
**Early Learning & Human Services
Committee**

SSB 6221

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

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Walsh and Darneille; by request of Department of Commerce).

Brief Summary of Substitute Bill

- Allows the Washington Achieving a Better Life Experience (ABLE) Governing Board to choose either an investment manager or the State Investment Board to invest the money in the Washington ABLE Program Account (account).
- Provides the Washington ABLE Governing Board with the sole responsibility for contracting with outside firms to provide investment management for the account.
- Allows expenditures from the account to be used for administrative and operating expenses of the program in addition to program expenses.

Hearing Date: 2/16/18

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, and other federal benefits while allowing up to \$15,000 to be invested in a tax-free account.

Washington Achieving a Better Life Experience Program.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2016 the Washington ABLÉ program was signed into law. The Washington ABLÉ program includes an ABLÉ Governing Board (Governing Board) which administers the Washington ABLÉ program. The Governing Board is authorized to contract with other organizations to administer, manage, promote, or market the Washington ABLÉ program.

The Governing Board consists of the following seven members:

- the State Treasurer;
- the program director for the Legislative Advisory 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 ABLÉ Program Account (account) exists in the custody of the State Treasurer. Expenditures from the account may be used only for the purposes of the Washington ABLÉ program, except for the expenses of the State Investment Board (SIB) and the State Treasurer. All payments to the Washington ABLÉ 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 SIB invest the money in the account. The SIB has sole responsibility for contracting with outside investment firms to provide investment management for the individual Washington ABLÉ 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 (account) is defined as the account created in the custody of the State Treasurer used only for the purposes of the Washington ABLÉ 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. The account may be invested in self-directed investment options that comply with the Internal Revenue Code.

The Washington ABLÉ Governing Board may elect to have either an investment manager or the State Investment Board (SIB) invest the money in the account. The Washington ABLÉ Governing Board (Governing Board) replaces the SIB as the body with the sole responsibility for contracting with outside investment firms to provide investment management for the account. The Governing Board shall designate and define the terms of engagement for custodial banks under existing authority that the State Treasurer shall delegate with the concurrence of the Office of Financial Management.

Appropriation: None.

Fiscal Note: Available.

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