

ENROLLED

**Senate Bill No. 584**

(By Senators M. Hall, Walters, Blair, Boso,  
Carmichael, Facemire, Laird, Mullins,  
Plymale, Prezioso, Stollings, Sypolt and Takubo)

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[Passed March 14, 2015; in effect ninety days from passage.]

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AN ACT to amend and reenact §18-2-16 and §18-2-16a of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto a new article, designated §18-2L-1, §18-2L-2, §18-2L-3, §18-2L-4, §18-2L-5, §18-2L-6, §18-2L-7, §18-2L-8, §18-2L-9, §18-2L-10 and §18-2L-11, all relating to transfer of Cedar Lakes Camp and Conference Center from the State Board of Education to a private, nonstock, not-for-profit corporation established under the laws of this state.

*Be it enacted by the Legislature that:*

That §18-2-16 and §18-2-16a of the Code of West Virginia, 1931, as amended, be amended and reenacted; and that said code be amended by adding thereto a new article, designated §18-2L-1, §18-2L-2, §18-2L-3, §18-2L-4, §18-2L-5, §18-2L-6, §18-2L-7, §18-2L-8, §18-2L-9, §18-2L-10 and §18-2L-11, all to read as follows:

**ARTICLE 2. STATE BOARD OF EDUCATION.**

**§18-2-16. Establishment and operation of state camp and conference center; rental thereof; expenditures; gifts and donations; county court may erect and equip buildings.**

1 (a) For the purpose of developing competent leadership, developing character, training for

1 useful citizenship, fostering patriotism and of providing and encouraging the development of  
2 organized recreational activities for Future Farmers of America and Future Homemakers of America  
3 members, and other youth and adult groups, a camp and conference center is hereby established.

4 The West Virginia Board of Education is hereby authorized to secure a site for the camp and  
5 conference center at some suitable place and provide the necessary buildings and equipment therefor.

6 The camp and conference center shall be operated by the division of vocational education of  
7 the West Virginia Board of Education. The camp and conference center may be rented for  
8 educational purposes only and the rent received therefor shall be deposited in the State Treasury and  
9 paid out on requisition of the Division of Vocational Education of the West Virginia Board of  
10 Education for the maintenance and operation of the camp and conference center.

11 The minimum salary requirements in sections eight-a and eighteen, article four, chapter  
12 eighteen-a of this code do not apply to service employees who are initially employed on or after July  
13 1, 2014, by the Division of Vocational Education to provide services at the camp and conference  
14 center.

15 Any appropriations now or hereafter made by the Legislature to carry out the provisions and  
16 purposes of this section shall be expended through the West Virginia Board of Education.

17 The West Virginia Board of Education may receive and use such gifts and donations of  
18 money, land, buildings, materials, equipment, supplies and labor, either from public or private  
19 sources, as may be offered unconditionally or under such conditions as in the judgment of the West  
20 Virginia Board of Education are proper and consistent with the provisions of this section.

21 All the money received as gifts and donations by the West Virginia Board of Education shall  
22 be deposited in the State Treasury to be used by the Board of Education in establishing and

1 maintaining the aforesaid camp and conference center. A report of all gifts and donations offered and  
2 accepted, together with the names of the donors and the amounts contributed by each and all  
3 disbursements therefrom shall be submitted annually to the Governor of the state by the West  
4 Virginia Board of Education.

5 The county commission of any county may appropriate and expend money from the general  
6 county fund, or from any special fund available for such purpose, to erect and equip a cottage or  
7 county building on the camp and conference center property.

8 (b) The provisions of this section shall expire upon the transfer of Cedar Lakes Camp and  
9 Conference Center to a private, nonstock, not-for-profit corporation in accordance with the  
10 provisions of article two-1 of this chapter.

11 **§18-2-16a. Construction of buildings and recreational facilities at state camp and conference**  
12 **center; charges for use; financing by revenue bonds or notes permissible; trustee for**  
13 **holders of bonds or notes; contents of trust agreement.**

14 (a) The West Virginia Board of Education is hereby authorized to construct, erect, acquire  
15 and improve dining halls, cottages and other buildings or recreational facilities it considers necessary  
16 and beneficial for the proper conduct and management of the camp and conference center and may  
17 charge such rates, fees, rentals and other charges for the use of the buildings and recreational  
18 facilities as it determines necessary and advisable.

