

Agency: 354 Workforce Train & Educ Coord Board
Decision Package Code/Title: 8R Retirement Buyout Costs

Budget Period: 2017-19

Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Workforce Training and Education Coordinating Board is allotted 24.2 FTEs. Upon retirement from state service, an employee is eligible for compensation of accrued sick and annual leave. In 2017-2019 one staff member will require compensation of buyout costs for retirement purposes. The anticipated cost is \$17,949 to General Fund State. The agency has no extra resources to absorb these costs within its current budget.

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	0	17,949	17,949
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>Annual Average</u>
FTEs	0.0	0.3	0.2

Program 110-Workforce Policy

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Package Description:

The Workforce Training and Education Coordinating Board requests funding to compensate the retirement costs for one staff member during the 2017-2019 biennium.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Public perception remains untarnished. Collective bargaining requirements are satisfied, possible litigation is avoided.

Performance Measure Detail

Activity

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No, this request is for a one-time maintenance level employee retirement buy-out.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes,

What are the other important connections or impacts related to this proposal?

Compliance with RCW 41.40 and WAC 415.02.140

What alternatives were explored by the agency, and why was this alternative chosen?

There are no other alternatives employees are entitled to payment for their accrued vacation and sick leave.

What are the consequences of adopting or not adopting this package?

The agency has no other means of making the payment. The Workforce Training and Education Coordinating Board is a small state agency with limited resources for administrative costs. Additional funding to pay for retirement costs will help the agency continue to provide the services its constituents need and expect. Failure to provide funding for these mandatory costs will severely restrict the agency's ability to carry out its mission and mandates.

What is the relationship, if any, to the state's capital budget?

There is no relationship to the state's capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

No changes are required to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Mandatory retirement buyout calculation is as follows: 723 hours of sick leave times average hourly salary of \$38.62 equal \$27,921.77 payable at 25% is \$6,981, Annual-vacation leave 240 hours at plus two months accrued leave at 14.67 hours each is 284.01 hours Total hours times average hourly salary equal \$10,968. Total retirement buyout cost \$17,949

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs associated with retirement buy out are expected to be one-time costs and are not anticipated to be on-going costs.

<u>Object Detail</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
A Salaries And Wages	0	10,968	10,968
B Employee Benefits	0	6,981	6,981
Total Objects	0	17,949	17,949