

HOUSE BILL REPORT

HB 1718

As Reported by House Committee On: Appropriations

Title: An act relating to membership in the Washington public safety employees' retirement system for employees who provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations in institutions and centers.

Brief Description: Authorizing membership in the Washington public safety employees' retirement system for employees who provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations in institutions and centers.

Sponsors: Representatives Ormsby, Kilduff, Sullivan, Hayes, Tharinger, MacEwen, Sawyer, Zeiger, Walsh, Rodne, Hudgins, Van De Wege, Appleton, Muri, Reykdal, Tarleton and Pollet.

Brief History:

Committee Activity:

Appropriations: 2/11/15, 2/25/15 [DPS].

Brief Summary of Substitute Bill

- Provides membership in the Public Safety Employees' Retirement System (PSERS) for employees of the Washington State Department of Veterans Affairs (Veterans Affairs) and the Washington State Department of Social and Health Services (DSHS) that provide nursing care, or to ensure the custody or safety in state institutions including the Juvenile Rehabilitation Administration, the mental health hospitals, the Child Study and Treatment Center, the Special Commitment Center, and residential sites serving developmentally disabled patients or offenders.
- Provides membership in the PSERS to state, city, and county corrections personnel who are employed by a PSERS employer and whose primary responsibility is to provide nursing care, or ensure the custody and safety of offender and patient populations.
- Adds the Veterans Affairs and the DSHS as eligible PSERS employers.
- Permits members of the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 made newly eligible for the PSERS to choose between remaining in the PERS or transferring to the PSERS for periods of future service.

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HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle, Cody, Dunshee, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Tharinger and Walkinshaw.

Minority Report: Do not pass. Signed by 8 members: Representatives Buys, Condotta, Dent, G. Hunt, Magendanz, Schmick, Taylor and Van Werven.

Minority Report: Without recommendation. Signed by 1 member: Representative Fagan.

Staff: David Pringle (786-7310).

Background:

The Public Safety Employees' Retirement System (PSERS) was created in 2004 and opened to members on July 1, 2006. The PSERS provides retirement benefits for state and local government employees who work in positions with law enforcement duties but are not eligible for membership in the Law Enforcement Officers' and Fire Fighters' Retirement System. Members of the PSERS with at least 20 years of service will be eligible for full retirement benefits from age 60, five years earlier than the regular retirement age in Public Employees' Retirement System Plans 2 and 3. Members of the PSERS with 20 years of service may also retire early beginning at age 53 with a 3 percent reduction in benefits per year of early retirement.

Membership in the PSERS is restricted by an individual's employer and by specific job criteria. The PSERS employers are defined as the Department of Corrections, the Department of Natural Resources, the State Parks and Recreation Commission, the Gambling Commission, the Washington State Patrol, the Liquor Control Board, county corrections departments, and the corrections departments of municipalities not classified as First Class cities, and employers employing statewide elective officials.

Summary of Substitute Bill:

Employees of the Washington State Department of Veterans Affairs and the Washington State Department of Social and Health Services that provide nursing care, custody or safety in state institutions including the Juvenile Rehabilitation Administration, the mental health hospitals, the Child Study and Treatment Center, the Special Commitment Center, and residential sites serving developmentally disabled patients or offenders are eligible for membership in the PSERS beginning January 1, 2016.

In addition to corrections officers, membership in the PSERS is provided to other state, city, and county corrections personnel whose primary responsibility is to provide direct care, or ensure the custody and safety of offender and patient populations.

Members of the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 made newly eligible for the PSERS choose between remaining in the PERS or transferring to the PSERS for periods of future service. The choice to transfer to the PSERS must be made during an election period between January 1, 2016, and March 1, 2016. Membership in the PSERS for transferring PERS members is prospective, and past service credit remains in the PERS, making members' eventual retirement calculated under the dual membership rules.

Substitute Bill Compared to Original Bill:

The substitute bill added a null and void clause to the original bill, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) In 2012 a pension bill was passed eliminating the 2000 and 2008 early retirement factors. It was a ham-handed approach, but along with it was a mandate to study what groups of employees should not be subject to these reduced early retirement benefits. Who should, and who should not, be included in the PSERS was examined and a bill was passed out of this committee and off the floor in 2013. The bill reducing early retirement benefits saved about \$1.8 billion—this spends just a small portion of those savings. The bill is much pared-down from House Bill 1923 in 2014. The PSERS will still be the smallest of the state retirement systems. Nurses and others provide front line services with dangerous offenders and are subject to assaults on a frequent basis. There is high turnover, and that impacts the bottom line. Older workers are injured more, and recover more slowly. Some mental health technician can have numerous injuries. While older current workers won't benefit from this, new employees will. The results of the study done by the Select Committee on Pension Policy came back with some pretty astounding numbers about the rates of injury of many of the folks covered by this bill. Since the PSERS was created, there are county employees working at jails that are in the PSERS. This fulfills the promise made in the early retirement factor takeaway bill. Workers in the forensic ward at Western State Hospital work with patients in prison. The people that care for them are in the PSERS, but Western State Hospital workers are in the PERS. The workers' compensation savings should be taken into account when evaluating the cost of this bill.

(Opposed) None.

Persons Testifying: Representative Ormsby, prime sponsor; Brenda Wiest, Teamsters 117; Rick Hertzog, Matt Zuvich, and Lawrence Thompson, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.