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**HOUSE BILL 2274**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representative Stokesbary

AN ACT Relating to the investment of gifts, grants, conveyances, bequests, and devises of the University of Washington; amending RCW 28B.20.130; adding a new section to chapter 43.33A RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that the Washington state investment board is one of the largest and most respected public investment managers in the United States, with over one hundred forty billion dollars in total assets under management. Moreover, international benchmarking studies have consistently ranked the state investment board as one of the lowest cost, highest performing institutional investors in the world. However, despite the state investment board's renowned international reputation and unparalleled performance, the University of Washington has attempted to replicate this infrastructure and expertise, at a significantly greater cost, through the establishment of the University of Washington investment management company. The legislature finds that the state investment board's 2019 expenses were 0.43 percent of assets under management and that annualized investment returns of the comingled trust fund are 8.75 percent per year since its inception in 1992, whereas the internal fees charged by the University of Washington in 2019 were one percent of assets under management and that annualized investment returns of its funds are 7.1 percent since 1999. Therefore, it is the intent of the legislature to eliminate unnecessary and duplicative costs by disbanding the University of Washington investment management company and folding its investment portfolios into accounts at the state investment board.

**Sec.**  RCW 28B.20.130 and 2012 c 229 s 804 are each amended to read as follows:

General powers and duties of the board of regents are as follows:

(1) To have full control of the university and its property of various kinds, except as otherwise provided by law.

(2) To employ the president of the university, his or her assistants, members of the faculty, and employees of the institution, who except as otherwise provided by law, shall hold their positions during the pleasure of said board of regents.

(3) Establish entrance requirements for students seeking admission to the university which meet or exceed the standards specified under RCW 28B.77.020. Completion of examinations satisfactory to the university may be a prerequisite for entrance by any applicant at the university's discretion. Evidence of completion of public high schools and other educational institutions whose courses of study meet the approval of the university may be acceptable for entrance.

(4) Establish such colleges, schools, or departments necessary to carry out the purpose of the university and not otherwise proscribed by law.

(5) With the assistance of the faculty of the university, prescribe the course of study in the various colleges, schools, and departments of the institution and publish the necessary catalogues thereof.

(6) Grant to students such certificates or degrees as recommended for such students by the faculty. The board, upon recommendation of the faculty, may also confer honorary degrees upon persons other than graduates of this university in recognition of their learning or devotion to literature, art, or science: PROVIDED, That no degree shall ever be conferred in consideration of the payment of money or the giving of property of whatsoever kind.

(7) Accept such gifts, grants, conveyances, bequests, and devises, whether real or personal property, or both, in trust or otherwise, for the use or benefit of the university, its colleges, schools, departments, or agencies; and sell, lease or exchange, ((~~invest~~)) place for investment with the Washington state investment board pursuant to section 3 of this act, or expend the same or the proceeds, rents, profits, and income thereof except as limited by the terms of said gifts, grants, conveyances, bequests, and devises. The board shall adopt proper rules to govern and protect the receipt and expenditure of the proceeds of all fees, and the proceeds, rents, profits, and income of all gifts, grants, conveyances, bequests, and devises above-mentioned.

(8) Except as otherwise provided by law, to enter into such contracts as the regents deem essential to university purposes.

(9) To submit upon request such reports as will be helpful to the governor and to the legislature in providing for the institution.

(10) To offer new degree programs, offer off-campus programs, participate in consortia or centers, contract for off-campus educational programs, and purchase or lease major off-campus facilities in accordance with RCW 28B.77.080.

(11) To confer honorary degrees upon persons who request an honorary degree if they were students at the university in 1942 and did not graduate because they were ordered into an internment camp. The honorary degree may also be requested by a representative of deceased persons who meet these requirements. For the purposes of this subsection, "internment camp" means a relocation center to which persons were ordered evacuated by Presidential Executive Order 9066, signed February 19, 1942.

NEW SECTION. **Sec.**  A new section is added to chapter 43.33A RCW to read as follows:

The state investment board may invest the gifts, grants, conveyances, bequests, and devises of the University of Washington placed with the investment board by the University of Washington board of regents consistent with RCW 28B.20.130(7).

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