

# FINAL BILL REPORT

## HB 1943

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C 87 L 93  
Synopsis as Enacted

**Brief Description:** Allowing community and technical college foundations to manage funds for their exceptional faculty awards.

By Representatives Brumsickle, Jacobsen, Dorn, Quall, Shin, L. Johnson, King and Long.

House Committee on Higher Education  
House Committee on Appropriations  
Senate Committee on Higher Education

**Background:** In 1990, the Washington Community College Exceptional Faculty Awards Program was created. Through the program, \$25,000 to \$100,000, in \$25,000 increments, in state funds may be matched with an equal amount of private donations. The state funds and private donations are placed in a local endowment fund established by the participating community or technical college for each faculty award created.

Each college is responsible for managing its program, collecting donations, managing and investing endowment funds, and reporting on the program upon request. The principal of the endowment fund cannot be invaded. The earnings on the fund will be used to fund the awards.

The awards may be used either for faculty development, to supplement the salary of the holder of the award, or to pay expenses associated with the holder's program area. The process for determining local award winners is subject to collective bargaining, but the decisions regarding award amounts and recipients is not bargainable.

**Summary:** Within specified limits, foundations established by community and technical colleges may participate in the Washington Community and Technical College Exceptional Faculty Awards Program. College foundations may receive state matching money. The foundation will combine state matching money with private donations in a local endowment fund established for each faculty award. The foundation cannot invade the principal of the fund. The earnings on the endowment fund will be used to fund the faculty awards. All faculty awards will remain the property of the college associated with the foundation.

Foundations are defined as private nonprofit corporations that meet the requirements of federal law and exist solely for the benefit of one or more colleges. Foundations must be registered with the Attorney General's Office under the Charitable Trust Act.

Each participating foundation must enter into a contract approved by the attorney general, with the governing board of its college specifying the services to be provided by the foundation. The contract must ensure that, under certain circumstances, the college can assume ownership, management, and control of any endowment funds under a foundation's control.

The assumption of the endowment funds by the community college will occur if a foundation ceases to exist or function properly, or if it fails to provide the services specified in the contract. Any funds recovered by a college will be deposited in the college's local endowment fund. Endowment funds include private donations, state matching funds, and accrued interest on any of the money.

**Votes on Final Passage:**

House	98	0
Senate	46	0

**Effective:** July 25, 1993