
SUBSTITUTE SENATE BILL 5709

State of Washington

66th Legislature

2019 Regular Session

By Senate Higher Education & Workforce Development (originally sponsored by Senators McCoy, Salomon, Hunt, Nguyen, Hasegawa, Hobbs, Saldaña, Conway, Keiser, Kuderer, Randall, and Van De Wege)

READ FIRST TIME 02/21/19.

1 AN ACT Relating to modifying the American Indian endowed
2 scholarship program; amending RCW 28B.108.020, 28B.108.030,
3 28B.108.040, and 28B.108.060; reenacting and amending RCW
4 28B.108.010; adding a new section to chapter 28B.108 RCW; and
5 creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature recognizes the benefit to
8 our state and nation of providing equal educational opportunities for
9 all races and nationalities. The legislature finds that Native
10 American students are underrepresented in Washington's colleges and
11 universities. The legislature also finds that past discriminatory
12 practices have resulted in this underrepresentation. Creating an
13 endowed scholarship program to help Native American students obtain a
14 higher education will help to rectify past discrimination by
15 providing a means and an incentive for Native American students to
16 pursue a higher education. The state will benefit from contributions
17 made by Native Americans who participate in a program of higher
18 education.

19 **Sec. 2.** RCW 28B.108.010 and 2011 1st sp.s. c 11 s 191 are each
20 reenacted and amended to read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout this chapter.

3 (1) "Board" means the Native American endowed scholarship board.

4 (2) "Eligible student" or "student" means ((an)) a Native
5 American ((Indian)) who is a financially needy student, as defined in
6 RCW 28B.92.030, who is a resident student, as defined by RCW
7 28B.15.012(2), who is a full-time student at an institution of higher
8 education, and who promises to use his or her education to benefit
9 other Native Americans ((Indians)).

10 ((+2)) (3) "Institution of higher education" or "institution"
11 means a college or university in the state of Washington which is
12 accredited by an accrediting association recognized as such by rule
13 of the council for higher education.

14 ((+3)) (4) "Office" means the office of student financial
15 assistance.

16 (5) "Participant" means an eligible student who has received a
17 scholarship under the Native American endowed scholarship program.

18 (6) "Program administrator" means a private nonprofit corporation
19 registered under Title 24 RCW and qualified as a tax-exempt entity
20 under section 501(c)(3) of the federal internal revenue code.

21 **Sec. 3.** RCW 28B.108.020 and 2012 c 229 s 608 are each amended to
22 read as follows:

23 (1) The Native American ((Indian)) endowed scholarship program is
24 created. The program shall be administered by the office. In
25 administering the program, the office's powers and duties shall
26 include but not be limited to:

27 (a) ((Selecting students to receive scholarships, with the
28 assistance of a screening committee composed of persons involved in
29 helping American Indian students to obtain a higher education. The
30 membership of the committee may include, but is not limited to
31 representatives of: Indian tribes, urban Indians, the governor's
32 office of Indian affairs, the Washington state Indian education
33 association, and institutions of higher education)) Staffing the
34 board created under RCW 28B.108.030;

35 (b) Publicizing the program;

36 (c) Accepting and depositing donations into the endowment fund
37 created in RCW 28B.108.060; and

1 (d) Requesting from the state investment board and accepting from
2 the state treasurer moneys earned from the endowment fund created in
3 RCW 28B.108.060(~~(~~

4 ~~(e) Soliciting and accepting grants and donations from public and
5 private sources for the program; and~~

6 ~~(f) Naming scholarships in honor of those American Indians from
7 Washington who have acted as role models)~~).

8 (2) The student achievement council shall adopt necessary rules
9 and guidelines for the Native American (~~(Indian)~~) endowed scholarship
10 program.

