts, Department of Higher Education	9.00% reduction for Salary up to and including \$30,000 11.00% reduction for Salary over \$30,000	5.00%	All non-classified employees
Montana, University of - Classified	7.90%	7.17%	Classified staff
Montana, University of - Faculty and Administrators	7.90%	7.17%	Faculty, administrators, professional employees (Has separate plan for Classified employees)
Nebraska, University of (5 Locations )	Tier 1 - 3.5%; Tier 2 - 5.5%	Tier 1 - 6.5%; Tier 2 - 8%	All employees age 30 and older
Nevada System of Higher Education	12.25%	12.25%	Faculty and Professional employees
New York, City Universities of (26 Locations)	1.50%	11.50% Salary up to and including \$16,500; 14.5% Salary above \$16,500	Faculty, Executive staff, Classified Managerial staff
North Carolina State, University	6%	6.84% (plus 4.62% for retiree health care/disability income plan)	Faculty, Administrators, Non-Faculty instructional and research employees exempt from civil service
Ohio State University ARP	10%	14.00%	Faculty and Staff
Oregon University System (10 Locations)	6%	11.89 %	Unclassified Employees

<b>Institution or System</b>	<b>Employee Contribution</b>	<b>Employer Contribution</b>	<b>Eligible Employees</b>
<b>Rhode Island Higher Education</b>	5%	9.00%	Faculty and non-classified staff
<b>SUNY (71 locations, includes CC)</b>	3% first 10 years; 0% thereafter	Rates vary dependent upon time of hire from 9 to 15%. Current rate is 8% of salary for the first seven years of service; 10% from eight to ten years; 13% thereafter	Unclassified Employees
<b>Texas University System (16 Locations)</b>	6.65%	8.50%	Faculty, Faculty Administrators, Chief and senior Administrators, Specialized Professionals, librarians, counselors
<b>University of Utah</b>	0	14.20%	Faculty and Exempt employees
<b>Vermont State Colleges</b>	0	10% for Salary up to and including \$18,900; 15% for Salary over \$18,900	All Staff

Source: John Boesenberg, Deputy Executive Director, Human Resources, Washington State Board For Community And Technical Colleges, 10/31/2011.

O:\Reports\HERPstudy\Appendices\AppendixF.docx

# Appendix G – Constituent Correspondence

SBCTC Written Comments

UW Written Comments



## MEMORANDUM

**DATE:** November 30, 2011

**TO:** Darren Painter, Senior Policy Analyst  
Office of the State Actuary

**FROM:** John Boesenberg, Deputy Executive Director  
Human Resources

**SUBJECT:** Higher Education Retirement Plan Study

A handwritten signature in black ink, appearing to read 'John Boesenberg'. The signature is written in a cursive, flowing style and is positioned to the right of the 'FROM:' field.

Thank you for the opportunity to provide written comments for inclusion in the SSCP study of the Higher Education Retirement Plans (HERP).

The prevalence of defined contribution retirement plans in higher education make it crucial that Washington State institutions continue to offer such plans to be competitive for talented faculty, professional staff and executives. This reason was cited in 1969 when Legislature authorized the State Board for Community and Technical Colleges to sponsor a retirement plan. Since that time, we have operated our plan in best interest of the state, the colleges and participants – each sharing an interest in making sure there are great teachers in the classroom, well qualified professionals supporting teaching and learning and experienced leaders managing resources to best serve students and communities. A defined contribution plan helps achieve these goals and is a good match for our employees and institutions.

At this time, the State Board's HERP has approximately 9,400 active participants: 7,700 are faculty; 1,700 are employees exempt from civil service. For employers, a defined contribution plan provides cost stability, limited risk and the tools for recruitment and retention. For employees, it provides portability, ownership and a contribution schedule that increases over time. Our plan has helped the system recruit and retain high quality employees that, in turn, have made Washington's community and technical college system one of the finest in the country.

We strongly support the Select Committee's decision to *not* recommend changing HERP eligibility criteria to exclude some segment of exempt employees. It was clear from testimony provided during SSCP's November 15, 2011 meeting that defined contribution plans are preferred and assist in the recruitment and retention of exempt employees. Testimony from HERP participants confirmed that the retirement plan on offer was an important consideration in deciding to work at a Washington State

college or university. This antidotal information is borne out by the choices new employees are making – with 90% to 95% of employees hired since July 1, 2011 choosing to participate in a HERP rather than becoming PERS or TRS members.

