

# Office of the State Actuary

*"Supporting financial security for generations."*

January 24, 2025

**TO:** Members of the State Actuary Appointment Committee  
Chair, Select Committee on Pension Policy  
Vice Chair, Select Committee on Pension Policy  
Secretary of the Senate  
Chief Clerk of the House

**FROM:** Matthew M. Smith, FCA, EA, MAAA   
State Actuary

**SUBJECT: 2025 REPORT ON OSA PERFORMANCE**

On behalf of the staff of the Office of the State Actuary (OSA), I'm very pleased to provide the 2025 Performance Report for OSA. We hope you find this report helpful in your on-going oversight of the agency. This year's report includes the summary below and supporting details within Attachments A through H.

## Report Summary

OSA promotes the security of public benefit programs including state pension and medical plans, the prepaid tuition plan (GET), and the state's WA Cares Fund. As of our latest actuarial measurements, these programs, excluding the WA Cares Fund, have a present value of future benefits for current members totaling \$182 billion (with a future value of \$1,004 billion for the state pension systems). The WA Cares Fund, as of our latest actuarial measurements, has \$127 billion in expected future disbursements from 2024-2099 on a present value basis.

OSA established objective measures of critical agency functions to monitor and manage our performance while identifying areas of improvement. To inform these measurements, we conduct ongoing interviews with our clients. We use these interviews to document expectations, measure levels of satisfaction within those expectations, and identify new or emerging expectations. We also conduct regular staff surveys to measure employee satisfaction.

Apart from achieving our spending goal for staff training, the office met all other performance measurement goals. You'll find supporting information on the following pages.

We greatly appreciate your input and welcome any questions you may have on this report and process for OSA. For example, if you would like to see different measurements, goals, or outcomes for the office, please let us know. We're also happy to share additional context on the selection and development of the current measurements.



We appreciate your input and continued support and look forward to serving you.

## Summary of OSA Performance Measurements

Performance Measurements	
Goal	Outcome
<b>Fiscal Notes</b>	
Complete Actuarial Fiscal Note (AFN) or “certified actuarial analysis” for fiscal committee hearing on all pension bills. Certified actuarial analysis must be certified by the reviewing actuary as adequate for decision-making purposes.	100% for 2024 Legislative Session.
<b>Actuarial Valuation Reports (AVRs)</b>	
Complete annual actuarial valuation reports (AVR, VAVR Roll-Forward, GAVR Roll-Forward and Price Setting Analysis) by target posting/adoption dates.	100% of dates met for 2024 AVR.
<b>Financial Management</b>	
Limit OSA Maintenance Level (ML) budget growth to no more than 10% each biennium (including salary growth).	5.9% growth in ML budget from 2023-25 to the proposed 2025-27 budget.
Return 5% of agency budget at the close of each biennium.	13.0% of the 2021-23 budget was returned.
State auditor reports no findings in any financial audit of our agency.	No findings in last three audits, and the most recent audit closed in January 2021.
<b>Human Resources</b>	
Timely annual staff performance evaluations (excluding state actuary).	100% of staff evaluations were completed timely during the 2024 performance cycle.
Spend \$194,000 on training in 2021-23.	Spent \$68,409 on training (35.3% of goal).
At least a 4.4 overall employee satisfaction score. (1.0 = not meeting expectations) (2.0 = partially meeting expectations) (3.0 = meeting expectations) (4.0 = partially exceeding expectations) (5.0 = exceeding expectations)	4.6 overall employee satisfaction score for 2024.
<b>Client Satisfaction</b>	
Successfully complete client satisfaction interviews resulting in an overall score that exceeds 4.0 at the end of 2024.	5.0 overall client satisfaction score for 2024.
<b>Select Committee on Pension Policy (SCPP) Client Satisfaction and Meeting Materials</b>	
Successfully complete SCPP client satisfaction interviews resulting in an overall score that exceeds 4.0 at the end of 2024.	5.0 overall SCPP client satisfaction score for 2024.
Timely completion and distribution of required SCPP meeting materials.	100% of the materials standard met.

