

HOUSE BILL No. 2649

By Committee on Financial Institutions and Pensions

Requested by Megan Lynn on behalf of AARP Kansas

2-3

AN ACT concerning retirement and pensions; enacting the Kansas empowerment savings program act; establishing the Kansas empowerment savings program board of trustees within the office of the state treasurer; providing powers, duties, functions and responsibilities of such board; authorizing certain eligible employees to contribute to individual retirement accounts through an automatic enrollment payroll deduction; prescribing requirements, limitations and responsibilities for eligible employees and employers; creating the Kansas empowerment savings program fund.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The provisions of sections 1 through 24, and amendments thereto, shall be known and may be cited as the Kansas empowerment savings program act. The Kansas empowerment savings program act shall be effective on and after July 1, 2027.

Sec. 2. As used in this act:

(a) "Act" means the Kansas empowerment savings program act.

(b) "Board" means the Kansas empowerment savings program board of trustees.

(c) "Employee" means an individual who:

(1) Is at least 18 years of age;

(2) is employed by an employer for at least 90 days; and

(3) earns wages subject to income taxation.

(d) "Employer" means a person or entity engaged in a for-profit or not-for-profit business, industry, profession, trade or other enterprise in Kansas, that:

(1) Employed at least five employees at any time during the previous calendar year;

(2) has been in business for at least one year; and

(3) has not offered, in the previous two calendar years, a qualified retirement plan to employees, including a plan qualified under sections 401(a), 401(k), 403(a), 403(b), 408(k), 408(p) or 457(b) of the internal revenue code.

(e) "Fee" means an investment management charge, administrative charge, investment advice charge, trading fee, marketing and sales fee,

1 revenue sharing, broker fee and any other cost necessary to operate the
2 program.

3 (f) "Fund" means the Kansas empowerment savings program fund
4 created in section 18, and amendments thereto.

5 (g) "Internal revenue code" means the federal internal revenue code
6 of 1986, as amended.

7 (h) "IRA" means a:

8 (1) Roth individual retirement account authorized under section 408A
9 of the internal revenue code; or

10 (2) traditional individual retirement account.

11 (i) "Program" means the Kansas empowerment savings program.

12 (j) "Program administrator" means an entity with which the board
13 contracts to administer the program.

14 (k) "Wages" means compensation as defined in section 219(f)(1) of
15 the internal revenue code received by an employee from an employer
16 during the calendar year.

17 Sec. 3. (a) There is hereby established within the office of the state
18 treasurer, the Kansas empowerment savings program board of trustees for
19 the purpose of establishing and implementing the Kansas empowerment
20 savings program. The board is a body corporate and politic and is not a
21 state agency. The board shall be an instrumentality of the state exercising
22 essential public functions.

23 (b) The board shall consist of the seven voting members, as follows:

24 (1) The state treasurer or the state treasurer's designee;

25 (2) the executive director of the Kansas public employees retirement
26 system or the executive director's designee;

27 (3) three members of the public, one appointed by the governor, one
28 appointed by the president of the senate and one appointed by the speaker
29 of the house of representatives, who have expertise in investment or
30 retirement savings plan administration, including:

31 (A) The day to day operations of investment or retirement savings
32 plans;

33 (B) maintaining individual accounts;

34 (C) investing assets in a retirement savings plan; and

35 (D) individual financial planning;

36 (4) one member appointed by the governor who shall represent
37 employers; and

38 (5) one member appointed by the state treasurer who shall represent
39 the interests of employees or program participants.

40 (c) The appointment of board members shall occur as soon as
41 practicable on or after July 1, 2027.

42 (d) An appointed board member shall serve a term of four years that
43 ends on June 30 of the second odd-numbered year after the year the

1 member's term begins.

2 (e) The state treasurer or the state treasurer's designee shall serve as
3 chairperson of the board. The chairperson is authorized to call meetings of
4 the board and set the agenda for each meeting.

5 (f) The board shall elect from among the board's members any other
6 officers as may be necessary for the board to carry out the board's duties
7 and responsibilities.

8 (g) The board shall meet at least four times annually. The board may
9 conduct meetings remotely by teleconference or videoconference. A
10 member who attends a meeting by teleconference or videoconference may
11 vote on any measure.

12 (h) A quorum of the board shall be four members. A member's remote
13 or in-person attendance at a board meeting shall count toward the quorum
14 determination.

15 (i) Each board member shall have one vote.

