

Department of Retirement Systems Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Estimated Expenditures	252.4	0	69,135	69,135
2017-19 Maintenance Level	250.9	0	64,421	64,421
Difference from 2015-17	-1.6	0	-4,714	-4,714
% Change from 2015-17	-0.6%		-6.8%	-6.8%
Policy Other Changes:				
1. Servers to State Data Center	1.4	0	409	409
2. Legacy System Modernization Plan	0.0	0	956	956
Policy -- Other Total	1.4	0	1,365	1,365
Policy Comp Changes:				
3. State Public Employee Benefits Rate	0.0	0	679	679
4. Non-Rep General Wage Increase	0.0	0	1,330	1,330
Policy -- Comp Total	0.0	0	2,009	2,009
Policy Central Services Changes:				
5. Archives/Records Management	0.0	0	3	3
6. Audit Services	0.0	0	1	1
7. Legal Services	0.0	0	4	4
8. CTS Central Services	0.0	0	16	16
9. DES Central Services	0.0	0	30	30
Policy -- Central Svcs Total	0.0	0	54	54
Total Policy Changes	1.4	0	3,428	3,428
2017-19 Policy Level	252.2	0	67,849	67,849
Difference from 2015-17	-0.2	0	-1,286	-1,286
% Change from 2015-17	-0.1%		-1.9%	-1.9%

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POLICY CHANGES

1. Servers to State Data Center

This item provides resources to plan, move into, maintain and operate 55 devices in the State Data Center (SDC) managed by Consolidated Technology Services (WaTech), beginning in January 2018. This brings the agency into compliance with RCW 43.105.375 and maximizes the use of the SDC. (Dept of Retirement Systems Expense Account-State; OASI Revolving Account-Non-Appr; Deferred Compensation Administrative Account-Non-Appr)

2. Legacy System Modernization Plan

The Department of Retirement Systems (DRS), in consultation with One Washington in the Office of Financial Management, the Office of the Chief Information Officer and other agencies with statewide payroll or benefit systems, will engage consultants to work with DRS technology and business teams. They will develop and validate a plan for replacing the remaining mission-critical legacy systems that are over 20 years old. These systems are responsible for maintaining information for more than 725,000 current and former public employees and for calculating and distributing over \$3.5 billion in payments each year. The plan will identify high-level requirements for these remaining systems, develop an architectural blueprint that includes detailed system and technical solution requirements, and a sequencing plan for replacing the agency's remaining legacy systems. The plan will evaluate the costs, benefits and feasibility of integrating the functions of DRS systems with existing or new statewide systems, as well as stand-alone solutions. (Dept of Retirement Systems Expense Account-State; OASI Revolving Account-Non-Appr; Deferred Compensation Administrative Account-Non-Appr)

3. State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union, who are covered by a bargaining agreement that is not subject to financial feasibility determination, or who are not part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (Dept of Retirement Systems Expense Account-State; OASI Revolving Account-Non-Appr; Deferred Compensation Administrative Account-Non-Appr)

4. Non-Rep General Wage Increase

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; and a general wage increase of 2 percent, effective January 1, 2019. This item includes both higher education and general government workers. (Dept of Retirement Systems Expense Account-State; OASI Revolving Account-Non-Appr; Deferred Compensation Administrative Account-Non-Appr)

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5. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center (Dept of Retirement Systems Expense Account-State)

6. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Dept of Retirement Systems Expense Account-State)

7. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. The Attorney General's Office will work with client agencies to implement stricter policies and best practices regarding usage of legal services to achieve lower bills. (Dept of Retirement Systems Expense Account-State)

8. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways, and geospatial imaging services. (Dept of Retirement Systems Expense Account-State; Deferred Compensation Administrative Account-Non-Appr)

9. DES Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking, and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (Dept of Retirement Systems Expense Account-State; Deferred Compensation Administrative Account-Non-Appr)