



# Bureau of Fire and Police Disability and Retirement

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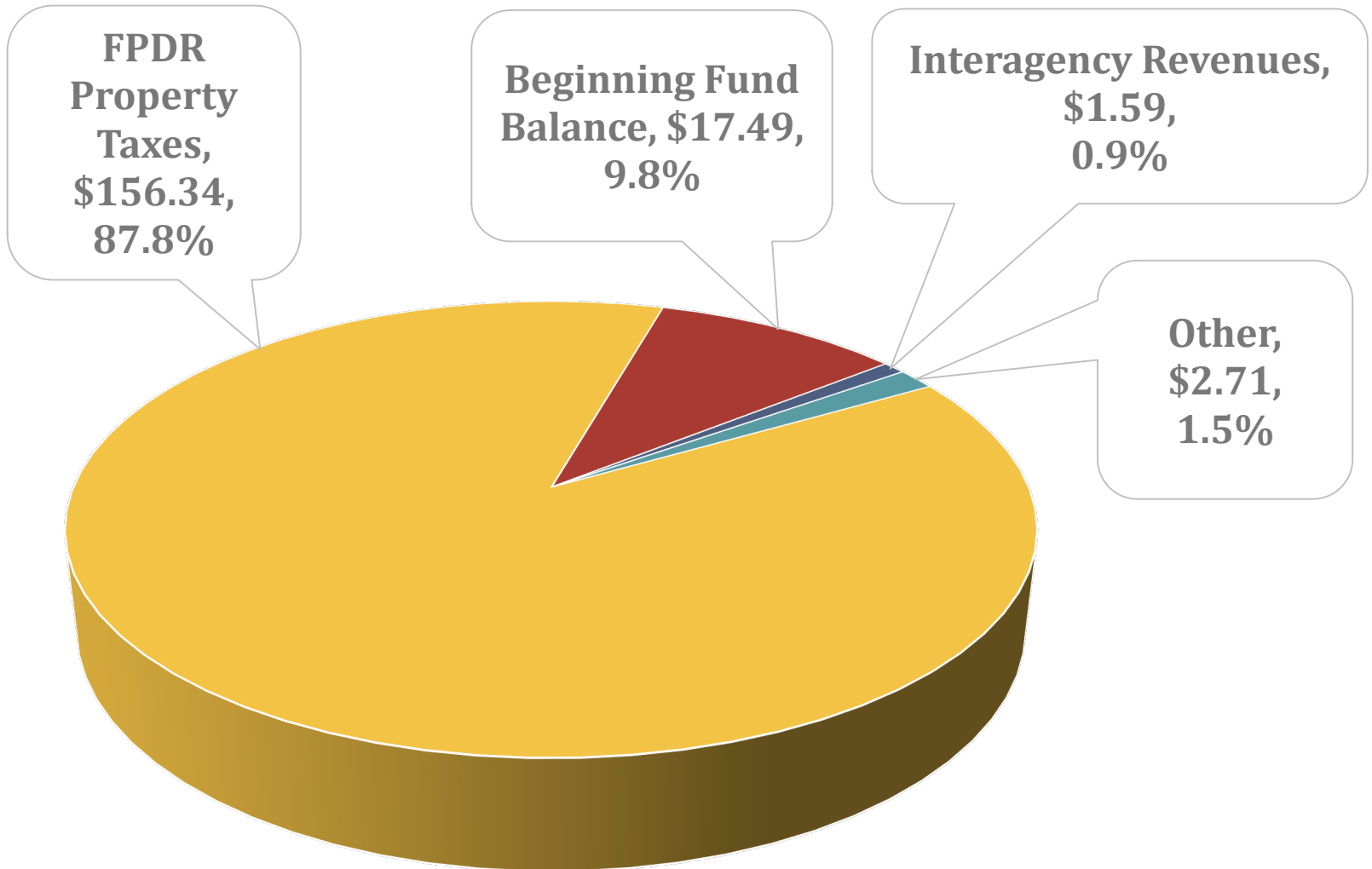
FY 2019-20  
Requested Budget