16 (j) The board may take action consistent with the board's powers if a:

17 (1) Quorum is present at a board meeting; and

18 (2) majority of the members present at the meeting vote in favor of
19 the action.

20 (k) A vacancy on the board shall be filled in the same manner as the
21 original appointment. The newly appointed member shall serve the balance
22 of the unexpired term.

23 (l) A vacancy on the board shall not impair the right of a quorum to
24 exercise the powers and duties of the board.

25 (m) Members of the board shall not receive compensation or
26 subsistence allowances under K.S.A. 75-3223, and amendments thereto,
27 but each member shall be entitled to receive reimbursement for mileage
28 and expenses as provided under K.S.A. 75-3223(c) and (d), and
29 amendments thereto. Amounts paid under this section shall be paid from a
30 fund of the state treasurer as designated by the state treasurer.

31 (n) Except as provided in subsection (d), members of the board shall
32 serve for the duration of the member's term and may be reappointed.

33 (o) A member of the board shall serve at the pleasure of such
34 member's respective appointing authority. The appointing authority may
35 remove an appointed member of the board for any of the following
36 reasons:

37 (1) Neglect of a duty required by law;

38 (2) incompetence;

39 (3) malfeasance;

40 (4) unprofessional conduct; or

41 (5) conviction of an offense involving the misappropriation of funds.

42 Sec. 4. (a) A board member, an individual serving as staff for the
43 board or an agent appointed or engaged by the board shall discharge such

1 individual's duties as a fiduciary with respect to the program solely in the
2 interest of the employee participants and beneficiaries as follows:

3 (1) For the exclusive purpose of providing benefits to employee
4 participants and defraying reasonable expenses of administering the
5 program;

6 (2) by investing with the care, skill, prudence and diligence under the
7 circumstances then prevailing that a prudent person acting in a like
8 capacity and familiar with those matters would use in the conduct of an
9 enterprise of a like character and with like aims;

10 (3) by using any contributions paid by employees and employers into
11 the program exclusively for:

12 (A) Paying benefits to the employee participants;

13 (B) costs of administering the program; and

14 (C) investments made for the benefit of the program.

15 (b) A board member, an individual serving as staff for the board or an
16 agent appointed or engaged by the board shall not engage in any activities
17 that might result in a conflict of interest with such individual's duties.

18 Sec. 5. A board member, a program administrator or any other staff of
19 the board shall not:

20 (a) Directly or indirectly have a personal financial interest in the
21 making of any investment for the program or in the gains or profits
22 accruing from any investment made for the program;

23 (b) borrow any moneys or deposits in program accounts of the fund,
24 or use such moneys or deposits in any manner, as an individual or as an
25 agent or partner of others; or

26 (c) become an endorser, surety or obligor of investments made under
27 the program.

28 Sec. 6. (a) The board shall have the following powers and duties:

29 (1) Establish, implement and maintain the program;

30 (2) adopt rules and regulations for the general administration of the
31 program;

32 (3) direct the state treasurer to hire staff to support the oversight and
33 administration of the program;

34 (4) adopt an investment policy statement;

35 (5) administer the investment of the moneys contributed to accounts
36 in the program consistent with the investment restrictions established by
37 the board;

38 (6) collect application, account or administrative fees to defray the
39 costs of administering the program;

40 (7) explore and, as appropriate, establish incentives to encourage
41 participation in the program by eligible employers and eligible employees.
42 Such incentives shall include a grant program for:

