

OFFICE OF THE STATE TREASURER

FY 2023 – FY 2025 BUDGET ANALYSIS

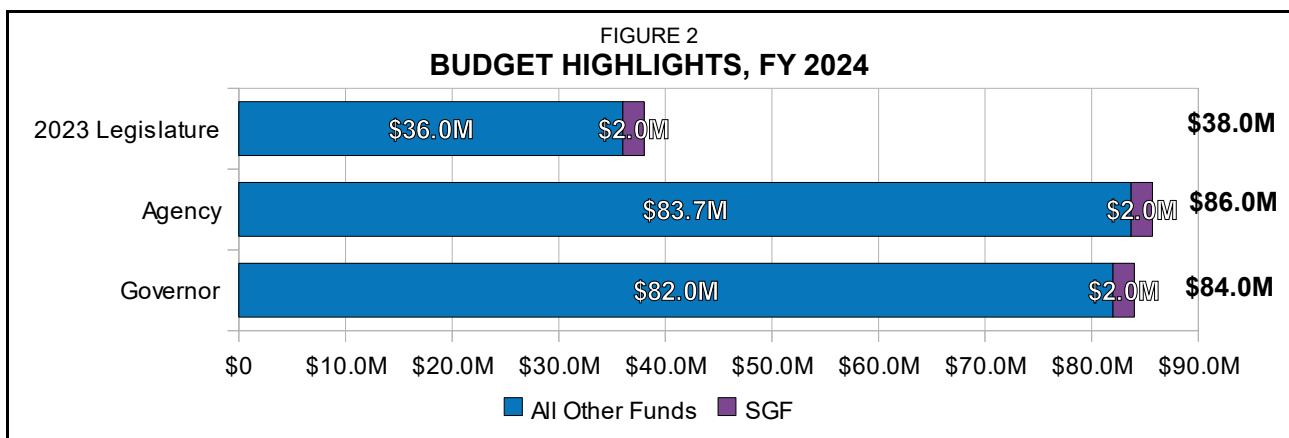
FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ -	\$ 2,010,136	\$ 2,010,136	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	25,617,128	83,700,818	82,000,818	91,785,370	145,385,370
<i>Subtotal</i>	<i>\$ 25,617,128</i>	<i>\$ 85,710,954</i>	<i>\$ 84,010,954</i>	<i>\$ 91,785,370</i>	<i>\$ 145,385,370</i>
Capital Improvements:					
State General Fund	\$ 51,989,864	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 51,989,864</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 77,606,992	\$ 85,710,954	\$ 84,010,954	\$ 91,785,370	\$ 145,385,370
Percentage Change:					
State General Fund	-	(96.1) %	(96.1) %	(100.0) %	(100.0) %
All Funds	160.6 %	10.4 %	8.3 %	7.1 %	73.1 %
FTE Positions	40.0	39.8	39.8	39.8	39.8

The Office of the State Treasurer is the designated fiscal agent for the State of Kansas and is responsible for the timely receipt and deposit of all receipts and revenues into the State Treasury. The State Treasurer administers several deposit loan programs and manages the Kansas Postsecondary Education Savings Program (Learning Quest). The State Treasurer is the paying agent for state and municipal bonds and also is tasked with the disposition of unclaimed property. The State Treasurer is an ex officio member of the Kansas Public Employees Retirement System (KPERs) Board of Trustees. The State Treasurer is one of six state officials elected every four years and also serves as a member of the Pooled Money Investment Board (PMIB), which invests state funds to provide optimum levels of safety, liquidity, and yield.

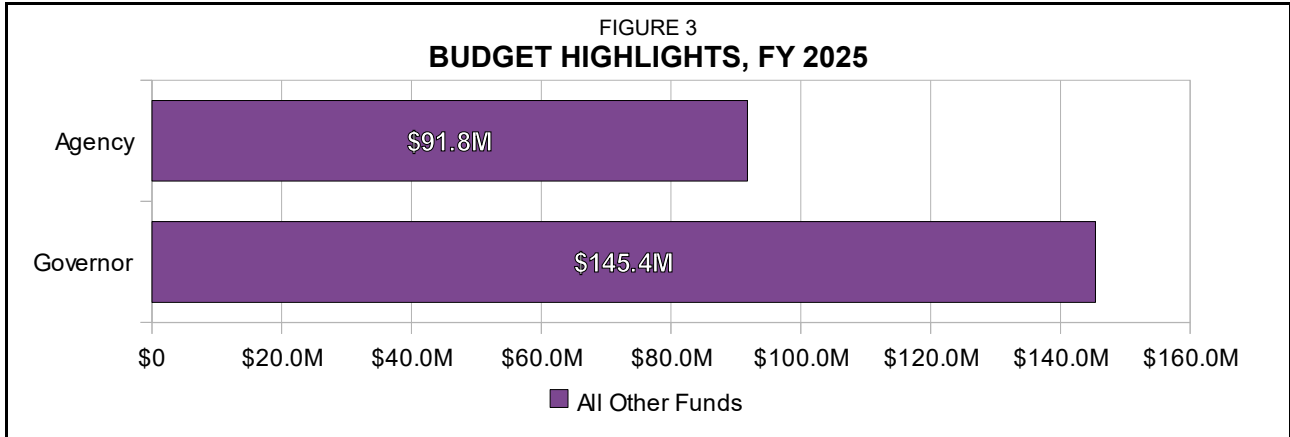
EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$38,025,915, including \$2,000,000 from the State General Fund (SGF), for the Office of the State Treasurer for FY 2024. An adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency reappropriated \$10,136 SGF from FY 2023 into FY 2024.



The **agency** requests a revised estimate of \$85.7 million, including \$2.0 million SGF, in expenditures and 39.8 FTE positions in FY 2024. This is an increase of \$47.7 million, or 125.3 percent, above the amount approved by the 2023 Legislature. This increase is primarily attributable to the Build Kansas Matching Grant Fund, offset by an estimated decrease in expenditures necessary for the Sales Tax and Revenue (STAR) Bonds Food Sales Tax Revenue Replacement Fund.

The **Governor** recommends revised expenditures of \$84.0 million, including \$2.0 million SGF, in FY 2024. This is an all funds decrease of \$1.7 million, or 2.0 percent, below the agency's revised estimate. This decrease is due to the Governor's recommendation to reduce the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$1.7 million, from \$4.7 million to \$3.0 million. These funds will not be required to hold cities and counties harmless due to the Governor's recommendation to move up the elimination of the state sales tax on food and food ingredients to April 1, 2024.



The **agency** requests \$91.8 million, all from special revenue funds, in expenditures and 39.8 FTE positions for FY 2025. This is an increase of \$6.1 million, or 7.1 percent, above the FY 2024 revised estimate. This increase is primarily attributable to increases in the Build Kansas Matching Grant Fund (\$5.0 million) and STAR Bonds Food Sales Tax Revenue Replacement Fund (\$3.0 million).

