

HOUSE BILL REPORT

HB 1735

As Reported By House Committee On:
State Government

Title: An act relating to divisions of the department of retirement systems.

Brief Description: Authorizing the department of retirement systems to be divided into three divisions.

Sponsors: Representatives Anderson, Sommers, King and Silver; by request of Department of Retirement Systems.

Brief History:

Reported by House Committee on:
State Government, February 23, 1993, DP.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass. Signed by 8 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; Campbell; Conway; Dyer; King; and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: The Department of Retirement Systems (DRS) was created in 1976, with two divisions: Operations (Retirement Services); and Fiscal and Administrative Services. DRS was reorganized in 1984, and a new Division of Information Services was added. Each of these divisions is headed by an assistant director.

In 1992, the state auditor discovered that the authorizing statute for DRS only allows for the creation of two divisions within DRS. Although the Legislature has impliedly ratified the 1984 change in the last four biennial budgets, the statute is inconsistent with the current organization of the department.

The Division of Information Services is currently working on two major information systems projects, and a third one is proposed in the governor's 1993-95 biennial budget. The department fears that services would be negatively impacted if it were forced to reorganize back into two divisions to meet the requirements of the original statute.

Summary of Bill: The director of the Department of Retirement Systems may organize the department into three divisions.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill makes it clear that DRS has the authority to continue its current organizational structure. Any attempt to collapse the Division of Information Services into the other two divisions would cause major logistical problems.

Testimony Against: None.

Witnesses: Pete Cutler, Department of Retirement Systems (pro).