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## ATTACHMENT A – WHO WE SERVE

We serve both the legislative and executive branches of government, boards and committees, and the public. You'll find a summary of who we serve in the following table.

### Summary of OSA Clients

OSA Clients	
<b>Legislative Branch</b>	Pension Funding Council, SCPP, Legislators and Legislative Staff, and Fiscal Committees.
<b>Executive Branch</b>	Governor's Office, Office of the State Treasurer, Health Care Authority, Department of Retirement Systems, Office of Financial Management, Office of the Attorney General, and Department of Social and Health Services.
<b>Boards</b>	Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund, State Investment Board, Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board, Public Employees' Benefits Board, WA529 Committee, Institutions of Higher Education, and LTSS Trust Commission.
<b>Public</b>	Pension community, local governments, and citizens at large.



## ATTACHMENT B – FISCAL NOTE MEASUREMENTS

### Goal

- ❖ Complete AFN or “certified actuarial analysis” for fiscal committee hearing on all pension bills. Certified actuarial analysis must be certified by the reviewing actuary as adequate for decision-making purposes.

### Measurement Period

- ❖ Each legislative session (last measurement, April 2024).

### Measurements/Outcomes

AFNs	
Number of pension bills introduced (includes companions and substitutes requested)	36
Number of pension AFNs completed (submitted to OFM) or actuarial analysis provided to client	27
Number of AFNs that received fiscal hearing with at least 3-day notice	21
Number of AFNs completed before fiscal hearing when provided at least 3-day notice	21
Percent of AFNs completed before fiscal hearing when provided at least 3-day notice	100%



## ATTACHMENT C –AVR MEASUREMENTS

### Goal

- ❖ Complete annual actuarial valuation reports (AVR, VAVR Roll-Forward, GAVR Roll-Forward and Price Setting Analysis) by target posting/adoption dates.
- ❖ Pension Funding Council-hired auditors certify all AVRs as compliant with Actuarial Standards of Practice and are able to replicate our calculations with no material differences.

### Measurement Period

- ❖ Annually for AVR publication dates (last measurement, June 2024, for 2023 AVRs).
- ❖ Every two years for actuarial audit (last measurement, 2023 AVR).

### Measurements

Output Measures		
Final Publications	Target Posting/Adoption Date	Actual Date
2023 Draft AVR	6/30/2024	6/27/2024
Roll-Forward of 2022 VAVR Results	4/22/2024	4/18/2024
Roll-Forward of 2023 GAVR and Price Setting Analysis	9/6/2024	9/5/2024
Actuarial Valuation Audit Results - Clean Audit*		
Publish Draft AVR Report with preliminary results by June 30, 2024		
Complete roll-forward of 2022 VAVR results based on project plan April 22, 2024		
Provide roll-forward of 2023 GAVR results and Price Setting Analysis PPT to GET staff prior to WA529 Committee Meeting in September		
Percent of On-Time Postings (to Date)		100%



## ATTACHMENT D – FINANCIAL MANAGEMENT MEASUREMENTS

### Goal

- ❖ Limit OSA ML budget growth to no more than 10% each biennium (including salary growth).
- ❖ Return 5% of agency budget at the close of each biennium.
- ❖ State auditor reports no findings in any financial audit of our agency.

### Measurement Period

- ❖ **Budget Growth** – Latest budget request (last measurement, 2025-27 budget request)
- ❖ **Percent of Budget Returned** – Each biennium for budget measurements following completion of budgeting period (last measurement, 2021-23).
- ❖ **Findings in Audit Report** – Each state auditor report (last measurement, audit report for FY 2017 20).

### Measurements/Outcomes

Financial Management*	
2023-25 Budget	\$8,508,000
Proposed 2025-27 Budget	\$9,007,000
<b>ML Budget Growth</b>	<b>5.9%</b>
2021-23 Budget	\$7,453,000
2021-23 Budget Returned	\$970,642
<b>Percent of Budget Returned</b>	<b>13.0%</b>
<b>Findings in Audit Report (2017-20)</b>	<b>No Findings</b>

*\*Includes any supplemental budget adjustments.*



## ATTACHMENT E – HUMAN RESOURCES MEASUREMENTS

### Goal

- ❖ Timely staff performance evaluations (excluding state actuary – outside of agency control).
- ❖ Spend \$194,000 on training in 2021-23, but not to exceed \$258,020.