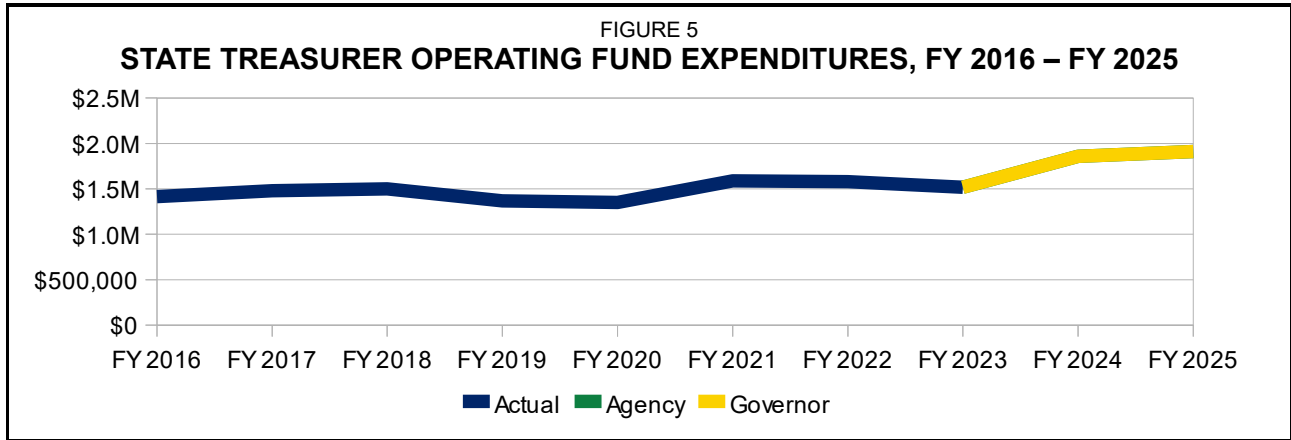
The **Governor** recommends revised expenditures of \$145.4 million, all from special revenue funds, for FY 2025. This is an increase of \$53.6 million, or 58.4 percent, above the agency's FY 2024 revised estimate. This increase is primarily attributable to the Governor recommending the inclusion of \$54.0 million for the Local Ad Valorem Tax Reduction Fund. This is offset by decreasing the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$400,000, from \$7.7 million to \$7.3 million.

EXPENDITURES AND FINANCING

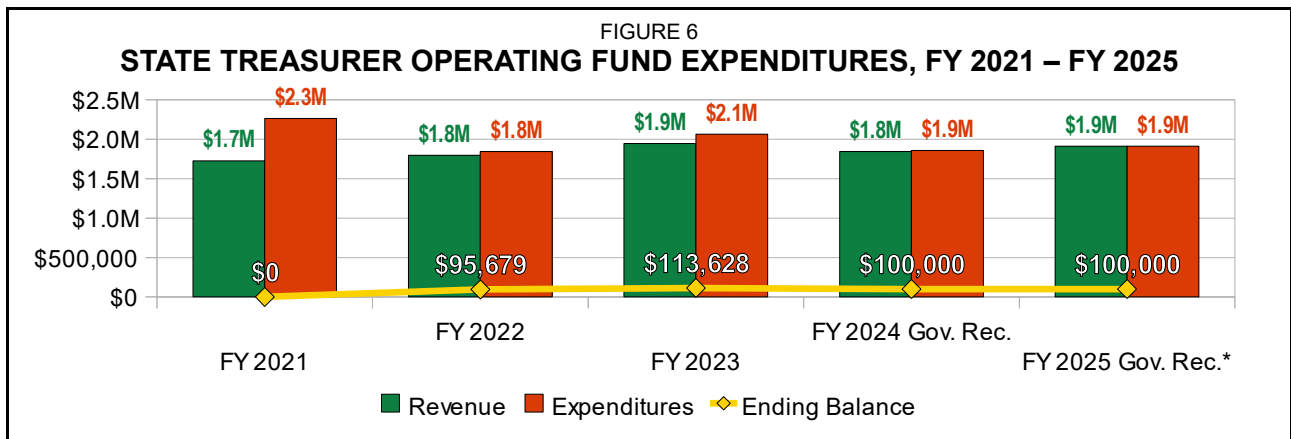
FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:					
Salaries and Wages	\$ 2,487,418	\$ 3,037,747	\$ 3,037,747	\$ 3,036,807	\$ 3,036,807
Contractual Services	1,426,311	1,855,273	1,855,273	1,915,764	1,915,764
Commodities	16,654	20,843	20,843	20,844	20,844
Capital Outlay	97,796	61,955	61,955	61,955	61,955
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 4,028,179</u>	<u>\$ 4,975,818</u>	<u>\$ 4,975,818</u>	<u>\$ 5,035,370</u>	<u>\$ 5,035,370</u>
Aid to Local Units	-	54,700,000	53,000,000	62,700,000	116,300,000
Other Assistance	21,588,949	26,025,000	26,025,000	24,050,000	24,050,000
<i>Subtotal—Operating</i>	<u>\$ 25,617,128</u>	<u>\$ 85,700,818</u>	<u>\$ 84,000,818</u>	<u>\$ 91,785,370</u>	<u>\$ 145,385,370</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	51,989,864	10,136	10,136	-	-
TOTAL	<u>\$ 77,606,992</u>	<u>\$ 85,710,954</u>	<u>\$ 84,010,954</u>	<u>\$ 91,785,370</u>	<u>\$ 145,385,370</u>
Financing:					
State General Fund	\$ 51,989,864	\$ 2,010,136	\$ 2,010,136	\$ -	\$ -
State Treasurer	1,518,763	1,858,143	1,858,143	1,911,024	1,911,024
Operating Fund					
Unclaimed Property	21,240,563	23,600,000	23,600,000	23,600,000	23,600,000
Claims Fund					
Unclaimed Property	1,500,940	1,861,786	1,861,786	1,862,539	1,862,539
Expense Fund					
Federal Funds	-	-	-	-	-
All Other Funds	1,356,862	56,380,889	54,680,889	64,411,807	118,011,807
TOTAL	<u>\$ 77,606,992</u>	<u>\$ 85,710,954</u>	<u>\$ 84,010,954</u>	<u>\$ 91,785,370</u>	<u>\$ 145,385,370</u>
FTE Positions	40.0	39.8	39.8	39.8	39.8

STATE TREASURER OPERATING FUND



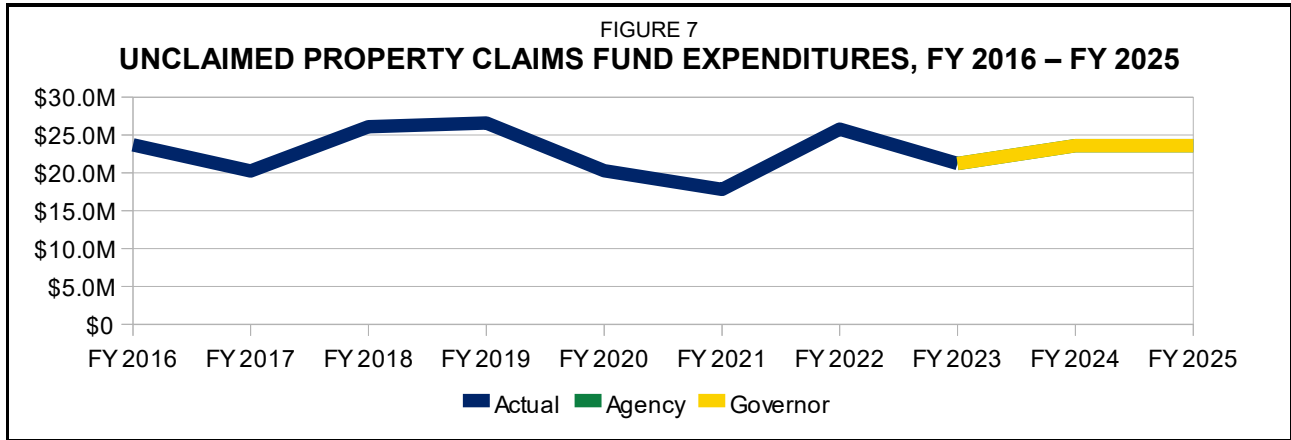
Beginning with FY 2008, the general operations of the Office of the State Treasurer were funded through a transfer from receipts of unclaimed property that normally would be deposited into the SGF. This funding is transferred to the agency’s State Treasurer Operating Fund. The fund averaged expenditures of \$1.5 million per year from FY 2015 to FY 2022. The increase in FY 2023 is attributable to the 5.0 percent pay plan approved by the 2023 Legislature. The State Treasurer also pays operating expenses from the Bonds Services Fee Fund, Postsecondary Education Savings Program Trust Fund, and the Unclaimed Property Expense Fund.



