

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee****UW School of Medicine – Amending Purpose for the L. Vern Howell Memorial Loan Fund****RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the L. Vern Howell Memorial Loan Fund be changed to create the L. Vern Howell Endowed Scholarship in Medicine.

BACKGROUND:

Nellie H. Howell was born in Seattle in 1894. She attended the University of Washington from 1912 to 1914, and for the next two years taught school on Whidbey Island. For a number of years, she and her husband, Vern Howell, owned and operated a grocery store in Issaquah. Mr. Howell died in 1969; Mrs. Howell in June 1984.

In the fifth article of her Last Will and Testament (dated October 23, 1980), Nellie H. Howell made the following provision for the University of Washington: “I give the rest, residue and remainder of my estate, of every kind and nature and wherever situate, to the Board of Regents of the University of Washington, Seattle, Washington, to establish a loan fund to be used to benefit students at the University of Washington School of Medicine who are in financial need or distress, to be known as the ‘L. Vern Howell Memorial Loan Fund.’ I specifically grant to said Board the right to establish all of the conditions upon which such loans may be granted and to change such conditions as circumstances change. It is my wish and hope that this bequest, which I expect will be substantial, will provide a source of financial assistance for medical students at the University for the indefinite future and will be used by the Board in such a manner as to be an appropriate and continuing memorial for my deceased husband.”

The Board of Regents accepted this gift at its meeting on February 8, 1985 and created the L. Vern Howell Memorial Loan Fund. This fund has a current balance of approximately \$653,000.

In the past, loan funds for medical students were a top priority and bequests and other gifts were directed to this purpose. In recent years, medical students’ loan needs have been largely met through federal programs including the Stafford loans which offer more advantageous terms. Based on the increase of and primary use of federal loan programs, we have provided significantly fewer loans through institutional resources. This has resulted in the availability of unexpended balances in loan funds that would be better utilized as scholarships.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW School of Medicine – Amending Purpose for the L. Vern Howell Memorial Loan Fund (continued p. 2)

With the expanding class size, increases in tuition, and the median debt load now more than \$100,000, increasing scholarship support for medical students is among the School's top priorities and most pressing needs. To amend the purpose of the L. Vern Howell Memorial Loan Fund to create the L. Vern Howell Endowed Scholarship in Medicine is in the best interest of the UW School of Medicine and will honor Mrs. Howell's wish to create "an appropriate and continuing memorial for my deceased husband".

The language in Mrs. Howell's Last Will and Testament provides for the Regents to amend the purpose of this gift. .

In approving this recommendation, the Board of Regents authorizes the creation of the L. Vern Howell Endowed Scholarship in Medicine in the UW School of Medicine.

REVIEW AND APPROVALS:

The recommendation has been reviewed and approved by the CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine; the Senior Vice President for Finance and Facilities, and the Vice President for Development and Alumni Relations.

Attachments

1. Amendment to create the L. Vern Howell Endowed Scholarship in Medicine
2. The Last Will and Testament of Nellie H. Howell (dated October 23, 1980)
3. March 15, 1985 memo from Theodora Haslestad (Controller's Office) to David Dale (School of Medicine)
4. Bequests and Endowment Activity Requiring Regental Approval (dated January 1985)

**Amendment to the
L. Vern Howell Memorial Loan Fund
Created by the Last Will and Testament of Nellie H. Howell**

Pursuant to the terms of Nellie H. Howell's will, dated October 23, 1980, which created the L. Vern Howell Memorial Loan Fund, the University of Washington agrees to amend the L. Vern Howell Memorial Loan Fund in the following way.

The L. Vern Howell Memorial Loan Fund will be replaced in its entirety by the L. Vern Howell Endowed Scholarship in Medicine. The endowment document below explains the purpose of this new endowed fund and gives additional background regarding its creation.

L. Vern Howell Endowed Scholarship in Medicine

I. Establishment

The University of Washington ("the University") hereby agrees to establish the L. VERN HOWELL ENDOWED SCHOLARSHIP IN MEDICINE per the terms of this Document, to become effective on such date as the minimum required funding has been received and accepted by the University.

II. Purpose

The purpose of this endowment is to help M.D. students with financial need to fund the cost of attending the University of Washington School of Medicine. This endowment may fund required components of the cost of education at the University including all standard and reasonable educational expenses.

In 2008, the Dean of the School of Medicine proposed that a number of loan funds be converted into endowed scholarship funds. This endowment, the L. VERN HOWELL ENDOWED SCHOLARSHIP IN MEDICINE, is one of those converted funds.

Please see Exhibit A for more information about L. Vern Howell and Nellie H. Howell.

III. Funding

The minimum funding requirement for scholarships established through Students First to qualify for matching is \$100,000.00; initial investment will occur when \$100,000.00 in gifts has been received.

