



# House of Representatives *State of Utah*

W030 STATE CAPITOL COMPLEX • P.O. BOX 145030  
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February 14, 2005

Mr. Speaker:

The Business and Labor Committee reports a favorable recommendation on **H.B. 255**, INVESTMENT OF HIGHER EDUCATION INSTITUTION ENDOWMENT FUNDS, by Representative D. Clark, with the following amendments:

1. *Page 6, Lines 152 through 156:*

- 152        (1) The State Board of Regents shall:  
153        (a) establish asset allocations for the endowment funds;  
154        (b) in consultation with the commissioner of higher education, establish guidelines  
            for  
155        investing the funds; and  
156        (c) establish a **written** policy governing conflicts of interest.

2. *Page 6, Lines 168 through 175:*

- 168        (b) The investment policy shall:  
169        (i) define the groups, and the responsibilities of those groups, that must be involved  
170        with investing the endowment funds;  
171        (ii) ensure that the groups defined under Subsection (3)(b)(i) at least include the  
            board  
172        of trustees, an investment committee, institutional staff, and a custodian bank;  
173        (iii) create an investment committee that includes not more than two members of the  
174        board of trustees and no less than two **independent** investment management  
            professionals;  
175        (iv) determine an appropriate risk level for the endowment funds;

3. *Page 8, Lines 224 through 229:*

- 224        (b) "Endowment funds" does not mean monies used for the general operation of a  
225        higher education institution that are received by the higher education institution from:  
226        (i) state appropriations;  
227        (ii) federal contracts;  
228        (iii) federal grants; ~~{or}~~  
229        (iv) **private research grants; and**

Bill Number



HB0255

Action Class



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(v) tuition and fees collected from students.

4. Page 10, Lines 282 through 287:

282        [~~(21)~~] (23) {~~(a)~~} "Public funds" means monies, funds, and accounts, regardless  
of the  
283 source from which the monies, funds, and accounts are derived, that are owned, held, or  
284 administered by the state or any of its boards, commissions, institutions, departments,  
285 divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any  
county, city,  
286 school district, political subdivision, or other public body.  
287        {~~(b)~~ "Public funds" does not mean endowment funds.}

5. Page 11, Lines 312 through 319:

312        [~~(27)~~] (29) {~~(a)~~} "State funds" means:  
313        {~~(+)~~} (a) {~~(+)~~} {~~(i)~~} public monies raised by operation of law for the  
support and operation of the  
314 state government; and  
315        {~~(b)~~} {~~(ii)~~} all other monies, funds, and accounts, regardless of the  
source from which the  
316 monies, funds, or accounts are derived, that are owned, held, or administered by the state  
or any  
317 of its boards, commissions, institutions, departments, divisions, agencies, bureaus,  
laboratories,  
318 or other similar instrumentalities.  
319        {~~(b)~~ "State funds" does not mean endowment funds.}

Respectfully,

Stephen D. Clark  
Committee Chair

Voting: 13-0-0

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Bill Number



HB0255

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