
Early Learning & Human Services Committee

HB 2581

Brief Description: Concerning the Washington achieving a better life experience program account.

Sponsors: Representatives Kilduff, Dent, Muri and Kagi; by request of Department of Commerce.

Brief Summary of Bill

- Provides the Washington Achieving a Better Life Experience (ABLE) governing board with the sole responsibility for contracting with outside firms to provide investment management for the Washington ABLE program accounts.
- Allows expenditures from the Washington ABLE program account to be used for administrative and operating expenses of the program in addition to program expenses.

Hearing Date: 1/24/18

Staff: Luke Wickham (786-7146).

Background:

Achieving a Better Life Experience.

The federal Achieving a Better Life Experience (ABLE) Act was signed into law in 2014. The ABLE Act allows states to help individuals with disabilities maintain financial eligibility for Medicaid, Social Security Income (SSI), and other federal benefits while allowing up to \$14,000 to be invested in a tax-free account.

Washington Achieving a Better Life Experience Program.

In 2016 the Washington ABLE program was signed into law. The Washington ABLE program includes an ABLE Governing Board (Governing Board) which administers the Washington

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ABLE program. The Governing Board is authorized to contract with other organizations to administer, manage, promote, or market the Washington ABLE program. The Governing Board consists of the following seven members:

- the state treasurer;
- the program director for the Committee on Advanced Tuition Payment;
- The Director of the Office of Financial Management; and
- four members with demonstrated financial, legal, or disability program experience, appointed by the Governor.

Washington Achieving a Better Life Experience Program Account.

The Washington ABLE program account exists in the custody of the State Treasurer. Expenditures from the Washington ABLE program account may be used only for the purposes of the Washington ABLE program, except for the expenses of the State Investment Board and the State Treasurer. All payments to the Washington ABLE program are held in trust and must be deposited to the account. The account must be credited with all investment income earned by the account. An appropriation is not required for expenditures. Only the Governing Board or designee may authorize expenditures from the account.

The Governing Board may elect to have the State Investment Board invest the money in the Washington ABLE program account. The State Investment Board has sole responsibility for contracting with outside investment firms to provide investment management for the individual Washington ABLE program accounts and must manage the performance of investment managers. The Department of Commerce has sole responsibility for contracting with recordkeepers for individual program accounts. The State Treasurer must designate and define the terms of engagement for the custodial banks.

Summary of Bill:

A Washington Achieving a Better Life Experience (ABLE) program account is defined as the account created in the custody of the State Treasurer used only for the purposes of the Washington ABLE program administration and operation. Expenditures from this account may be used for the purposes of the program and for administrative and operating expenses of the program. The requirement that the account be a discrete nontreasury account retaining its interest is removed. Washington ABLE program accounts may be invested in self-directed investment options that comply with the Internal Revenue Service code.

The Washington ABLE governing board may elect to have either an investment manager invest the money in the Washington ABLE program account or the State Investment Board. The Washington ABLE governing board replaces the State Investment Board as the body with the sole responsibility for contracting with outside investment firms to provide investment management for the Washington ABLE program accounts.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.