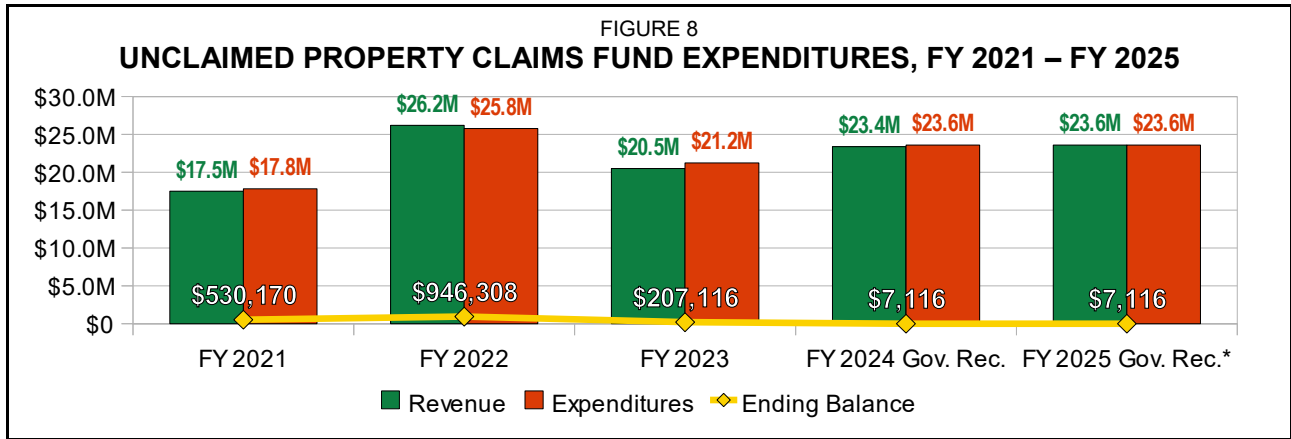
*For FY 2025, the lowest month ending balance for the State Treasurer Operating Fund will occur in June, with a balance of \$67,093.

The State Treasurer Operating Fund revenues totaled \$1.7 million in FY 2021, \$1.8 million in FY 2022, and \$1.9 million in FY 2023. The expenditures totaled \$2.3 million in FY 2021, \$1.8 million in FY 2022, and \$1.5 million in FY 2023. The fund had a carry-forward balance of \$113,628 in unspent funds from FY 2023 into FY 2024. The agency estimates expenditures of \$1.9 million in FY 2024 and FY 2025. The Governor concurs with these estimates.

UNCLAIMED PROPERTY CLAIMS FUND



The Unclaimed Property Claims Fund is established under KSA 58-3956. In accordance with the Uniform Unclaimed Property Act, the State Treasurer deposits amounts received under the act to the State Treasury to the credit of the SGF, except for amounts credited to the Unclaimed Property Claims Fund for payment of claims. The fund has averaged expenditures of \$22.5 million per year from FY 2015 to FY 2022.



*For FY 2025, the lowest month ending balance for the Unclaimed Property Claims Fund will occur in August, with a balance of \$0.

The Unclaimed Property Claims Fund expenditures increased by \$8.0 million, or 44.8 percent, from FY 2021 to FY 2022. The fund has a carry-forward balance of \$207,116 in unspent funds from FY 2023 into FY 2024. The agency estimates unclaimed property claim payments of \$23.6 million in FY 2023 and FY 2024. The Governor concurs with these estimates.

FY 2024 ANALYSIS

FIGURE 9

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ 2,000,000	\$ 38,025,915	40.0
1. SGF Reappropriation	10,136	10,136	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 2,010,136</i>	<i>\$ 38,036,051</i>	<i>40.0</i>
Agency Revised Estimate:			
2. Build Kansas	\$ -	\$ 50,000,000	--
3. STAR Bonds Food Sales Tax Revenue Replacement Fund	-	(2,300,000)	--
4. All Other Adjustments	-	(25,097)	(0.2)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 2,010,136</i>	<i>\$ 85,710,954</i>	<i>39.8</i>
Governor’s Recommendation:			
5. STAR Bonds Food Sales Tax Revenue Replacement Fund	\$ -	\$ (1,700,000)	--
TOTAL	\$ 2,010,136	\$ 84,010,954	39.8

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, an adjustment was made to the \$38.0 million appropriated to the Office of the State Treasurer for FY 2024. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** The agency reappropriated \$10,136 SGF from FY 2023 into FY 2024. These funds are derived from a discount purchase of the water supply debt payment and the funding will be used for future Treasury-bill purchases.

AGENCY ESTIMATE

The **agency** requests \$85.7 million, including \$2.0 million SGF, for FY 2024. This is an increase of \$47.7 million, or 125.3 percent, above the agency's approved FY 2024 amount. Significant adjustments are as follows:

2. **BUILD KANSAS.** The 2023 Legislature approved a transfer of \$50.0 million to the Build Kansas Matching Grant Fund. This \$50.0 million increase allows the agency to expend the allocated funds.
3. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The agency requests a reduction of the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$2.3 million, from \$7.0 million to \$4.7 million. The agency does not foresee needing this funding for FY 2024, but has requested this amount to be added to the fund for FY 2025.
4. **ALL OTHER ADJUSTMENTS.** The agency deletes \$25,097, all from special revenue funds, and 0.2 FTE position in FY 2024.

