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.]
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.]

AN ACT to amend and reenact §12-l-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-l-12d of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 1. STATE DEPOSITORIES.

§12-l-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 contrary, the governing boards of Marshall University, West Virginia University and West Virginia School of Osteopathic Medicine each may invest certain funds with its respective nonprofit foundation that has been established to receive
contributions exclusively for that university and which exists on January 1, 2005. The investment is subject to the limitations of this section.

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

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

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

1. Sixty million dollars for Marshall University, $25 million for West Virginia School of Osteopathic Medicine and $70 million for West Virginia University; or

2. Sixty-five percent of its unrestricted net assets as presented in the statement of net assets for the fiscal year end audited financial reports.
(e) Investments by foundations that are authorized under this section shall be made in accordance with and subject to the provisions of the Uniform Prudent Investor Act, codified as article six-c, chapter forty-four of this code. As part of its fiduciary responsibilities, each governing board shall establish investment policies in accordance with the Uniform Prudent Investor Act for those moneys invested with its foundation. The governing board shall review, establish and modify, if necessary, the investment objectives as incorporated in its investment policies so as to provide for the financial security of the moneys invested with its foundation. The governing boards shall give consideration to the following:

1. Preservation of capital;
2. Diversification;
3. Risk tolerance;
4. Rate of return;
5. Stability;
6. Turnover;
7. Liquidity; and
8. Reasonable cost of fees.

(f) A governing board shall report annually by December 31 to the Governor and to the Joint Committee on Government and Finance on the performance of investments managed by its foundation pursuant to this section.
(g) The amendments to this section in the second extraordinary session of the Legislature in 2010 apply retroactively so that the authority granted by this section shall be construed as if that authority did not expire on July 1, 2010.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the ___

Day of _______________, 2014.

Governor