43 (A) Incentivizing compliance with the program; and

- 1 (B) defraying the costs of the program for small businesses;
- 2 (8) seek and accept gifts, grants and donations to be used for the grant
- 3 program established under this subsection and for the purposes of this
- 4 section, unless the gifts, grants or donations would result in a conflict of
- 5 interest relating to the solicitation of vendors for program administration;
- 6 (9) enter into a contract, agreement or arrangement for any of the
- 7 following services considered necessary or desirable for carrying out the
- 8 purposes of this section:
- 9 (A) Services of private and public financial institutions, depositories,
- 10 consultants, investment advisers, investment administrators and third-party
- 11 program administrators;
- 12 (B) research, technical and other services;
- 13 (C) services of other state agencies to assist the board in such board's
- 14 duties;
- 15 (10) set fair and just penalties for employers that fail to comply with
- 16 the requirements of the program and work with the department of labor to
- 17 enforce compliance with the program;
- 18 (11) evaluate the need for the program, program administration and
- 19 board members to have private insurance, and, if necessary, the procedures
- 20 that shall be followed concerning such private insurance;
- 21 (12) develop and implement an outreach plan to gain input and
- 22 disseminate information regarding the program and retirement savings in
- 23 general;
- 24 (13) assess the feasibility of multistate or regional agreements to
- 25 administer the program through shared administrative resources and enter
- 26 into such agreements if determined beneficial;
- 27 (14) include financial education as a part of program implementation
- 28 to the extent feasible given available resources; and
- 29 (15) make and enter into contracts, agreements, memoranda of
- 30 understanding, partnerships or other arrangements to collaborate,
- 31 cooperate, coordinate, contract or combine resources, investments or
- 32 administrative functions with other governmental entities, including states,
- 33 state agencies or instrumentalities of states that maintain or are
- 34 establishing retirement savings programs compatible with the program.
- 35 The board may, under the powers and duties described by this section,
- 36 permit the collective, common or pooled investment of moneys held in
- 37 program accounts with the moneys of other states' programs:
- 38 (A) With which the assets of the program are permitted by law to be
- 39 collectively invested;
- 40 (B) to the extent necessary or desirable for the effective and efficient
- 41 design, administration and implementation of the program; and
- 42 (C) consistent with the purposes set forth in this act, including the
- 43 purpose of achieving economies of scale and other efficiencies designed to

1 minimize costs for the program and employee participants.

2 (b) The investment restrictions described in subsection (a)(5) shall be
3 consistent with the objectives of the program. The board shall exercise the
4 prevailing judgment and care that a person of prudence, discretion and
5 intelligence exercises in the management of such person's own affairs,
6 with due regard to the probable income and level of risk from certain types
7 of investments of money, in accordance with the policies established by
8 the board.

9 Sec. 7. (a) The board may enter into intergovernmental agreements
10 with the secretary of state, department of revenue, department of labor and
11 any other state agency that the board deems appropriate to provide
12 outreach, technical assistance or compliance services for the purposes of
13 this act. A state agency that enters into an intergovernmental agreement
14 with the board under this section shall collaborate with the board to
15 provide the outreach, technical assistance or compliance services to the
16 board.

17 (b) The board shall coordinate with the efforts of other states as such
18 states pursue legal guidance for similar retirement savings programs.

19 Sec. 8. The board shall design, establish and operate the program in a
20 manner that:

- 21 (a) Accords with best practices for retirement savings vehicles;
- 22 (b) maximizes participation, savings and sound investment practices;
- 23 (c) maximizes simplicity, including ease of administration for
24 participating employers and employees;
- 25 (d) provides an efficient product to employees by pooling investment
26 moneys;
- 27 (e) ensures the portability of benefits; and
- 28 (f) provides for the decumulation of employee assets in a manner that
29 maximizes financial security in retirement.

30 Sec. 9. (a) The board shall develop an automatic enrollment payroll
31 deduction IRA known as the Kansas empowerment savings program. Such
32 program shall be a defined contribution plan. The board shall develop the
33 program in accordance with the requirements of this act.

34 (b) The board shall design the program to promote greater retirement
35 savings for private sector employees in a convenient, low cost and portable
36 manner. The program shall:

- 37 (1) Automatically enroll a private sector employee who works for an
38 employer on the date that the employee becomes eligible to participate
39 under section 13, and amendments thereto;
- 40 (2) automatically enroll employees with a contribution level of 5% of
41 the employee's wages. Employees may:
 - 42 (A) Elect not to participate in the program; or
 - 43 (B) select a different level of contribution;

1 (3) pool investment money in the program to achieve cost savings
2 through efficiencies and economies of scale;

3 (4) minimize total annual fees associated with the program;

4 (5) ensure the portability of benefits and consider the type of IRA
5 offered as a way of increasing the portability of benefits;

6 (6) ensure that employers in all Kansas industries are covered by the
7 program and employees in all Kansas industries may participate in the
8 program;

9 (7) provide for the investment and decumulation of employee assets
10 in a manner that maximizes financial security in retirement;

11 (8) allow employers that are not covered by the program to
12 voluntarily participate in the program; and

13 (9) allow individuals who are not considered employees under the
14 program but who meet the qualifications to open an IRA to voluntarily
15 participate in the program.

16 Sec. 10. (a) The board shall make or enter into contracts with not
17 more than three investment managers, private financial institutions or
18 other service providers to invest money and administer the program in a
19 manner consistent with the investment policy statement adopted by the
20 board under section 23, and amendments thereto.