Please see Exhibit B for an itemized breakdown of the endowment's funding.

IV. Investment

All contributions to this endowment may, for investment purposes, be merged with any of the investment assets of the University of Washington, but these gifts shall be entered in the University's books and records as the L. VERN HOWELL ENDOWED SCHOLARSHIP IN MEDICINE. Distributions shall be made from the endowment in the manner and amount provided for in the policies established for such endowment funds by the Board of Regents and shall be used for the purposes authorized by this Document. As authorized by the Board of Regents, the investment, management, and expenditure practices applied to the principal and earnings of this endowment, and the management and advancement fees assessed against the endowment, shall be done in accordance with University policies and procedures.

V. Selection

Selection of scholarship recipients shall be made by the Dean of the School of Medicine, or by his or her designee. Recipients shall be M.D. students, and selection shall be based on financial need. Financial need shall be determined by the Office of Student Financial Aid.

VI. Amount and Terms of Scholarships

The amount and terms of each scholarship shall likewise be determined by the Dean of the School of Medicine, or by his or her designee. Subject to the availability of funds, distributions shall be used to help those students who qualify for financial aid fund the cost of

attending the University of Washington. Such costs may include all or part of tuition and may also provide support for books, fees, and other educational expenses.

The duration of the scholarship shall normally be for one academic year. Failure of the student to remain in good academic standing or to make satisfactory progress toward a degree may result in withdrawal of the scholarship.

Scholarships may be awarded for successive years, provided that recipients re-submit financial aid materials by the priority filing date each year, continue to meet all eligibility criteria for financial aid, and continue to make satisfactory academic progress toward his or her degree.

Distributions from the endowment shall be awarded and expended under the guidelines stated in Section II. Purpose. When accumulated funds are sufficient for more than one scholarship, two or more recipients may be selected. In any year in which there are no qualified applicants, the selection criteria, as stated in Section V. Selection, may be expanded, so long as such criteria shall adhere as closely as possible to the intent in Section II. Purpose.

VII. Administration

The Dean of the School of Medicine, or his or her designee, shall be the administrator of this endowment. Expenditures relating to it shall be subject to University of Washington accounting procedures and guidelines.

VIII. Amendment

This Document may be amended by the University of Washington. If changed circumstances should at some future time cause the continuation of the School of Medicine to be inappropriate or impractical, or any of the restrictions on the use of or the investment of the endowment fund imposed by this Document to become obsolete, inappropriate or impracticable as determined by the Board of Regents, then the University may redesignate the purpose of the endowment, and the distributions therefrom, or release such restriction, provided that the

endowment shall continue to bear the name of L. Vern Howell, and that the amended use shall adhere as closely as possible to the original intent stated in Section II. Purpose.

Integration Clause

This Document constitutes the entire agreement between the parties, and supersedes all prior oral or written agreements, commitments, or understandings concerning the matters provided for herein.

FOR THE UNIVERSITY OF WASHINGTON:

Paul G. Ramsey, M.D.
CEO, UW Medicine
Executive Vice President for Medical Affairs and
Dean of the School of Medicine,
University of Washington

S. Kay Lewis, Director
Student Financial Aid

Connie Kravas, Ph.D., Vice President
Development and Alumni Relations

V'Ella Warren, Senior Vice President
Finance and Facilities

Date

**Exhibit A of the
L. Vern Howell Endowed Scholarship in Medicine**

Nellie H. Howell was born in Seattle in 1894, the first baby to enter the city's birth records. She moved with her family to Fall City, Wash., where she graduated from Fall City High School. Mrs. Howell attended the University of Washington from 1912 to 1914, and, for the next two years, taught school on Whidbey Island.

For a number of years, she and her husband, Vern Howell, owned and operated a grocery store in Issaquah. After her husband's death in 1969, Mrs. Howell traveled extensively in the U.S. and abroad. She died at the Bellevue Terrace Convalescent Center in June 1984. Her will contained provisions to create a medical-school loan fund named after her husband.

In creating this endowed scholarship in 2008, UW Medicine pays tribute to Nellie H. Howell and honors her intention to support medical students at the UW School of Medicine.

**Exhibit B of the
L. Vern Howell Endowed Scholarship in Medicine**

Endowment Funding

This endowment shall be funded with the following:

1. Funds totaling \$653,000, now in the L. Vern Howell Memorial Loan Fund (HOWELL, 70-3890). These funds will be transferred out of the loan fund into the L. Vern Howell Endowed Scholarship in Medicine.
2. If available, University matching funds totaling \$326,500 that are designated for Students First will be added to the endowment's principal.
3. Any other gifts or bequests that other persons may designate for this purpose.