19 The construction, erection, acquisition and improvement of dining halls, cottages and other  
20 buildings or recreational facilities may be financed by the issuance of revenue bonds or notes of the  
21 state of West Virginia payable solely from the revenues derived from the operation of the camp and  
22 conference center notwithstanding any of the provisions of section sixteen of this article.

1           The revenue bonds or notes shall be authorized by resolution of the West Virginia Board of  
2 Education, hereinafter referred to in this section as the “board”, and the revenue bonds or notes shall  
3 not constitute a debt of the state of West Virginia within the meaning of any of its statutes or  
4 constitution.

5           The principal of and interest on the bonds or notes shall be payable solely from the special  
6 fund provided for in this section for such payment. The board shall pledge the moneys in the special  
7 fund, except that part of the proceeds of sale of any bonds or notes to be used to pay the cost of a  
8 project, for the payment of the principal of and interest on bonds or notes issued pursuant to this  
9 section. The pledge shall apply equally and ratably to separate series of bonds or notes or upon such  
10 priorities as the board determines. The bonds or notes shall be authorized by resolution of the board  
11 which shall recite an estimate of the cost of the project and shall provide for the issuance of bonds  
12 or notes in an amount sufficient, when sold as provided in this section, to produce such cost, less the  
13 amount of any funds, grant or grants, gift or gifts, contribution or contributions received, or in the  
14 opinion of the board expected to be received from any source. The acceptance by the board of any  
15 and all funds, grants, gifts and contributions, whether in money or in land, labor or materials, is  
16 hereby expressly authorized. All bonds or notes shall have and are hereby declared to have all the  
17 qualities of negotiable instruments. The bonds or notes shall bear interest at not more than twelve  
18 percent per annum, payable semiannually, and shall mature in not more than forty years from their  
19 date or dates of issuance, and may be made redeemable at the option of the board, at such price and  
20 under such terms and conditions, as the board may fix prior to the issuance of the bonds or notes.  
21 The board shall determine the form of the bonds or notes, including coupons, if any, to be attached  
22 thereto to evidence the right of interest payments, which bonds or notes shall be signed by the

1 chairman and secretary of the board, under the great seal of the state, attested by the Secretary of  
2 State, and the coupons, if any, attached thereto shall bear the facsimile signature of the chairman of  
3 the board. In case any of the officers whose signatures appear on the bonds or notes or coupons  
4 issued as authorized under this section shall cease to be such officers before the delivery of the bonds  
5 or notes, the signatures are nevertheless valid and sufficient for all purposes the same as if they had  
6 remained in office until such delivery. The board shall fix the denominations of the bonds or notes,  
7 the principal and interest of which shall be payable at the office of the Treasurer of the state of West  
8 Virginia at the state capitol, or at the option of the holder, at some bank or trust company within or  
9 without the state of West Virginia to be named in the bonds or notes, in such medium as may be  
10 determined by the board. The bonds or notes and interest thereon are exempt from taxation by the  
11 state of West Virginia, or any county or municipality in the state. The board may provide for the  
12 registration of the bonds or notes in the name of the owners as to principal alone, and as to both  
13 principal and interest under such terms and conditions as the board may determine, and shall sell the  
14 bonds or notes in such manner as it may determine to be for the best interest of the state and the  
15 board, taking into consideration the financial responsibility of the purchaser, and the terms and  
16 conditions of the purchase, and especially the availability of the proceeds of the bonds or notes when  
17 required for payment of the cost of the project, the sale to be made at a price not lower than a price  
18 which, computed upon standard tables of bond values, will show a net return of not more than  
19 thirteen percent per annum to the purchaser upon the amount paid therefor. The proceeds of the  
20 bonds or notes shall be used solely for the payment of the cost of the project for which bonds or  
21 notes were issued, and shall be deposited and checked out in the same manner as provided by article  
22 six, chapter five of this code, and under such further restrictions, if any, as the board may provide.