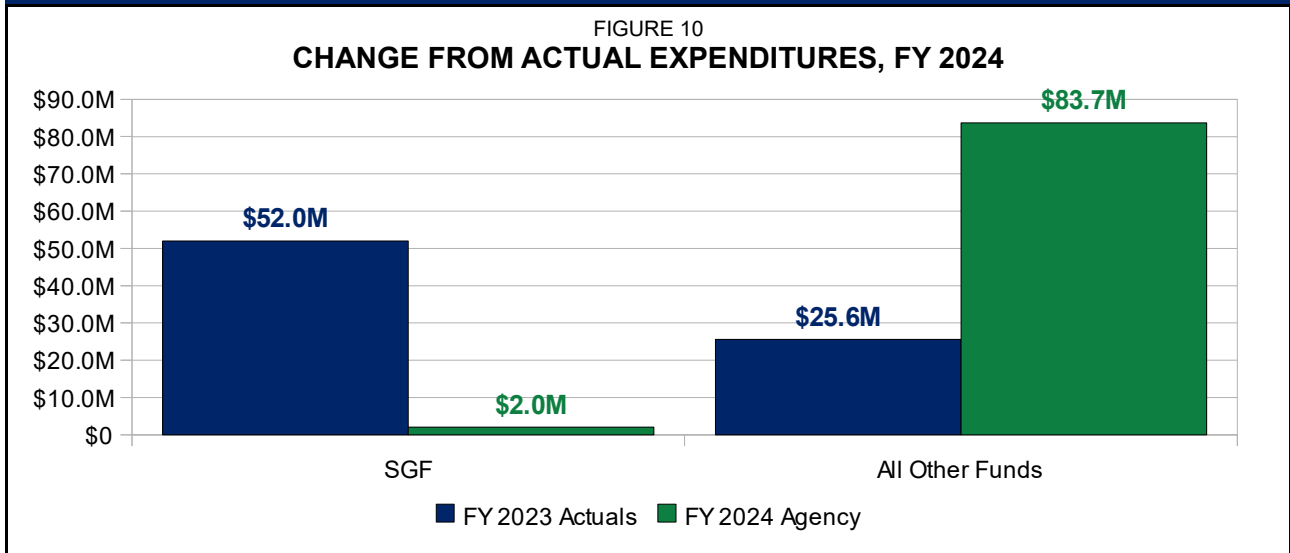
GOVERNOR'S RECOMMENDATION

The **Governor** recommends revised expenditures of \$85.7 million, including \$2.0 million SGF, in FY 2024. This is an all funds decrease of \$1.7 million, or 2.0 percent, below the agency's revised estimate.

The **Governor's** recommendation includes the following adjustments:

5. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The Governor recommends reducing the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by another \$1.7 million in FY 2024, from \$4.7 million to \$3.0 million. These funds will not be required to hold cities and counties harmless due to the Governor's recommendation to move up the elimination of the state sales tax on food and food ingredients to April 1, 2024.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$85.7 million, including \$2.0 million SGF, in FY 2024. This is an increase of \$8.1 million, or 10.4 percent, above FY 2023 actual expenditures. The increase is primarily attributable to the **STAR Bonds Food Sales Tax Revenue Replacement Fund** (\$4.7 million) and the **Alternatives to Abortion program** (\$2.0 million) that were approved by the 2023 Legislature. This also includes \$52.0 million SGF expended to purchase treasury bonds for the water storage debt payments associated with Milford and Perry reservoirs in FY 2023. The 2023 Legislature approved the Build Kansas Matching Grant Fund in FY 2024, and the FY 2024 agency request includes \$50.0 million in funding for grant applications approved by the Build Advisory Committee.

FY 2025 ANALYSIS

FIGURE 11

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF		All Funds	FTE
Agency Request:				
Request without Major Changes	\$	-	\$ 83,785,370	39.8
1. Build Kansas	\$	-	\$ 5,000,000	--
2. STAR Bonds Food Sales Tax Revenue Replacement Fund		-	3,000,000	--
<i>Subtotal—Agency Request</i>	\$	-	\$ 91,785,370	39.8
Governor’s Recommendation:				
3. Local Ad Valorem Tax Reduction Fund	\$	54,000,000	\$ 54,000,000	--
4. STAR Bonds Food Sales Tax Revenue Replacement Fund		(400,000)	(400,000)	--
TOTAL	\$	53,600,000	\$ 145,385,370	39.8

AGENCY REQUEST

The **agency** requests \$91.8 million, all from special revenue funds, for FY 2025. This is an increase of \$6.1 million, or 7.1 percent, above the FY 2024 revised estimate. Significant adjustments are as follows:

1. **BUILD KANSAS.** The 2023 Legislature approved a total transfer amount of \$55.0 million to the Build Kansas Matching Grant Fund for FY 2025. This \$5.0 million increase allows the agency to expend the allocated funds.
2. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The agency requests an increase of \$3.0 million, all from the STAR Bonds Food Sales Tax Revenue Replacement Fund, to hold STAR bond districts harmless from the reduction and eventual elimination of the state sales tax on food and food ingredients. The agency’s request includes \$7.7 million for this purpose for FY 2025.

GOVERNOR’S RECOMMENDATION

The **Governor** recommends revised expenditures of \$145.4 million, all from special revenue funds, for FY 2025. This is an increase of \$53.6 million, or 58.4 percent, above the agency’s FY 2024 revised estimate.

The **Governor’s** recommendation includes the following adjustments:

3. **LOCAL AD VALOREM TAX REDUCTION FUND.** The Governor recommends approval of the transfer to the Local Ad Valorem Tax Reduction Fund in the amount of \$54.0 million for FY 2025. This fund provides a portion of sales tax dollars to city and county governments. The last transfer to the fund occurred in FY 2003.
4. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The Governor recommends reducing the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$400,000 for FY 2025, from \$7.7 million to \$7.3 million. These funds will not be required to hold cities and counties harmless due to the Governor’s recommendation to move up the elimination of the state sales tax on food and food ingredients to April 1, 2024.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 12
SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2024 Supplementals:						
1. STAR Bonds Food Sales Tax Revenue Replacement Fund	\$ -	\$ -	-	-	\$ (1,700,000)	-
TOTAL	\$ -	\$ -	-	-	\$ (1,700,000)	-
FY 2025 Enhancements:						
2. STAR Bonds Food Sales Tax Revenue Replacement Fund	\$ -	\$ -	-	-	\$ (400,000)	-
3. Local Ad Valorem Tax Reduction Fund	-	-	-	-	54,000,000	-
TOTAL	\$ -	\$ -	-	-	\$ 53,600,000	-

1. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The **Governor** recommends reducing the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$1.7 million in FY 2024, from \$4.7 million to \$3.0 million. These funds will not be required to hold cities and counties harmless due to the Governor's recommendation to move up the elimination of the state sales tax on food and food ingredients to April 1, 2024.

The Governor recommends adoption of this request.

2. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The **Governor** recommends reducing the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$400,000 for FY 2025, from \$7.7 million to \$7.3 million. These funds will not be required to hold cities and counties harmless due to the Governor's recommendation to move up the elimination of the state sales tax on food and food ingredients to April 1, 2024.

The Governor recommends adoption of this request.

3. **LOCAL AD VALOREM TAX REDUCTION FUND.** The **Governor** recommends approval of the Local Ad Valorem Tax Reduction Fund in the amount of \$54.0 million for FY 2025. This fund provides a portion of sales tax dollars to city and county governments. The last transfer to the fund occurred in FY 2003.

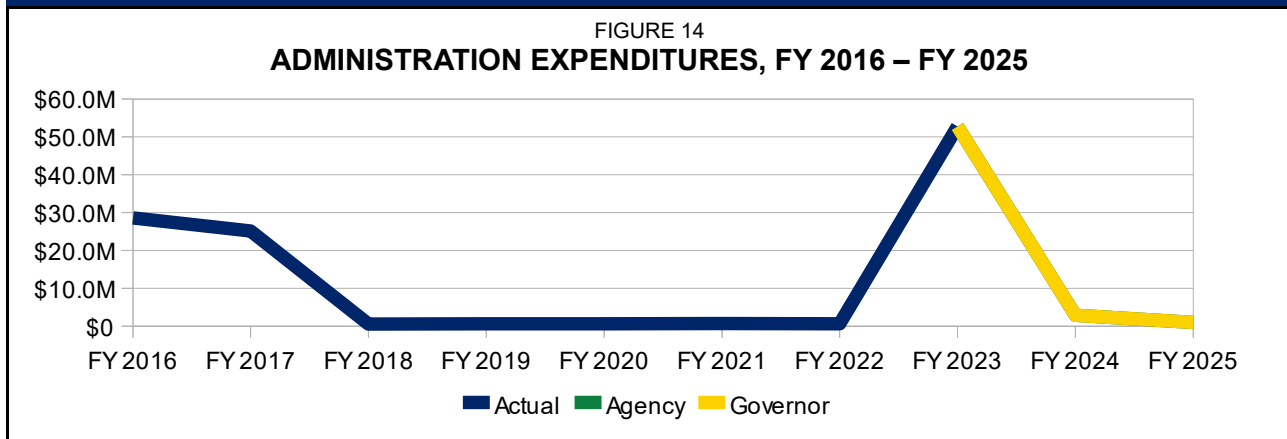
The Governor recommends adoption of this request.

