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Testimony to the Senate Committee on Financial Institutions and Insurance on SB 316 January 29, 2026

The Office of the State Bank Commissioner (OSBC) appreciates the opportunity to provide written and oral testimony on SB 316, which would permit the State Bank Commissioner to establish a foundation for consumer financial education initiatives.

SB 316 requests that the Commissioner be authorized to establish a nonprofit organization, specifically a foundation. Although the Commissioner has the right to establish any foundation he wants in his individual capacity, we are requesting the legislature authorize the Commissioner to do so in his official capacity as an extension of the OSBC's consumer financial education initiatives. The OSBC has funded consumer financial education initiatives since 1999 by designating administrative action fines and examination findings assessed against its non-depository institutions. The state has established a separate consumer education settlement fund for this purpose under K.S.A. 75-3036. The OSBC does not use any of its assessments nor SGF funds to fund consumer education initiatives. Historically, the consumer education fund has had very little left after each year's fiscal year grants are awarded. Due to a very recent development, the time has come to request this legislation in order to continue to be good stewards of funds designated for consumer financial education initiatives.

Currently, the consumer education settlement fund has about \$1.8 million. This is almost exclusively because of a \$1.6 million multistate agreement agreed to against Block, Inc. in 2025. This settlement far exceeds the average fines collected from FY21-FY25 of about \$160,000 per year. At the same time, consumer financial education grant awards have grown by 322% in just five years, which results in an average increase of 64% each year. We awarded over \$240,000 to 8 charitable organizations this fiscal year, which includes two new recipients.

The rising consumer financial education grant requests and steady fine collections, with one very large exception, means at some point in the future the OSBC will need to turn away valuable consumer financial education grant requests simply because it does not have the money available.

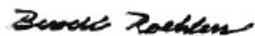
The OSBC does not receive any investment income from any idle funds that remain in the consumer education settlement fund. This biggest benefit to this bill is that all charitable foundations are permitted to invest idle funds for future use. In fact, charitable foundations only need to spend 5% of their total assets each year. Our intent is to continue to spend well above this 5% threshold by funding consumer financial education grants each year and to have the remainder invested in very safe investments. This will ensure that the large balance will keep its inflationary

value for as long as possible and will have more funds available for future financial education initiatives. The second benefit is this bill allows the commissioner or commissioner's designee to allow a donation to the foundation in lieu of paying an assessed fine. Our licensees under corrective action may be more willing to settle litigation in the future because donations to a charitable foundation could qualify for a 30% tax deduction.

SB 316 does not discuss every aspect of what the established foundation can do but does make a point to restrict the foundation in what it cannot do. This is deliberate. The Commissioner and the OSBC have no intention of benefiting from this foundation in any way. Except for these restrictions, the foundation will operate and have the powers of any other established foundation and will establish bylaws like any other foundation.

I hope that this committee votes to recommend SB 316 to the full Senate.

Sincerely,



Brock Roehler
General Counsel
Office of the State Bank Commissioner