

RSI
Required Supplementary Information

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BUDGETARY COMPARISON SCHEDULE

General Fund

Budgetary Comparison Schedule				
General Fund				
For the Biennium Ended June 30, 2017				
<i>(expressed in thousands)</i>				
	Original Budget 2015-17 Biennium	Final Budget 2015-17 Biennium	Actual 2015-17 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 1,550,847	\$ 1,550,847	\$ 1,550,847	\$ -
Resources				
Taxes	35,743,517	37,162,688	37,286,751	124,063
Licenses, permits, and fees	229,281	235,778	246,339	10,561
Other contracts and grants	550,314	579,661	485,285	(94,376)
Timber sales	6,616	6,501	6,514	13
Federal grants-in-aid	22,720,205	22,958,888	21,768,591	(1,190,297)
Charges for services	76,910	89,613	86,513	(3,100)
Investment income (loss)	16,457	28,865	29,996	1,131
Miscellaneous revenue	285,145	446,516	678,406	231,890
Unclaimed property	121,876	137,378	133,897	(3,481)
Transfers from other funds	1,975,011	3,219,180	2,746,969	(472,211)
Total Resources	63,276,179	66,415,915	65,020,108	(1,395,807)
Charges To Appropriations				
General government	4,087,194	4,118,103	3,860,147	257,956
Human services	32,532,950	32,568,287	32,021,693	546,594
Natural resources and recreation	695,716	867,502	770,629	96,873
Transportation	104,731	156,354	133,382	22,972
Education	23,047,518	23,892,923	23,598,387	294,536
Capital outlays	759,279	731,382	326,813	404,569
Transfers to other funds	715,878	1,776,240	1,706,886	69,354
Total Charges To Appropriations	61,943,266	64,110,791	62,417,937	1,692,854
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	1,332,913	2,305,124	2,602,171	297,047
Reconciling Items				
Bond sale proceeds	319,039	158,182	217,316	59,134
Issuance premiums	-	-	2,533	2,533
Bond issuance discount	-	-	(396)	(396)
Assumed reversions	172,500	218,768	-	(218,768)
Working capital adjustment	-	-	(243,000)	(243,000)
Noncash activity (net)	-	-	217,934	217,934
Nonappropriated fund balances	-	-	99,001	99,001
Changes in reserves (net)	-	-	4,659	4,659
Total Reconciling Items	491,539	376,950	298,047	(78,903)
Budgetary Fund Balance, June 30	\$ 1,824,452	\$ 2,682,074	\$ 2,900,218	\$ 218,144

The separately submitted report that demonstrates compliance at a legal level of budgetary control is traceable to the Schedule of Revenues, Expenditures and Other Financing Sources (Uses) - Budget and Actual found on page 276-277.

BUDGETARY COMPARISON SCHEDULE
General Fund - Budget to GAAP Reconciliation

General Fund	
For the Biennium Ended June 30, 2017	
<i>(expressed in thousands)</i>	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources"	
from the Budgetary Comparison Schedule	\$ 65,020,108
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(2,746,969)
Budgetary fund balance at the beginning of the biennium, as restated	(1,550,847)
Appropriated loan principal repayment	(606)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	3,069,775
Revenues collected for other governments	242,132
Unanticipated receipts	37,551
Noncash revenues	170,523
Other	12,725
Biennium total revenues	64,254,392
Fiscal year 2016 total revenues, as restated for fund reclassification	(31,137,700)
Nonappropriated activity	29,363
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 33,146,055
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations"	
from the Budgetary Comparison Schedule	\$ 62,417,937
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(2,969,306)
Other transfers to other funds	(1,706,886)
Appropriated loan disbursements	(106)
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	3,069,775
Distributions to other governments	242,132
Certificates of participation and capital lease acquisitions	49,918
Expenditures related to unanticipated receipts	37,551
Other	13,074
Biennium total expenditures	61,154,089
Fiscal year 2016 total expenditures, as restated for fund reclassification	(30,121,251)
Nonappropriated activity	685,679
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 31,718,517

BUDGETARY COMPARISON SCHEDULE
Higher Education Special Revenue Fund

Budgetary Comparison Schedule Higher Education Special Revenue Fund For the Biennium Ended June 30, 2017 <i>(expressed in thousands)</i>				
	Original Budget 2015-17 Biennium	Final Budget 2015-17 Biennium	Actual 2015-17 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 335,583	\$ 335,583	\$ 335,583	\$ -
Resources				
Taxes	455,330	459,935	468,702	8,767
Licenses, permits, and fees	-	968	-	(968)
Other contracts and grants	310	1,398	-	(1,398)
Charges for services	21,888	366,820	-	(366,820)
Investment income (loss)	1,741	3,053	1,365	(1,688)
Miscellaneous revenue	2,270	2,265	1	(2,264)
Transfers from other funds	54,500	56,220	54,695	(1,525)
Total Resources	871,622	1,226,242	860,346	(365,896)
Charges To Appropriations				
Education	456,902	434,551	433,841	710
Transfers to other funds	53,900	53,900	54,694	(794)
Total Charges To Appropriations	510,802	488,451	488,535	(84)
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	360,820	737,791	371,811	(365,980)
Reconciling Items				
Issuance premiums	-	140	-	(140)
Refunding COPs issued	-	7,800	-	(7,800)
Payments to escrow agents for refunded debt	-	(11,000)	-	11,000
Working Capital Adjustment	-	-	(2,240)	(2,240)
Noncash activity (net)	-	-	31,768	31,768
Nonappropriated fund balances	-	-	2,238,496	2,238,496
Changes in reserves (net)	-	-	23,945	23,945
Total Reconciling Items	-	(3,060)	2,291,969	2,295,029
Budgetary Fund Balance, June 30	\$ 360,820	\$ 734,731	\$ 2,663,780	\$ 1,929,049

