

SENATE BILL REPORT

SHB 1204

As Reported By Senate Committee On:
Ways & Means, April 1, 2003

Title: An act relating to creating the select committee on pension policy.

Brief Description: Creating the select committee on pension policy.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Fromhold, Delvin, Conway, Alexander, Pflug, Anderson, Cooper and Chase; by request of Joint Committee on Pension Policy).

Brief History:

Committee Activity: Ways & Means: 4/1/03 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Brown, Doumit, Fairley, Hale, Honeyford, Johnson, Regala, Sheahan, B. Sheldon and Winsley.

Staff: Erik Sund (786-7454)

Background: The Joint Committee on Pension Policy (JCPP) studies issues, develops policies, and makes recommendations to the Legislature regarding the several state retirement systems. The JCPP also appoints and may remove the State Actuary by a two-thirds vote.

The membership of the JCPP consists of eight members of the Senate, four of whom belong to the majority party and four of whom belong to the minority party; and eight members of the House of Representatives, four of whom belong to the majority party and four of whom belong to the minority party.

Summary of Amended Bill: The Select Committee on Pension Policy (SCPP) replaces the Joint Committee on Pension Policy (JCPP). The membership of the SCPP consists of:

- Four members of the Senate, two of whom belong to the majority party and two of whom belong to the minority party. At least three of the Senators must be members of the Ways and Means Committee and all must be appointed by the President of the Senate.
- Four members of the House of Representatives, two of whom belong to the majority party and two of whom belong to the minority party. At least three of the Representatives must be members of the Appropriations Committee and all must be appointed by the Speaker of the House.

- Four active members or representatives of the state retirement systems, with no more than two appointees from any one system.
- Two retired members or representatives of the state retirement systems, with no more than one appointee from any one system.
- Four employer representatives of members of the state retirement systems.
- The directors of the Department of Retirement Systems and the Office of Financial Management.

Members of the SCPP who are not also members of the Legislature are appointed by the Governor and serve three-year terms.

The SCPP has the same duties and responsibilities that the JCPP did, except that it does not appoint or remove the State Actuary. In addition, the SCPP receives the results from and makes recommendations to the Pension Funding Council on the results of actuarial audits of contribution rates and assumptions the Pension Funding Council conducts.

The public safety subcommittee is created to study pension issues affecting public safety officers belonging to the Law Enforcement Officers' and Fire Fighters' Retirement System and the Washington State Patrol Retirement System. The public safety subcommittee includes one SCPP member from each of the Senate, the House of Representatives, the active members or representatives of organizations of active members of the state retirement systems, the retired members or representatives of organizations of retired members of the state retirement systems, and the employer representatives of the state retirement systems.

The educational subcommittee is created to study pension issues affecting educational employees belonging to the Teachers' Retirement System and the School Employees' Retirement System. The educational subcommittee includes one SCPP member from each of the Senate, the House of Representatives, the active members or representatives of organizations of active members of the state retirement systems, the retired members or representatives of organizations of retired members of the state retirement systems, and the employer representatives of the state retirement systems.

The state and local government subcommittee is created to study pension issues affecting state and local government employees belonging to the Public Employees' Retirement System. The state and local government subcommittee includes two SCPP members from each of the Senate, the House of Representatives, the active members or representatives of organizations of active members of the state retirement systems, the employer representatives of the state retirement systems, and one retired member or representative of an organization of retired members of the state retirement systems.

The retiree members may serve on more than one subcommittee to ensure representation on each subcommittee.

The State Actuary Appointment Committee (SAAC) is created. The SAAC is composed of the chair and ranking minority members of the House of Representatives Appropriations Committee and the Senate Ways and Means Committee, and four members of the SCPP. The

SAAC has the duties of appointing and removing the State Actuary. Each of these actions requires a two-thirds vote by the SAAC.

Amended Bill Compared to Substitute Bill: Three subcommittees are created within the SCPP to study pension issues affecting public safety, educational, and state and local government employees.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: No one.