

**From:** [Smith, Matt](#)  
**To:** [@SCPP Members](#)  
**Cc:** [@SCPP Assistants](#); [Office State Actuary, WA](#)  
**Subject:** FYI - OSA 2025-27 budget request  
**Date:** Friday, November 8, 2024 7:26:39 PM  
**Attachments:** [2025-27.OSA.Budget.to.SCPP.11.8.27.pdf](#)

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Members of the SCPP,

For your information, I've attached OSA's 2025-27 budget request that was submitted to OFM early this afternoon (11/8). Please see the attachment for background and further details.

Matt

**Matthew M. Smith**

*State Actuary*

[Pronouns](#) (He/Him)

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***“Supporting financial security for generations”***

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# Office of the State Actuary

*“Supporting financial security for generations.”*

November 8, 2024

TO: Select Committee on Pension Policy Members

FROM: Matthew M. Smith, State Actuary 

**SUBJECT: 2025-27 OSA BUDGET REQUEST**

For your information, I am forwarding the Office of the State Actuary’s (OSA’s) 2025-27 budget request. Based on the SCPP’s current rules of procedure, you no longer are required to approve this budget request. I will forward this request to the Office of Financial Management, and it will be subject to review and revision by the Legislature next session.

The 2025-27 budget request represents an increase of \$499,000 above the current 2023-25 biennial budget (5.9 percent increase). This increase is comprised of an increase of \$144,000 to the agency’s “carry forward level,” \$241,000 to provide step salary increases for eligible staff during each fiscal year of the 2025-27 Biennium (see **Compensation Changes** section), \$116,000 to support the agency’s actuarial valuation system (see **Actuarial Valuation System** section), \$146,000 to support succession planning (see **Succession Planning** section), and a reduction of \$148,000 to shift appropriation to the Joint Legislative Systems Committee (JLS) for certain services currently paid via monthly interagency invoices (see **Funding Shift to LegTech** section.)

## **Funding Source**

The Legislature provides funding for the agency’s budget primarily through the Department of Retirement Systems’ (DRS) Expense Fund. Other funding sources to support the agency’s actuarial healthcare services to the Legislature include the Health Care Administrative Account and General Fund. The Guaranteed Education Tuition Program, the Law Enforcement Officers’ and Fire Fighters’ Plan 2 Retirement Board, the Institutions of Higher Education, the Board for Volunteer Fire Fighters and Reserve Officers and the state’s Long-Term Services and Supports trust program reimburse OSA for the cost of actuarial services through an interagency agreement.

The DRS Expense Fund is supported by an administrative expense rate that is collected by DRS from all retirement system employers. The current DRS administrative expense rate is 0.20 percent. OSA’s proposed 2025-27 Budget Request will not increase this expense rate.



## **Compensation Changes**

OSA requests \$241,000 to provide step increases to eligible staff during the 2025-27 Biennium (this includes both salary and benefits costs). The \$241,000 represents approximately a 3.5 percent increase each fiscal year for all 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.

## **Actuarial Valuation System**

Funding is requested to accommodate the agency's increased cost to lease actuarial software. The cost to lease existing actuarial software increased from \$195,000 to \$426,000 per biennium. We are requesting funding for \$116,000 (50 percent of the increase). We believe the agency can absorb the other half within current budget.

## **Succession Planning**

The agency requests temporary funding from January 1, 2027, through June 30, 2028, to backfill two actuarial positions for upcoming retirements of senior actuarial staff. The cost for the 2025-27 Biennium is \$146,000. This funding would allow the agency to hire two entry level actuarial positions and provide sufficient time to train them prior to staff retirements. This training reduces the amount of supervision required by existing staff members when they assume new roles with added responsibilities under the agency's succession plans. After the upcoming retirements of senior actuarial staff, funding would revert to the level required to support the current number of FTEs.

## **Funding Shift to LegTech**

OSA requests a \$148,000 funding shift (budget reduction) to move appropriation to JLS for the cost of certain services in the 2025-27 biennium. The JLS currently invoices OSA each month for these services. With this funding shift, JLS will discontinue invoicing for these services in the 2025-27 biennium and thereafter.

