

FILED

2014 MAR -7 P 6:05

**WEST VIRGINIA LEGISLATURE**  
**EIGHTY-FIRST LEGISLATURE**

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**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.]

SB 460

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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  
20:3 C. f - on January 1, 2005. The investment is subject to the  
8 limitations of this section.

AMORY TECHN. EDUC. INST.  
STATE COLLEGE

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.

*[Signature]*  
.....  
Chairman Senate Committee

*[Signature]*  
.....  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

*[Signature]*  
.....  
Clerk of the Senate

*[Signature]*  
.....  
Clerk of the House of Delegates

*[Signature]*  
.....  
President of the Senate

*[Signature]*  
.....  
Speaker of the House of Delegates

The within *is approved* ..... this the *24*  
Day of *March* ....., 2014.

*[Signature]*  
.....  
Governor

**PRESENTED TO THE GOVERNOR**

**MAR 07 2014**

**Time** 3:20 pm