



## Washington State Senate

**Senator Mary Margaret Haugen**  
10th Legislative District

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Office of  
The State Actuary

**COPY**

The Honorable Mark Schoesler  
Chair, Select Committee on Pension Policy  
Newhouse Building, Room 110

Dear Senator Schoesler,

I am writing to you regarding Senate Bill 5255, which is being referred to the Select Committee on Pension Policy for your review. Senate Bill 5255 deals with employee overtime while working assignments as part of interagency contracts between the Washington State Patrol (WSP) and other public agencies. The bill further directs that this time be considered as part of the employee's Average Final Salary computation.

This bill was heard in the Senate Transportation Committee, and while there is support for the concept for a number of reasons, many questions were left unanswered regarding fiscal impact, costs to the employer and employee, and how abuse could be controlled. Therefore, I would like to request that the SCPP thoroughly review this measure and provide a recommendation before January 1, 2012 as to how to appropriately implement this important policy for the officers of the Washington State Patrol.

I would appreciate the following components of the bill and policy explored:

The bill specifically refers to "Interagency Agreements" between the WSP and WSDOT under RCW 47.46.040, which addresses a state patrol presence at highway constructions sites. However we have learned that the State Patrol enters into agreements with other public entities that contract for appropriate services, and agreements for services mandated by special permits required by the WSDOT. We feel that services required by the state of Washington and normal compensation being provided to the employee should be considered in the calculation of their AFS.

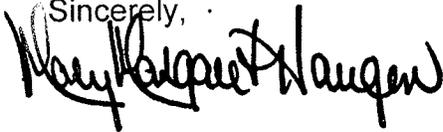
Are there "cost containment" provisions in place for the employee and employer under similar circumstances in other public employee retirement systems?

Can limitations be established on how much an individual AFS can be impacted?  
What protections could be initiated to avoid unfunded liabilities in the WSPRS?

Is it feasible to require contracting entities to pay the "present value" of the retirement benefit plus the contribution rates?

I am certain there are other issues that you would normally consider when the committee reviews a policy change of this kind and we would appreciate your thorough and complete analysis in order to make the appropriate decisions during the 2012 legislative session. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Mary Margaret Haugen". The signature is written in a cursive style with a large, stylized initial "M".

Mary Margaret Haugen  
State Senator, 10<sup>th</sup> Legislative District  
Senate Transportation Committee Chairman

cc: Matt Smith, State Actuary