O:\OSA\Office\_Administration\25-27\Budget\Final\25-27.OSA.Budget.Memo.to.SCPP.docx



Dollars in Thousands

**ABS024 Recommendation Summary**  
**Office of State Actuary**  
**2025-27 Regular Budget Session**  
**V1 - 2025-27 Budget Request**

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	19.0	832	7,676	8,508
<b>2023-25 Current Biennium Total</b>	<b>19.0</b>	<b>832</b>	<b>7,676</b>	<b>8,508</b>
CL 92J CTS Central Services	0.0	0	(2)	(2)
CL 92R OFM Central Services	0.0	0	(31)	(31)
CL GL6 Non-Rep Recruitment/Retention	0.0	(1)	(17)	(18)
CL GL9 Non-Rep General Wage Increase	0.0	8	94	102
CL GLS Updated PEBB Rate	0.0	1	2	3
CL GLU PERS & TRS Plan 1 Benefit Increase	0.0	0	3	3
CL GLZ PEBB Rate Correction	0.0	0	4	4
CL S4 Step/Merit Compensation Increase	0.0	8	119	127
CL TS Telephone System Replacement	0.0	0	(13)	(13)
CL UAAL Plan 1 UAAL Rates	0.0	(1)	(14)	(15)
CL YYY Vaccine Booster Incentive	0.0	(1)	(15)	(16)
<b>Total Carry Forward Level</b>	<b>19.0</b>	<b>846</b>	<b>7,806</b>	<b>8,652</b>
Percent Change from Current Biennium	.0%	1.7%	1.7%	1.7%
<b>Maintenance – Other Changes</b>				
ML 9Q Equipment Maintenance and Software	0.0	0	116	116
ML SP Succession Planning	1.0	0	146	146
<b>Maintenance – Other Total</b>	<b>1.0</b>	<b>0</b>	<b>262</b>	<b>262</b>
<b>Maintenance – Comp Changes</b>				
ML S4 Step/Merit Compensation Increase	0.0	23	218	241
<b>Maintenance – Comp Total</b>	<b>0.0</b>	<b>23</b>	<b>218</b>	<b>241</b>
<b>Maintenance – Transfers Changes</b>				
ML 9T Transfers	0.0	0	(148)	(148)
<b>Maintenance – Transfers Total</b>	<b>0.0</b>	<b>0</b>	<b>(148)</b>	<b>(148)</b>
<b>Total Maintenance Level</b>	<b>20.0</b>	<b>869</b>	<b>8,138</b>	<b>9,007</b>
Percent Change from Current Biennium	5.3%	4.4%	6.0%	5.9%
	0.0	0	0	0
<b>Subtotal - Policy Level Changes</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2025-27 Total Policy Level</b>	<b>20.0</b>	<b>869</b>	<b>8,138</b>	<b>9,007</b>
Percent Change from Current Biennium	5.3%	4.4%	6.0%	5.9%

**ABS024 Recommendation Summary**  
**Office of State Actuary**  
**V1 - 2025-27 Budget Request**  
*Dollars in Thousands*

**ML 9Q Equipment Maintenance and Software**

Actuarial Valuation System - ProVal

**ML SP Succession Planning**

Funding provided for succession plan.

**ML S4 Step/Merit Compensation Increase**

Funding is provided for step increases for staff.

**ML 9T Transfers**

OSA requests a funding shift to move appropriation to the Joint Legislative Systems Committee (JLS) - LegTech.

**Report Number: ABS024**

<b>Input Parameters</b>	<b>Entered as</b>
Session	2025-27 Regular
Agency	035
Version Source	A
Version	V1
Version Option	(None)
Program	Agency Level
Roll Up	N
Include Budget Level Detail	CL,ML,PL
Include Text	Y
For Word	N
Display Parameter Page	Y



## Agency Recommendation Summary

Actuarial Valuation System - ProVal

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Operating Expenditures</b>						
Fund 600 - 1	\$58	\$58	\$116	\$58	\$58	\$116
Total Expenditures	\$58	\$58	\$116	\$58	\$58	\$116

## Decision Package Description

Funding is requested to accommodate the agency's increased cost to lease actuarial software. The cost to lease existing actuarial software increased from \$195,000 to \$426,000 per biennium. We are requesting funding for \$116,000 (50% of the increase). We believe the agency can absorb the other half within current budget.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

