

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 425

As Recommended by Senate Committee on Ways and Means

Brief*

SB 425 would amend existing law related to the investment of public moneys. The bill would:

- Add “school districts,” to the list of municipalities allowed to invest in the manner prescribed in the bill.
- School district investments are regulated under K.S.A. 12-1675, which this bill would amend to allow school districts to invest in federal agency securities. This bill also would allow school districts to invest in securities with maturities of four years, whereas under current law, they are limited to maturities of two years.

The bill would take effect upon publication in the *Kansas Register*.

Background

SB 425 was introduced by the Senate Committee on Education.

At the hearing on the bill, proponents included: Senator John Vratil; Tom Krebs, Kansas Association of School Boards; and Diane Gjerstad, Wichita Public Schools.

There were no opponents to the bill.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note prepared by the Division of the Budget explains that within the bill, the investment policy of the school district will have to be reviewed and approved annually by the Pooled Money Investment Board (PMIB) which will require some staff time, but as was indicated by the PMIB, the cost would be negligible and could be absorbed within existing resources.