

KANSAS BOARD OF REGENTS

MINUTES

March 25, 2008

The Kansas Board of Regents held a special meeting by telephone conference call on March 25, 2008. Chairman Christine Downey-Schmidt called the meeting to order at 4:05 p.m. Proper notice was given according to law.

MEMBERS PARTICIPATING: Christine Downey-Schmidt, Chairman
Donna Shank, Vice Chairman
Jerry Boettcher
Jill Docking
Dick Hedges
Dan Lykins
Janie Perkins
Gary Sherrer

MEMBERS ABSENT: Bill Thornton

CONSIDER LEGISLATIVE DRAFT TO DEVELOP PILOT PROGRAM FOR INVESTMENT OF STATE UNIVERSITIES' IDLE FUNDS

President Robinson called attention to legislative language that has been drafted that would authorize the Board to select a state university to undertake a pilot program for investment of its idle funds, excluding State General Funds. Representatives Wilk, Schwartz, and Tafanelli brought forward the idea and the concept was reviewed by the Board's Fiscal Affairs and Audit Committee. The measure would permit a university to enter into an agreement with a foundation/endowment entity to invest core balances available for a period of time exceeding twelve months and establishes requirements and limitations on the pilot program. Among those requirements and limitations is a provision that the invested funds shall not exceed \$40,000,000.

Questions and discussion followed. It was reported that even if a pilot university has funds available above \$40,000,000, the potential investment would be capped at that amount. The discussion confirmed that, given the legislative language used to describe the pilot program, the Board would be authorized to select only one university to participate in this effort. Only that university will be permitted to remove funds from the state's Pooled Money Investment Fund; additional legislation would be required for another university to participate. Concern was expressed about potential risk factor for the Board and it was noted that any agreement would be between the university and the investing foundation. While the Board would be responsible for approving the agreement, it would not be involved in such details as approving the investment decisions.

Regent Perkins moved that the Board express support for the legislation as proposed and authorized Board staff to draft testimony reflecting the Board's support. Following the second of Regent Lykins, the motion carried.

ADJOURNMENT

The conference call meeting was adjourned at 4:30 p.m.

Reginald L. Robinson, President and CEO

Christine Downey-Schmidt, Chair