N/A

### **Detailed Assumptions and Calculations:**

N/A

### **Workforce Assumptions:**

N/A

### **Historical Funding:**

N/A

## Strategic and Performance Outcomes

### **Strategic Framework:**

N/A

### **Performance Outcomes:**

N/A

## Equity Impacts

### **Community Outreach and Engagement:**

N/A

### **Disproportional Impact Considerations:**

N/A

### **Target Communities and Populations:**

N/A

### **Community Inputs and Incorporation:**

N/A

## Other Collateral Connections

### **HEAL Act Agencies Supplemental Questions**

N/A

### **Puget Sound Recovery:**

N/A

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

N/A

### **Stakeholder Impacts:**

N/A

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Governor's Salmon Strategy:**

N/A

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. E	\$58	\$58	\$116	\$58	\$58	\$116

## Agency Contact Information

Lindsey Trimble

(360) 786-7059

Lindsey.trimble@leg.wa.gov





## Agency Recommendation Summary

Funding provided for succession plan.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Staffing</b>						
FTEs	0.0	2.0	1.0	2.0	0.0	1.0
<b>Operating Expenditures</b>						
Fund 600 - 1	\$0	\$146	\$146	\$246	\$0	\$246
Total Expenditures	\$0	\$146	\$146	\$246	\$0	\$246

## Decision Package Description

The agency requests temporary funding from January 1, 2027, through June 30, 2028, to backfill two actuarial positions for upcoming retirements of senior actuarial staff. This funding would allow the agency to hire two entry level actuarial positions and provide sufficient time to train them prior to staff retirements. This training reduces the amount of supervision required by existing staff members when they assume new roles with added responsibilities under the agency's succession plans. After the upcoming retirements of senior actuarial staff, funding would revert to the level required to support the current number of FTEs.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

N/A

### **Detailed Assumptions and Calculations:**

N/A

### **Workforce Assumptions:**

N/A

### **Historical Funding:**

N/A

## Strategic and Performance Outcomes

### **Strategic Framework:**

N/A

### **Performance Outcomes:**

N/A

## Equity Impacts

### **Community Outreach and Engagement:**

N/A

### **Disproportional Impact Considerations:**

N/A

### **Target Communities and Populations:**

N/A

### **Community Inputs and Incorporation:**

N/A

## Other Collateral Connections

### **HEAL Act Agencies Supplemental Questions**

N/A

### **Puget Sound Recovery:**

N/A

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

N/A

### **Stakeholder Impacts:**

N/A

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Governor's Salmon Strategy:**

N/A

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2026</b>	<b>2027</b>	<b>2025-27</b>	<b>2028</b>	<b>2029</b>	<b>2027-29</b>
Obj. A	\$0	\$87	<b>\$87</b>	\$183	\$0	<b>\$183</b>
Obj. B	\$0	\$29	<b>\$29</b>	\$61	\$0	<b>\$61</b>
Obj. E	\$0	\$30	<b>\$30</b>	\$2	\$0	<b>\$2</b>

## Agency Contact Information

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(360) 786-7059  
Lindsey.trimble@leg.wa.gov



Office of State Actuary  
 2025-27 Regular Budget Session  
 Maintenance Level - S4 - Step/Merit Compensation Increase

### Agency Recommendation Summary

Funding is provided for step increases for staff.

### Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Operating Expenditures</b>						
Fund 001 - 1	\$6	\$17	\$23	\$0	\$0	\$0
Fund 418 - 1	\$4	\$11	\$15	\$0	\$0	\$0
Fund 600 - 1	\$48	\$155	\$203	\$0	\$0	\$0
Total Expenditures	\$58	\$183	\$241	\$0	\$0	\$0

### Decision Package Description

The Office of the State Actuary (OSA) requests funding to provide step increases to eligible staff during the 2025-27 biennium. The additional funding would provide approximately a 3.5 percent increase, on average, for each fiscal year for all staff. OSA does not automatically provide step salary increases when available. Eligibility for step increases depends on individual performance and the number of remaining step increases for an employee based on their current salary within their current salary range.

