
Higher Education Committee

SSB 5001

Brief Description: Eliminating the matching fund requirement for the American Indian endowed scholarship program.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Jacobsen and Kauffman).

Brief Summary of Substitute Bill

- Removes state matching fund requirements for funding the American Indian endowment fund.
- Eliminates the American Indian Endowed Scholarship trust fund in the Office of the State Treasurer.

Hearing Date: 3/13/09

Staff: Andi Smith (786-7304)

Background:

The American Indian Endowed Scholarship program helps financially needy students, with close ties to a Native American community within Washington, pursue undergraduate and graduate studies. Scholarship recipients must be Washington residents and full-time students who promise to use their education to benefit other American Indians.

Students can use the scholarships at public colleges and universities and accredited independent colleges and universities in Washington. The program annually awards about 15 scholarships. Scholarship amounts generally range from \$500 to \$2,000 for one academic year. Students are eligible to receive scholarships for up to five years.

Scholarship money comes from interest generated through an endowment, funded by private contributions, tribes, and the state. The program is currently administered through two funds; the endowment fund and the trust fund. The endowment fund contains money from the state and

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private donations and is used to fund scholarships. The trust fund contains monies appropriated by the Legislature for the Endowed Scholarship program. Trust fund monies may only be released into the endowment fund by request of the Higher Education Coordinating Board in \$50,000 increments, provided that there has been an equal contribution of private cash donations. Private cash donation means monies from non-state sources.

The endowment fund currently has approximately \$623,943. However, since the principal of the endowment fund cannot be invaded, roughly \$27,000 of the total endowment can be used to grant scholarships.

Summary of Bill:

The state matching fund requirement and the scholarship trust fund are eliminated. Funds appropriated by the Legislature for the American Indian Endowed Scholarship program may be deposited directly into the scholarship endowment fund without limitation.

Appropriation: None.

Fiscal Note: Available

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