



LTSS Trust Commission Meeting Investment Strategy Subcommittee Meeting



Meeting Guidelines

Commission Members

- Please turn on video
- Stay muted unless talking
- Encourage active participation
- Raise hand to speak if necessary

Audience Members

- Opportunity to provide public comment later in the meeting

**WELCOME &
CALL TO ORDER**

Meeting Goals

- Approve minutes
- Receive update on WA Cares Fund investment plan status report
- Receive update from Cross-Agency Accounting Workgroup
- Provide input on agenda for next Investment Strategy Subcommittee meeting

Approve minutes

- 11/4/2022 Investment Strategy Subcommittee meeting minutes

WA Cares Fund Program Refresh

Key program details per current statute (RCW 50B.04):

- **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**
 - 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
 - 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**
 - 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**

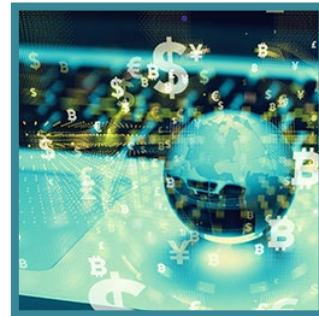
Meeting Presentations

WA Cares Fund Investment Plan Status Report and
Update from Cross-Agency Accounting Workgroup

WA CARES – INVESTMENT PLAN UPDATE

JUNE 2, 2023

Christopher Hanak
Chief Investment Officer



AGENDA

- **Timeline**
- **Investment Policy and Strategy**
- **WSIB Fixed Income Historical Performance**
- **Current Status**
- **Contact Information**



TIMELINE

November 2020	WSIB briefs Trust Commission Investment Strategy Subcommittee (ISS) on WSIB's approach to asset management
June 2021	WSIB updates Trust Commission ISS on revised investment plan
September 2021	WSIB provides Trust Commission ISS with an investment plan update
November 2021	WSIB asks Trust Commission ISS to consider risk tolerance
November 2021	WSIB updates Trust Commission
December 2021	WA Cares education session provided to WSIB Board
April 2022	WSIB updates Trust Commission ISS on investment plan and receives feedback on investment recommendation and policy
June 2022	WSIB Board approved WA Cares investment recommendation and policy
July 2022	WSIB updates Trust Commission on investment plan
November 2022	WSIB updates Trust Commission ISS on investment plan
June 2023	WSIB updates Trust Commission ISS on investment plan
November 2023	WSIB receives assets for investment and implements investment strategy

The WSIB approved the Long-Term Services & Supports Trust Account investment policy at its June 16, 2022, meeting



The customized fixed income investment program is designed to maximize return at a prudent level of risk while abiding by the constitutional limitations

The investment program will be actively managed by the WSIB with the following characteristics

- Invested in interest-producing debt securities with varying maturity, structure, and credit ratings
- Expected to meet or exceed the return of the Bloomberg U.S. Universal Index
- Managed to maintain a portfolio duration within plus or minus 25 percent of the index

The Board-adopted policy can be found at https://www.sib.wa.gov/docs/policies/2_35_600.pdf

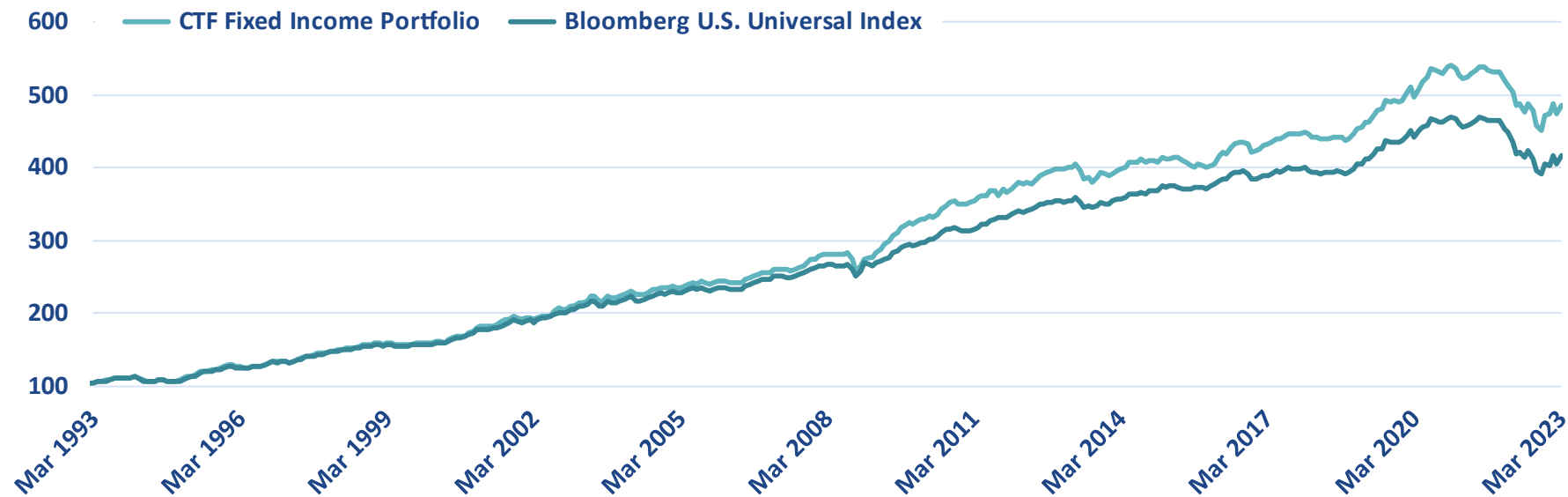
WSIB FIXED INCOME HISTORICAL PERFORMANCE

