

SENATE BILL REPORT

HB 2841

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1994

Brief Description: Authorizing colleges to transfer exceptional faculty award funds to local endowment funds.

SPONSORS: Representatives Peery, Brumsickle, Jacobsen, Flemming, Shin, Talcott, Lemmon, Springer, Johanson and Basich

HOUSE COMMITTEE ON HIGHER EDUCATION

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bauer, Chairman; Drew, Vice Chairman; Cantu, Prince, Quigley, Sheldon and West.

Staff: Scott Huntley (786-7421)

Hearing Dates: February 22, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hargrove, Ludwig, McDonald, Moyer, Owen, Pelz, Snyder, Spanel, Sutherland, Talmadge, West and Wojahn.

Staff: Michael Groesch (786-7715)

Hearing Dates: February 25, 1994

BACKGROUND:

In 1990 the Washington Community College Exceptional Faculty Awards Program was created. Through the program, \$25,000 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 created for each faculty award. The principal of the endowment fund cannot be invaded. Earnings on the money in the fund may be used for faculty development, to supplement the salary of the holder of the award, or to pay expenses associated with the holder's program area. Each college may apply for a maximum of \$100,000 of state matching funds in any biennium.

Until 1993, by statute, each participating community or technical college was required to receive the state matching money and to manage all money in the endowment fund. In 1993 legislation was enacted that permitted community and technical

college foundations to participate in the program. Within specified limits, each college foundation was permitted to receive state matching money and manage the money in the endowment fund established for each award. The legislation did not include a provision permitting college foundations to manage endowment funds that were already established by its college.

SUMMARY:

Under certain conditions, a community college or technical college may transfer money for exceptional faculty awards from its local endowment fund to its foundation's local endowment fund. The conditions: the money transferred must have been accumulated between July 1, 1991 and July 25, 1993, and the transfer must be approved by the college's governing board.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The Legislature made a decision a year ago to permit foundations formed for the benefit of community and technical colleges to manage donations and state matching money for the Exceptional Faculty Awards. The Attorney General ruled that only those state funds that were received after the effective date of that act (July 25, 1993) could be managed by a college's foundation. Unless the change in this bill is made, some program funds must be managed by the college and others may be managed by the college's foundation. The program will benefit if all of the program's funds at a college can be consolidated under the management of the college's foundation.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Vallie Jo Fry, State Board for Community and Technical Colleges; Kenneth Minnaert, President, South Puget Sound Community College