Relying on the legislatively defined exemption criteria provides a bright line to accurately and consistently identify HERP eligible positions – either a position meets the exempt standard in law or it doesn't. Exempt employees provide crucial academic, professional and managerial services to ensure institutions meet mission. They share working conditions, often promote out of the faculty, are employed at will and have opportunities at other institutions across the country. They should have access to the same retirement plan and treated consistently with faculty and their colleagues on campus. For these reasons, we support retention of the current eligibility criteria as adopted by the 2011 Legislature.

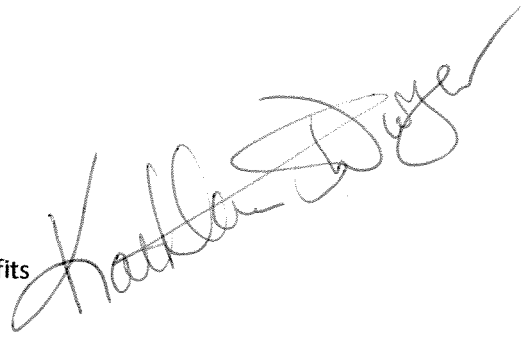
Again, thanks for this opportunity to comment.

December 21, 2011

To: Darren Painter, Senior Policy Analyst  
Office of the State Actuary

From: Kathleen S. Dwyer, Executive Director of Benefits  
Human Resources

Subject: 2011 Higher Education Retirement Plan Study



Thank you for the opportunity to provide written comments for inclusion in the Select Committee on Public Policy (SCPP) study of the Higher Education Retirement Plans (HERP).

The University of Washington Retirement Plan (UWRP) was authorized by the Washington State Legislature in 1938 and approved by the UW Regents in 1939. Although much has changed since its inception, its long-standing purpose is as vital and relevant today as when it began: to provide a flexible, fully-portable retirement vehicle appropriate to a career in higher education. The fact that this type of retirement plan continues to prevail in higher education and is broadly used by our peers for faculty and professional staff is evidence that it is valued by both the participants and the institutions as a key part of our total compensation package.

As UW's reputation has grown, so has our ability to attract grants and contracts, and as a result grow the ranks of our faculty, librarians, and professional staff. The UW brings jobs to Washington State by earning more research dollars than any other public higher education institution in the nation. The University continues to bring in research dollars despite the reduced state funding and the overall economy and we believe the flexibility and portability of the HERP helps us do that.

UW currently has approximately 12,000 participants; 6,300 of whom are faculty and librarians; 5,700 are professional staff. The complexity of the work and demand for a highly specialized workforce has only increased, as has our need to compete nationally and internationally with a total compensation package designed to attract the best people. UWRP participants value a defined contribution plan with increasing contribution rates and portability that can take them through their entire career.

We strongly support the Select Committee's decision to *not* recommend changing HERP eligibility criteria to exclude some segment of professional staff employees. Testimony provided during SCPP's November 15, 2011 meeting provided a broad range of examples from UW and each of the state institutions' and from HERP participants that illustrated the key role the HERPs play in recruiting and retaining excellent employees. In addition, our records show that greater than 95% of the UW employees hired since July 1, 2011 who have the option to select HERP, PERS, or TRS, have elected the HERP.

During the 2011 session, the UW and the other higher education institutions supported the prospective termination of the HERP Supplemental Benefit. We also supported the 6% cap on state contributions to the HERPs. With these changes in place the legislature has avoided future liability for new participants after July 1, 2011 and established its intent that the HERPs be true defined contribution retirement plans, with the participants bearing the risk and the rewards of their investment decisions.

The legislatively-defined exemption criteria provide a bright line that is consistently and accurately applied across all of the institutions. Either a position meets the exempt standard in law or it doesn't. Professional staff employees at UW play a crucial role in achieving the UW mission, and are critical to our success. They work in highly specialized areas of administration, healthcare, and research, and are often named in grants and contracts as key staff required in the fulfillment of research grants. They have opportunities at other institutions across the country. They should have access to the same retirement plan and be treated consistently with faculty and their colleagues on campus. We support retention of the current eligibility criteria as adopted by the 2011 Legislature.