The WA Cares fund will be invested in a similar manner to the fixed income component of the Retirement Funds' Commingled Trust Fund (CTF)

The WSIB has an experienced and stable fixed income team with a long history of generating strong risk-adjusted performance

- The co-portfolio managers have over 50 years of combined experience managing the WSIB fixed income portfolios

Growth of \$100 Since Inception



CURRENT STATUS

WSIB is ready to invest once assets received

- **Accounts established at WSIB's custodian bank**
- **Investment policy adopted by the WSIB in June 2022**
- **Payroll deductions to start in July 2023**
- **WSIB anticipates receiving assets for investment in November 2023**



Quarterly performance measurement will be presented to the Trust Commission Investment Strategy Subcommittee following the first full quarter of investing after the Fund reaches \$250 million, which is expected to occur during the first quarter of 2024

CONTACT INFORMATION

Web Site

- <http://www.sib.wa.gov>

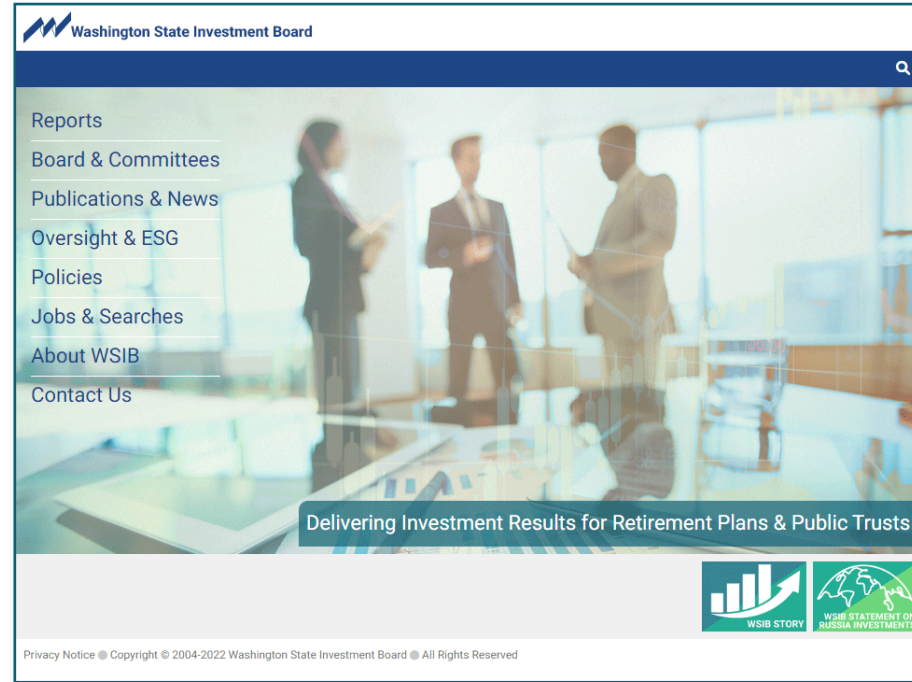


Address

- **2100 Evergreen Park Drive SW**
P.O. Box 40916
Olympia, WA 98504

Phone Number

- **(360) 956-4600**



Update from Cross-Agency Accounting Workgroup

- **Purpose:** The WA Cares Fund cross-agency accounting workgroup is responsible for aligning LTSS fund and account management responsibilities, policies, and processes.
- **Agency leads**
 - Department of Social and Health Services
 - Employment Security Department
 - Health Care Authority
 - Office of Financial Management
 - Washington State Investment Board
 - State Treasurer's Office
- **Progress on key decisions**
 - New Chair – Eric Mandt
 - Defining the process for the projected cash flow and investment deposits
 - Defining the process for repaying the General Fund for prior expenses

PUBLIC COMMENT

Submit written comments or questions to:
wacaresfund@dshs.wa.gov.

For more information about the program, visit
wacaresfund.wa.gov.

Sign up for Public Comment



Attendees: click on the Raise Hand icon to sign up for public comment



Phone callers: press *9 to raise your electronic hand.

Then, when recognized, press *6 to unmute yourself

Review Agenda for Next Meeting

- Update on premium launch
- Update on WA Cares Fund Investment Plan Status Report
- Update from Cross-Agency Accounting Workgroup

Wrap Up

- Action items review
- Adjourn

THANK YOU



WA
CARES
FUND