21 (b) If fewer than three entities:

22 (1) Bid to be investment managers; or

23 (2) meet the qualifications to be an investment manager as
24 determined by the board, the program may proceed with fewer than three
25 entities.

26 Sec. 11. (a) For the first three years of operation of the program, total
27 annual fees associated with the program shall not exceed 1% of the total
28 value of the program's assets. During such three-year period, the board
29 shall conduct a study to decide upon a fee rate that is fair to employers,
30 employees and the state.

31 (b) In the fourth year of the operation of the program and in each year
32 thereafter, the board shall implement a total annual flat fee rate based upon
33 the study conducted under subsection (a). If such flat fee rate is no longer
34 sufficient for the operation of the program, the board may readjust such
35 flat fee rate at the beginning of the board's next term.

36 Sec. 12. (a) The board shall establish as an investment option a life
37 cycle fund with a target date based upon the age of the employee. Except
38 as provided in subsection (d), unless the board designates a new
39 investment option by rules and regulations, the life cycle fund shall be the
40 default investment option for employees who do not elect an investment
41 option.

42 (b) (1) The board may establish one or more of the following
43 additional investment options:

- 1 (A) A conservative fund;
- 2 (B) a growth fund;
- 3 (C) a secure return fund; or
- 4 (D) an annuity fund.

5 (2) The board shall determine whether to establish any of the
6 additional investment options based upon an analysis of the cost, risk
7 profile, benefit level, feasibility and ease of implementation of such
8 additional investment options.

9 (c) The primary objectives of the secure return fund established under
10 subsection (b) shall be the preservation of the safety of principal and the
11 provision of a stable and low risk rate of return. If the board elects to
12 establish a secure return fund, the board may procure any insurance,
13 annuity or other product to insure the value of individual accounts. The
14 cost of the insurance, annuity or other product shall be paid out of the
15 fund. If the board:

16 (1) Elects to establish a secure return fund; and

17 (2) procures insurance, an annuity or another product to insure the
18 value of individual accounts under this subsection, the board, program,
19 fund, state or a participating employer shall not assume liability for
20 investment or actuarial risk under the policy or contract associated with
21 such insurance, annuity or other product.

22 (d) If the board elects to establish the secure return fund under
23 subsection (b), the board shall determine whether such secure return fund
24 or life cycle fund shall be the default investment option for employees who
25 do not elect an investment option. In making this determination, the board
26 shall consider the cost, risk profile, benefit level and ease of enrollment in
27 such secure return fund. The board may at any time thereafter revisit such
28 determination and, based upon an analysis of the criteria described in this
29 subsection, establish either the secure return fund or the life cycle fund as
30 the default investment option for employees who do not elect an
31 investment option.

32 Sec. 13. (a) On and after January 1, 2028, an employee who resides in
33 Kansas and is employed by an employer is eligible to participate in the
34 program.

35 (b) An employer shall comply with all program requirements under
36 this act.

37 (c) An employee who participates in the program is fully vested at all
38 times in the employee's account under the program.

39 Sec. 14. (a) The state has no duty and shall not be liable to any party
40 for the payment of a retirement savings benefit accrued by an individual
41 under the program. Any financial liability for the payment of retirement
42 savings benefits in excess of money available under the program is borne
43 solely by the entities with which the board contracts to provide insurance

1 to protect the value of the program.

2 (b) A state board, commission, agency or an officer or employee of a
3 state board, commission or agency shall not be liable for a loss or
4 deficiency resulting from particular investments selected under this act.

5 (c) A participating employer shall not be liable for:

6 (1) An employee's decision to participate in or opt out of the
7 program; or

8 (2) the investment decisions of the board or of any employee
9 participant.

10 (d) A participating employer is not a fiduciary, or considered to be a
11 fiduciary, over the program. A participating employer does not bear
12 responsibility for the administration, investment or investment
13 performance of the program.

14 (e) A participating employer shall not be liable for an error or
15 omission:

16 (1) On a disclosure form for the program;

17 (2) on the program website; or

18 (3) in information provided by the state concerning the program.

19 (f) A participating employer shall not be liable with regard to:

20 (1) Investment returns under the program;

21 (2) program design; or

22 (3) benefits paid to employee participants in the program.

23 Sec. 15. Money deposited by employee participants in the program is
24 not property of the state. The program is not a department, institution or
25 agency of the state. Amounts on deposit in the program shall not be
26 commingled with state money. The state has no claim to, claim against or
27 interest in money on deposit in the program.

