

FINAL BILL REPORT

SSB 5039

C 73 L 07

Synopsis as Enacted

Brief Description: Providing for the state investment board to manage scholarship endowment funds.

Sponsors: Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Eide, Murray, Marr, Shin, Rockefeller, Weinstein, Rasmussen, Kauffman, Keiser, Jacobsen, Haugen and Kohl-Welles).

Senate Committee on Financial Institutions & Insurance

House Committee on Insurance, Financial Services & Consumer Protection

Background: The Higher Education Coordinating Board (HECB) administers two scholarship funds for higher education: the American Indian scholarship fund and the foster care scholarship fund. The monies used to fund these scholarships are held by the State Treasurer and released upon request to HECB. Currently, these are the only scholarship funds administered by HECB; however, additional funds may be added in the future.

The American Indian scholarship fund contains approximately \$600,000 and the foster care scholarship fund is still soliciting donations.

The State Investment Board manages the investment of public trust funds and public employees' retirement funds. In 2005, the State Investment Board managed \$62.9 billion in total assets.

Summary: Management of the investments of funds for all scholarship endowment programs administered by HECB is vested in the State Investment Board. The State Investment Board must invest the funds using reasonable care and prudence. The State Investment Board may commingle the scholarship funds with other funds it manages. HECB retains all authority regarding policies related to the funds, except for investment management. The State Treasurer retains custody of the funds.

Votes on Final Passage:

Senate	47	0
House	95	0

Effective: July 22, 2007