

**Agency:** 354 Workforce Train & Educ Coord Board  
**Decision Package Code/Title:** 8R Retirement Buyout Costs  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Workforce Training and Education Coordinating Board requests funding to cover the retirement costs for three staff members in the 2015-2017 biennium.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1	General Fund - Basic Account-State	18,631	14,000	32,631
001-2	General Fund - Basic Account-Federal	9,505	14,000	23,505
503-6	Tuition Recovery Trust Account-Non-Appropriated	8,856	0	8,856
<b>Total Cost</b>		<b>36,992</b>	<b>28,000</b>	<b>64,992</b>
<b>Staffing</b>		<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
	FTEs	.8	.6	.7
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001	General Fund	9,505	14,000	23,505
	0384 Dept of Education			
<b>Total Revenue</b>		<b>9,505</b>	<b>14,000</b>	<b>23,505</b>

**Package Description:**

The Workforce Training and Education Coordinating Board is allotted 21.1 FTEs. Upon retirement from state service, an employee is eligible for compensation of accrued sick and annual leave. In 2015-2017 three staff members will require leave buyout due to retirement. The estimated cost is \$32,631 to General Fund State dollars, \$23,505 to General Fund Federal dollars, and \$8,856 to the Tuition Reimbursement Trust account. The agency has no available resources to absorb these costs within its current budget.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

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 allow the agency continue to provide the services its constituents need and expect. Failure to provide funding for these mandatory costs will restrict the agency's ability to carry out its mission and mandates.

**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?***

Yes, funding of this package will preserve the limited administrative funds the agency has available to implement the strategies identified in the agency's strategic plan.

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

Yes, Funding retirement buy-out helps the essential functions of the Workforce Training and Education Coordinating Board to meet Results Washington Goal 1 and Goal 2 by providing the means for contributing to a world class education that leads to a prosperous economy.

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

Not funding the mandatory retirement buy-out will leave the agency limited administrative funds to implement strategies identified in the agency's strategic plan.

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

No other alternatives are available.

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

The agency would need to look at reductions in critical mission services to fund the mandatory retirement buy-out costs.

***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?***

None.

***Expenditure and revenue calculations and assumptions***

The agency expects two staff to retire in FY16 and assumes the employees will incur an average of 331 hours of annual leave buy back per person. This also assumes the two employees will average 463 hours of sick leave buy back per person. The retirement cost will total \$36,992 in FY16. The agency expects one staff member to retire in FY17. That employee is estimated to have an annual leave balance of 468 hours and a sick leave balance of 754 hours. The buy-out for this employee is estimated at \$28,000.

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

All costs are one time expenditures.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	28,336	19,500	47,836
B Employee Benefits	8,656	8,500	17,156

**Total Objects**

**36,992**

**28,000**

**64,992**