11 **Sec. 4.** RCW 28B.108.030 and 2011 1st sp.s. c 11 s 193 are each
12 amended to read as follows:

13 (~~The office shall establish an advisory committee to assist in
14 program design and to develop criteria for the screening and
15 selection of scholarship recipients. The committee shall be composed
16 of representatives of the same groups as the screening committee
17 described in RCW 28B.108.020. The criteria shall assess the student's
18 social and cultural ties to an American Indian community within the
19 state. The criteria shall include a priority for upper-division or
20 graduate students. The criteria may include a priority for students
21 who are majoring in program areas in which expertise is needed by the
22 state's American Indians.)~~) (1) The Native American endowed
23 scholarship board is created. The board consists of seven members
24 appointed by the governor. At least four members must be from a
25 federally recognized Indian tribe within Washington. Of these four
26 members, at least one must be from a federally recognized Indian
27 tribe on the east side of the crest of the Cascade mountain range and
28 at least one from a federally recognized Indian tribe on the west
29 side of the crest of the Cascade mountain range. The governor shall
30 consider names from a list provided by the president of the senate
31 and the speaker of the house of representatives in appointing board
32 members.

33 (2) Board members shall hold their positions for a term of four
34 years from September 1st until their successors are appointed. No
35 more than the terms of two members may expire simultaneously on
36 August 31st in any one year.

37 (3) The board members shall elect one of the members representing
38 a federally recognized Indian tribe to serve as chair.

1 (4) Four members of the board constitute a quorum for the
2 transaction of business. In the case of a vacancy, or when an
3 appointment is made after the date of expiration of the term, the
4 governor or the president of the senate or the speaker of the house
5 of representatives, depending upon who made the initial appointment
6 to that position, shall fill the vacancy for the remainder of the
7 term of the board member whose position has become vacant or expired.

8 (5) The council shall staff the board.

9 (6) The board's purposes include:

10 (a) Establishing fund-raising goals;

11 (b) Leading fund-raising activities on behalf of the Native
12 American endowed scholarship program;

13 (c) Providing oversight and guidance for the Native American
14 endowed scholarship program in light of established legislative
15 priorities;

16 (d) Naming scholarships in honor of those Native Americans from
17 Washington who have acted as role models;

18 (e) Selecting participants for the Native American endowed
19 scholarship program award;

20 (f) Determining eligible education programs and eligible advanced
21 degree programs for purposes of the Native American endowed
22 scholarship program; and

23 (g) Distributing the Native American endowed scholarship program
24 awards.

25 (7) The board must work to maximize private sector contributions
26 to the Native American scholarship endowment fund to maintain a
27 robust Native American endowed scholarship program while
28 simultaneously building the endowment. In the case of undesignated
29 grants and contributions, the board must take into account the need
30 for a long-term funding mechanism and the short-term needs of Native
31 American families and students in Washington.

32 (8) (a) The office shall submit an annual report regarding the
33 Native American endowed scholarship program to the governor and the
34 appropriate committees of the legislature in accordance with the
35 reporting requirements under RCW 43.01.036.

36 (b) The annual report must describe the design and implementation
37 of the Native American endowed scholarship program and include the
38 following:

39 (i) The number of applicants for the Native American endowed
40 scholarship;

1 (ii) The number of participants in the Native American endowed
2 scholarship program;

3 (iii) The number of participants in the Native American endowed
4 scholarship program who complete their degree or credential program;

5 (iv) Demographic profiles of both applicants and participants;
6 and

7 (v) The amount of the private funding collected for the Native
8 American endowed scholarship program.

9 (c) The office shall submit the first annual report establishing
10 the Native American endowed scholarship program rules by December 1,
11 2020, and each subsequent report by December 1st each year
12 thereafter.

