

HOUSE BILL REPORT

HB 2206

As Passed House:

March 11, 2009

Title: An act relating to authorized expenditures from the OASI revolving fund and OASI contribution account.

Brief Description: Including costs as authorized expenditures from the OASI revolving fund and OASI contribution account.

Sponsors: Representative Darneille; by request of Department of Retirement Systems.

Brief History:

Committee Activity:

Ways & Means: 2/24/09, 2/27/09 [DP].

Floor Activity

Passed House: 3/11/09, 96-0.

Brief Summary of Bill

- Transfers the authority to operate the federal Old-Age and Survivors Insurance (OASI) program for the state from the Employment Security Department to the Department of Retirement Systems.
- Changes the program's source of administrative funding from the General Fund-Local to the OASI Revolving Fund.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 22 members: Representatives Linville, Chair; Ericks, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest, Ross, Schmick, Seaquist and Sullivan.

Staff: David Pringle (786-7310)

Background:

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.

The federal Old-Age and Survivors Insurance (OASI) program is the portion of the federal Social Security program that provides monthly benefits to retired or disabled workers, their spouses and children, and to the survivors of insured workers.

The Employment Security Department (ESD) operates an OASI Revolving Fund to pay amounts that the state may be obligated to pay to the federal government due to the failure of public agencies to pay contributions, assessments, or interest to the OASI program. The OASI Revolving Fund is used to pay for the contributions and assessments to the OASI program; however, the General Fund-Local is used to pay for the administration of the program. The participating governmental entities contribute to the General Fund on a pro rata basis to support the administrative costs.

Summary of Bill:

The authority to operate the OASI program for the state is transferred from the ESD to the Department of Retirement Systems. The costs of funding the administration of the program are shifted from the Local General Fund to the OASI Revolving Fund, to which participating entities will contribute on a pro rata basis.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Thank you for supporting this bill. It was a part of the Governor's proposed budget, and simply changes the agency administering the program from the ESD to the Department of Retirement Systems.

(Opposed) None.

Persons Testifying: Representative Darneille, prime sponsor; and Jeff Wickman, Department of Retirement Systems.

Persons Signed In To Testify But Not Testifying: None.