BUDGETARY COMPARISON SCHEDULE

Higher Education Special Revenue Fund - Budget to GAAP Reconciliation

Higher Education Special Revenue Fund	
For the Biennium Ended June 30, 2017	
<i>(expressed in thousands)</i>	
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 860,346
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(54,695)
Budgetary fund balance at the beginning of the biennium, as restated	(335,583)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash revenues	(183)
Biennium total revenues	469,885
Fiscal year 2016 total revenues	(5,295,661)
Nonappropriated activity	10,264,338
Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 5,438,562
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 488,535
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(26,665)
Other transfers to other funds	(54,694)
Biennium total expenditures	407,176
Fiscal year 2016 total expenditures	(5,369,983)
Nonappropriated activity	10,571,102
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 5,608,295

BUDGETARY INFORMATION

Notes to Required Supplementary Information

GENERAL BUDGETARY POLICIES AND PROCEDURES

The Governor is required to submit a budget to the Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature.

The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year in the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying budgetary schedule is not presented at the legal level of budgetary control. This is due to the large number of appropriations within individual agencies that would make such a presentation in the accompanying financial schedule extremely cumbersome. Section 2400.121 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards provides for the preparation of a separate report in these extreme cases.

For the state of Washington, a separate report has been prepared for the 2015-17 biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds/accounts at agency and appropriation level are presented in the Budget-to-Actual Detail Report for governmental funds. The report is available on line at <http://www.ofm.wa.gov/cafr/2017/default.asp>.

Legislative appropriations are strict legal limits on expenditures; over-expenditures are prohibited. All appropriated and certain nonappropriated funds/accounts are further controlled by the executive branch through the allotment process. This process allocates the expenditure plan into monthly allotments by program, source of funds, and object of expenditure. State law does not preclude the over-expenditure of allotments.

Proprietary funds/accounts can earn revenues and incur expenses (i.e., depreciation or cost of goods sold) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund/account business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. OFM is authorized to estimate revenue and make expenditure allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances outstanding against continuing appropriations at fiscal year-end are reported as restricted, committed, or assigned fund balance.

Budgetary Reporting vs. GAAP Reporting

Governmental funds are budgeted materially in conformance with generally accepted accounting principles. However, the presentation in the accompanying budgetary schedules is different in certain respects from the corresponding Statements of Revenues, Expenditures, and Changes in Fund Balance (governmental operating statement). In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities. Expenditures are classified based on whether the appropriation is from the operating or capital budget. Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are capital asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These activities include activities designated as nonappropriated by the Legislature. Nonappropriated activities can represent a portion of a fund such as the Higher Education Special Revenue Fund or all of a fund such as the Higher Education Endowment and Tobacco Settlement Securitization Bond Debt Service Funds. Additionally, certain items including federal surplus food commodities, electronic food stamp benefits, and resources collected and distributed to other governments are also excluded because they are not appropriated.

Further, certain expenditures are appropriated as operating transfers. These transfers are reported as operating transfers on the budgetary schedules and as expenditures on the governmental operating statements.

In the General Fund, Budgetary Fund Balance equals restricted fund balance reduced by a portion that is not available for budgeting, committed, and unassigned fund balances as reported on the Governmental Funds Balance Sheet. In the Higher Education Special Revenue Fund, Budgetary Fund Balance equals the sum of restricted and committed fund balance as reported on the Governmental Funds Balance Sheet. In all other funds except Wildlife and Natural Resources, Budgetary Fund Balance equals total fund balance less nonspendable fund balance as reported on the Governmental Funds Balance Sheet. The Budgetary Fund Balance in the Wildlife and Natural Resources fund is further reduced by a portion of restricted fund balance that is not available for budgeting.

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Changes in Net Pension Liability and Related Ratios				
Washington State Patrol Retirement System - Plan 1/2				
Last Four Measurement Years*				
(expressed in thousands)				
	2016	2015	2014	2013
Total Pension Liability				
Service cost	\$ 16,534	\$ 16,633	\$ 18,041	N/A
Interest	83,373	80,037	75,249	N/A
Changes of benefit terms	1,947	2,258	-	N/A
Differences between expected and actual experience	(10,431)	8,883	-	N/A
Changes in assumptions	2	17	-	N/A
Benefit payments, including refunds of employee contributions	(54,159)	(50,075)	(47,510)	N/A
Net Change in Total Pension Liability	37,266	57,753	45,780	N/A
Total Pension Liability - Beginning	1,130,177	1,072,424	1,026,644	N/A
Total Pension Liability - Ending (a)	\$ 1,167,443	\$ 1,130,177	\$ 1,072,424	\$ 1,026,644
Plan Fiduciary Net Position				
Contributions - employer	\$ 7,044	\$ 6,679	\$ 6,587	N/A
Contributions - employee	8,895	6,323	6,555	N/A
Net investment income	25,352	49,046	176,856	N/A
Benefit payments, including refunds of employee contributions	(54,159)	(50,075)	(47,510)	N/A
Administrative expense	(60)	(67)	(84)	N/A
Other	429	293	509	N/A
Net Change in Plan Fiduciary Net Position	(12,499)	12,199	142,913	N/A
Plan Fiduciary Net Position - Beginning	1,110,626	1,098,427	955,514	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 1,098,127	\$ 1,110,626	\$ 1,098,427	\$ 955,514
State's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 69,316	\$ 19,551	\$ (26,003)	\$ 71,130
Plan Fiduciary Net Position as a percentage of the Total Pension Liability /(Asset)	94.06%	98.27%	102.42%	93.07%
Covered-employee payroll	\$ 86,660	\$ 84,388	\$ 85,046	\$ 81,895
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll	79.99%	23.17%	-30.58%	86.86%
N/A indicates data not available.				
*This schedule is to be built prospectively until it contains ten years of data.				
Note: Figures may not total due to rounding.				
Source: Washington State Office of the State Actuary				

