

Director's Update

DRS Advisory Committee Meeting

April 25, 2024

Personnel Announcements

DEI Consultant Update:

- Welcome Levi Luft – Levi joined us on 4/16. Levi comes to us with an impressive background and a wealth of experience in the field of DEI. With a Master of Public Administration degree focusing on Queer Studies from the Evergreen State College. Previously, Levi was the Diversity, Equity, and Inclusion Analyst for the City of Federal Way, Washington, where they served as a subject matter expert on various DEI principles and practices.

Organizational Update

MED/MOD Recruitment Efforts:

- We currently have 13 RS1s in-training. They started on January 1st and are halfway through their training. This class will be moving to the Contact Center on July 1st for their on-the-job portion of their training.
- We are in the process of recruiting for the next class that is scheduled to begin on July 1st.
- We currently have 11 RS2 vacancies and expect a few more with CORE Liaison and fraud recruitments underway, so we are planning for a new class of 14 RS1s.
- MED/MOD additionally has 5 RS3 Lead vacancies which we plan to fill this summer from internal candidates. This will likely create more RS2 vacancies in PC and D&D which will be filled with RS2 transfers. Overall, our goal is to carry a few double fills in anticipation of upcoming retirements, so we are also planning for a January 2025 class. We are hopeful that the January class will keep us at full capacity for RS2 positions.
- We are also currently in the recruitment process for a second RS3 trainer.

2024 Q1 Customer Survey Trends and Themes:

- DRS saw an increase in scheduled Zoom/phone/in-person appointments from 6% to 10%, while phone calls decreased from 68% to 65%, and emails remained flat at 26%.
- Email response time expectations in the 1-2 business day category increased from 68% in January to 89% in March, while the 3–5 day category decreased sharply from 36% to 11%.
- Call wait times expectations of 1-5 minutes remain flat at ~50% of customers, followed by 6-10 minutes for ~40% of customers, and 11-19 minutes and 20+ minutes categories for 10%.
- Customer satisfaction regarding wait/response time of call, email, or Zoom meetings remained flat at ~90% satisfied.
- Regarding interactions with RSs, 98-99% of customers say they were treated respectfully, 95-96% say they were given correct information, and we saw a decline from 94% to 90% of customers saying all questions were answered.
- The method used to apply for retirement saw an uptick from 78% online applications to 82%.

- Satisfaction of ease of retirement application, 79% of customers were satisfied or very satisfied in January compared to 82% in March.
- Whether the official estimate aided in the customer's decision to retire, in January 59% said yes it was extremely useful and critical or yes it was very useful and helpful, versus 63% in March.
- We saw a decline in how prepared for retirement customers feel. In January 73% are extremely confident or very confident, versus 65% in March.
- Overall satisfaction with their DRS experience remained pretty steady with customers saying they were very satisfied or satisfied 82% in January, versus 84% in March.

The five most common customer comments topics:

1. Formal estimates and call wait times are too long.
2. Customers are disappointed because their expectation of a higher benefit shows their unawareness regarding tax withholding.
3. Frustration in dealing with HCA, Social Security, and Medicare because communication is lacking or confusing, and the process takes long. (In comparison, dealing with DRS is easy!)
4. The perception that we don't offer in-person help anymore at all.
5. The wish is that DRS provide in-person personal service, whether at Nearing Retirement Seminars and/or in eastern Washington (several people have driven from Spokane for in-person appointments).

Budget Summary

The 2024 supplemental operating budget, that was signed by the Governor on March 29, provided nearly \$2.2 million in additional funds for DRS. The largest item funded the agency's request for 2.3 FTEs and \$1.25 million to purchase and implement fraud prevention software, and to add team members to bolster fraud prevention and cybersecurity. The budget also funded our fiscal notes to enable the agency to implement four pieces of legislation that passed, along with various adjustments for interagency billings, including the next phase of One Washington's project to replace AFRS.