1 If the proceeds of bonds or notes issued for a project or a specific group of projects exceeds the cost  
2 of the project or projects, the surplus shall be paid into the fund provided for in this section for  
3 payment of the principal and interest of the bonds or notes. The fund may be used for the purchase  
4 of any of the outstanding bonds or notes payable from the fund at the market price, but at not  
5 exceeding the price, if any, at which the bonds or notes are in the same year redeemable. All bonds  
6 or notes redeemed or purchased shall forthwith be canceled and shall not again be issued. Prior to  
7 the preparation of definitive bonds or notes, the board may, under like restrictions, issue temporary  
8 bonds or notes with or without coupons, exchangeable for definitive bonds or notes upon the  
9 issuance of the latter.

10 Notwithstanding the provisions of sections nine and ten, article six, chapter twelve of this  
11 code, revenue bonds or notes issued under the authority granted in this section are eligible as  
12 investments for the Workers' Compensation Fund, Teachers Retirement Fund, Division of Public  
13 Safety Death, Disability and Retirement Fund, West Virginia Public Employees Retirement System  
14 and as security for the deposit of all public funds. The revenue bonds or notes may be issued without  
15 any other proceedings or the happening of any other conditions or things than those proceedings,  
16 conditions and things which are specified and required by this article, or by the constitution of the  
17 state. For all projects authorized under the provisions of this section, the aggregate amount of all  
18 issues of bonds or notes outstanding at one time shall not exceed \$2.5 million including the  
19 renegotiation, reissuance or refinancing of any bonds or notes.

20 Notwithstanding anything in this section to the contrary, the board is authorized to issue  
21 bonds or notes or otherwise finance or refinance the projects in this section, including the costs of  
22 issuance and sale of the bonds or notes or financing, all necessary financial and legal expenses and

1 creation of debt service reserve funds in an amount not to exceed \$2.5 million.

2           The board may enter into an agreement or agreements with any trust company, or with any  
3 bank having the powers of a trust company, whether within or outside of the state, as trustee for the  
4 holders of bonds or notes issued under this section, setting forth in the agreement the duties of the  
5 state and of the board in respect of the acquisition, construction, improvement, maintenance,  
6 operation, repair and insurance of the project, the conservation and application of all moneys, the  
7 insurance of moneys on hand or on deposit, and the rights and remedies of the trustee and the holders  
8 of the bonds or notes, as may be agreed upon with the original purchasers of the bonds or notes. The  
9 agreement or agreements shall include provisions restricting the individual right of action of  
10 bondholders or noteholders as is customary in trust agreements respecting bonds or notes and  
11 debentures of corporations, protecting and enforcing the rights and remedies of the trustee and the  
12 bondholders or noteholders, and provide for approval by the original purchasers of the bonds or notes  
13 of the appointment of consulting architects, and of the security given by those who contract to  
14 construct the project, and by any bank or trust company in which the proceeds of bonds or notes or  
15 rentals shall be deposited, and for approval by the consulting architects of all contracts for  
16 construction. All expenses incurred in carrying out the agreement may be treated as a part of the cost  
17 of maintenance, operation and repairs of the project.

18           (b) The bonding authority granted under subsection (a) of this section shall expire upon the  
19 transfer of Cedar Lakes Camp and Conference Center to a private, nonstock, not-for-profit  
20 corporation in accordance with the provisions of article two-1 of this chapter.

21 **ARTICLE 2L. TRANSFER OF CEDAR LAKES CAMP AND CONFERENCE CENTER.**

22 **§18-2L-1. Definitions.**

1 As used in this article:

2 (1) “Board” means the West Virginia Board of Education.

3 (2) “Cedar Lakes” means the camp and conference center established pursuant to section  
4 sixteen, article two of this chapter.

5 (3) “Cedar Lakes employee” means any employee of the board whose job responsibilities are  
6 primarily at or concern Cedar Lakes.

7 (4) “Department” means the Department of Education.

8 (5) “Foundation” means a private, nonstock, not-for-profit corporation established under the  
9 laws of this state to which the board will transfer Cedar Lakes and which otherwise meets the  
10 requirements of section four of this article.

11 (6) “Transfer agreement” means the agreement between the board and the foundation that  
12 transfers ownership, operation and control of Cedar Lakes from the board to the foundation.

13 (7) “Transfer date” means either July 1, 2017, or the date by which the board has secured or  
14 performed all approvals, authorizations and any other actions necessary to transfer Cedar Lakes from  
15 the board to the foundation.