PROGRAM OVERVIEW

FIGURE 13
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:					
Administration	\$ 52,755,151	\$ 2,950,653	\$ 2,950,653	\$ 986,412	\$ 986,412
ABLE Savings	80,191	99,167	99,167	97,585	97,585
Bond Services	586,930	703,570	703,570	703,837	703,837
Cash Management	753,476	55,617,626	53,917,626	63,624,612	117,224,612
Education Assistance	689,761	878,152	878,152	910,385	910,385
Unclaimed Property	22,741,483	25,461,786	25,461,786	25,462,539	25,462,539
TOTAL	\$ 77,606,992	\$ 85,710,954	\$ 84,010,954	\$ 91,785,370	\$ 145,385,370
FTE Positions:					
Administration	6.2	7.1	7.1	7.1	7.1
ABLE Savings	0.3	0.3	0.3	0.3	0.3
Bond Services	10.2	9.2	9.2	9.2	9.2
Cash Management	6.3	6.3	6.3	6.3	6.3
Education Assistance	2.7	2.7	2.7	2.7	2.7
Unclaimed Property	14.3	14.2	14.2	14.2	14.2
TOTAL	40.0	39.8	39.8	39.8	39.8

ADMINISTRATION



STATUTORY BASIS: • The Office of State Treasurer was created in Article I of the *Kansas Constitution*. In 1972, Article I was amended to eliminate the position of State Treasurer as a constitutional office. It continues as an elected position. KSA 25-101b; 75-601, *et seq.*

PROGRAM GOALS:

- Provide leadership to the agency through establishing priorities, properly allocating available resources, and evaluating performance.
- Promote the responsible management of state finances and increase government transparency.
- Increase awareness of office services to the public through digital and traditional marketing efforts, coordination of virtual and in-person events, and participation in community events.
- Provide for efficient, cost-effective data processing for the specific banking functions and programs for the Office of the State Treasurer. Make sure the financial needs of all state agencies can be met. Plan for continuity of operations in the event of a disruption in service.

The Administration program previously included expenditures for the Achieving a Better Life Experience (ABLE) Savings Program, the Bond Service Program, Education Assistance Program, Unclaimed Property Program, and Cash Management Program. Expenditures for these purposes were not separate programs until FY 2018.

The Administration program is composed of two subprograms: Administrative Services and the Information Technology Division. Administrative Services is responsible for the overall determination of agency priorities and policies, planning and regulation of operational activities, proper allocation of available resources, and performance of ongoing internal review of operations and procedures. Functions performed or delegated by Administrative Services for the benefit of the agency include human resources, public relations, marketing, budgeting and forecasting, and administrative and fiscal support services, along with

purchasing, travel, accounts payable, and communications and correspondence.

The Information Technology (IT) Division is responsible for managing information resources and providing IT support for all areas in the Office of the State Treasurer. The responsibility of IT encompasses computer hardware and software acquisition, installation, training, and maintenance. The local area networks (LANs) are maintained by IT personnel. Additionally, the IT staff develops, designs, codes, implements, and maintains an extensive library of custom computer programs for the Office of the State Treasurer. The staff designed multiple interactive websites, which have streamlined processes for other state agencies. These custom systems include the Kansas Debt Recovery System (KDRS) and Kansas Treasury Offset Program (KTOP) for the Department of Administration and Kansas Municipal Investment Pool (KMIP) for the Pooled Money Investment Board.

FIGURE 15
ADMINISTRATION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 51,989,864	\$ 2,010,136	\$ 2,010,136	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	765,287	940,517	940,517	986,412	986,412
TOTAL	\$ 52,755,151	\$ 2,950,653	\$ 2,950,653	\$ 986,412	\$ 986,412
Percent Change:					
SGF	-- %	(96.1) %	-- %	(100.0) %	-- %
All Funds	7,706.7 %	(94.4) %	-- %	(66.6) %	-- %
FTE Positions	6.2	7.1	7.1	7.1	7.1

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$3.0 million, including \$2.0 million SGF, for the Administration program in FY 2024. This is a decrease of \$18,931, or 0.6 percent, below the approved amount. This is mainly attributable to decreases in salaries and wages.

The **Governor** concurs with the agency's FY 2024 revised estimate for the Administration program.

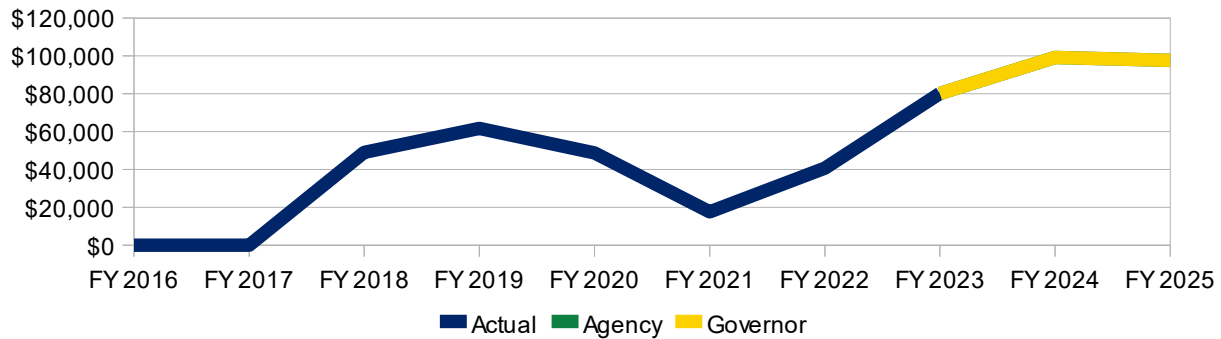
FY 2025 REQUEST

The **agency** requests \$986,412, all from the State Treasurer Operating Fund, for the Administration program for FY 2025. This is a decrease of \$2.0 million, or 66.6 percent, below the FY 2024 revised estimate. This decrease is primarily attributable to the Alternatives to Abortion program funds being expended.

The **Governor** concurs with the agency's FY 2025 request for the Administration program.

ABLE SAVINGS

FIGURE 16
ABLE SAVINGS EXPENDITURES, FY 2016 – FY 2025



STATUTORY BASIS: • KSA 75-651 *et. seq.*

- PROGRAM GOALS:**
- Continue partnership with the multi-state consortium to expand the Kansas Achieving a Better Life Experience (ABLE) Savings Program.
 - Continue to increase awareness of the role an ABLE account can play in the lives of Kansans living with a disability.
 - Identify and implement efficiencies that align with the federal treasury regulations to increase accessibility to the program by the disability community and their families.

The 2015 Legislature created the Achieving a Better Life Experience (ABLE) Savings Program with HB 2216. This program is based on a federal statute that allows individuals diagnosed with a disability before the age of 26 to save private funds in accounts they own with tax-deferred growth and tax-free withdrawal of earnings used for qualified expenses related to their disability under section 529A of the Internal Revenue Code. Assets in the accounts are also not counted for Supplemental Security Income and Medicaid asset tests.