Thank you for the opportunity to provide comments to this report.

## Appendix H

### UNIVERSITY OF WASHINGTON Professional Staff Exemptions in Place Before & After 1993 Information Extrapolated from Pay Period Ending 10/15/2011

Exemption Availability	Exemption Criteria	Includes UWRP & PERS Data			Includes ONLY PERS Data		
		FTE	Head Count	Annualized Base	FTE	Head Count	Annualized Base
Before 1993	Admin Asst to President or Vice President	23.5	24	\$1,344,645	5.0	5	\$249,504
Before 1993	Executive Head	346.4	351	\$53,827,662	37.0	37	\$5,360,461
Before 1993	Principal Assistant to Executive Head	995.6	1,026	\$79,508,084	252.9	259	\$18,203,245
Before 1993	Counseling of Students	614.7	650	\$37,518,923	96.3	101	\$5,128,235
Before 1993	Continuing Education	246.5	272	\$16,843,194	37.2	41	\$2,617,026
Before 1993	Research	2,005.9	2,166	\$129,110,072	300.9	321	\$18,087,078
Before 1993	Graphic Arts & Publications	51.8	56	\$2,942,207	11.1	12	\$607,412
<b>Subtotal for Exemptions before 1993</b>		<b>4,284.4</b>	<b>4,545</b>	<b>\$321,094,787</b>	<b>740.4</b>	<b>776</b>	<b>\$50,252,961</b>
Mixed*	<b>Temporary Prof Staff + Other + PS Contract</b>	<b>343.3</b>	<b>385</b>	<b>\$20,191,094</b>	<b>50.3</b>	<b>54</b>	<b>\$2,770,466</b>
After 1993	Program Direction/Control	1,397.3	1,450	\$101,449,209	455.8	469	\$31,239,716
After 1993	Institutional Policy	15.0	15	\$1,079,472	3.0	3	\$193,392
After 1993	Personnel	129.2	134	\$8,174,877	33.2	34	\$1,900,154
After 1993	Public Information	197.1	213	\$11,111,343	27.0	28	\$1,473,627
After 1993	Development	184.7	193	\$14,293,485	21.9	23	\$1,272,979
After 1993	Sr Comp Systems & Network Programming	1,175.0	1,206	\$95,502,653	198.2	203	\$15,575,597
After 1993	Internal Audits & Investigations	111.1	114	\$7,725,854	39.8	40	\$2,628,893
<b>Subtotal for Exemptions added After 1993</b>		<b>3,209.4</b>	<b>3,325</b>	<b>\$239,336,892</b>	<b>778.7</b>	<b>800</b>	<b>\$54,284,357</b>
<b>Grand Total</b>		<b>7,837.0</b>	<b>8,255</b>	<b>\$580,622,772</b>	<b>1,569.5</b>	<b>1,630</b>	<b>\$107,307,784</b>

Percentage of Grand Total Before 1993\*      59%      60%      59%

50%      51%      49%

\*Mixed is counted into Before for purpose of calculating percentage

Prepared by UWHR Compensation - 11/3/2011



# Appendix I

## Plan 2/3 Choice Counts

Plan Choice/Default Counts								
November 3, 2011								
For Choice/Default Dates 7/1/2009 - 6/30/2011								
	TRS	Percent of TRS	PERS	Percent of PERS	SERS	Percent of SERS	Total Members	Percent of Total
Chose Plan 2	2,356	47%	11,217	63%	3,684	51%	17,257	57%
Chose Plan 3	1,557	31%	2,547	14%	1,611	22%	5,715	19%
Default Into Plan 3	1,135	22%	4,090	23%	1,968	27%	7,193	24%
	5,048	100%	17,854	100%	7,263	100%	30,165	100%

Notes:

1. No check was made for member status, such as deceased or withdrawn.
2. Retroactive reporting is allowed so there may be a slight increase in the numbers if this report were to be run again.
3. Technical note: created by ADAMSP2D

---

Source: Dave Nelsen, Legal and Legislative Services Manager, Department of Retirement Systems, 11/3/2011

O:\Reports\HERPstudy\Appendices\AppendixI.docx