16 (8) “Transition fund” means the Cedar Lakes Transition Fund established pursuant to section  
17 five of this article.

18 **§18-2L-2. Purpose and legislative findings.**

19 (a) *Legislative intent.* – It is the intent of the Legislature in enacting this article to transfer  
20 ownership, operation and control of Cedar Lakes to private, nonstock, not-for-profit corporation, in  
21 order for the camp and conference center to continue independently and to best fulfill its purpose of  
22 developing competent leadership, developing character, training for useful citizenship, fostering

1 patriotism and of providing and encouraging the development of organized recreational activities  
2 for Future Farmers of America and Future Homemakers of America members, and other youth and  
3 adult groups.

4 (b) *Findings.* – The Legislature finds and declares that:

5 (1) Pursuant to section sixteen, article two of this chapter, the Legislature authorized the  
6 board to establish Cedar Lakes for the purpose of developing competent leadership, developing  
7 character, training for useful citizenship, fostering patriotism and of providing and encouraging the  
8 development of organized recreational activities for Future Farmers of America and Future  
9 Homemakers of America members, and other youth and adult groups;

10 (2) Over the decades, Cedar Lakes has fulfilled this purpose and has become an integral part  
11 of the local economy and the Jackson County community;

12 (3) The Legislature recognizes the economic and social value of Cedar Lakes and that its  
13 continued viability depends on it becoming an independent, self-sustaining entity; and

14 (4) A private, not-for-profit structure is the best means of assuring prudent financial  
15 management and, in turn, the fulfilling of the purposes of Cedar Lakes and serving the local  
16 economy, the Jackson County community and the state.

17 **§18-2L-3. Board authorized to contract with foundation.**

18 The board is hereby authorized to enter into the transfer agreement and all other contractual  
19 agreements necessary to transfer Cedar Lakes to the foundation, as consistent with this article.

20 **§18-2L-4. Description of foundation.**

21 The foundation to which the board transfers Cedar Lakes upon the transfer date shall be a  
22 nonstock, not-for-profit corporation established pursuant to the provisions of chapter thirty-one-e

1 of this code, known as the West Virginia Nonprofit Corporation Act.

2 **§18-2L-5. Establishment of the Cedar Lakes Transition Fund.**

3 Upon the effective date of the enactment of this article in 2015, there is hereby established  
4 in the State Treasury a Cedar Lakes Transition Fund over which the State Treasurer is custodian to  
5 be administered by the department. Moneys transferred or otherwise payable to the transition fund  
6 shall be deposited in the State Treasury to the credit of the transition fund. Disbursements shall be  
7 made from the transition fund pursuant to and for the purposes provided in the article.

8 **§18-2L-6. Agreement; required provisions.**

9 Notwithstanding section ten, article three, chapter twelve of this code, or any other provision  
10 of this code to the contrary, the board is hereby authorized to enter into a transfer agreement with the  
11 foundation, which shall contain the following provisions, subject to further specification as shall be  
12 mutually agreed upon by the board and the foundation:

13 (a) On the transfer date, the board shall disburse and pay to the foundation all moneys subject  
14 to the control of the board then held in any state fund or wherever located which had theretofore been  
15 delivered as a donation to the department or otherwise for or on behalf of the Cedar Lake Camp and  
16 Conference Center, the FFA-FHA Camp and Conference Center, or such other purpose or activity  
17 related to the department's governance of Cedar Lakes;

18 (b) On the transfer date, the board shall transfer and deed to the foundation in fee simple  
19 absolute all real estate at Cedar Lakes owned by the board and this transfer of real estate shall  
20 comply and be consistent with the provisions of section three, article five, chapter one of this code;

21 (c) The board shall transfer and assign contractual rights and contractual duties specifically  
22 relating to Cedar Lakes to the foundation: *Provided*, That contractual rights and contractual duties

1 that are not specifically related to Cedar Lakes remain with the board;

2 (d) Effective on the transfer date, the foundation shall assume responsibility for and shall  
3 defend, indemnify and hold harmless the board, the department and the state with respect to all  
4 liabilities and duties of Cedar Lakes and all claims for breach of contract resulting from the  
5 foundation's action or failure to act after the transfer date; and

6 (e) On and after the transfer date, the foundation shall own, operate and control Cedar Lakes  
7 and all of its property and assets in fee simple absolute.

