

HOUSE BILL REPORT

ESB 5954

As Passed House-Amended:

April 10, 1997

Title: An act relating to claims against the University of Washington.

Brief Description: Regulating claims against the University of Washington.

Sponsors: Senators West, Swecker, Rossi, Snyder and Kohl.

Brief History:

Committee Activity:

Appropriations: 4/2/97, 4/3/97 [DPA].

Floor Activity:

Passed House-Amended: 4/10/97, 98-0.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 26 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Lambert; Linville; Mastin; McMorris; Parlette; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Mary Alice Grobins (786-7118).

Background: The University of Washington (UW) has been self-insured since 1976. Current law provides for a self-insurance revolving fund that is used by the board of regents of the UW to pay settlements and judgments against the university, including its schools, colleges, departments, hospitals, regents, officers, employees, agents and students. The law also provides that the fund be invested by the State Investment Board.

The UW makes regular deposits into the self-insurance fund by wiring funds to the state treasurer. The UW then directs the treasurer's office to transfer funds to the State Investment Board. Some portion of the funds, usually an amount equal to payments needed for three months of claims, is held in cash by the treasurer at the direction of the UW. When investments need to be liquidated, the investment board is notified by the treasurer at the direction of the UW.

After the UW pays a claim, it notifies the treasurer that reimbursement is needed, and funds are wired to the UW. Current law provides that claim payments in excess of \$2500 must be approved by the state attorney general.

The self-insurance revolving fund has a \$30 million balance.

Summary of Bill: The self-insurance revolving fund is placed in the custody of the University of Washington, which manages its investment. Claim payments in excess of \$25,000 must be approved by the state attorney general.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: This bill will greatly simplify the administrative procedures that must now be followed by the University of Washington to track and reconcile deposits into and withdrawals from the self-insurance revolving fund.

Testimony Against: None.

Testified: Lambert van der Walde, University of Washington.