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Changes in Net Pension Liability and Related Ratios				
Judicial Retirement System				
Last Four Measurement Years*				
(expressed in thousands)				
	2016	2015	2014	2013
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	N/A
Interest	3,704	4,382	4,319	N/A
Changes of benefit terms	-	-	-	N/A
Differences between expected and actual experience	20	1,590	-	N/A
Changes in assumptions	8,737	4,335	-	N/A
Benefit payments, including refunds of employee contributions	(9,131)	(9,336)	(9,480)	N/A
Net Change in Total Pension Liability	3,330	971	(5,161)	N/A
Total Pension Liability - Beginning	101,312	100,341	105,502	N/A
Total Pension Liability - Ending (a)	\$ 104,642	\$ 101,312	\$ 100,341	\$ 105,502
Plan Fiduciary Net Position				
Contributions - employer	\$ 9,500	\$ 10,600	\$ 10,600	N/A
Contributions - employee	-	-	-	N/A
Net investment income	74	38	25	N/A
Benefit payments, including refunds of employee contributions	(9,131)	(9,336)	(9,480)	N/A
Administrative expense	(1)	-	-	N/A
Other	-	-	-	N/A
Net Change in Plan Fiduciary Net Position	442	1,302	1,145	N/A
Plan Fiduciary Net Position - Beginning	6,333	5,031	3,886	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 6,775	\$ 6,333	\$ 5,031	\$ 3,886
State's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 97,867	\$ 94,979	\$ 95,310	\$ 101,616
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	6.47%	6.25%	5.01%	3.68%
Covered-employee payroll ⁽¹⁾	N/A	N/A	N/A	\$ 160
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll ⁽¹⁾	N/A	N/A	N/A	63510%
N/A indicates data not available.				
⁽¹⁾ Covered-employee payroll is not applicable because there are no active plan employees.				
*This schedule is to be built prospectively until it contains ten years of data.				
Note: Figures may not total due to rounding.				
Source: Washington State Office of the State Actuary				

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Changes in Net Pension Liability and Related Ratios				
Judges' Retirement Fund				
Last Four Measurement Years*				
(expressed in thousands)				
	2016	2015	2014	2013
Total Pension Liability				
Service cost	\$ -	\$ -	\$ -	N/A
Interest	116	138	137	N/A
Changes of benefit terms	-	-	-	N/A
Differences between expected and actual experience	123	182	-	N/A
Changes in assumptions	181	95	-	N/A
Benefit payments, including refunds of employee contributions	(440)	(444)	(444)	N/A
Net Change in Total Pension Liability	(20)	(29)	(307)	N/A
Total Pension Liability - Beginning	3,117	3,146	3,453	N/A
Total Pension Liability - Ending (a)	\$ 3,097	\$ 3,117	\$ 3,146	\$ 3,453
Plan Fiduciary Net Position				
Contributions - employer	\$ 501	\$ -	\$ -	N/A
Contributions - employee	-	-	-	N/A
Net investment income	6	4	7	N/A
Benefit payments, including refunds of employee contributions	(440)	(444)	(444)	N/A
Administrative expense	-	-	-	N/A
Other	-	-	-	N/A
Net Change in Plan Fiduciary Net Position	67	(440)	(437)	N/A
Plan Fiduciary Net Position - Beginning	515	955	1,392	N/A
Plan Fiduciary Net Position - Ending (b)	\$ 582	\$ 515	\$ 955	\$ 1,392
State's Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 2,515	\$ 2,602	\$ 2,191	\$ 2,061
Plan Fiduciary Net Position as a percentage of the Total Pension Liability/(Asset)	18.79%	16.52%	30.36%	40.31%
Covered-employee payroll ⁽¹⁾	N/A	N/A	N/A	N/A
State's Net Pension Liability/(Asset) as a percentage of covered-employee payroll ⁽¹⁾	N/A	N/A	N/A	N/A
N/A indicates data not available.				
⁽¹⁾ Covered-employee payroll is not applicable because there are no active plan employees.				
* This schedule is to be built prospectively until it contains ten years of data.				
Note: Figures may not total due to rounding.				
Source: Washington State Office of the State Actuary				

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Contributions Washington State Patrol Retirement System - Plan 1/2 Last Ten Fiscal Years (expressed in thousands)						
Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarial Determined Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll	
2017	\$ 8,179	\$ 7,587	\$ 592	\$ 93,053	8.15%	
2016	7,618	7,044	574	86,660	8.13%	
2015	6,810	6,679	131	84,388	7.91%	
2014	6,677	6,587	90	85,046	7.75%	
2013	2,500	6,478	(3,978)	81,895	7.91%	
2012	2,900	6,454	(3,554)	81,578	7.91%	
2011	2,300	5,251	(2,951)	81,882	6.41%	
2010	6,600	5,271	1,329	82,764	6.37%	
2009	5,000	6,371	(1,371)	82,719	7.70%	
2008	6,800	6,064	736	78,781	7.70%	

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.
 Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Contributions Judicial Retirement System Last Ten Fiscal Years <i>(expressed in thousands)</i>						
Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarial Determined Contributions	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll	
2017	\$ 8,761	\$ 9,300	\$ (539)	\$ -	N/A	
2016	8,999	9,500	(501)	-	N/A	
2015	9,132	10,600	(1,468)	-	N/A	
2014	9,205	10,600	(1,395)	-	N/A	
2013	21,700	10,112	11,588	160	6320.00%	
2012	22,600	8,131	14,469	407	1997.79%	
2011	18,600	10,906	7,694	611	1784.94%	
2010	20,400	11,649	8,751	1,053	1106.27%	
2009	21,200	10,305	10,895	1,394	739.24%	
2008	26,600	9,712	16,888	1,496	649.20%	

Contributions in relation to the Actuarially Determined Contributions are based on state contributions.
 N/A indicates data not available. Beginning in 2014, there are no active members.