13 **Sec. 5.** RCW 28B.108.040 and 2012 c 229 s 564 are each amended to
14 read as follows:

15 (1) The office may award scholarships to eligible students from
16 moneys earned from the endowment fund created in RCW 28B.108.060, or
17 from funds appropriated to the council for this purpose, or from any
18 private donations, or from any other funds given to the council for
19 this program. For an undergraduate student, the amount of the
20 scholarship shall not exceed the student's demonstrated financial
21 need. For a graduate student, the amount of the scholarship shall not
22 exceed the student's demonstrated need; or the stipend of a teaching
23 assistant, including tuition, at the University of Washington;
24 whichever is higher. In calculating a student's need, the office
25 shall consider the student's costs for tuition, fees, books,
26 supplies, transportation, room, board, personal expenses, and child
27 care. The student's scholarship awarded under this chapter shall not
28 exceed the amount received by a student attending a state research
29 university. A student is eligible to receive a scholarship for a
30 maximum of five years. However, the length of the scholarship shall
31 be determined at the discretion of the board in consultation with the
32 office.

33 (2) The source of funds for the Native American endowed
34 scholarship program shall be a combination of private grants and
35 contributions and state matching funds. A state match may be provided
36 beginning January 1, 2020.

37 **Sec. 6.** RCW 28B.108.060 and 2012 c 187 s 3 are each amended to
38 read as follows:

1 The Native American (~~(Indian)~~) scholarship endowment fund is
2 created in the custody of the state treasurer. Funds appropriated by
3 the legislature for the endowment fund must be deposited into the
4 fund.

5 (1) Moneys received from the office, private donations, state
6 moneys, and funds received from any other source may be deposited
7 into the endowment fund. Private moneys received as a gift subject to
8 conditions may be deposited into the fund. The investment of private
9 moneys in the fund shall be managed by the state investment board.

10 (2) At the request of the office, the state investment board
11 shall release earnings from the private moneys invested by it to the
12 state treasurer.

13 (3) When a condition attached to a gift of private moneys in the
14 fund has failed, the office shall then release the moneys to the
15 donors according to the terms of the conditional gift.

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

19 (5) The earnings on the fund shall be used solely for the
20 purposes set forth in RCW 28B.108.040, except when the terms of a
21 conditional gift of private moneys in the fund require that a portion
22 of earnings on such moneys be reinvested in the fund. An
23 appropriation is not required for expenditures from the endowment
24 fund.

25 NEW SECTION. **Sec. 7.** A new section is added to chapter 28B.108
26 RCW to read as follows:

27 (1) The council in consultation with the board may elect to have
28 the state investment board invest the funds in the Native American
29 scholarship endowment fund created under RCW 28B.108.060. If the
30 board so elects, the state investment board has the full power to
31 invest, reinvest, manage, contract, sell, or exchange investment
32 money in the Native American scholarship endowment fund. All
33 investment and operating costs associated with the investment of
34 money shall be paid under RCW 43.33A.160 and 43.84.160. With the
35 exception of these expenses, the earnings from the investment of the
36 money shall be retained by the Native American scholarship endowment
37 fund.

38 (2) All investments made by the state investment board shall be
39 made with the degree of judgment and care required under RCW

1 43.33A.140 and the investment policy established by the state
2 investment board.

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

7 (4) Members of the state investment board may not be considered
8 an insurer of the funds or assets and are not liable for any action
9 or inaction.

10 (5) Members of the state investment board are not liable to the
11 state, to the fund, or to any other person as a result of their
12 activities as members, whether ministerial or discretionary, except
13 for willful dishonesty or intentional violations of law. The state
14 investment board in its discretion may purchase liability insurance
15 for members.

16 (6) The authority to establish all policies relating to the
17 Native American scholarship endowment fund, other than the investment
18 policies as provided in subsections (1) through (3) of this section,
19 resides with the council and the board acting in accordance with the
20 principles set forth in this chapter. With the exception of expenses
21 of the state investment board under subsection (1) of this section,
22 disbursements from the Native American scholarship endowment fund
23 shall be made only on the authorization of the board or its designee,
24 and moneys in the Native American scholarship endowment fund may be
25 spent only for the purposes specified in this chapter.

26 (7) The state investment board shall routinely consult and
27 communicate with the board on the investment policy, earnings of the
28 Native American scholarship endowment fund, and related needs of the
29 Native American endowed scholarship fund program.

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