28 Sec. 16. (a) Before opening the program for enrollment, the board
29 shall design and disseminate to all employers an employer information
30 packet and an employee information packet, both of which shall include:

31 (1) Background information on the program;

32 (2) appropriate disclosures for employees; and

33 (3) if necessary, information regarding the vendor website.

34 (b) The board shall establish and maintain a website designed to
35 make available to employers, employees and members of the general
36 public the employee information packet, the employer information packet
37 and any other reports, documents or information deemed appropriate by
38 the board.

39 (c) The employee information packet designed by the board shall
40 include a disclosure form. The disclosure form shall contain at least the
41 following information:

42 (1) The benefits and risks associated with making contributions to the
43 program;

- 1 (2) instructions for making contributions to the program;
- 2 (3) instructions for opting out of the program;
- 3 (4) instructions for participating in the program with a level of
- 4 employee contributions other than the default rate;
- 5 (5) the process for withdrawing retirement savings in accordance with
- 6 the employee's investment type;
- 7 (6) how to obtain additional information about the program;
- 8 (7) that an employee seeking financial advice should work with the
- 9 program administrator or contact a financial adviser;
- 10 (8) that a participating employer is not in a position to provide
- 11 financial advice;
- 12 (9) that a participating employer is not liable for a decision that an
- 13 employee makes in connection with the employee's participation in the
- 14 program;
- 15 (10) that the program is not an employer sponsored retirement plan;
- 16 (11) that the program accounts and rate of return are not guaranteed
- 17 by the state; and
- 18 (12) the possible tax implications of and restrictions on individual
- 19 retirement accounts.
- 20 Sec. 17. The board shall adopt rules and regulations that:
- 21 (a) Allow employers that are exempt under this act to voluntarily
- 22 participate in the program;
- 23 (b) extend eligibility to participate in the program to individuals who
- 24 are not employees, including unemployed individuals, self-employed
- 25 individuals and other independent contractors;
- 26 (c) establish the process for enrollment in the program, including
- 27 procedures for the automatic enrollment of employees and for employees
- 28 to opt out of the program;
- 29 (d) establish the process for withdrawal from program accounts;
- 30 (e) establish the process for program participants to:
- 31 (1) Make the default contribution of 5% to program accounts; and
- 32 (2) adjust contribution levels, including a mechanism for automatic
- 33 adjustments of contribution levels;
- 34 (f) establish the process for employers to:
- 35 (1) Withhold employee contributions to program accounts from
- 36 employee wages; and
- 37 (2) send the contributions withheld under paragraph (1) to the
- 38 program administrator not later than 14 days after the contributions are
- 39 withheld from the employee's wages;
- 40 (g) establish the process for participants to make nonpayroll
- 41 contributions to program accounts;
- 42 (h) set minimum and maximum contribution levels in accordance
- 43 with limits established by the internal revenue code;

1 (i) establish the process and requirements for exempting an employer
2 from offering the program if the employer offers a qualified retirement
3 plan, including a plan qualified under section 401(a), 401(k), 403(a),
4 403(b), 408(k), 408(p) or 457(b) of the internal revenue code. The process
5 for obtaining an exemption shall:

6 (1) Be minimal for an employer; and
7 (2) allow an employer to become exempt if the employer enters into
8 legally compliant multiple employer plans;

9 (j) establish, in partnership with the Kansas department of labor, the
10 process for enforcing employer compliance with the program;

11 (k) establish guidelines to ensure employer compliance;

12 (l) mandate the content and frequency of required disclosures to
13 employees, employers and other program participants. Such disclosures
14 shall include the information described in section 16(c), and amendments
15 thereto; and

16 (m) establish the process and requirements for providing grants to
17 incentivize compliance with the program and defray costs incurred by
18 small businesses that participate in the program.

19 Sec. 18. (a) There is hereby created in the state treasury the Kansas
20 empowerment savings program fund. The state treasurer shall administer
21 such fund. Such fund shall consist of:

22 (1) Moneys appropriated to the fund by the legislature;

23 (2) moneys transferred to the fund from the federal government, other
24 state agencies or local governments;

25 (3) moneys from the payment of:

26 (A) Fees or penalties imposed under this act; or

27 (B) other moneys that are due to the board;

28 (4) gifts, grants or donations made to the board; and

29 (5) gifts, grants, donations or investments concerning the program
30 received by the state treasurer.