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.
 Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Single Employer Plans

Schedule of Contributions Judges' Retirement Fund Last Ten Fiscal Years <i>(expressed in thousands)</i>						
Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarial Determined Contributions	Contribution Deficiency (Excess)	Covered- employee Payroll	Contributions as a Percentage of Covered-employee Payroll	
2017	\$ 439	\$ 499	\$ (60)	\$ -	N/A	
2016	444	501	(57)	-	N/A	
2015	539	-	539	-	N/A	
2014	425	-	425	-	N/A	
2013	400	-	400	-	N/A	
2012	300	-	300	-	N/A	
2011	100	-	100	-	N/A	
2010	-	-	-	-	N/A	
2009	-	-	-	-	N/A	
2008	-	300	(300)	-	N/A	

Contributions in relation to the Actuarially Determined Contributions are based on state contributions.
 N/A indicates data not available. There are no active employees.

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.
 Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of the State's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State PERS Plan 1 employers' proportion of the net pension liability/(asset)	41.99%	41.57%	42.37%
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 2,255,244	\$ 2,174,623	\$ 2,134,189
Covered payroll of employees participating in PERS plan 1	\$ 103,235	\$ 120,686	\$ 143,836
Covered payroll of employees participating in PERS plan 2/3	4,648,843	4,363,171	4,215,934
Covered payroll of employees participating in PSERS plan 2	155,768	140,977	130,172
Covered-Employee Payroll	<u>\$ 4,907,846</u>	<u>\$ 4,624,834</u>	<u>\$ 4,489,942</u>
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	45.95%	47.02%	47.53%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	57.03%	59.10%	61.19%
* This schedule is to be built prospectively until it contains ten years of data.			

Schedule of the State's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State PERS Plan 2/3 employers' proportion of the net pension liability/(asset)	49.72%	49.10%	49.27%
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ 2,503,313	\$ 1,754,418	\$ 995,856
State PERS Plan 2/3 employers' covered-employee payroll	\$ 4,648,843	\$ 4,363,171	\$ 4,215,934
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	53.85%	40.21%	23.62%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	85.82%	89.20%	93.29%
* This schedule is to be built prospectively until it contains ten years of data.			

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of the State's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 1 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State TRS Plan 1 employers' proportion of the net pension liability/(asset)	0.97%	0.86%	0.78%
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 33,026	\$ 27,186	\$ 22,924
Covered payroll of employees participating in TRS plan 1	\$ 5,735	\$ 3,913	\$ 4,611
Covered payroll of employees participating in TRS plan 2/3	41,803	33,705	25,673
Covered-employee payroll	<u>\$ 47,538</u>	<u>\$ 37,618</u>	<u>\$ 30,284</u>
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	69.47%	72.27%	75.70%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	62.07%	65.70%	68.77%
* This schedule is to be built prospectively until it contains ten years of data.			

Schedule of the State's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 2/3 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State TRS Plan 2/3 employers' proportion of the net pension liability/(asset)	0.87%	0.72%	0.59%
State TRS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ 11,896	\$ 6,107	\$ 1,913
State TRS Plan 2/3 employers' covered-employee payroll	\$ 41,803	\$ 33,705	\$ 25,673
State TRS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	28.46%	18.12%	7.45%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	88.72%	92.48%	96.81%
* This schedule is to be built prospectively until it contains ten years of data.			

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of the State's Proportionate Share of the Net Pension Liability Public Safety Employees' Retirement System (PSERS) Plan 2 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State PSERS Plan 2 employers' proportion of the net pension liability/(asset)	47.97%	47.93%	48.26%
State PSERS Plan 2 employers' proportionate share of the net pension liability (asset)	\$ 20,386	\$ 8,748	\$ (6,988)
State PSERS Plan 2 employers' covered-employee payroll	\$ 155,768	\$ 140,977	\$ 130,172
State PSERS Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	13.09%	6.21%	-5.37%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	90.41%	95.08%	105.01%
* This schedule is to be built prospectively until it contains ten years of data.			

Schedule of the State's Proportionate Share of the Net Pension Liability Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1 Measurement Date of June 30 * (expressed in thousands)			
	2016	2015	2014
State's nonemployer proportion of the net pension liability/(asset)	87.12%	87.12%	87.12%
State as nonemployer contributing entity proportionate share of the net pension liability/(asset)	\$ (897,585)	\$ (1,049,988)	\$ (1,056,583)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	123.74%	127.36%	126.91%
* This schedule is to be built prospectively until it contains ten years of data.			

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of the State's Proportionate Share of the Net Pension Liability Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 Measurement Date of June 30 * <i>(expressed in thousands)</i>			
	2016	2015	2014
State LEOFF Plan 2 employers' proportion of the net pension liability/(asset)	0.88%	0.83%	0.84%
State as nonemployer contributing entity proportion of the net pension liability/(asset)	39.46%	39.80%	39.52%
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset)	\$ (5,113)	\$ (8,580)	\$ (11,164)
State as nonemployer contributing entity total proportionate share of the net pension liability/(asset)	(229,538)	(409,091)	(524,419)
Total	\$ (234,651)	\$ (417,671)	\$ (535,583)
State LEOFF Plan 2 employers' covered-employee payroll	\$ 19,828	\$ 18,744	\$ 18,259
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	-25.79%	-45.77%	-61.14%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	106.04%	111.67%	116.75%
* This schedule is to be built prospectively until it contains ten years of data.			