Last Will and Testament

*Copy of Will
Admitted
to Probate*

OF

NELLIE H. HOWELL

I, NELLIE H. HOWELL, a widow, of Issaquah, King County, Washington, am over the age of eighteen years, and declare that this is my Last Will and Testament, hereby revoking any and all Wills and Codicils heretofore made by me.

FIRST

I declare that my husband, Lewis V. Howell, died in March, 1967, and that only one child was ever born to me. This child is my son, JULIAN CLYDE WHALEY, of Seattle, Washington.

SECOND

I make the following bequests of property:

A. To my friend, FOREST GOODROW, of Lopez Island, Washington, any and all guns which I may own at the time of my death;

B. To my friend, ROBERT MENSER, of Tacoma, Washington, the large piece of jade located in the safe in the outside shop building of my home at 745 2nd Avenue Northwest, Issaquah, Washington;

C. To my friends, WILFRED and MAY ERICKSON, of Quincy, Washington (or to whichever one of them is living at the date of my death), my rock duck picture.

D. To my friends, GEORGE S. and EUGENIA V. PLANT, of Issaquah, Washington (or to whichever one of them is living at the date of my death), all of my right, title and interest in and to certain real property located near the corner of Third Northwest and Holly, Issaquah, and more particularly described as Lots 16 and 17, Block 2, Herbert S. Upper's Second Addition to Issaquah; and

E. To my friend, JOHN ROMAN, a single man, of Redmond, Washington, if he is living at the date of my death, all of the gold coins and gold bullion (including Kruggerands) situate in my safe deposit box at the Issaquah Branch of the Seattle-First National Bank. If he is not so living, this bequest shall be paid over instead to his son, ROBERT.

F. To Burke Memorial Museum at the University of Washington my rock collections and all lapidary tools and equipment.

Mrs. Nellie H. Howell

THIRD

I make the following bequests of cash:

A. To my son, JULIAN CLYDE WHALEY, of Seattle, Washington, if he is living at the date of my death, the sum of Fifteen Thousand Dollars (\$15,000.00). If he is not so living, however, this bequest to him shall lapse and become a part of the residue of my estate, to be paid over and distributed as hereinafter provided; and

B. To MARK, MARION, MARY and CHARLES MORIARTY, of Bainbridge Island, Washington, the children of my friend and attorney, Charles P. Moriarty, Jr., the sum of Fifteen Thousand Dollars (\$15,000.00), in equal shares, share and share alike.

FOURTH

It is my will that any and all estate, inheritance or succession taxes which accrue or become due by virtue of the bequests in Paragraphs SECOND and THIRD of this Will be a charge against and be paid by the residue of my estate rather than by the beneficiaries named in said Paragraphs.

FIFTH

I give the rest, residue and remainder of my estate, of every kind and nature and wherever situate, to the BOARD OF REGENTS of the UNIVERSITY OF WASHINGTON, Seattle, Washington, to establish a loan fund to be used to benefit students at the University of Washington School of Medicine who are in financial need or distress, to be known as the "L. VERN HOWELL MEMORIAL LOAN FUND." I specifically grant to said Board the right to establish all of the conditions upon which such loans may be granted and to change such conditions as circumstances change. It is my wish and hope that this bequest, which I expect will be substantial, will provide a source of financial assistance for medical students at the University for the indefinite future and will be used by the Board in such a manner as to be an appropriate and continuing memorial for my deceased husband.

SIXTH

I nominate and appoint CHARLES P. MORIARTY, JR., as sole Executor of my estate, except that if said Executor is for any reason unable or unwilling so to act, or having acted is thereafter unable or unwilling to continue to act as Executor, then I nominate and appoint R. THOMAS OLSON as alternate Executor, in all cases to act without bond and

Julia H. Howell

without the intervention of any court as authorized by the laws of the State of Washington
in the case of nonintervention wills.

IN WITNESS WHEREOF, I have hereunto set my hand this 23 day of October,
1980.

Nellie H. Howell
NELLIE H. HOWELL

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

We, who have as witnesses signed below, being first duly sworn, on oath depose and say:

Each of us is of legal age and competent to be a witness. On the date shown on the preceding page, NELLIE H. HOWELL declared the foregoing instrument to be her Last Will, signed it in our presence and requested that we sign as witnesses to the Will and that we make this affidavit. Each of us then in the presence of the Testatrix and each other, did sign below as witness to the Will and executed this affidavit. NELLIE H. HOWELL appeared to be of sound mind, of legal age, and not under duress.

Pat Martin
Kay D. Hayashi

SUBSCRIBED AND SWORN to before me October 23, 1980.

Shirley Olson
NOTARY PUBLIC in and for the State of
Washington, residing at Stanley Island

N.H.H.

