

WEST VIRGINIA LEGISLATURE
EIGHTY-FIRST LEGISLATURE
REGULAR SESSION, 2014



ENROLLED

Senate Bill No. 460

(BY SENATORS MILLER, LAIRD, UNGER, BEACH, SNYDER,
STOLLINGS AND JENKINS)

[PASSED MARCH 4, 2014; IN EFFECT NINETY DAYS FROM PASSAGE.]

E N R O L L E D

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(BY SENATORS MILLER, LAIRD, UNGER, BEACH, SNYDER,
STOLLINGS AND JENKINS)

[Passed March 4, 2014; in effect ninety days from passage.]

AN ACT to amend and reenact §12-1-12d of the Code of West Virginia, 1931, as amended, relating to adding West Virginia School of Osteopathic Medicine to the list of state institutions of higher education that are permitted to invest certain moneys with its foundation; and establishing a cap on the amount of moneys that it may invest.

Be it enacted by the Legislature of West Virginia:

That §12-1-12d of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 1. STATE DEPOSITORIES.

§12-1-12d. Investments by Marshall University, West Virginia University and West Virginia School of Osteopathic Medicine.

1 (a) Notwithstanding any provision of this article to the
2 contrary, the governing boards of Marshall University, West
3 Virginia University and West Virginia School of Osteopathic
4 Medicine each may invest certain funds with its respective
5 nonprofit foundation that has been established to receive

6 contributions exclusively for that university and which exists
7 on January 1, 2005. The investment is subject to the
8 limitations of this section.

9 (b) A governing board, through its chief financial officer,
10 may enter into agreements, approved as to form by the State
11 Treasurer, for the investment by its foundation of certain
12 funds subject to their administration. Any interest or earnings
13 on the moneys invested is retained by the investing
14 university.

15 (c) Moneys of a university that may be invested with its
16 foundation pursuant to this section are those subject to the
17 administrative control of the university that are collected
18 under an act of the Legislature for specific purposes and do
19 not include any funds made available to the university from
20 the State General Revenue Fund or the funds established in
21 section eighteen or eighteen-a, article twenty-two, chapter
22 twenty-nine of this code. Moneys permitted to be invested
23 under this section may be aggregated in an investment fund
24 for investment purposes.

25 (d) Of the moneys authorized for investment by this
26 section, Marshall University, West Virginia School of
27 Osteopathic Medicine and West Virginia University each,
28 respectively, may have invested with its foundation at any
29 time not more than the greater of:

30 (1) Sixty million dollars for Marshall University, \$25
31 million for West Virginia School of Osteopathic Medicine
32 and \$70 million for West Virginia University; or

33 (2) Sixty-five percent of its unrestricted net assets as
34 presented in the statement of net assets for the fiscal year end
35 audited financial reports.

36 (e) Investments by foundations that are authorized under
37 this section shall be made in accordance with and subject to
38 the provisions of the Uniform Prudent Investor Act, codified
39 as article six-c, chapter forty-four of this code. As part of its
40 fiduciary responsibilities, each governing board shall
41 establish investment policies in accordance with the Uniform
42 Prudent Investor Act for those moneys invested with its
43 foundation. The governing board shall review, establish and
44 modify, if necessary, the investment objectives as
45 incorporated in its investment policies so as to provide for the
46 financial security of the moneys invested with its foundation.
47 The governing boards shall give consideration to the
48 following:

49 (1) Preservation of capital;

50 (2) Diversification;

51 (3) Risk tolerance;

52 (4) Rate of return;

53 (5) Stability;

54 (6) Turnover;

55 (7) Liquidity; and

56 (8) Reasonable cost of fees.

57 (f) A governing board shall report annually by December
58 31 to the Governor and to the Joint Committee on
59 Government and Finance on the performance of investments
60 managed by its foundation pursuant to this section.

61 (g) The amendments to this section in the second
62 extraordinary session of the Legislature in 2010 apply
63 retroactively so that the authority granted by this section shall
64 be construed as if that authority did not expire on July 1,
65 2010.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman Senate Committee

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Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker of the House of Delegates

The within this the
Day of, 2014.

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Governor