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of Contributions				
Public Employees' Retirement System (PERS) Plan 1				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contributions (CRC)	\$ 251,924	\$ 238,158	\$ 191,618	\$ 188,639
Employer Contributions related to covered payroll of employees participating in PERS plan 1	9,537	11,385	11,072	12,964
Employer UAAL Contributions related to covered payroll of employees participating in PERS plan 2/3 and PSERS plan 2	242,387	226,773	180,546	175,675
Contributions in Relation to the Actuarially Determined Contributions	251,924	238,158	191,618	188,639
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll of employees participating in PERS plan 1	\$ 85,341	\$ 103,235	\$ 120,686	\$ 143,836
Covered payroll of employees participating in PERS plan 2/3	4,928,806	4,648,843	4,363,171	4,215,935
Covered payroll of employees participating in PSERS plan 2	175,395	155,768	140,977	130,172
Covered-Employee Payroll	\$ 5,189,542	\$ 4,907,846	\$ 4,624,834	\$ 4,489,943
Contributions as a percentage of covered-employee payroll	4.85%	4.85%	4.14%	4.20%

* This schedule is to be built prospectively until it contains ten years of data.

Schedule of Contributions				
Public Employees' Retirement System (PERS) Plan 2/3				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contribution	\$ 306,591	\$ 287,049	\$ 219,395	\$ 209,455
Contributions in relation to the contractually required contribution	306,591	287,049	219,395	209,455
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,928,806	\$ 4,648,843	\$ 4,363,171	\$ 4,215,935
Contributions as a percentage of covered-employee payroll	6.22%	6.17%	5.03%	4.97%

* This schedule is to be built prospectively until it contains ten years of data.

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of Contributions				
Teachers' Retirement System (TRS) Plan 1				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,608	\$ 2,940	\$ 1,920	\$ 1,537
Employer Contributions related to covered payroll of employees participating in TRS plan 1	326	369	388	451
Employer UAAL Contributions related to covered payroll of employees participating in TRS plan 2/3	3,282	2,571	1,532	1,086
Contributions in Relation to the Actuarially Determined Contributions	<u>3,608</u>	<u>2,940</u>	<u>1,920</u>	<u>1,537</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll of employees participating in TRS plan 1	\$ 2,475	\$ 5,735	\$ 3,913	\$ 4,611
Covered payroll of employees participating in TRS plan 2/3	52,534	41,803	33,705	25,673
Covered-employee payroll	<u>\$ 55,009</u>	<u>\$ 47,538</u>	<u>\$ 37,618</u>	<u>\$ 30,284</u>
Contributions as a percentage of covered-employee payroll	6.56%	6.18%	5.10%	5.08%
* This schedule is to be built prospectively until it contains ten years of data.				

Schedule of Contributions				
Teachers' Retirement System (TRS) Plan 2/3				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,542	\$ 2,827	\$ 1,924	\$ 1,454
Contributions in relation to the contractually required contribution	3,542	2,827	1,924	1,454
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 52,534	\$ 41,803	\$ 33,705	\$ 25,673
Contributions as a percentage of covered-employee payroll	6.74%	6.76%	5.71%	5.66%
* This schedule is to be built prospectively until it contains ten years of data.				

PENSION PLAN INFORMATION
Cost Sharing Employer Plans

Schedule of Contributions				
Public Safety Employees' Retirement System (PSERS) Plan 2				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contribution	\$ 11,465	\$ 10,233	\$ 8,932	\$ 8,100
Contributions in relation to the contractually required contribution	11,465	10,233	8,932	8,100
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 175,395	\$ 155,768	\$ 140,977	\$ 130,172
Contributions as a percentage of covered-employee payroll	6.54%	6.57%	6.34%	6.22%
* This schedule is to be built prospectively until it contains ten years of data.				

Schedule of Contributions				
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2*				
Fiscal Year Ended June 30*				
<i>(dollars in thousands)</i>				
	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,346	\$ 1,345	\$ 1,224	\$ 1,184
Contributions in relation to the contractually required contribution	1,346	1,345	1,224	1,184
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 20,396	\$ 19,828	\$ 18,744	\$ 18,259
Contributions as a percentage of covered-employee payroll	6.60%	6.78%	6.53%	6.48%
* This schedule is to be built prospectively until it contains ten years of data.				

PENSION PLAN INFORMATION

Notes to Required Supplementary Information

Methods and assumptions used in calculations of Actuarially Determined Contributions (ADC) for PERS, TRS, LEOFF, and WSPRS. The Office of the State Actuary (OSA) calculates the ADC based on the results of an actuarial valuation consistent with the state’s funding policy defined under chapter 41.45 RCW. Consistent with the state’s contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2013, valuation date, completed in the fall of 2014, determines the ADC for the period beginning July 1, 2015, and ending June 30, 2017.

Methods and assumptions used in calculations of the ADC for JRS and Judges. The OSA calculates the ADC based on the results of an actuarial valuation, and sets the ADC equal to the expected benefit payments from the plan. Consistent with the state’s funding policy defined under RCWs 2.10.90 and 2.12.60, the Legislature makes

biennial appropriations in order to ensure the fund is solvent to make the necessary benefit payments.

OSA calculates the ADC consistent with the methods described above. Adopted contribution rates may be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2015 and ending June 30, 2017, the contribution rates adopted by the Pension Funding Council, and unchanged by the Legislature, reflect a phase-in of the increase to contribution rates that resulted from a change to the mortality assumption. The increase is expected to be phased-in over three biennia for PERS 1/2/3, TRS 1/2/3, PSERS 2, and WSPRS 1/2.

For cost-sharing plans, OSA calculates the Contractually Required Contributions (CRC) using the same assumptions and methods as the ADC except the CRC reflect the adopted contribution rates for the time period shown, which may differ from the contribution rates produced for the ADC.

Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund

Schedule of Net Pension Liability					
Last Five Fiscal Years*					
<i>(expressed in thousands)</i>					
	2017	2016	2015	2014	2013
Total Pension Liability - Ending	\$ 192,700	\$ 191,494	\$ 188,584	\$ 186,527	\$ 183,578
Plan Fiduciary Net Position - Ending	229,800	208,663	207,855	204,195	177,134
Plan's Net Pension Liability/(Asset) - Ending	\$ (37,100)	\$ (17,169)	\$ (19,271)	\$ (17,668)	\$ 6,444
Plan fiduciary net position as a percentage of the total pension liability/(asset)	119.25%	108.97%	110.22%	109.47%	96.49%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability/(asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
N/A indicates data not applicable. This is a volunteer organization.					
*This schedule is to be built prospectively until it contains ten years of data.					
Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.					
Source: Washington State Office of the State Actuary					

PENSION PLAN INFORMATION

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

Schedule of Change in Net Pension Liability					
Last Five Fiscal Years*					
<i>(expressed in thousands)</i>					
	2017	2016	2015	2014	2013
Total Pension Liability					
Service cost	\$ 869	\$ 893	\$ 919	\$ 1,240	N/A
Interest	12,946	12,887	12,656	12,480	N/A
Changes of benefit terms	-	-	-	-	N/A
Differences between expected and actual experience	(1,998)	(176)	(2,948)	-	N/A
Changes in assumptions	463	101	1,931	-	N/A
Benefit payments, including refunds of member contributions	(11,074)	(10,795)	(10,501)	(10,771)	N/A
Net Change in Total Pension Liability	1,206	2,910	2,057	2,949	N/A
Total Pension Liability - Beginning	191,494	188,584	186,527	183,578	N/A
Total Pension Liability - Ending	\$ 192,700	\$ 191,494	\$ 188,584	\$ 186,527	\$ 183,578
Plan Fiduciary Net Position					
Contributions - Municipalities	\$ 848	\$ 918	\$ 913	\$ 953	N/A
Contributions - Member	69	67	76	95	N/A
Contributions - State as nonemployer contributing entity	6,646	7,235	5,903	6,383	N/A
Net investment income	26,114	4,588	8,289	31,892	N/A
Benefit payments, including refunds of member contributions	(11,074)	(10,795)	(10,501)	(10,771)	N/A
Administrative expense	(1,466)	(1,205)	(1,020)	(1,469)	N/A
Other	-	-	-	(22)	N/A
Net Change in Plan Fiduciary Net Position	21,137	808	3,660	27,061	N/A
Plan Fiduciary Net Position - Beginning	208,663	207,855	204,195	177,134	N/A
Plan Fiduciary Net Position - Ending	\$ 229,800	\$ 208,663	\$ 207,855	\$ 204,195	\$ 177,134
Plan's Net Pension Liability/(Asset) - Ending	\$ (37,100)	\$ (17,169)	\$ (19,271)	\$ (17,668)	\$ 6,444

N/A indicates data not available.
 *This schedule is to be built prospectively until it contains ten years of data.
 Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

PENSION PLAN INFORMATION

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

Schedule of Contributions				
Last Ten Fiscal Years				
<i>(expressed in thousands)</i>				
Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution		Contribution Deficiency (Excess)
2017	\$ 4,528	\$ 7,494	\$	(2,966)
2016	6,846	8,153		(1,307)
2015	6,653	6,816		(163)
2014	6,421	7,336		(915)
2013	4,600	6,946		(2,346)
2012	4,700	6,484		(1,784)
2011	5,300	6,778		(1,478)
2010	2,800	6,787		(3,987)
2009	2,500	6,223		(3,723)
2008	1,900	6,102		(4,202)

Notes: Neither covered-employee payroll nor contributions as a percentage of covered-employee payroll are applicable. This is a volunteer organization.

Beginning in 2017, the methodology for determining the Actuarially Determined Contributions was revised to reflect the timing of the contributions based upon the Board's adoption cycle and the actuarial funding methods selected.

Prior to 2014, the Annual Required Contribution (ARC) amounts are presented for the Actuarially Determined Contributions.

Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

Schedule of Investment Returns				
Last Four Fiscal Years*				
	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	13.26%	2.19%	4.05%	18.50%

*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund
Notes to Required Supplementary Information

The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with funding policy defined under chapter 41.24 RCW and adopted policies made by the State Board for Volunteer Fire Fighters and Reserve Officers. Consistent with the

Board's contribution rate adoption process, the results of an actuarial valuation determine the ADC two years after the valuation date. For example, the actuarial valuation with a June 30, 2014, valuation date, completed in the fall of 2015, determines the ADC for the period ending June 30, 2017.

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

Schedule of Changes in Total Pension Liability and Related Ratios	
University of Washington	
Fiscal Year Ended and Measurement Date June 30*	
<i>(expressed in thousands)</i>	
	2017
Total Pension Liability	
Service cost	\$ 19,891
Interest	15,097
Changes of benefit terms	-
Differences between expected and actual experience	(74,918)
Changes in assumptions	(28,553)
Benefit payments	(5,136)
Other	-
Net Change in Total Pension Liability	<u>(73,619)</u>
Total Pension Liability - Beginning	<u>512,372</u>
Total Pension Liability - Ending	<u>\$ 438,753</u>
Covered-employee payroll	\$ 801,161
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	54.76%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

Schedule of Changes in Total Pension Liability and Related Ratios	
Washington State University	
Fiscal Year Ended and Measurement Date June 30*	
<i>(expressed in thousands)</i>	
	2017
Total Pension Liability	
Service cost	\$ 3,803
Interest	3,140
Changes of benefit terms	-
Differences between expected and actual experience	(16,389)
Changes in assumptions	(6,574)
Benefit payments	(1,890)
Other	-
Net Change in Total Pension Liability	<u>(17,910)</u>
Total Pension Liability - Beginning	<u>107,324</u>
Total Pension Liability - Ending	<u>\$ 89,414</u>
Covered-employee payroll	\$ 196,596
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	45.48%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