ABLE Savings Program accounts are limited to \$15,000 in contributions per year and must be owned by the individual with a disability or their parent, guardian, or custodian. After legislation was passed in Kansas, Congress amended the federal legislation to allow individuals with a disability to open an account in a plan administered by any state rather than just their state of residence in the Protecting Americans from Tax Hikes Act of 2015. The Office of the State Treasurer participates in a multi-state consortium, provides investment options, and maintains account records for each account owner.

FIGURE 17
ABLE SAVINGS FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	80,191	99,167	99,167	97,585	97,585
TOTAL	\$ 80,191	\$ 99,167	\$ 99,167	\$ 97,585	\$ 97,585
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	96.6 %	23.7 %	-- %	(1.6) %	-- %
FTE Positions	0.3	0.3	0.3	0.3	0.3

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$99,167, all from the ABLE Savings Program Fund, for the ABLE Savings Program in FY 2024. This is an increase of \$6,132, or 6.6 percent, above the approved amount. This increase is attributable to state building charges, mileage, and the contract for administration of the program.

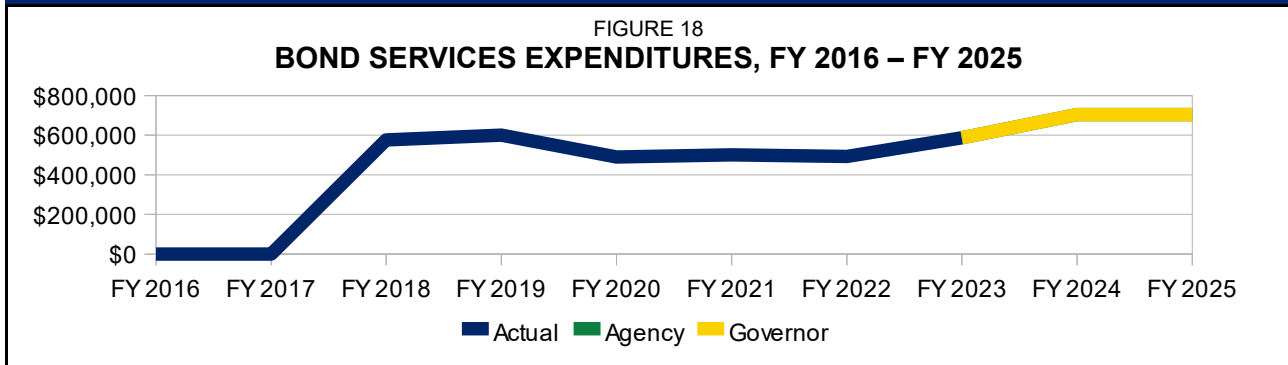
The **Governor** concurs with the agency's FY 2024 revised estimate.

FY 2025 REQUEST

The **agency** requests \$97,585, all from the ABLE Savings Program Fund, for the ABLE Savings Program for FY 2025. This is a decrease of \$1,582, or 1.6 percent, below the revised estimate. This is primarily attributable to decreased advertising costs for FY 2025.

The **Governor** concurs with the agency's FY 2025 request.

BOND SERVICES



- STATUTORY BASIS:** • P.L. 97-248, KSA 10-103, KSA 10-601
- PROGRAM GOALS:**
- Register all municipal bonds and temporary notes issued in the State of Kansas in a timely and accurate manner per KSA 10-103.
 - Compile and have published the annual indebtedness report by September 30, per KSA 10-1007a.
 - Perform paying agent services on Kansas municipal bonds and temporary notes.
 - Develop employee skills and professional skills for a stronger team.

The Bond Services program is responsible for the registration of all municipal bonds issued in Kansas. This program also provides registrar and paying agent services for the majority of local bond issues, as well as state issues. When the State Treasurer is named the fiscal

agent for registered form bonds, a fee is charged to the issuing municipality for provided services. Effective FY 2002, the program is financed entirely from bond service fees. Total fees collected and credited to the Bond Services Fee Fund in FY 2023 were \$442,029.

FIGURE 19
BOND SERVICES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	586,930	703,570	703,570	703,837	703,837
TOTAL	\$ 586,930	\$ 703,570	\$ 703,570	\$ 703,837	\$ 703,837
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	19.0 %	19.9 %	-- %	0.0 %	-- %
FTE Positions	10.2	9.2	9.2	9.2	9.2

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$703,570, all from the Bond Services Fee Fund, for the Bond Services program in FY 2024. This is a decrease of \$90 below the approved amount. This is primarily attributable to a decrease in software rentals, offset by an increase in employer contributions to social security insurance.

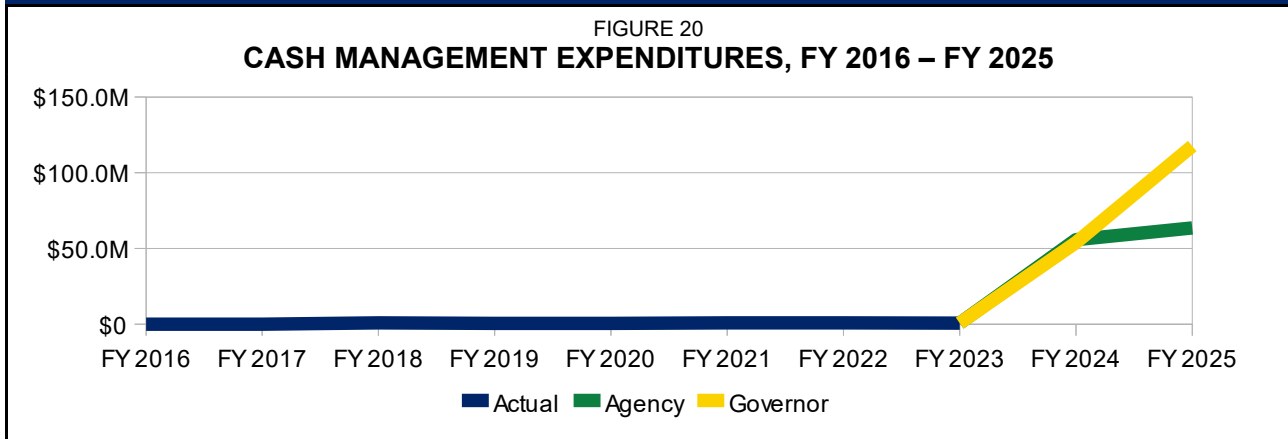
The **Governor** concurs with the agency's revised FY 2024 estimate.

FY 2025 REQUEST

The **agency** requests \$703,837, all from special revenue funds, for FY 2025. This is a \$267 increase above the revised estimate for employer contributions to group health insurance.

The **Governor** concurs with the agency's FY 2025 request.

CASH MANAGEMENT



- STATUTORY BASIS:** • KSA 75-603; 75-604; 75-640-646; 75-4201; 75-7246; 75-4215; 75-4268-4275; 79-2959; 19-2694; 79-2964; 12-1775a
- PROGRAM GOALS:**
- Record in an accurate and timely manner all receipts and disbursements for the State of Kansas.
 - Ensure the safety of deposits held in the name of the State.
 - Accurately determine the amounts due to local governments under the provisions of the various statutes that regulate each program, and to distribute these amounts to the local governmental units at the statutorily mandated times.
 - Provide funding for low-interest loans for qualified linked deposit program borrowers.

