

November LTSS Trust Commission Investment Strategy Subcommittee Meeting Minutes

Meeting Date		November 14, 2024		Time		1:00 – 2:30 p.m.	
Attendees							
<input checked="" type="checkbox"/>	Senator Curtis King (Chair)	<input type="checkbox"/>	Representative Steve Conway	<input checked="" type="checkbox"/>	Senator Karen Keiser	<input type="checkbox"/>	Representative Frank Chopp
<input checked="" type="checkbox"/>	Representative Paul Harris	<input checked="" type="checkbox"/>	Representative Nicole Macri	<input type="checkbox"/>	Representative Bryan Sandlin	<input checked="" type="checkbox"/>	Senator Judy Warnick
<input checked="" type="checkbox"/>	April Amundson, Employment Security Department	<input checked="" type="checkbox"/>	Secretary Jilma Meneses, Department of Social and Health Services	<input checked="" type="checkbox"/>	Gary Bruebaker, person considered experienced and qualified in the field of investment, #1	<input checked="" type="checkbox"/>	Judy Kuschel, person considered experienced and qualified in the field of investment, #2
<input type="checkbox"/>	TBD, person considered experienced and qualified in the field of investment, #3	<input type="checkbox"/>	TBD, person considered experienced and qualified in the field of investment, #4	<input type="checkbox"/>			
Guest Speakers							
<input checked="" type="checkbox"/>	Ben Veghte, Department of Social and Health Services	<input checked="" type="checkbox"/>	Matt Smith, Office of State Actuary	<input checked="" type="checkbox"/>	Chris Hanak, State Investment Board	<input checked="" type="checkbox"/>	Rebecca Doane, Department of Social and Health Services
<input checked="" type="checkbox"/>	Porsche Everson, Facilitator	<input type="checkbox"/>		<input type="checkbox"/>			

Topic	Minutes
Welcome and Call to Order	<ul style="list-style-type: none"> Investment Strategy Subcommittee members in attendance indicated above. Senator King reviewed the meeting goals.
Consent Agenda <ul style="list-style-type: none"> 7/31/2024 Investment Strategy Subcommittee Meeting Minutes	<ul style="list-style-type: none"> Consent agenda was adopted.
WA Cares Fund Program Refresh	<p>Key program details per current statute (RCW 50B.04):</p> <ul style="list-style-type: none"> Premium rate - \$0.58 cents for every \$100 earned Lifetime benefit maximum –\$36,500, adjusted annually up to inflation, paid directly to providers Three pathways to qualified individual status <ul style="list-style-type: none"> Contribute 10 years without interruption of five or more consecutive years Contribute 3 of the last 6 years from the date of application for benefits



	<ul style="list-style-type: none"> ○ For near-retirees (born before 1968): contribute at least one year, earning one-tenth of the lifetime benefit amount for each year contributed ○ A person must work 500 hours during a year to receive credit for a qualifying year • Eligible beneficiary <ul style="list-style-type: none"> ○ A qualified individual who requires assistance with at least 3 activities of daily living (i.e., bathing, dressing, eating, ambulation, medication management, toilet use, transfer, etc.) • Premiums begin July 1, 2023, benefits begin July 1, 2026
Finance Update	<p>Fiscal Year 2024 Premium Revenue and Expenditure</p> <ul style="list-style-type: none"> • Premium Revenue (actual) - \$1,383,957,204 <ul style="list-style-type: none"> ○ Premiums collected for the first four quarters of program operation • Premium Revenue (projected) - \$934,000,000 • Expenditure - \$30,378,521 <p>Finance Update: Monitoring Early Experience</p> <ul style="list-style-type: none"> • As part of the Risk Management Framework (RMF), Phase 1 is largely focused on data collection, monitoring, and updating actuarial projections • Actual experience will be used in future actuarial projections • When comparing actual to assumed data, sustained deviations or significant short-term deviations could have long-term impacts <ul style="list-style-type: none"> ○ Depending on the source of the deviation, it could take years before there is sufficient credible experience to modify assumptions based on actual experience ○ This is consistent with Phase 1 of the RMF • In the meantime, OSA and Milliman will be monitoring emerging experience and reporting on any impacts to long-term fund solvency <p>• No Discussion</p>
Investment Performance Update	<p>Investment Performance Cadence</p> <ul style="list-style-type: none"> • Proposed 2025 ISS Schedule <ul style="list-style-type: none"> ○ June 25, 2025, from 1:00 pm to 2:30 pm ○ November 12, 2025, from 1:00 pm to 2:30 pm <p><u>Open to Discussion</u></p> <ul style="list-style-type: none"> • Keiser: It might depend on what the first quarter reports are. Might be worth having a conversation about the portfolio, depending on first quarter reports • Harris: I agree with Senator Keiser. Let's play it by ear. • Hanak: From an investment strategy perspective, we are long term investors. We're not prone to making short term adjustments. We are also restricted to fixed income investments.

	<ul style="list-style-type: none"> King: To summarize, if there's a need to have a second meeting, we could do that. Veghte: place a hold on calendars that we can cancel. Hanak: quarterly reports will be available on the website.
Cross-Agency Accounting Workgroup	<ul style="list-style-type: none"> No Discussion
Elect a new Chair	<ul style="list-style-type: none"> Representative Macri volunteered to serve as chair for 2025 Keiser: moved. Warnick seconded Motion passed unanimously
Public Comment	Public comment can be viewed in the table below.
Set Agenda for next meeting <ul style="list-style-type: none"> Approve 11/14/2024 Investment Strategy Subcommittee meeting minutes Receive Finance Update Update from Cross-Agency Accounting Workgroup 	<ul style="list-style-type: none"> Approve 7/31/2024 Investment Strategy Subcommittee meeting minutes Receive Finance Update Receive Investment Performance Update Update from Cross-Agency Accounting Workgroup Elect a new Chair for 2025
Wrap-up <ul style="list-style-type: none"> Action Item Review Adjourn 	<ul style="list-style-type: none"> Action item recap captured in the table below. Meeting adjourned at 1:35

#	Action Items	Lead	Due Date
1			

Name	Public Comment