### Assumptions and Calculations

**Expansion, Reduction, Elimination or Alteration of a current program or service:**

N/A

**Detailed Assumptions and Calculations:**

N/A

**Workforce Assumptions:**

N/A

**Historical Funding:**

N/A

### Strategic and Performance Outcomes

**Strategic Framework:**

N/A

**Performance Outcomes:**

N/A

## Equity Impacts

### **Community Outreach and Engagement:**

N/A

### **Disproportional Impact Considerations:**

N/A

### **Target Communities and Populations:**

N/A

### **Community Inputs and Incorporation:**

N/A

## Other Collateral Connections

### **HEAL Act Agencies Supplemental Questions**

N/A

### **Puget Sound Recovery:**

N/A

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

N/A

### **Stakeholder Impacts:**

N/A

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Governor's Salmon Strategy:**

N/A

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2026</b>	<b>2027</b>	<b>2025-27</b>	<b>2028</b>	<b>2029</b>	<b>2027-29</b>
Obj. A	\$49	\$157	<b>\$206</b>	\$0	\$0	<b>\$0</b>
Obj. B	\$9	\$26	<b>\$35</b>	\$0	\$0	<b>\$0</b>

## Agency Contact Information

Lindsey Trimble  
(360) 786-7059  
Lindsey.trimble@leg.wa.gov



## Agency Recommendation Summary

OSA requests a funding shift to move appropriation to the the Joint Legislative Systems Committee (JLS) - LegTech.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Operating Expenditures</b>						
Fund 600 - 1	(\$74)	(\$74)	(\$148)	(\$74)	(\$74)	(\$148)
Total Expenditures	(\$74)	(\$74)	(\$148)	(\$74)	(\$74)	(\$148)

## Decision Package Description

The Joint Legislative Systems Committee (JLS) currently invoices OSA each month for certain services. OSA requests a funding shift to move appropriation to JLS for the cost of these services in the 2025-27 biennium. With this funding shift, JLS will discontinue invoicing for these services in the 2025-27 biennium and thereafter.

## Assumptions and Calculations

**Expansion, Reduction, Elimination or Alteration of a current program or service:**

N/A

**Detailed Assumptions and Calculations:**

The breakout costs for this transfer from OSA to LegTech is provided below.

	Standard Software *		Agency Billing (billed monthly)					Total	Transfer from Agency Budgets
	Microsoft	Zoom	SLA - PCs	SLA - Server	GovDelivery	Analog	Fiber		
JLARC	22,870.00	5,252.00	63,360.00		216.00			91,698.00	
LSS	31,856.00	10,516.00	109,440.00			924.00	21,108.00	173,844.00	
LEAP	17,791.00	2,211.00	40,320.00	14,400.00	72.00			74,794.00	
OSA	12,916.00	3,040.00	31,680.00	4,800.00			21,108.00	73,544.00	
JTC	3,201.00	691.00	8,640.00				26,304.00	38,836.00	
SLC	27,491.00	6,080.00	63,360.00		72.00			97,003.00	
LLR	1,375.00	276.00	2,880.00					4,531.00	
	<b>117,500.00</b>	<b>28,066.00</b>	<b>319,680.00</b>	<b>19,200.00</b>	<b>360.00</b>		<b>68,520.00</b>	<b>554,250.00</b>	

\* LEG-TECH will submit DP's to ensure continued funding to support adequate license numbers going forward.  
 Remaining at agency optional MS licenses - Visio, Project Plan, Exchange Only, Visual Studio, etc.  
 Remaining at agency optional Zoom licenses - Zoom Enterprise Pro; Hotline usage charges

**Workforce Assumptions:**

N/A

**Historical Funding:**

N/A

## Strategic and Performance Outcomes

### **Strategic Framework:**

N/A

### **Performance Outcomes:**

N/A

## Equity Impacts

### **Community Outreach and Engagement:**

N/A

### **Disproportional Impact Considerations:**

N/A

### **Target Communities and Populations:**

N/A

### **Community Inputs and Incorporation:**

N/A



## Other Collateral Connections

### **HEAL Act Agencies Supplemental Questions**

N/A

### **Puget Sound Recovery:**

N/A

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

N/A

### **Stakeholder Impacts:**

N/A

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Governor's Salmon Strategy:**

N/A

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. E	(\$74)	(\$74)	(\$148)	(\$74)	(\$74)	(\$148)

## Agency Contact Information

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