The Cash Management program is responsible for several functions, including distributing aid to local units of government and processing the receipt and disbursement of State moneys. In addition, the State Treasurer distributes the amounts due to local units of government from the Special City and County Highway Fund and the County Equalization and Adjustment Fund, which are included in the Department of Transportation budget. The aid to local units of government funds include the following items:

LOCAL AD VALOREM TAX REDUCTION FUND

By statute, these payments are a demand transfer from the SGF. The distribution of local ad valorem aid is made on January 15 and July 15 to county governments under the statute. The amount distributed equals 3.63 percent of the total sales and compensating use taxes credited to the SGF in the prior calendar year based on a formula allocating 65.0 percent to the counties by population and 35.0 percent by property valuation. The Legislature has previously placed limitations on the distribution amounts. The Governor and the Legislature eliminated the second-half distribution in FY

2003, and there was not a distribution through FY 2023. Subsequent appropriations bills, including Section 182 of 2023 HB 2184, have suspended transfers through FY 2023. The Governor's recommendation includes this transfer for FY 2025.

COUNTY AND CITY REVENUE SHARING FUND

The Office of the State Treasurer distributes payments to local units of government under the law providing for county and city revenue sharing. The payments are demand transfers from the SGF. Under the current statute, county and city revenue sharing is distributed on July 15 and December 10 in an amount equal to 2.823 percent of the total credited to the SGF in the prior calendar year from sales and compensating use taxes.

The formula allocates 65.0 percent among the counties by population and 35.0 percent by equalized assessed tangible property valuation. Each county receives 50.0 percent of its entitlement, and the remaining 50.0 percent is distributed to its cities on the basis of population.

The Governor and the Legislature eliminated the second-half distribution in FY 2003. No distributions have been made since FY 2003 and no transfers are currently authorized through FY 2023, pursuant to Section 186 of 2021 HB 2007.

TAX INCREMENT FINANCING REVENUE REPLACEMENT FUND

Created by the 1997 Legislature, this program provides that the State Treasurer is to pay certain local units of government for lost tax revenues due to legislative changes to school finance property taxation. Cities that have established a redevelopment district prior to July 1, 1996, are entitled to receive from the State the revenues that otherwise would have been collected from the redevelopment district, accounting for legislative changes in the school district finance formula. The State Treasurer, prior to April 15 of each year, shall pay each city

its certified amount. The Legislature did not approve distributions from FY 2018 to FY 2020, and, pursuant to Section 171 of 2021 HB 2007, transfers were suspended through FY 2023.

STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND

The STAR Bonds Food Sales Tax Revenue Replacement Fund was created by the 2022 Legislature. The funds will be provided to cities and counties to hold STAR bond holders harmless from the elimination of the food sales tax. According to the agency, on July 1, 2023, and every six months after, the city or county will certify to the Director of Accounts and Reports the amount of the reduction sales tax in the districts due to the bill. This amount will be transferred from the SGF to the STAR Bonds Food Sales Tax Revenue Replacement Fund, and the fund will credit the City Bond Finance Fund for each district.

FIGURE 21
CASH MANAGEMENT FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	753,476	55,617,626	53,917,626	63,624,612	117,224,612
TOTAL	\$ 753,476	\$ 55,617,626	\$ 53,917,626	\$ 63,624,612	\$ 117,224,612
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(17.5) %	7,281.5 %	(3.1) %	14.4 %	84.2 %
FTE Positions	6.3	6.3	6.3	6.3	6.3

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$55.6 million, all from the State Treasurer Operating Fund, for the Cash Management program in FY 2024. This is an all funds increase of \$47.7 million, or 600.7 percent, above the approved amount. This increase is primarily attributable to anticipated approval of Build Kansas matching grant applications, and is offset by a reduction of \$2.3 million for the STAR Bonds Food Sales Tax Revenue Replacement Fund.

The **Governor** recommends \$53.9 million in expenditures for the Cash Management program in FY 2024. This is a decrease of \$1.7

million, or 3.1 percent, below the agency's FY 2024 revised estimate. The decrease is attributable to a reduction in the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$1.7 million.

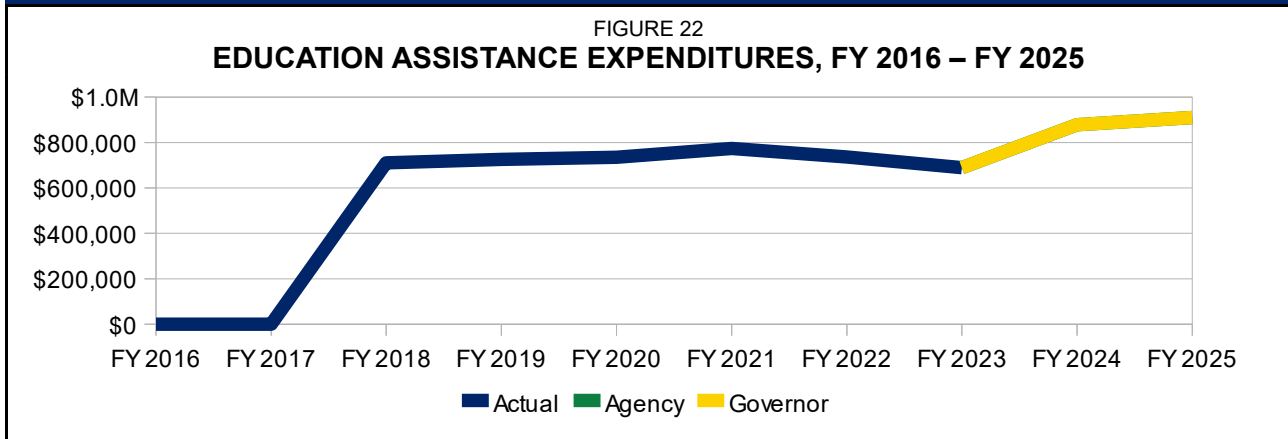
FY 2025 REQUEST

The **agency** requests \$63.6 million, all from the State Treasurer Operating Fund, for the Cash Management program for FY 2025. This is an all funds increase of \$8.0 million, or 14.4 percent, above the revised estimate. This increase is primarily attributable to a \$5.0 million increase for Build Kansas and a \$3.0 million increase for the STAR Bonds Food Sales Tax Revenue Replacement Fund.

The **Governor** recommends \$117.2 million in expenditures for the Cash Management program for FY 2025. This is an increase of \$53.6 million, or 84.2 percent, above the agency's FY 2025 request. The increase is

primarily attributable to a recommendation to transfer \$54.0 million SGF to the Local Ad Valorem Tax Reduction Fund and decrease the SGF transfer to the STAR Bonds Food Sales Tax Revenue Replacement Fund by \$400,000.

EDUCATION ASSISTANCE



STATUTORY BASIS: • Sec 529 of IRS Code of 1986; KSA 75-640 through 75-650; KAR 3-4

- PROGRAM GOALS:**
- Allow more children the chance to go to postsecondary school by providing an opportunity for individuals and organizations to save for postsecondary education tuition and expenses.
 - Actively market and promote the Kansas Learning Quest Education Savings Program in all areas of the state.
 - Reach Kansans with information on Learning Quest through educational meetings and outreach opportunities.
 - Increase the amount of assets transferred to the agency's plan from competitors relative to those transferred out.

The Education Assistance program includes the following:

state matches (up to \$600 per participant) for contributions to such accounts.

