

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5039

60th Legislature
2007 Regular Session

Passed by the Senate March 8, 2007
YEAS 47 NAYS 0

President of the Senate

Passed by the House April 4, 2007
YEAS 95 NAYS 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5039** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5039

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

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

READ FIRST TIME 02/02/07.

1 AN ACT Relating to the investment of scholarship endowment funds;
2 amending RCW 28B.108.060 and 28B.116.060; and adding a new section to
3 chapter 28B.76 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.76 RCW
6 to read as follows:

7 (1) The investment of funds from all scholarship endowment programs
8 administered by the higher education coordinating board shall be
9 managed by the state investment board.

10 (2) The state investment board has the full power to invest,
11 reinvest, manage, contract, sell, or exchange investment money in
12 scholarship endowment funds. All investment and operating costs
13 associated with the investment of a scholarship endowment fund shall be
14 paid pursuant to RCW 43.33A.160 and 43.84.160. With the exception of
15 these expenses, the earnings from the investments of the fund belong to
16 the fund.

17 (3) Funds from all scholarship endowment programs administered by
18 the board shall be in the custody of the state treasurer.

1 (4) All investments made by the state investment board shall be
2 made with the exercise of that degree of judgment and care pursuant to
3 RCW 43.33A.140 and the investment policies established by the state
4 investment board.

5 (5) As deemed appropriate by the state investment board, money in
6 a scholarship endowment fund may be commingled for investment with
7 other funds subject to investment by the state investment board.

8 (6) The authority to establish all policies relating to scholarship
9 endowment funds, other than the investment policies in subsections (2)
10 through (5) of this section, resides with the higher education
11 coordinating board.

12 (7) The higher education coordinating board may request and accept
13 moneys from the state investment board. With the exception of expenses
14 of the state investment board in subsection (2) of this section,
15 disbursements from the fund shall be made only on the authorization of
16 the higher education coordinating board, and money in the fund may be
17 spent only for the purposes of the endowment programs as specified in
18 the authorizing chapter of each program.

19 (8) The state investment board shall routinely consult and
20 communicate with the higher education coordinating board on the
21 investment policy, earnings of the scholarship endowment funds, and
22 related needs of the programs.

23 **Sec. 2.** RCW 28B.108.060 and 1993 c 372 s 1 are each amended to
24 read as follows:

25 The American Indian scholarship endowment fund is ~~((established))~~
26 created in the custody of the state treasurer. The investment of the
27 endowment fund shall be ~~((administered))~~ managed by the state
28 ~~((treasurer))~~ investment board.

29 (1) Moneys received from the higher education coordinating board,
30 private donations, state matching moneys, and funds received from any
31 other source may be deposited into the endowment fund. Private moneys
32 received as a gift subject to conditions may be deposited into the
33 fund.

34 (2) At the request of the higher education coordinating board, the
35 ~~((treasurer))~~ state investment board shall release earnings from the
36 endowment fund to the state treasurer. The state treasurer shall then

1 release those funds at the request of the higher education coordinating
2 board for scholarships. No appropriation is required for expenditures
3 from the endowment fund.

4 (3) When notified by the higher education coordinating board (~~or~~
5 ~~by court order~~) that a condition attached to a gift of private moneys
6 in the fund has failed, the (~~treasurer~~) state investment board shall
7 release those moneys to the higher education coordinating board. The
8 higher education coordinating board shall then release the moneys to
9 the donors according to the terms of the conditional gift.

10 (4) The principal of the endowment fund shall not be invaded. The
11 release of moneys under subsection (3) of this section shall not
12 constitute an invasion of corpus.

13 (5) The earnings on the fund shall be used solely for the purposes
14 set forth in RCW 28B.108.040, except when the terms of a conditional
15 gift of private moneys in the fund require that a portion of earnings
16 on such moneys be reinvested in the fund.

17 **Sec. 3.** RCW 28B.116.060 and 2005 c 215 s 7 are each amended to
18 read as follows:

19 The foster care scholarship endowment fund is created in the
20 custody of the state treasurer. The investment of the endowment fund
21 shall be managed by the state investment board.

22 (1) Moneys received from the higher education coordinating board,
23 private donations, state matching moneys, and funds received from any
24 other source may be deposited into the foster care scholarship
25 endowment fund. Private moneys received as a gift subject to
26 conditions may be deposited into the endowment fund if the conditions
27 do not violate state or federal law.

28 (2) At the request of the higher education coordinating board, the
29 state investment board shall release earnings from the endowment fund
30 to the state treasurer. The state treasurer shall then release those
31 funds at the request of the higher education coordinating board for
32 scholarships. No appropriation is required for expenditures from the
33 endowment fund.

34 (3) The higher education coordinating board may disburse grants to
35 eligible students from the foster care scholarship endowment fund. No
36 appropriation is required for expenditures from the endowment fund.

1 (~~(3)~~) (4) When notified by court order that a condition attached
2 to a gift of private moneys from the foster care scholarship endowment
3 fund has failed, the higher education coordinating board shall release
4 those moneys to the donors according to the terms of the conditional
5 gift.

6 (~~(4)~~) (5) The principal of the foster care scholarship endowment
7 fund shall not be invaded. For the purposes of this section, only the
8 first twenty-five thousand dollars deposited into the foster care
9 scholarship endowment fund shall be considered the principal. The
10 release of moneys under subsection (~~(3)~~) (4) of this section shall
11 not constitute an invasion of the corpus.

12 (~~(5)~~) (6) The foster care scholarship endowment fund shall be
13 used solely for the purposes in this chapter, except when the
14 conditional gift of private moneys in the endowment fund require a
15 portion of the earnings on such moneys be reinvested in the endowment
16 fund.

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