

State of Washington
Recommendation Summary

2:20PM

Agency: 035 Office of State Actuary

8/21/2014

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2013-15 Current Biennium Total	13.0		3,527	3,527
CL AA 05 Biennialize pay increments			54	54
CL AB 92K Des Central Services			11	11
CL AC Biennialize Employee Pebb Rate			53	53
Total Carry Forward Level	13.0		3,645	3,645
Percent Change from Current Biennium			3.3%	3.3%
Carry Forward plus Workload Changes	13.0		3,645	3,645
Percent Change from Current Biennium			3.3%	3.3%
M2 AD OSA Merit Decision Package			168	168
M2 AE OSA Retention Contingency Package			50	50
Total Maintenance Level	13.0		3,863	3,863
Percent Change from Current Biennium			9.5%	9.5%
Subtotal - Performance Level Changes	0.0			
2015-17 Total Proposed Budget	13.0		3,863	3,863
Percent Change from Current Biennium			9.5%	9.5%

M2 AD OSA Merit Decision Package

OSA requests funding to provide step increases to eligible staff during the 2015-17 Biennium. The additional funding represents approximately a 5 percent increase for each fiscal year for all non-management staff (2.5 percent increase each fiscal year for management staff). OSA does not automatically provide step salary increases when available. Eligibility for step increases depends on individual performance and the number of step increases available for an employee based on their current salary within their current salary range.

M2 AE OSA Retention Contingency Package

OSA requests \$50,000 to provide additional salary increases for retention purposes if necessary. The \$50,000 represents approximately a one-time salary increase of 10 percent for two credentialed actuaries for 24 months (based on the current average annual salary for credentialed actuarial staff). OSA has faced difficulties recruiting credentialed actuaries and has made counter offers in an effort to retain them.

Agency: 035 Office of State Actuary
Decision Package Code/Title: AD OSA Merit Decision Package
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

OSA requests funding to provide step increases to eligible staff during the 2015-17 Biennium. The additional funding represents approximately a 5 percent increase for each fiscal year for all non-management staff (2.5 percent increase each fiscal year for management staff). OSA does not automatically provide step salary increases when available. Eligibility for step increases depends on individual performance and the number of step increases available for an employee based on their current salary within their current salary range.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
600-1 Dept of Retirement Systems Expense-State	56,000	112,000	168,000
Total Cost	56,000	112,000	168,000

Package Description:

OSA Merit Decision Package

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Retain current staff expertise and maintain current levels of service.

Performance Measure Detail

Activity:

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Not applicable.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Not applicable.

What are the other important connections or impacts related to this proposal?

Not applicable.

What alternatives were explored by the agency, and why was this alternative chosen?

We considered absorbing this cost, but don't have the available funds to provide such increases. Additionally, if approved, the authority to provide such salary increases would be clearly granted.

What are the consequences of adopting or not adopting this package?

OSA may lose current staff and be unable to maintain current levels of service.

What is the relationship, if any, to the state's capital budget?

Not applicable.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Not applicable.

Expenditure and revenue calculations and assumptions

Not applicable.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The additional funding represents a one-time request, but the cost of providing step salary increases would become an on going expense to the extent these salary increases are provided during the 2015-17 Biennium.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	49,000	99,000	148,000
B Employee Benefits	7,000	13,000	20,000
Total Objects	56,000	112,000	168,000

Agency: 035 Office of State Actuary
Decision Package Code/Title: AE OSA Retention Contingency Package
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

OSA requests \$50,000 to provide additional salary increases for retention purposes if necessary. The \$50,000 represents approximately a one-time salary increase of 10 percent for two credentialed actuaries for 24 months (based on the current average annual salary for credentialed actuarial staff). OSA has faced difficulties recruiting credentialed actuaries and has made counter offers in an effort to retain them.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
600-1 Dept of Retirement Systems Expense-State	25,000	25,000	50,000
Total Cost	25,000	25,000	50,000

Package Description:

OSA Retention Contingency Package

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Retain current staff expertise and maintain current levels of service.

Performance Measure Detail

Activity:

No measures submitted for package

Incremental Changes

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Not applicable.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Not applicable.

What are the other important connections or impacts related to this proposal?

Not applicable.

What alternatives were explored by the agency, and why was this alternative chosen?

We considered absorbing this cost should the need to provide retention salary increases arise next biennium. We selected this option because, if approved, the authority to provide such salary increases would be clearly granted.

What are the consequences of adopting or not adopting this package?

OSA may not have the authority or available funds to provide such salary increases next biennium if necessary to retain actuarial staff.

What is the relationship, if any, to the state's capital budget?

Not applicable.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Not applicable.

Expenditure and revenue calculations and assumptions

Not applicable.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The \$50,000 of additional funding represents a one-time request, but the cost of providing additional salary increases for retention purposes would become an on-going expense if increases are provided during the 2015-17 Biennium.