
SUBSTITUTE SENATE BILL 6242

State of Washington

55th Legislature

1998 Regular Session

By Senate Committee on Higher Education (originally sponsored by Senators Wood, West, Bauer, Winsley, Kohl, Prince, Hale, Haugen, B. Sheldon, Patterson, Goings, Wojahn, Anderson, McAuliffe and Schow)

Read first time 01/27/98.

1 AN ACT Relating to the Washington state endowment for higher
2 education; and adding a new chapter to Title 28B RCW.

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

4 NEW SECTION. **Sec. 1.** The intent of this chapter is to provide
5 permanent quality improvements in Washington state's public higher
6 education system. The legislature recognizes that the state's public
7 higher education system can be strengthened by additional partnerships
8 among individual donors, private corporations, and public institutions
9 of higher education. The legislature further recognizes that
10 partnerships among donors, the business community, and higher education
11 can form the basis for direct accountability to achieve common goals.
12 The legislature intends to create a matching fund program to assist
13 public institutions of higher education in creating endowments financed
14 jointly by public and private moneys.

15 The endowments are intended to recruit and retain the best faculty
16 and students; to increase student scholarships, graduate fellowships,
17 and distinguished professorships; to provide new ways to recognize
18 quality teaching and public service; to fund quality initiatives for
19 curriculum development and service delivery; to provide incentives for

1 innovative approaches to faculty development; and to secure the most
2 advanced equipment, library resources, and technological innovations
3 for higher education in our state. The legislature further recognizes
4 that the demands for increased access to the state's public higher
5 education system may constrain the state's higher education budget for
6 the foreseeable future. The legislature intends that the endowments
7 created by this chapter shall be used solely for those purposes for
8 which state funds may be unavailable or limited in the normal biennial
9 budget process.

10 NEW SECTION. **Sec. 2.** The definitions in this section apply
11 throughout this chapter, unless the context clearly requires otherwise.

12 (1) "Comprehensive universities" means Central Washington
13 University, Eastern Washington University, and Western Washington
14 University.

15 (2) "Institution of higher education" means an institution of
16 higher education as defined in RCW 28B.10.016.

17 (3) "Trust fund" means the Washington state endowment for higher
18 education trust fund.

19 NEW SECTION. **Sec. 3.** (1) The Washington state endowment for
20 higher education trust fund is established. Funds appropriated by the
21 legislature for the trust fund shall be deposited in separate accounts
22 in the state treasury for each four-year institution of higher
23 education and the state board for community and technical colleges.
24 The state treasurer shall administer the trust fund. Moneys in each of
25 the accounts created in the trust fund are not subject to
26 appropriation.

27 (2) State matching funds from the trust fund for quality
28 improvements in public higher education may be used for one or more of
29 the following purposes: Student scholarships, graduate fellowships,
30 distinguished professorships, faculty teaching awards, innovative
31 approaches to faculty development, quality initiatives for curriculum
32 development and service delivery, equipment, and library resources.

33 (3) Washington state endowment for higher education disbursements
34 are eligible to match qualifying private contributions to institutions
35 of higher education designated under this chapter if one of the two
36 following conditions are met:

1 (a) The funds were received by the institution of higher education
2 or its foundation after April 1, 1998; or

3 (b) The funds were received or pledged for the distinguished
4 professorship or graduate fellowship matching grant programs, and
5 certified for state matching dollars by the higher education
6 coordinating board and for which public matching dollars have not been
7 received.

8 (4) Endowment funds shall not be used to supplant state
9 appropriations.

10 NEW SECTION. **Sec. 4.** The higher education coordinating board
11 shall certify that private matching funds have been obtained by a four-
12 year institution of higher education or its foundation for the purposes
13 of this chapter. For the community and technical colleges, the state
14 board for community and technical colleges shall certify that a
15 community or technical college has obtained private matching funds for
16 the purposes of this chapter. Upon notice of certification, the
17 treasurer shall release the state matching funds to the designated
18 institution's local endowment fund or its foundation, or to the state
19 board for community and technical colleges.

20 NEW SECTION. **Sec. 5.** (1) All institutions of higher education are
21 eligible for matching funds from the trust fund. Any appropriation to
22 the trust fund by the legislature shall be allocated in the following
23 manner:

24 (a) Thirty-two percent for the state board for community and
25 technical colleges;

26 (b) Thirty-two percent for the University of Washington;

27 (c) Twenty-two percent for Washington State University; and

28 (d) Fourteen percent for the comprehensive institutions and The
29 Evergreen State College.

30 (2) The state board for community and technical colleges shall
31 determine the allocation of funds for the two-year colleges.

32 (3) By written agreement, the comprehensive four-year universities
33 and The Evergreen State College shall decide how the allocation of the
34 percentage designated for the comprehensive institutions and The
35 Evergreen State College shall be distributed among each of the
36 institutions for any appropriation made by the legislature.

1 (4) No moneys may be released from the trust fund to an individual
2 comprehensive institution or The Evergreen State College until a
3 written agreement of the allocation distribution is filed with the
4 state treasurer.

5 (5) Within the following higher education sectors, any unmatched
6 funds shall be available to the other institution or institutions
7 within that sector for match on a first-come basis if the following
8 percentages are not met within the specified time periods:

9 (a) For the University of Washington and Washington State
10 University, at least sixty percent of their allocation after three
11 years from the effective date of the legislative appropriation, eighty
12 percent after four years, and one hundred percent after five years.

13 (b) For the comprehensive institutions and The Evergreen State
14 College, at least sixty percent of their allocation after four years
15 from the effective date of the appropriation, eighty percent after five
16 years, and one hundred percent after six years.

17 (c) For the state board for community and technical colleges at
18 least sixty percent of their allocation after four years from the
19 effective date of the appropriation, eighty percent after five years,
20 and one hundred percent after six years.

21 (6) After six years, any remaining unmatched funds residing in any
22 of the three sectors' pools shall revert to a common pool and shall be
23 eligible for match on a first-come basis by any of the institutions.

24 NEW SECTION. **Sec. 6.** Each institution of higher education or its
25 foundation is responsible for soliciting private donations, investing
26 and maintaining all endowment funds, administering the uses of the
27 funds, and reporting to the governor and the legislature. Each
28 institution or its foundation may augment the endowment fund with
29 additional private donations. The principal of the invested endowment
30 fund shall not be invaded; only earnings or a portion thereof may be
31 spent.

32 Each institution of higher education shall develop or designate an
33 advisory committee, of which a majority of its members shall be private
34 donors and business representatives. The advisory committee shall
35 review and approve the institution's endowment for higher education
36 program and develop specific, measurable goals for the institution's
37 endowment program. Each institution shall report annually to the
38 governor and the legislature on progress made toward its goals.

1 NEW SECTION. **Sec. 7.** This chapter may be known and cited as the
2 Washington state endowment for higher education act.

3 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute
4 a new chapter in Title 28B RCW.

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