
**College & Workforce Development
Committee**

HB 2274

Brief Description: Concerning the investment of gifts, grants, conveyances, bequests, and devises of the University of Washington.

Sponsors: Representative Stokesbary.

Brief Summary of Bill

- Requires the University of Washington (UW) to place investment of its endowment with the Washington State Investment Board (WSIB).
- Permits the WSIB to invest the UW endowment.

Hearing Date: 1/21/20

Staff: Megan Mulvihill (786-7304).

Background:

Washington State Investment Board.

The Washington State Investment Board (WSIB) is an independent Board of Trustees who have a fiduciary responsibility to manage retirement and public fund investments, with an objective to maximize returns at a prudent level of risk for the exclusive benefit of fund participants and beneficiaries. The WSIB includes 10 voting and five nonvoting members who manage investments for 17 retirement plans for public employees, teachers, school employees, law enforcement officers, firefighters, and judges. The WSIB also manages 20 other public funds, including for industrial insurance, the Guaranteed Education Tuition program, the Washington State Opportunity Scholarship, and developmental disabilities programs. As of September 30, 2019, the WSIB had \$141.8 billion total assets under management.

The University of Washington Endowment.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The University of Washington (UW) Board of Regents is vested in statute with the authority to accept, sell, lease, exchange, invest, or expend gifts, grants, conveyances, bequests, and devises received for the UW's use or benefit, except as restricted by the donor. The Consolidated Endowment Fund (CEF) is the investment pool consisting of the UW's endowments. In 2015 the UW Board of Regents approved the establishment of the University of Washington Investment Management Company (UWINCO). The UWINCO is staffed by the UW Chief Investment Officer and a team of investment professionals who direct the day-to-day activities of the investment portfolios. As of June 30, 2019, the market value of assets overseen by the UWINCO in the CEF was \$3.6 billion. During fiscal year 2019, the CEF received an annual rate of return of 5.8 percent and distributed \$130 million in funding to UW programs.

Summary of Bill:

The UW must place its endowment for investment with the WSIB, and the WSIB is permitted to invest the endowment.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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