31 (b) The state treasurer shall invest the moneys in the fund not
32 currently needed to meet the obligations of the fund in accordance with the
33 provisions of article 42 of chapter 75 of the Kansas Statutes Annotated,
34 and amendments thereto.

35 (c) All interest derived from the deposit and investment of moneys in
36 such fund shall be credited to the fund. At the end of each fiscal year, all
37 unexpended and unencumbered moneys in such fund shall remain in such
38 fund and not be credited or transferred to the state general fund or to any
39 other fund.

40 Sec. 19. The state treasurer may, for the costs associated with the
41 administration of this act, seek, accept and expend gifts, grants, donations
42 or investments from private or public sources. Such gifts, grants, donations
43 or investments shall not be required to be repaid.

1 Sec. 20. (a) Except as provided in subsections (b) and (c), all
2 individual account information under the program, including, but not
3 limited to, names, addresses, telephone numbers, personally identifiable
4 information, amounts contributed and earnings on amounts contributed
5 shall be confidential and not subject to disclosure under the open records
6 act, K.S.A. 45-215 et seq., and amendments thereto. The provisions of this
7 subsection shall expire on July 1, 2031, unless the legislature reviews and
8 acts to continue such provisions pursuant to K.S.A. 45-229, and
9 amendments thereto, prior to July 1, 2031.

10 (b) Individual account information may be disclosed to the extent
11 necessary to administer the program in a manner consistent with this act
12 and the internal revenue code.

13 (c) The provisions of subsection (a) shall not apply if the individual
14 who provides such individual account information or is the subject of such
15 information expressly agrees in writing that such information may be
16 disclosed.

17 Sec. 21. (a) Not later than July 1 of each year, the board shall submit
18 a report in an electronic format detailing the board's activities and the
19 status of the program to the:

20 (1) Governor; and

21 (2) chairpersons of the house of representatives committee on
22 appropriations and senate committee on ways and means.

23 (b) The report shall include:

24 (1) Statistics regarding enrollment in the program;

25 (2) the number of program accounts opened;

26 (3) the average amount employees are saving through the program;

27 (4) average contribution levels;

28 (5) a summary of common complaints or concerns about the
29 program; and

30 (6) information regarding the administrative costs and fees associated
31 with the program.

32 (c) The report shall be made available on the program's website not
33 later than January 1 following the date that such report is submitted.

34 Sec. 22. (a) The board shall require an accurate accounting of all
35 activities, operations, receipts and expenditures be maintained in relation
36 to the program and the board.

37 (b) Each year after the first full fiscal year following program
38 implementation, a full audit of the books and accounts of the board
39 pertaining to the activities, operations, receipts, expenditures, personnel,
40 services and facilities of the program and the board shall be conducted by
41 a certified public accountant.

42 (c) Such audit shall include the review of direct and indirect costs
43 attributable to the use of outside consultants, independent contractors and

1 any other persons who are not state employees for the administration of
2 the program.

3 (d) For purposes of the audit, the board shall allow the auditors access
4 to the properties and records of the program and board. Such auditors may
5 prescribe methods of accounting and the rendering of periodic reports in
6 relation to projects undertaken by the program.

7 Sec. 23. (a) The board shall annually prepare and adopt a written
8 statement of investment policy that includes a risk management and
9 oversight program. Such investment policy shall prohibit the board,
10 program and fund from borrowing for investment purposes.

11 (b) The risk management and oversight program shall be designed to
12 ensure that an effective risk management system is in place to:

13 (1) Monitor the risk levels of the program to ensure that the risks
14 taken are prudent and properly managed;

15 (2) provide an integrated process for overall risk management; and

16 (3) assess investment returns and risk to determine if the risks taken
17 are adequately compensated compared to applicable performance
18 benchmarks and standards.

19 (c) The board shall hold a public hearing to consider the statement of
20 investment policy and any changes to such investment policy.

21 Sec. 24. Subject to appropriations, the state treasurer may pay the
22 administrative costs associated with the creation and management of the
23 program until sufficient assets are available in the fund for payment of
24 such administrative costs. Thereafter, all administrative costs of the fund,
25 including repayment of any start-up moneys provided by the state
26 treasurer, shall be paid only out of moneys on deposit in such fund. Private
27 or federal moneys received in order to implement the program until the
28 fund is self-sustaining shall not be repaid unless such moneys were offered
29 contingent upon the promise of such repayment.

30 Sec. 25. This act shall take effect and be in force from and after July
31 1, 2027, and its publication in the statute book.