INTERDEPARTMENTAL

Bob St. *fill*

March 15, 1985

TO: David C. Dale, Dean
School of Medicine SC-64

FROM: Theodora N. Haslestad *TN Haslestad*
Controller's Office AG-80

SUBJECT: Estate of Nellie H. Howell

The January 1985 Gift Report included the bequest from the late Nellie H. Howell to establish a loan fund for the benefit of students in the School of Medicine. By its acceptance of the Report on February 8, 1985, the Board of Regents authorized the establishment of the L. Vern Howell Memorial Loan Fund and the use of all the proceeds of Mrs. Howell's bequest for loans to medical students based on financial need.

By copy of this memorandum, the Office of Gift Processing is instructed to establish the L. Vern Howell Memorial Loan Fund and to transfer \$215,014.54 from the Miscellaneous Suspense Account, #39-5008, to the new loan fund. The amount to be transferred includes \$203,468.54 received in cash distributions from the attorney for the estate and proceeds from the sale of assets which were part of the bequest, \$10,782.00 from the redemption of Series E Savings Bonds transferred to the University, and \$764.00 in interest payments on a real estate contract. Subsequent payments of principal and/or interest on real estate contracts assigned to the University will be deposited directly to the Howell Loan Fund.

Enclosed for your records is a copy of the Gift Report item. If you have any questions, please call at 3-4990.

TNH/1h
Enclosure

cc: Ms. Judy Fingar
Mr. Eric Godfrey
Ms. Mimi Grashin
Mr. Dennis Higgins
Mr. Frank Minton

RECEIVED

MAR 25 1985

OFFICE OF
H. S. DEWILLIANT

RECEIVED

MAR 18 1985

DEAN OF MEDICINE

IV. BEQUESTS AND ENDOWMENT ACTIVITY REQUIRING REGENTAL APPROVAL

SECTION A. GIFTS BY BEQUEST - AVAILABLE FOR IMMEDIATE USE

DONOR ESTATE	CURRENT DISTRIBUTION	PREVIOUSLY REPORTED
NELLIE H. HOWELL	Value of Real Estate Contract 21,300.00	231,556.50

L. VERN HOWELL MEMORIAL LOAN FUND

Administrator: Dean, School of Medicine

Conditions: For loans to medical students based on financial need.

Background:

In her will, the late Nellie H. Howell named the Board of Regents of the University of Washington sole beneficiary of her residuary estate "to establish a loan fund to be used to benefit students at the University of Washington School of Medicine who are in financial need or distress, to be known as the 'L. VERN HOWELL MEMORIAL LOAN FUND'," and further specified that "I specifically grant to said Board the right to establish all of the conditions upon which such loans may be granted and to change such conditions as circumstances change. It is my wish and hope that this bequest, which I expect will be substantial, will provide a source of financial assistance for medical students at the University for the indefinite future and will be used by the Board in such a manner as to be an appropriate and continuing memorial for my deceased husband." Mrs. Howell also included a specific bequest to the Burke Museum; this item appears elsewhere in the Gift Report.

To date, the University has received \$203,468.54 in cash distributions and proceeds from the sale of assets included in the bequest for the School of Medicine. In addition, the University acquired savings bonds, worth \$10,393.20 when transferred, and the seller's interest in four real estate contracts having a total value of \$38,994.76. Therefore, at this time, the value of the bequest is \$252,856.50.

In accordance with the policy relating to bequests of \$10,000.00 or more for a particular unit of the University and permitting some discretion regarding the retention of the proceeds in an endowed fund, the School of Medicine submitted a proposal to the Provost for use of the Howell bequest. The Provost approved the request that all the proceeds of the bequest be made available for loans to medical students. The need for loan funds is acute, and the availability of the additional funds will have a significant effect on the School's ability to provide financial assistance for its students. Repayments of loans will provide funds for loans to future classes, thereby perpetuating the L. Vern Howell Memorial Loan Fund.

JAN85

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Minutes
Board of Regents
Meeting of:
FEB 08 1985

IV. BEQUESTS AND ENDOWMENT ACTIVITY REQUIRING REGENTAL APPROVAL

SECTION A. GIFTS BY BEQUEST - AVAILABLE FOR IMMEDIATE USE

DONOR ESTATE	CURRENT DISTRIBUTION	PREVIOUSLY REPORTED
NELLIE H. HOWELL		

L. VERN HOWELL MEMORIAL LOAN FUND (continued - 2)

Nellie H. Howell was born in Seattle in 1894. Her birth marked the first entry in the city's birth records. She moved with her family to Fall City, where she graduated from Fall City High School, and later to Issaquah. She attended the University of Washington from 1912 to 1914, and for the next two years taught school on Whidbey Island. For a number of years, she and her husband, Vern Howell, owned and operated a grocery store in Issaquah. Following her husband's death in 1969, Mrs. Howell traveled extensively within the United States and in all parts of the world. She passed away at the Bellevue Terrace Convalescent Center in June 1984.