Schedule of Changes in Total Pension Liability and Related Ratios	
Central Washington University	
Fiscal Year Ended and Measurement Date June 30*	
<i>(expressed in thousands)</i>	
	2017
Total Pension Liability	
Service cost	\$ 150
Interest	293
Changes of benefit terms	-
Differences between expected and actual experience	(1,270)
Changes in assumptions	(616)
Benefit payments	(411)
Other	-
Net Change in Total Pension Liability	<u>(1,854)</u>
Total Pension Liability - Beginning	<u>10,331</u>
Total Pension Liability - Ending	<u><u>\$ 8,477</u></u>
Covered-employee payroll	\$ 11,028
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	76.87%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

Schedule of Changes in Total Pension Liability and Related Ratios	
Eastern Washington University	
Fiscal Year Ended and Measurement Date June 30*	
<i>(expressed in thousands)</i>	
	2017
Total Pension Liability	
Service cost	\$ 658
Interest	420
Changes of benefit terms	-
Differences between expected and actual experience	(2,852)
Changes in assumptions	(647)
Benefit payments	(140)
Other	-
Net Change in Total Pension Liability	<u>(2,561)</u>
Total Pension Liability - Beginning	<u>14,162</u>
Total Pension Liability - Ending	<u><u>\$ 11,601</u></u>
Covered-employee payroll	\$ 38,505
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	30.13%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

Schedule of Changes in Total Pension Liability and Related Ratios The Evergreen State College Fiscal Year Ended and Measurement Date June 30* (expressed in thousands)	
	2017
Total Pension Liability	
Service cost	\$ 296
Interest	230
Changes of benefit terms	-
Differences between expected and actual experience	(1,327)
Changes in assumptions	(387)
Benefit payments	(158)
Other	-
Net Change in Total Pension Liability	<u>(1,346)</u>
Total Pension Liability - Beginning	<u>7,856</u>
Total Pension Liability - Ending	<u>\$ 6,510</u>
Covered-employee payroll	\$ 16,941
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	38.43%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

Schedule of Changes in Total Pension Liability and Related Ratios Western Washington University Fiscal Year Ended and Measurement Date June 30* (expressed in thousands)	
	2017
Total Pension Liability	
Service cost	\$ 1,057
Interest	842
Changes of benefit terms	-
Differences between expected and actual experience	(5,278)
Changes in assumptions	(2,126)
Benefit payments	(298)
Other	-
Net Change in Total Pension Liability	<u>(5,803)</u>
Total Pension Liability - Beginning	<u>28,623</u>
Total Pension Liability - Ending	<u>\$ 22,820</u>
Covered-employee payroll	\$ 55,840
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	40.87%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

Schedule of Changes in Total Pension Liability and Related Ratios State Board for Community and Technical Colleges Fiscal Year Ended and Measurement Date June 30* (expressed in thousands)	
	2017
Total Pension Liability	
Service cost	\$ 5,417
Interest	3,514
Changes of benefit terms	-
Differences between expected and actual experience	(25,336)
Changes in assumptions	(5,980)
Benefit payments	(902)
Other	-
Net Change in Total Pension Liability	(23,287)
Total Pension Liability - Beginning	118,337
Total Pension Liability - Ending	\$ 95,050
Covered-employee payroll	\$ 375,725
Total Pension Liability/(Asset) as a percentage of covered-employee payroll	25.30%
N/A indicates data not available.	
*This schedule is to be built prospectively until it contains ten years of data.	
Note: Figures may not total due to rounding.	
Source: Washington State Office of the State Actuary	

Higher Education Supplemental Defined Benefit Plans
Notes to Required Supplementary Information

The Higher Education Supplemental Retirement Plans are financed on a pay-as-you-go basis. State institutions of higher education make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals. No assets are accumulated in trusts or equivalent arrangements.

Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, salary growth, and the variable income investment return.

OTHER POSTEMPLOYMENT BENEFITS INFORMATION

Schedule of Funding Progress Other Postemployment Benefits <i>(expressed in millions)</i>			
	2017	2015	2013
Actuarial valuation date	1/1/2017	1/1/2015	1/1/2013
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)*	5,480	5,274	3,707
Unfunded actuarial accrued liability (UAAL)	5,480	5,274	3,707
Funded ratio	0%	0%	0%
Covered payroll	6,511	6,219	5,787
UAAL as a percentage of covered payroll	84%	85%	64%
* Based on projected unit credit actuarial cost method.			
<i>Source: Washington State Office of the State Actuary</i>			

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Condition Assessment

The state of Washington reports certain networks of infrastructure assets under the modified approach of the Governmental Accounting Standards Board Statement No. 34. Expenditures to maintain and preserve these assets are budgeted, recorded, and reported in lieu of depreciation expense. The state must meet the following requirements to report networks of assets under the modified approach:

- Maintain an up-to-date inventory of eligible infrastructure assets in an asset management system.
- Disclose the condition level established by administrative or executive policy, or by legislative

action at which assets are to be preserved or maintained.

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Document that assets are being preserved approximately at or above the disclosed condition level.
- Annually estimate the cost to maintain and preserve the assets at the established condition level.

Assets accounted for under the modified approach include the state’s network of highway pavements, bridges, and rest areas. In fiscal year 2017, the state was responsible to maintain and preserve 20,797 pavement lane miles, 3,312 bridges and tunnels, and 47 rest areas.

PAVEMENT CONDITION

The Washington State Department of Transportation (WSDOT) performs highway pavement assessments over a two year cycle utilizing three measurements to develop a scaled condition assessment: Pavement Structural Condition (PSC), International Roughness Index (IRI), and rutting.

