

# FINAL BILL REPORT

## SSB 6468

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Synopsis as Enacted

**Brief Description:** Regarding investment of state research university funds.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Schoesler, Tom, Murray, Harper, Conway and Shin).

**Senate Committee on Higher Education & Workforce Development**

**Senate Committee on Ways & Means**

**House Committee on Higher Education**

**House Committee on Ways & Means**

**Background:** The State Constitution prohibits giving or loaning the state's credit and the credit, money, or property of a municipality to an individual, association, company, or corporation. The State Constitution further prohibits the state from subscribing to, or being interested in, the stock of any company, association, or corporation. As a result of this prohibition, the operating monies of the state research universities are currently invested in government-backed securities and not private securities.

Notwithstanding these prohibitions, Article XXIX, section 1 of the State Constitution allows for the investment of the monies of any public pension or retirement fund, industrial insurance fund, or fund held in trust for the benefit of persons with developmental disabilities. Senate Joint Resolution 8223, if enacted by the Legislature, would send a referendum to the voters in the next general election to amend the State Constitution to allow the monies of the state research universities to be invested as authorized by law.

**Summary:** The regents of each state research university must adopt policies creating investment accounts and may deposit public monies from operating funds not needed for immediate expenditure into those investment accounts. The State Investment Board (SIB) is given full power to invest or reinvest investment accounts created by University of Washington's or Washington State University's board of regents in a manner consistent with SIB investment and management standards, and income from SIB investments of investment accounts must be for the exclusive benefit of and credited to the state university less SIB expense account allocations. Investment accounts are investment funds within the meaning of Article XXIX, section 1 of the State Constitution, for determining eligible investment and deposits. The SIB must report annually on investment activities for investment accounts to the Ways & Means committees of the House of Representatives and the Senate.

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*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.*

This act takes effect if the proposed constitutional amendment is approved and ratified by the voters.

**Votes on Final Passage:**

Senate	46	2	
House	94	1	(House amended)
Senate	46	3	(Senate concurred)

**Effective:** Contingent upon voter approval.