

**RCW 28B.95.087 Washington college savings program—Investment manager's authority—Owner's investment options—Reports—Legislative review of fees and expenses—Governing body's authority.** (1) The investment manager has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the Washington college savings program without limitation as to the amount pursuant to RCW 43.84.150 and 43.33A.140. All investment and operating costs associated with the investment of money must be paid to the investment manager as allowed by RCW 43.33A.160 and 43.84.160. With the exception of these expenses and the administrative costs authorized in RCW 28B.95.032 and 28B.95.085, one hundred percent of all earnings from investments accrue directly to the owner of the individual college savings program account.

(2) The governing body may allow owners to self-direct the investment of moneys in individual college savings program accounts through the selection of investment options. The governing body may provide plans that it deems are in the interests of the owners and beneficiaries.

(a) The investment manager, after consultation with the governing body, shall provide a set of options for owners to choose from for investment of individual college savings program account contributions, including an age-based investment option.

(b) The investment manager has the full authority to invest moneys pursuant to the investment directions of the owner of a self-directed individual college savings program account.

(3) Annually on each December 1st, the committee shall report to the governor and the appropriate committees of the legislature regarding the total fees charged to each investment option offered in the Washington college savings program. It is the intent of the legislature that fees charged to the owner not exceed one-half of one percent for any investment option on an annual basis. Beginning January 1, 2018, fees charged to the owner may not exceed one-half of one percent for any investment option on an annual basis.

(4) In the next succeeding legislative session following receipt of a report required under subsection (3) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to the investment option with fees that exceed one-half of one percent, including but not limited to consideration of whether any legislative action is necessary with respect to reducing the fees and expenses associated with the underlying investment option. With the exception of fees associated with the administration of the program authorized in RCW 28B.95.032 and 28B.95.085, all moneys in the college savings program account, all property and rights purchased with the account, and all income attributable to the account, shall be held in trust for the exclusive benefit of the owners and their eligible beneficiaries.

(5) All investments made by the investment manager shall be made with the exercise of that degree of judgment and care expressed in chapter 43.33A RCW.

(6) As deemed appropriate by the investment manager, money in the Washington college savings program account may be commingled for investment with other funds subject to investment by the investment manager.

(7) The authority to establish all policies relating to the Washington college savings program and the Washington college savings program account, other than investment policies resides with the

governing body. With the exception of expenses of the investment manager as provided in subsection (1) of this section, disbursements from the Washington college savings program account shall be made only on the authorization of the governing body or its designee, and moneys in the account may be spent only for the purposes of the Washington college savings program as specified in this chapter.

(8) The investment manager shall routinely consult and communicate with the governing body on the investment policy, earnings of the trust, and related needs of the Washington college savings program. [2016 c 69 § 13.]