

Agency Update

DRS Advisory Committee Meeting

April 25, 2025

Personnel Announcements

Director Biography:

Kathryn Leathers was appointed Director of the Department of Retirement Systems in January 2025. She is one of three ex officio members of the State Investment Board and serves on the Pension Funding Council and the Select Committee on Pension Policy.

Before taking on her current role with DRS, she served as General Counsel for the Office of the Governor from 2017 to 2025, providing critical legal and strategic advice on statewide issues. Before that, Kathryn served as Senior Counsel to the Washington State House Democratic Caucus, supporting legislative efforts and policy development. She also spent nearly five years advising the Washington State Bar Association on legislative affairs and over five years delivering non-partisan legal counsel to both Democratic and Republican members of the House of Representatives.

Kathryn holds a Bachelor of Arts degree from Western Washington University and a juris doctorate from Gonzaga University School of Law.

Budget and Performance Management Director:

Mark Feldhausen, Budget and Performance Management Director will be retiring effective May 1, 2025. Mark has been with DRS since 1997, bringing decades of expertise in budget management, financial strategy, and performance oversight. Prior to joining DRS, he worked in budget roles at two other state agencies, with his public service career dating back to the late 1970s.

Mark began his DRS career as the Assistant Director for the Administrative Services Division before moving into the role of Budget and Performance Management Director. Throughout his tenure, he has been instrumental in ensuring the agency successfully manages DRS' complex financial structure. Beyond budget management, Mark has played a key role in DRS' strategic planning and performance management efforts. He was an active participant in the development of the DRS Fundamentals Map and later became its steward, working closely with data stewards across the agency to ensure performance measures remained updated and relevant. This work evolved into what we know today as the agency's Quarterly Strategic Reviews, helping leadership track progress and align operations with strategic objectives.

Mark has also served as the agency's coordinator for CEM Benchmarking since 1999, ensuring DRS has a strong understanding of its cost and service-level performance compared to peer organizations. Mark's efforts with CEM have resulted in DRS being recognized more times than any other pension administrator, earning 40 recognition awards from CEM. His commitment to data-driven decision-making and operational excellence has helped reinforce the agency's reputation with legislative committees and external boards as a well-managed and efficient organization. His ability to translate benchmarking data into meaningful narratives has helped decision-makers recognize the value and impact of DRS' work over the decades.

Marcus Ehrlander joined DRS as the new Budget and Performance Management Director, effective April 1, 2025. Marcus comes to DRS from the Office of Financial Management, where he has served as a Budget Advisor to the Governor, specializing in pension funding, compensation forecasting, and fiscal policy. In fact, Marcus has been DRS' official budget analyst at OFM for several years, during which time he developed a deep understanding of our agency's budget and an excellent working relationship with Mark and other DRS team members. He holds a Juris Doctor from The George Washington University Law School and a Master of Science in Business Analytics from the University of Washington.

Projects Update

CORE:PAM

The replacement of our 34-year-old legacy system, we call CORE: PAM, is in full swing. The project is on track to go live in 2027 with a new system.

The project team just reached a great milestone with 50% of the design of the new system. Design includes documenting all of DRS processes, business rules, and calculations to ensure our new system operates correctly. To give you some context at the 50% mark we have developed and reviewed approximately 9,000 design documents.

As you have heard before, we are not just replicating what we are doing today, through this effort we are looking closely at how we process transactions, making them more efficient where we can to improve both our team member and customer experiences.

While we are not replacing the customer portal with this project, we are making some improvements to what the customers see. Here are a few great examples of improvements when we go live:

1. Customers will have the option to get an on-demand benefit estimate to allow them to immediately initiate their retirement application—for most customers, this means no more waiting to submit a retirement application when the customer is confident that they know what they want to do. Of course, we can still prepare an estimate for a customer, and we are happy to continue to provide this service.
2. Speaking of estimates, using input from customer focus groups, we have improved our benefit estimate letters. We have added default tax withholding to the calculation so a customer can see an approximate amount they will receive in their bank account. The estimate language has been simplified to focus on what the customer needs to know to make their retirement decision and remove ancillary information.
3. Simplified messaging has been a big emphasis in this project. Our project team has made major changes to our letters. Language has been simplified to focus on what the customer needs to know and how they need to reply.

Lexis Nexis

As part of our ongoing fraud prevention effort, DRS is adopting a new technology to reduce the risk that fraudsters gain access to member accounts through our online account.

As a part of that project, customers will need to provide a telephone number to use for multi-factor authentication (mobile and voice will both work). We will no longer allow for email. While some customers may find this to be less convenient, email is more vulnerable to phishing attacks and unauthorized access and this effort allows us to better safeguard customer data.

To enhance security and protect against fraud, we're implementing new tools that identify and block high-risk activity. While these measures are designed to prevent unauthorized access, they may occasionally impact legitimate actions, such as account creation or updates to email and bank information.