POSTSECONDARY EDUCATION SAVINGS

The Postsecondary Education Savings subprogram (Learning Quest Education Savings Program, Learning Quest Advisor, and Schwab 529 College Savings Plan) was created by the 1999 Legislature to provide a way for individuals and organizations to save for postsecondary education expenses under a qualified tuition savings plan (529 plan). The agency contracted with American Century Investments as the program manager in December 1999 and renewed the contract in December 2006. The program became operational in 2000. Effective FY 2002, the program is financed entirely by service fees. Kansas residents own 323,290 of these accounts as of FY 2023.

The KIDS program is authorized for \$720,000 SGF for 1,200 matching grants. Grants are paid as a demand transfer to the Kansas Postsecondary Education Savings Program Trust Fund, a no-limit fund in the Office of the State Treasurer. In FY 2022, there were 675 participants in the KIDS matching grant program. Participants deposited \$375,967 in match-eligible contributions for FY 2023. The agency estimates an increase to \$400,000 in FY 2024 and \$400,000 for FY 2025.

KANSAS INVESTMENTS DEVELOPING SCHOLARS (KIDS)

The Kansas Investments Developing Scholars (KIDS) Matching Grant Program is part of the Learning Quest program. The KIDS Matching Grant Program is designed to encourage low-income families to establish postsecondary savings accounts by providing

FINANCIAL LITERACY

In February 2020, the State Treasurer launched a new initiative called the Kansas ScholarShop. This initiative is a partnership between the State Treasurer and Sallie Mae, a nationwide consumer banking company specializing in student loans. Kansas ScholarShop connects Kansas students with educational scholarships through Sallie Mae's search engine. This program does not have any dedicated FTE positions, and expenditures are primarily for advertising and travel costs to promote the program.

FIGURE 23
EDUCATION ASSISTANCE FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	689,761	878,152	878,152	910,385	910,385
TOTAL	\$ 689,761	\$ 878,152	\$ 878,152	\$ 910,385	\$ 910,385
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(6.4) %	27.3 %	-- %	3.7 %	-- %
FTE Positions	2.7	2.7	2.7	2.7	2.7

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$878,152, all from special revenue funds, for the Education Assistance program in FY 2024. This is an increase of \$7,600, or 0.9 percent, above the approved amount. This increase is primarily attributable to a contract for financial advisory services.

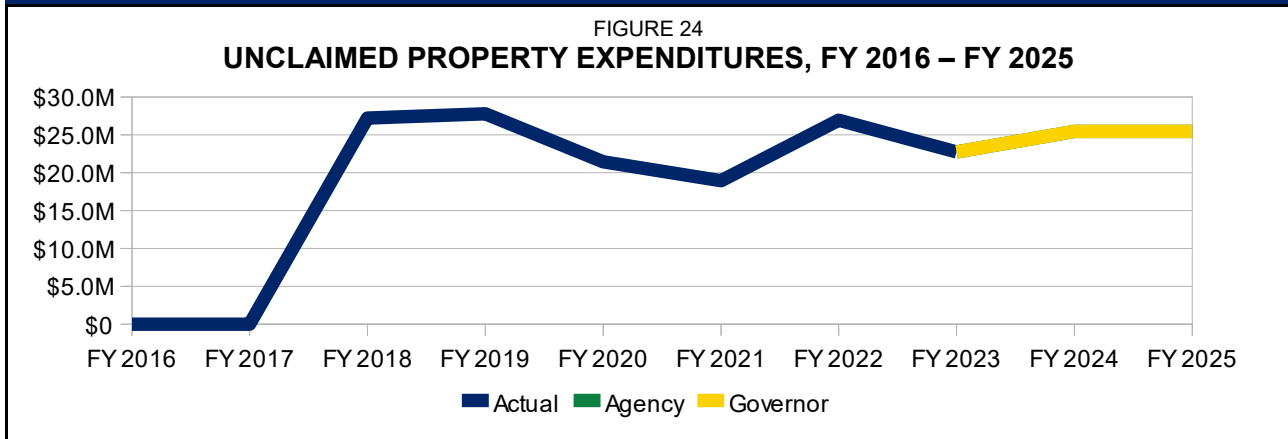
The **Governor** concurs with the agency's FY 2024 revised estimate.

FY 2025 REQUEST

The **agency** requests \$910,385, all from special revenue funds, for the Education Assistance program for FY 2025. This is an increase of \$32,233, or 3.7 percent, above the revised estimate. This increase is primarily attributable to \$25,000 for the KIDS Matching Grant Program, for increased contract fees for program administration, and for conference travel.

The **Governor** concurs with the agency's FY 2025 request.

UNCLAIMED PROPERTY



STATUTORY BASIS: • KSA 58-3934 through 58-3978

- PROGRAM GOALS:**
- Ensure the accurate and timely reporting and remitting of various types of unclaimed property to the State Treasurer and the identification and return of property to its rightful owner(s) or heir(s).
 - Approve or deny 100.0 percent of all claims for abandoned property delivered to the State Treasurer as quickly as possible after the filing of the claim and the receipt of the necessary information to make a legal determination and explore new strategies for identifying potential owners of unclaimed property.

The Unclaimed Property program seeks to return various forms of unclaimed property to the rightful owners or heirs. The Disposition of Unclaimed Property Act (KSA 58-3934, *et seq.*) authorizes the State Treasurer to take possession of specified types of abandoned personal property and become the custodian in perpetuity while reserving the right of the original owner and other persons to claim the property.

After a period of five years of dormancy, abandonment may be declared by the State Treasurer for certain types of personal property, including bank deposits; funds paid toward the purchase of shares in financial organizations; certified checks, drafts, or money orders; contents of safe deposit boxes removed for nonpayment of rent; unclaimed funds held by insurance companies under life insurance policies; utility deposits; stocks and dividends; and miscellaneous intangible property held by one party for another. Those required to report unclaimed property may aggregate amounts under \$100.

When property qualifies, the State Treasurer publishes a notice on the Office of the State Treasurer’s website where the property was reported abandoned in an effort to locate the owner of the property. Owners also may locate assets held by the State Treasurer via the agency’s website. If the property is not claimed, the State Treasurer is authorized to dispose of the property, with receipts of the sale of the property credited to the SGF, with two exceptions. The exceptions are balances in the Unclaimed Property Claims Fund, which are used for the payment of claims, and balances in the Unclaimed Property Expense Fund, which are used to finance the operations of the Unclaimed Property program.

In accordance with the Uniform Unclaimed Property Act, the State Treasurer deposits amounts received under the Act into the State Treasury to the credit of the SGF, except for amounts credited to the Unclaimed Property Claims Fund for the prompt payment of claims.

FIGURE 25

UNCLAIMED PROPERTY FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	22,741,483	25,461,786	25,461,786	25,462,539	25,462,539
TOTAL	\$ 22,741,483	\$ 25,461,786	\$ 25,461,786	\$ 25,462,539	\$ 25,462,539
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(15.5) %	12.0 %	-- %	0.0 %	-- %
FTE Positions	14.3	14.2	14.2	14.2	14.2

BUDGET ANALYSIS

FY 2024 REVISED ESTIMATE

The **agency** submits a revised estimate of \$25.5 million, all from special revenue funds, for the Unclaimed Property program in FY 2024. This is the same as the amount approved by the 2023 Legislature.

The **Governor** concurs with the agency's FY 2024 revised estimate.

FY 2025 REQUEST

The **agency** requests \$25.5 million for the Unclaimed Property program for FY 2025. This is an increase of \$753, or 0.0 percent, above the revised estimate. This is primarily attributable to anticipated out-of-state travel expenditures.

The **Governor** concurs with the agency's FY 2025 request.