The WSDOT uses the following rating scale for PSC:

Category	PSC Range	Description
Very Good	80 – 100	Little or no distress. Example: Flexible pavement with 5% of wheel track length having “hairline” severity alligator cracking will have a PSC of 80.
Good	60 – 79	Early stage deterioration. Example: Flexible pavement with 15% of wheel track length having “hairline” alligator cracking will have a PSC of 70.
Fair	40 – 59	This is the threshold value for rehabilitation. Example: Flexible pavement with 25% of wheel track length having “hairline” alligator cracking will have a PSC of 50.
Poor	20 – 39	Structural deterioration. Example: Flexible pavement with 25% of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 30.
Very Poor	0 – 19	Advanced structural deterioration. Example: Flexible pavement with 40% of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The IRI scale is measured in inches per mile. The WSDOT assesses pavements with a ride performance measure less than 221 inches per mile to be in fair or better condition.

Rutting is measured in inches with a measurement of 0.58 inches or less assessed at a condition of fair or better.

PSC, IRI, and rutting are combined to rate a section of pavement which is assigned the lowest condition of any of the three indices.

The following table shows the combined conditions and the ratings for each index:

Category	PSC	IRI	Rutting
Very Good	80 – 100	< 96	< 0.24
Good	60 – 79	96 – 170	0.24 – 0.41
Fair	40 – 59	171 – 220	0.42 – 0.58
Poor	20 – 39	221 – 320	0.59 – 0.74
Very Poor	0 – 19	> 320	> 0.74

The WSDOT’s policy is to maintain 85 percent of pavements at a condition level of fair or better. The following table shows pavement condition ratings for state highways:

Pavements Percentage in Fair or Better Condition* Two Year Cycle Ending Calendar Year			
			Average of Last
<u>2015</u>	<u>2013</u>	<u>2011</u>	<u>Three Assessments</u>
93.2%	92.8%	91.2%	92.4%

* The percentage for 2011 is based solely on number of lane miles, whereas 2013 and 2015 are based on vehicle miles traveled. Vehicle miles traveled are key data for highway planning and management, and a common measure of roadway use.

The following table reflects the state’s estimated and actual expenditures necessary to preserve state highways at the established condition level:

Pavements Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	2017	2016	2015	2014	2013
Planned	\$ 304,040	\$ 160,423	\$ 173,716	\$ 122,868	\$ 137,779
Actual	264,315	161,211	142,789	143,598	108,972
Variance	\$ 39,725	\$ (788)	\$ 30,927	\$ (20,730)	\$ 28,807
	13.1%	-0.5%	17.8%	-16.9%	20.9%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about pavements, refer to the WSDOT’s website at:
<http://www.wsdot.wa.gov/Business/MaterialsLab/Pavements/default.htm>.

BRIDGE CONDITION

The WSDOT performs sample condition assessments on state owned bridges in excess of 20 feet in length each year with all bridges inspected over a two year cycle. Underwater bridge components are inspected at least once every five years in accordance with Federal Highway Administration (FHWA) requirements.

The WSDOT uses a performance measure established in FHWA’s “Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation’s Bridges,” which classifies the physical condition of bridges as good, fair, or poor based on structural sufficiency standards for the following bridge components: bridge superstructure, substructure, and deck. The appraisal data is collected in the National Bridge Inventory (NBI) and assigned a code from 0 to 9, with 0 being in a failed condition and 9 being in excellent condition.

Category	National Bridge Inventory Code	Description
Good	7 or more	A range from no problems noted to some minor problems.
Fair	5 or 6	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling, or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour, or seriously affected primary structural components.

The WSDOT’s policy is to maintain 90 percent of bridges at a condition level of fair or better. The following table shows condition ratings for state bridges:

Bridges Percentage in Fair or Better Condition Two Year Cycle Ending Fiscal Year			
			Average of Last Three Assessments
2017	2015	2013	
91.8%	92.1%	91.4%	91.8%

The following table reflects the state’s estimated and actual expenditures necessary to preserve the bridges at the established condition level:

Bridges Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	2017	2016	2015	2014	2013
Planned	\$ 45,891	\$ 75,160	\$ 71,078	\$ 92,192	\$ 98,519
Actual	45,088	66,339	64,060	87,271	87,306
Variance	\$ 803	\$ 8,821	\$ 7,018	\$ 4,921	\$ 11,213
	1.7%	11.7%	9.9%	5.3%	11.4%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about bridges, refer to WSDOT’s website at: <http://www.wsdot.wa.gov/Bridge/Structures/>.

SAFETY REST AREA CONDITION

The WSDOT performs safety rest area condition assessments over a two fiscal year cycle. Sites and buildings are divided into functional components that are assessed with a numerical rating of one to five. The rating is based on guidelines and parameters established by the WSDOT Capital Facilities Program and weighted by the criticality of the functional component.

The WSDOT’s policy is to maintain 95 percent of safety rest areas in a condition of fair or better. The following table shows condition ratings for safety rest areas:

Safety Rest Areas Percentage in Fair or Better Condition Two Year Cycle Ending Fiscal Year			
			Average of Last
<u>2017</u>	<u>2015</u>	<u>2013</u>	<u>Three Assessments</u>
100%	100%	100%	100%

The following table reflects the state’s estimated and actual expenditures necessary to preserve the safety rest areas at the established condition level:

Safety Rest Areas Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Planned	\$ 9,964	\$ 7,204	\$ 8,463	\$ 7,488	\$ 6,607
Actual	8,011	7,185	8,369	7,591	6,676
Variance	\$ 1,953	\$ 19	\$ 94	\$ (103)	\$ (69)
	19.6%	0.3%	1.1%	-1.4%	-1.0%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about safety rest areas, refer to WSDOT’s website at: <http://www.wsdot.wa.gov/safety/restareas>.

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