

# Tribal Schools: Participation in the State Retirement Systems

## Issue

Should state retirement membership be extended to all tribal compact schools? One tribal compact school is already participating, and others have expressed an interest in having an option to participate.

## Background

In 2013, the Legislature enacted the State-Tribal Compact Authority. This allows the Office of the Superintendent of Public Instruction to enter into compacts with tribal schools, where the tribal school agrees to certain conditions in exchange for state funding. The State-Tribal Compact Authority is silent on pensions.

There are currently eight tribal schools in Washington. Five are compact schools (an application for a sixth is currently pending). One compact school is participating in the Teachers' Retirement System (TRS) and the School Employees' Retirement System (SERS).

## Highlights of Analysis

- ❖ According to the Department of Retirement Systems, legislation is required in order to allow compact schools to continue participating.
- ❖ Some compact schools have testified that participation in the retirement system is key for recruitment and retention, but not all compact schools want to participate.
- ❖ The main difference from opening any new school is that compact schools are tribal entities with sovereign immunity, and have the ability to opt out of the compact.
- ❖ Either a cost or a savings could arise from allowing participation, depending on how new member demographics compare with existing members.

## Committee Activity

At the May SCPP meeting, the Committee instructed staff to work with stakeholders to identify their issues and concerns. The SCPP also studied this issue in November (with a brief update in October), and made a recommendation to the Legislature in December.

## Recommendation to the 2018 Legislature

Allow compact schools to choose whether or not to participate in TRS and SERS under the same terms and requirements as other employers in the state retirement system.

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