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**To:** [Office State Actuary, WA](#)  
**Subject:** Negative effects of ESSB 5357  
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Dear Chair Boehnke and committee members:

ESSB 5357 is another action by legislators that “kicks the can down the road”. This occurred from 2001-2010 when legislators underfunded TRS 1 and PERS 1, resulting in those plans being underfunded—an ongoing problem that is exacerbated by this legislation.

It is interesting that while other states are lowering their predicted rate of return, this bill increases it by ¼%. This recommendation is made in spite of the findings in the risk analysis from the Office of the State Actuary that includes “. . . there is no corresponding change in the actual asset allocation of the pension trust. Therefore, there would be no change to the simulated future investment returns.”

While legislators were underfunding the TRS 1 and PERS 1, LEOFF 1 was OVERfunded, resulting in the current nearly \$3 BILLION excess in that fund. Considering that, it is interesting that ESSB 5357 affects ALL DRS plans EXCEPT the Law Enforcement Officers’ and Firefighters’ Plan 2.

The immediate results of this legislation appear to be the extension of the UALL for TRS 1 and PERS 1 by at least a decade. The potential effect is underfunding the entire DRS--something to consider during your deliberations.

Jim Davison, TRS 1 (2005) after a successful 36-year teaching career  
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