

Budget Savings Options 2025

Dollars in Thousands

Agency: Department of Retirement Systems (124)

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S					Other Funds <i>(unless otherwise indicated, it is fund 600-1)</i>					FTE Change					Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
			FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29				
L	1	A010 - Old Age and Survivors Insurance (OASI) Program: <i>Reduce Budget Authority (fund 874-6)</i>							(11)	(12)	(11)	(12)						Reduce budget authority in OASI's non-appropriated program by 6%.	7/25	Historically, the OASI program operates at a level that is slightly lower than their budget authority. A 6% reduction is achievable with minimal impacts.	n/a
L	1	A002 - Deferred Compensation Management for Public Employees: <i>Reduce Budget Authority (fund 888-6)</i>							(151)	(151)	(151)	(151)						Reduce budget authority in DCP's non-appropriated program by 6%.	7/25	Historically, DCP operates at a level that is slightly lower than their budget authority. A 6% reduction is achievable with minimal impacts. Additionally, the program currently generates revenue for its operating fund with an administrative fee that is the lowest it has been since 2004.	n/a
H	1	A001 - Public Pension Administration: <i>Negotiate TAP Recordkeeping Fees (fund 600-6)</i>								(305)	(407)	(407)						In order to reduce the cost of record keeping fees paid to a 3rd party vendor on Plan 3 member accounts that are in the Total Allocation Portfolio (TAP) investment option, DRS would need to negotiate a lower fee when the contract opens for renewal in late 2026.	10/26	Even if negotiations are successful and DRS is able to lower the fee (e.g., from 0.0470% to 0.0442%), the total cost generated by the fee is still dependent on market returns (or losses) and/or investor behavior.	n/a
L	5	A006 - One-Time Projects: <i>Absorb implementation of HB 1481</i>							(281)					(1.1)				Eliminate the funding that remained in FY 26 (from the agency's Fiscal Note) to address any cost impacts to implement the bill.	7/25	The agency will absorb what is anticipated to be lower than estimated costs to add a new employer and members to LEOFF Plan 2, if a federally recognized tribe enters a state-tribal compact with the governor for this purpose.	n/a
M	1	A001 - Public Pension Administration: <i>Reduce In-State/Out-of-State Travel</i>							(50)	(50)	(50)	(50)						Reduce out-of-state travel by 50% and in-state travel by 25%	7/25	The agency will reduce attendance at conferences, meetings of national pension organizations, training, etc., and will shift some in-state services to on-line options.	n/a
L	1	A001 - Public Pension Administration: <i>Reduce Subscription/Software</i>							(35)	(35)	(35)	(35)						A review of subscriptions and software licenses identified those that were not mission-critical and/or their removal wouldn't produce noticeable inefficiencies (increased costs).	7/25	The agency will continue to evaluate existing and emerging technology as a way to absorb workload growth and/or improve services to members.	n/a
M	1	A001 - Public Pension Administration: <i>Reduce Processing Financial Transactions DP</i>							(362)	(362)	(362)	(362)		(4.0)	(4.0)	(4.0)	(4.0)	Four of the five FTEs in the decision package (DP) will be removed. Anticipated vacancies will be repurposed to address workload growth in the agency's financial area.	7/25	This will be a gradual process to recruit additional fiscal analysts as resources become available from less critical functions in the Administrative Services Division.	n/a
L	1	A001 - Public Pension Administration: <i>Eliminate WMS Suppt Svcs Mgr FTE</i>							(132)	(132)	(132)	(132)		(1.0)	(1.0)	(1.0)	(1.0)	This WMS position is currently vacant. A redesign of the division's training program enables the agency to eliminate the position.	7/25	The agency would look to other resources in the division and other areas of the agency if the training program requires modification in the future.	n/a
M	1	A001 - Public Pension Administration: <i>Eliminate IT Sys Admin-Journey FTE</i>							(146)	(146)	(146)	(146)		(1.0)	(1.0)	(1.0)	(1.0)	This position will become vacant later this FY.	7/25	The agency had planned on shifting this FTE to strengthen another IT function but would leave it vacant to reduce costs.	n/a

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			FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29	FY 25	FY 26	FY 27	FY28	FY 29				
H	3	A001 - Public Pension Administration: <i>Reduce Central Reception Function</i>							(337)	(337)	(337)	(337)		(4.8)	(4.8)	(4.8)	(4.8)	The agency's central reception function will be adjusted to a different service model.	7/25	Public pension administrators around North America use different resource and task configurations to provide services to members. In order to achieve this FTE reduction, some services will need to be shifted to existing self-service solutions or other FTEs.	n/a
H	5	A006 - One-Time Projects: <i>Reduce Management Consulting in CORE</i>							(480)	(480)								Reduce funding for professional services that provide advisory services to project leadership for problem resolution and additional checks and balances in the project.	7/25	Some of the services being reduced are less critical at this phase of the CORE project. The agency anticipates it will be able to rely on a different vendor currently assigned to the project, outside legal counsel and internal audit to advise on issues that require attention.	n/a
H	5	A006 - One-Time Projects: <i>Adjust Project Schedule in CORE</i>								(5,542)	8,798							The cost shift in this item reflects a delay in the "go live" date for the project of a few months. While that delay reduces costs in the 25-27 biennium and increases costs in the 27-29 biennium, it essentially levels out the project's cost by shifting some from the projects peak into what will be a lower cost biennium.	7/25	This short of a delay does not represent a significant risk associated with continued maintenance and operation of the agency's legacy pension administration systems. If the agency determines that a go live date towards the end of the 25-27 biennium is achievable, it will work with appropriate entities.	n/a
H		A001 - Public Pension Administration: <i>Shift Fraud Prevention Fund Source</i>							(381)	(381)	(381)	(381)		(2.0)	(2.0)	(2.0)	(2.0)	Shift fraud prevention FTEs and software to the appropriate trust funds. This avenue of fraud and the associated expense to protect the trust funds did not exist when it was added to statute in 1993. Since then, the risk to the trust funds has shifted from individual paper-based processes/- transactions to large scale electronic efforts.	7/25	The statute will likely need to be amended to clarify that fraud prevention is a type of expense that can be charged to the trust funds.	RCW 41.50.255

TOTAL:

(10,299)

TARGET:

(8,913)

(13.4)

Priority:

L = Low priority agency activity or program
M = Medium priority agency activity or program
H = High priority agency activity or program

Impact:

1 = Allows continuation of the program/activity at a reduced level
2 = Eliminates the ability to perform program objectives
3 = Eliminates agency function
4 = Long term implications (moves the problem to next biennium)
5 = Short term (reduction to one time increase)