

76-156b. Pilot investment program of idle funds by the board of regents. (a) As used in this section:

(1) "Core balance" means the amount of the idle funds of the state educational institution identified by the state educational institution as being legally available for investment for a period of time exceeding a minimum of 12 months; "core balance" shall not include any moneys appropriated from the state general fund;

(2) "state educational institution" means Emporia state university, Fort Hays state university, Pittsburg state university, Kansas state university, Wichita state university or the university of Kansas;

(3) "independent investing entity" means the foundation, corporation or other not-for-profit legal entity created or designated by the state educational institution for the purpose of implementing the pilot investment program approved by the state board of regents; and

(4) "foundation" means the investing agent designated by K.S.A. 76-156a, and amendments thereto.

(b) The state board of regents is hereby authorized to approve a pilot investment program with one state educational institution to provide for the investment of the core balance of that state educational institution's idle funds, excluding any moneys appropriated from the state general fund.

(c) The state board of regents is authorized to determine, establish and adopt the procedures, standards, and criteria that must be used in conducting the pilot investment program and shall require the state educational institution and its independent investment entity to enter into an agreement that shall be approved by the state board of regents before such agreement is effective and may be implemented.

(d) The pilot investment program approved by the state board of regents shall be subject to the following requirements and limitations:

(1) The core balance of the idle funds for the pilot state educational institution may only be invested according to the terms and limitations established and approved by the state board of regents;

(2) the maximum amount of moneys of the state educational institution that are invested under the pilot investment program established and approved under this section shall not exceed \$40,000,000 at any one time and no moneys appropriated from the state general fund for the state educational institution shall be invested under the pilot investment program;

(3) the core balance of moneys to be invested shall be selected and identified by the state educational institution and shall be approved by the state board of regents and shall be transferred to the independent investment entity;

(4) the investment of the funds under the pilot investment program shall be managed by an independent investment entity that is designated or established by the state educational institution for the purpose of implementing and carrying out the pilot investment program; and

(5) a report on the investment portfolio for the pilot investment program and other pertinent details shall be provided to the state board of regents by the state educational institution and the independent investment entity on a quarterly basis, or whenever the state board of regents requests such a report or other information about the investment program.

(e) The pilot investment program shall last as long as it is determined appropriate or advisable by the state board of regents, except that the pilot program shall not continue for longer than five years and shall end on or before June 30, 2013. The state board of regents may terminate the pilot investment program at any time for any reason, including but not limited to a determination that the program is not providing sufficient returns or that investment losses are deemed excessive.

(f) Net interest earnings shall be remitted by the independent investing entity to the state educational institution for deposit in the state treasury. The entire amount of each such remittance shall be credited to the deferred maintenance support fund of the state educational institution and shall only be expended for deferred maintenance projects.

(g) If the pilot investment program ends for any reason, the total amount of funds invested under the pilot investment program at that time, and any net earnings thereon, shall be returned to the state educational institution and shall be deposited and accounted for as required by law.

(h) In January of each year, the state board of regents shall provide the legislature with a report on the details and results of the pilot investment program, until the pilot investment program ends or is otherwise concluded.

History: L. 2008, ch. 115, § 1; July 1.