
HOUSE BILL 2347

State of Washington

59th Legislature

2006 Regular Session

By Representatives Morris, Hudgins, Kilmer, McCoy, Linville, P. Sullivan, Wallace, Roberts, B. Sullivan, Morrell, Ericks, Upthegrove, Sells, O'Brien and Green

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1 AN ACT Relating to research in the science and technology fields;
2 adding a new chapter to Title 28B RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature recognizes the difficulty in
5 attracting and retaining top quality graduate students in Washington
6 state, particularly in the science and technology fields. In order to
7 promote the growth of research in these fields, the legislature intends
8 to help colleges and universities raise additional moneys for graduate
9 fellowships by creating a graduate fellowship trust fund program for
10 the sciences.

11 NEW SECTION. **Sec. 2.** The graduate fellowship trust fund program
12 for the sciences is established. The purpose of the program is to
13 assist Washington's state-supported institutions of higher education in
14 attracting and retaining top quality graduate students in the science
15 fields.

16 NEW SECTION. **Sec. 3.** Unless the context clearly requires

1 otherwise, the definitions in this section apply throughout this
2 chapter.

3 (1) "Board" means the higher education coordinating board.

4 (2) "Endowment fund" or "local endowment fund" means a fund
5 established by an institution of higher education or its foundation to
6 receive the private donations and state matching funds under this
7 chapter.

8 (3) "Foundation" means a private, nonprofit corporation that:

9 (a) Is registered under Title 24 RCW and qualifies as a tax-exempt
10 entity under section 501(c)(3) of the federal internal revenue code;

11 (b) Exists solely for the benefit of one or more institutions of
12 higher education located in the state of Washington; and

13 (c) Is registered with the attorney general's office under the
14 charitable trust act, chapter 11.110 RCW.

15 (4) "Institution of higher education" means an institution of
16 higher education as defined in RCW 28B.10.016 that is in compliance
17 with conditions adopted by the board for the graduate fellowship trust
18 fund program, and is accepted by the board for participation in the
19 graduate fellowship trust fund program.

20 (5) "Meritorious student" means a student who:

21 (a) Meets the residency requirements of RCW 28B.15.012(2), as
22 demonstrated in RCW 28B.15.013;

23 (b) Is meritorious, as defined by the institution of higher
24 education that the student attends or by the foundation that is
25 administering the fellowship; and

26 (c) Is enrolled as a graduate student in an institution of higher
27 education.

28 (6) "Trust fund" means the graduate fellowship trust fund for the
29 sciences established under section 5 of this act.

30 NEW SECTION. **Sec. 4.** The graduate fellowship trust fund program
31 for the sciences shall be administered by the board. In consultation
32 with institutions of higher education and the governor's office, the
33 board shall establish guidelines for the program. The board's duties
34 may include, but need not be limited to:

35 (1) The adoption of rules, deadlines, and procedures;

36 (2) The adoption of an annual allocation system based on factors
37 that may include, but need not be limited to: The amount of money

1 available in the trust fund; the characteristics of potential
2 participating institutions, including the number of eligible students
3 enrolled in each institution of higher education, adjusted by each
4 eligible student's rate of enrollment; the amount of private cash
5 donations that each potential participating institution of higher
6 education commits to raise annually for the program; and the amount of
7 money previously received by each participating institution of higher
8 education or institutional foundation. Any allocation system shall be
9 superseded by conditions in any legislative act appropriating funds by
10 the program;

11 (3) The adoption of contracts with participating institutions of
12 higher education and their foundations. The contracts may include any
13 conditions required of participants by the board. The contracts must
14 include: (a) Provisions for the protection of state matching moneys
15 administered by foundations; (b) requirements to provide the board with
16 the results of a biennial audit of participating foundations; and (c)
17 requirements to maintain records on the disposition of state and
18 private matching funds, and to provide an accounting of the number and
19 characteristics of students assisted through the program;

20 (4) The adoption of policies that maximize the distribution of the
21 trust fund and matching moneys to institutions of higher education or
22 their foundations;

23 (5) The adoption of a mechanism to reallocate unused funds to
24 institutions of higher education or foundations that have used their
25 annual allotment of state matching moneys and have raised additional
26 private donations for which the state matching funds were not
27 available; and

28 (6) The preparation and distribution of periodic reports on the
29 results of the program. The reports must include an accounting of the
30 students who have benefited through the program.

31 NEW SECTION. **Sec. 5.** Funds appropriated by the legislature for
32 the graduate fellowship trust fund program for the sciences must be
33 deposited in the graduate fellowship trust fund for the sciences,
34 hereby created in the custody of the state treasurer. The trust fund
35 must be administered by the state treasurer. No appropriation is
36 required for expenditures from the trust fund.

1 NEW SECTION. **Sec. 6.** Subject to rules adopted by the board:

2 (1) All institutions of higher education with graduate programs in
3 the sciences are eligible for state matching funds from the trust fund.

4 (2) All foundations of institutions of higher education are
5 eligible for matching funds if the foundations meet the requirements
6 adopted by the board.

7 (3) Eligible institutions of higher education and foundations may
8 apply to the board for twenty-five thousand dollars from the fund when
9 they can match the state funds with an equal amount of cash donations
10 from private sources. These donations must be made specifically to the
11 graduate fellowship trust fund program, and must be donated after July
12 1, 2006.

13 (4) Upon an application by an institution of higher education or
14 its foundation, the board may designate twenty-five thousand dollars
15 from the trust fund for the endowment fund of the institution of higher
16 education or foundation.

17 (5) Once the private donation is received by an institution of
18 higher education or its foundation, the board must ask the state
19 treasurer to release the state matching moneys to the local endowment
20 fund established for graduate fellowships.

21 NEW SECTION. **Sec. 7.** The foundation of an institution of higher
22 education is eligible to receive moneys from the trust fund only if the
23 foundation and the governing board of the institution of higher
24 education have entered into a contract approved by the attorney general
25 that:

26 (1) Specifies the services to be provided by the foundation;

27 (2) Provides for the protection of any state matching funds under
28 the foundation's control that were provided under the program;

29 (3) Provides for the institution of higher education's assumption
30 of the ownership, management, and control of program funds if the
31 foundation ceases to exist, fails to function properly, or fails to
32 provide the specified services in accordance with the contract; and

33 (4) Includes any other conditions specified by the board.

34 NEW SECTION. **Sec. 8.** (1) The graduate fellowship provided under
35 this chapter is the property of the institution of higher education or

1 its foundation and may be named in honor of a donor, benefactor, or
2 honoree of the institution of higher education or foundation.

3 (2) The institution of higher education or its foundation is
4 responsible for soliciting private donations, investing and maintaining
5 all endowment funds, administering the fellowship, and reporting on the
6 program to the board upon request. The institution of higher education
7 or foundation may augment the endowment fund with additional private
8 donations. The principal of the invested endowment funds must not be
9 invaded.

10 (3) The proceeds from the endowment funds may be used to provide
11 fellowship stipends to be used by the recipient for tuition and fees,
12 books and supplies, subsistence, research expenses, and other
13 educationally related costs.

14 (4) Each institution of higher education or its foundation must
15 include representatives of the graduate student body when selecting
16 graduate fellowship recipients.

17 NEW SECTION. **Sec. 9.** Any private or public money, including all
18 investment income, deposited in the trust fund or any local endowment
19 fund for fellowship programs is not subject to collective bargaining.

20 NEW SECTION. **Sec. 10.** Sections 2 through 9 of this act constitute
21 a new chapter in Title 28B RCW.

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