March 5, 2019

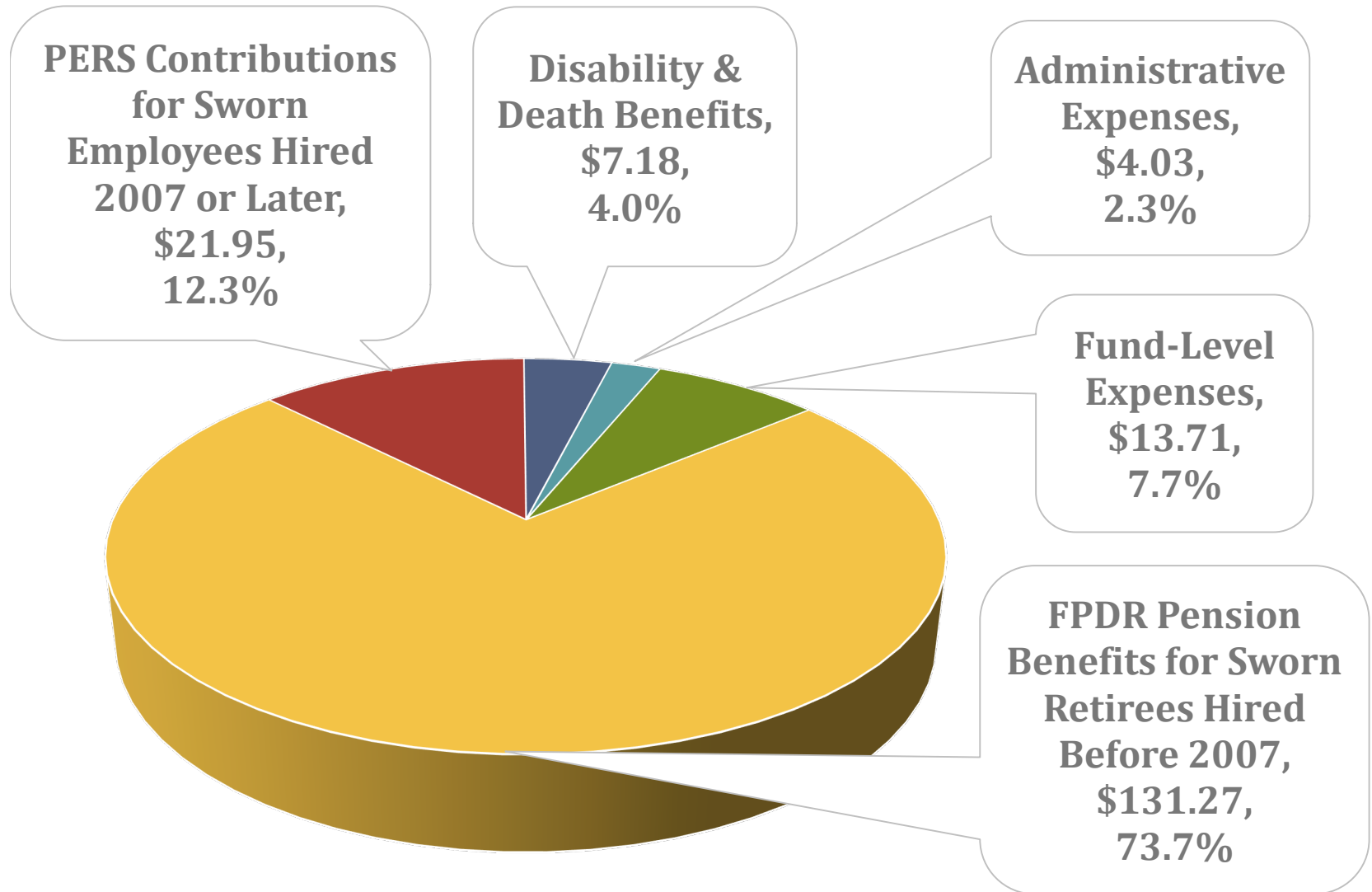
# FY 2019-20 Budgeted Resources (\$ Millions)

## All Non-General Fund

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# FY 2019-20 Budgeted Expenses (\$ Millions)



# Selected FPDR Performance Measures & Metrics

|   | FY 2016-17 | FY 2017-18 | FY 2018-19<br>Projection | FY 2019-20<br>Projection |
|---|------------|------------|--------------------------|--------------------------|
| Bureau FTE  | 17         | 17         | 17                       | 17                       |
| Percent of sworn workforce on disability at June 30               | 3.5%       | 3.6%       | 3.5%                     | 3.5%                     |
| Members on short-term disability during year                      | 244        | 282        | 300                      | 280                      |
| Disability claims   | 342        | 327        | 335                      | 335                      |
| Percent of disability decisions made < 60 days                    | 93%        | 91%        | 92%                      | 92%                      |
| Administrative cost as a percent of bureau budget                 | 1.41%      | 1.49%      | 1.74%                    | 1.65%                    |
| Number of pension estimates prepared                              | 397        | 331        | 400                      | 400                      |
| Percent of members whose pension was 99% or more of last estimate | 100%       | 95%        | 95%                      | 95%                      |

# Highlights of the FYE20 – 24 Forecast

## Funding Pensions for Two Generations at Once Is Expensive, but Future Generations of Taxpayers Will Benefit

Pay-as-you-go funding for retirees hired before 2007

Pre-funding pensions for employees hired after 2006

### PERS Contributions are Changing the FPDR Budget

Exposure to PERS rate increases

Immediacy of pay and hiring impacts

### Disability Costs are Stabilizing

Costs fell in 7 of 8 years after 2006 reforms

Costs have stabilized over last 3 years

# Risks to the FYE20-24 Forecast

|                          |   |
|--------------------------|---|
| Labor Contracts          | <ul style="list-style-type: none"><li>• PFFA contract expires June 30, 2019</li><li>• PPA, PPCOA contracts expire June 30, 2020</li><li>• Risk of pay increases above COLA and/or additional hiring</li></ul>   |
| PERS Rates               | <ul style="list-style-type: none"><li>• Set for FYE20 and FYE21</li><li>• Beyond that, could be higher than projected</li><li>• 2018 PERS investment returns will be factor</li></ul>   |
| Retirement Rates         | <ul style="list-style-type: none"><li>• Fewer retirements than forecast last two years; employees working longer and older<ul style="list-style-type: none"><li>▪ Emerging trend?</li><li>▪ Or one-time/cyclical factors that will result in future retirement spike?</li></ul></li></ul> |
| CPI-West Region Forecast | <ul style="list-style-type: none"><li>• As always, inflation could be higher than forecast</li></ul>  |

# Adequacy of FPDR Tax Levy: Real Market Value Rate Actuals and Projections by Fiscal Year