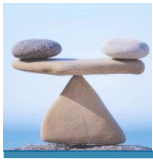
### Measurement Period

- ❖ Annually for performance evaluations (last measurement, 2024 cycle).
- ❖ Each biennium for training (last measurement, 2021-23 Biennium).

### Measurements/Outcomes

See following page for employee satisfaction measurements.

Human Resources	
Number of Staff in Evaluation Cycle ( <i>Excluding state actuary</i> )	18
Number of Performance Evaluations on Time	18
Percent of Timely Employee Evaluations	100%
2021-23 Training Budget/Goal	\$194,000
2021-23 Budget Spent on Training	\$68,409
Percent of Training Budget/Goal	35.3%



## ATTACHMENT F – EMPLOYEE SATISFACTION MEASUREMENTS

### Goal

- ❖ At least a 4.4 overall employee satisfaction score.
  - 1.0 = Not meeting expectations.
  - 2.0 = Partially meeting expectations.
  - 3.0 = Meeting expectations.
  - 4.0 = Partially exceeding expectations.
  - 5.0 = Exceeding expectations.

### Measurement Period

- ❖ Annually for employee satisfaction (last measurement, 2024 cycle).

### Measurements/Outcomes

The process of collecting Employee Satisfaction scores was revamped in 2022 to include one scored performance question and three open-ended questions related to overall satisfaction.

Employee Satisfaction	
Satisfaction Criterion	Score
1. How satisfied are you with your overall employee experience?	4.6
2. What are the things that contribute to your overall satisfaction?	
3. What are the things that take away from your overall satisfaction?	
4. Any other comments or feedback?	





## ATTACHMENT G – CLIENT SATISFACTION MEASUREMENTS

### Goal

- ❖ Overall client satisfaction score exceeds 4.0 at the end of 2024.

### Measurement Period

- ❖ Annually for client satisfaction (last measurement, 2024 cycle).

### Measurements/Outcomes<sup>1</sup>

For purposes of this measurement, overall client satisfaction will be calculated as the average of all confirmed client satisfaction scores during the year (December 1, 2023 – November 30, 2024).

Client Satisfaction	
Satisfaction Criterion	Score
1. Overall, how satisfied are you with the <i>products</i> you received from OSA over the past year (rate from 1 to 5)?	5.0
2. Overall, how satisfied are you with the <i>service</i> you received from OSA over the past year (rate from 1 to 5)?	4.9

<sup>1</sup>The SCPP client satisfaction scores are included in the SCPP Client Satisfaction measure in Attachment H and excluded from this measure.



## ATTACHMENT H – SCPP CLIENT SATISFACTION AND MATERIALS MEASUREMENT

### Goal

- ❖ Overall SCPP client satisfaction score exceeds 4.0 at the end of 2024.
- ❖ Satisfy timely completion and distribution of required SCPP meeting materials.

### Measurement Period

- ❖ Annually for SCPP client satisfaction (last measurement, 2024 cycle).
- ❖ Monthly for SCPP meeting materials (last measurement, November 2024)

### Measurements/Outcomes

For purposes of this measurement, overall client satisfaction will be calculated as the average of all confirmed client satisfaction scores during the year (December 1, 2023 – November 30, 2024).

SCPP Client Satisfaction	
Satisfaction Criterion	Score
1. Overall, how satisfied are you with the <i>products</i> you received from OSA over the past year (rate from 1 to 5)?	4.9
2. Overall, how satisfied are you with the <i>service</i> you received from OSA over the past year (rate from 1 to 5)?	5.0

For purposes of this measurement, the following SCPP meetings were included: December 2023, April 2024, May 2024, June 2024, July 2024, September 2024, October 2024, and November 2024.

SCPP Meeting Materials	
Measure	
Material content standards met?	8 of out 8 meetings
Materials distributed at least 2 business days prior to meeting?	8 out of 8 meetings