
HOUSE BILL 2274

State of Washington

66th Legislature

2020 Regular Session

By Representative Stokesbary

Prefiled 12/23/19. Read first time 01/13/20. Referred to Committee on College & Workforce Development.

1 AN ACT Relating to the investment of gifts, grants, conveyances,
2 bequests, and devises of the University of Washington; amending RCW
3 28B.20.130; adding a new section to chapter 43.33A RCW; and creating
4 a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the Washington
7 state investment board is one of the largest and most respected
8 public investment managers in the United States, with over one
9 hundred forty billion dollars in total assets under management.
10 Moreover, international benchmarking studies have consistently ranked
11 the state investment board as one of the lowest cost, highest
12 performing institutional investors in the world. However, despite the
13 state investment board's renowned international reputation and
14 unparalleled performance, the University of Washington has attempted
15 to replicate this infrastructure and expertise, at a significantly
16 greater cost, through the establishment of the University of
17 Washington investment management company. The legislature finds that
18 the state investment board's 2019 expenses were 0.43 percent of
19 assets under management and that annualized investment returns of the
20 comingled trust fund are 8.75 percent per year since its inception in
21 1992, whereas the internal fees charged by the University of

1 Washington in 2019 were one percent of assets under management and
2 that annualized investment returns of its funds are 7.1 percent since
3 1999. Therefore, it is the intent of the legislature to eliminate
4 unnecessary and duplicative costs by disbanding the University of
5 Washington investment management company and folding its investment
6 portfolios into accounts at the state investment board.

7 **Sec. 2.** RCW 28B.20.130 and 2012 c 229 s 804 are each amended to
8 read as follows:

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

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

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

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

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

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

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

38 (7) Accept such gifts, grants, conveyances, bequests, and
39 devises, whether real or personal property, or both, in trust or

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

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

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

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

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

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.33A
28 RCW to read as follows:

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

--- END ---