8 **§18-2L-7. Exemption from certain requirements.**

9 In order, as expeditiously as possible, to transfer Cedar Lakes from the board to the  
10 foundation, the transactions provided by this article shall be exempt from the bidding and public sale  
11 requirements, from the approval of contractual agreements by the Department of Administration or  
12 the Attorney General and from the requirements of chapter five-a of this code. Moreover, the board  
13 shall also be exempt from these provisions with respect to its operations of Cedar Lakes prior to and  
14 up to the transfer date. The board, with respect to its operations of Cedar Lakes prior to and up to  
15 the transfer date, shall not be required to use the Enterprise Resource Planning System or other  
16 related rules established or authorized in article six-d, chapter twelve of this code.

17 **§18-2L-8. Certain personnel provisions concerning Cedar Lakes employees.**

18 (a) Immediately upon the transfer of Cedar Lakes from the board to the foundation on the  
19 transfer date, all Cedar Lakes employees shall become at-will employees of the foundation.

20 (b) Any person who:

21 (1) Was a Cedar Lakes employee as of January 1, 2017;

22 (2) Was a Cedar Lakes employee who become an employee of the foundation upon the

1 transfer date; and

2 (3) Is laid off by the foundation on or before July 1, 2018, is entitled to be placed on an  
3 appropriate reemployment list maintained by the Division of Personnel and to be allowed a  
4 preference on that list. The Division of Personnel shall maintain such an employee on the  
5 reemployment list indefinitely, or until the employee has declined three offers of employment at a  
6 paygrade substantially similar to that of his or her position as a Cedar Lakes employee upon  
7 termination from employment, or until he or she is reemployed by the executive branch of state  
8 government, whichever occurs earlier.

9 (c) The foundation shall enter into an agreement with the Division of Personnel for the  
10 provision of services and training to an employee of the foundation who is laid off on or before July  
11 1, 2018, and requires additional training to obtain other gainful employment. The Division of  
12 Personnel shall administer the program. The fees required for those services and training shall be in  
13 an amount established by the Division of Personnel and the foundation, and shall be paid out of the  
14 transition fund.

15 (d) Any Cedar Lakes employee as of the transfer date and who becomes an employee of the  
16 foundation shall have the following options related to their accrued and unused sick leave: Freeze  
17 said accrued and unused sick leave at the balance that exists as of the transfer date and use said sick  
18 leave at the time of retirement for those purposes that would have been available to the employee  
19 under law in existence at the date of the transfer had the employee retired on the transfer date; or  
20 have his or her accrued and unused sick leave irrevocably surrendered in exchange for one hour of  
21 pay for each hour of accrued and unused sick leave surrendered to be payable from the transition  
22 fund. With respect to any Cedar Lakes employee as of the transfer date and who becomes an

1 employee of the foundation, the department shall pay the employee such amounts as the employee  
2 is entitled for his or her accrued but unused annual leave, not to exceed forty days.

3 (e) The Division of Personnel shall cooperate fully by assisting in all activities necessary to  
4 expedite all changes for the board, Cedar Lakes and employees, including, but not limited to, all of  
5 the above subsections.

6 **§18-2L-9. No waiver of sovereign immunity.**

7 Nothing contained in this article shall be deemed or construed to waive or abrogate in any  
8 way the sovereign immunity of the state or to deprive the board, department or any officer or  
9 employee thereof of sovereign immunity.

10 **§18-2L-10. Not obligation of the state.**

11 The obligations of the foundation shall not constitute debts or obligations of the board,  
12 department or the state.

13 **§18-2L-11. Sections and provisions severable.**

14 The sections of this article, and the provisions and parts of said sections, are severable and  
15 it is the intention to confer the whole or any part of the powers provided for in this article and, if any  
16 of said sections, or the provisions or parts of any said sections, or the application thereof to any  
17 person or circumstance, are for any reason held unconstitutional or invalid, it is the intention that the  
18 remaining sections of this article, and the remaining provisions or parts of any said sections, shall  
19 remain in full force and effect.

20