Detailed Information:

Agency priority:

- It was unanimous as all of the proposals introduced this session contained our request for 2.3 FTEs and \$1,251,000 to purchase and implement fraud prevention software, and to add team members to bolster fraud prevention and cybersecurity.

Technical items:

Based on the cost estimates in our fiscal notes, there is funding to implement various legislative proposals:

- 0.3 FTEs and \$116,000 to implement SSB 6106 to ensure consistent PSERS eligibility for DSHS employees performing similar duties in similar facilities.
- 0.7 FTEs and \$265,000 to implement SSB 6197 to make four distinct changes in LEOFF Plan 2, the largest of which shifts liability for certain overpayments from the member to the employer.

- 0.2 FTEs and \$36,000 to implement 2SHB 2014 to adjust military service credits for a change in the definition of veteran that replaced existing language with the requirement that the veteran must have received a “qualifying discharge.”
- We also received \$99,000 to implement ESSB 5424 to allow flexible and part-time work for general and limited authority Washington peace officers, including those in LEOFF Plan 2.

Other items that are further back in the budget yet still impact DRS:

- An \$11.7 million increase to the appropriations to cover state contributions to LEOFF Plan 2 because the estimated compensation that will be paid to active members over the course of the biennium was updated.
- Agency budgets are also adjusted for various interagency billings, the largest of which is funding to continue “Phase 1A” of One Washington’s project to replace AFRS.

Projects Update

We have a number of projects being led by our Project Management Office right now. In addition to kicking off projects to support the legislation Shawn provided updates on, the team is wrapping up last year’s legislation and continuing to work on some other agency priorities.

Return to Work: They are wrapping up last year’s retiree return to work legislation which enables retirees who took the 2008 early retirement factor to return to work for 867 hours. Customers who took a more drastic reduction in their benefits with the ability to return to work were given an adjustment to their benefit starting effective January. Due to system limitations, we paid those customers their adjusted benefit starting in March and provided them with a retroactive payment to account for January and February this month.

Interruptive Military Service Credit: This project was complete at the end of last year. It expanded veteran’s benefits in state pension systems to include any armed conflicts where an expeditionary medal was awarded. Members that retired prior to the date of this act can now have their retirement benefits adjusted retroactively and 15 DRS customers who previously paid an optional bill will receive a refund.

PSERS Telecommunication Enrollment (HB 1055): This legislation requires DRS to make systems, processing, and communications changes to include public safety telecommunicators in PSERS plan 2.

- Starting June 1, newly hired public safety telecommunicators will be enrolled in PSERS membership.
- From June 1-September 1, 2024, DRS will provide an opportunity to transfer to PSERS to eligible public safety telecommunicators participating in PERS plans 2 or 3 as of June 1, 2024.
- Communication is going out through employers and our website and our outreach team will offer information sessions to educate current members about their transfer options through the summer.

Federal Legislation- Secure 2.0: As a result of secure 2.0, DRS implemented a variety of changes. Those included:

- Eliminating the requirement to have public safety officers (PSO) have insurance premiums deducted from their pension to qualify for the \$3,000 tax exclusion offered by the IRS.

- Modifying the exemption for early withdrawal penalty to include public safety officers with at least 25 years of service credit.
- Expanding the definition of "qualified public safety officers".
- Changing the Required Minimum Distribution (RMD) age for surviving spouse.
- This spring the project will complete its work with the elimination of the requirement for DCP to make deferral changes the first of the following month, allowing for deferrals to happen more quickly.

CORE-Pension Administration Modernization: Our legacy system replacement project is now in full swing. The project team recently got some hands-on experience with the system for the first time. There is lots of work still in front of us, but the team is on track to deliver in 2027.

Benefit Estimate Project: Finally, we are launching a project that is expected to enable customers who are nearing retirement to use our website to complete a self-service benefit estimate that they can use as an official estimate. This will allow them to immediately submit a retirement application when they are ready. Our goal is to reduce the average wait time to 2 weeks (or less) and to allow at least 50% of our customers to have an official benefit estimate in minutes.

Note: Our current posted wait time is up to 20 weeks.