

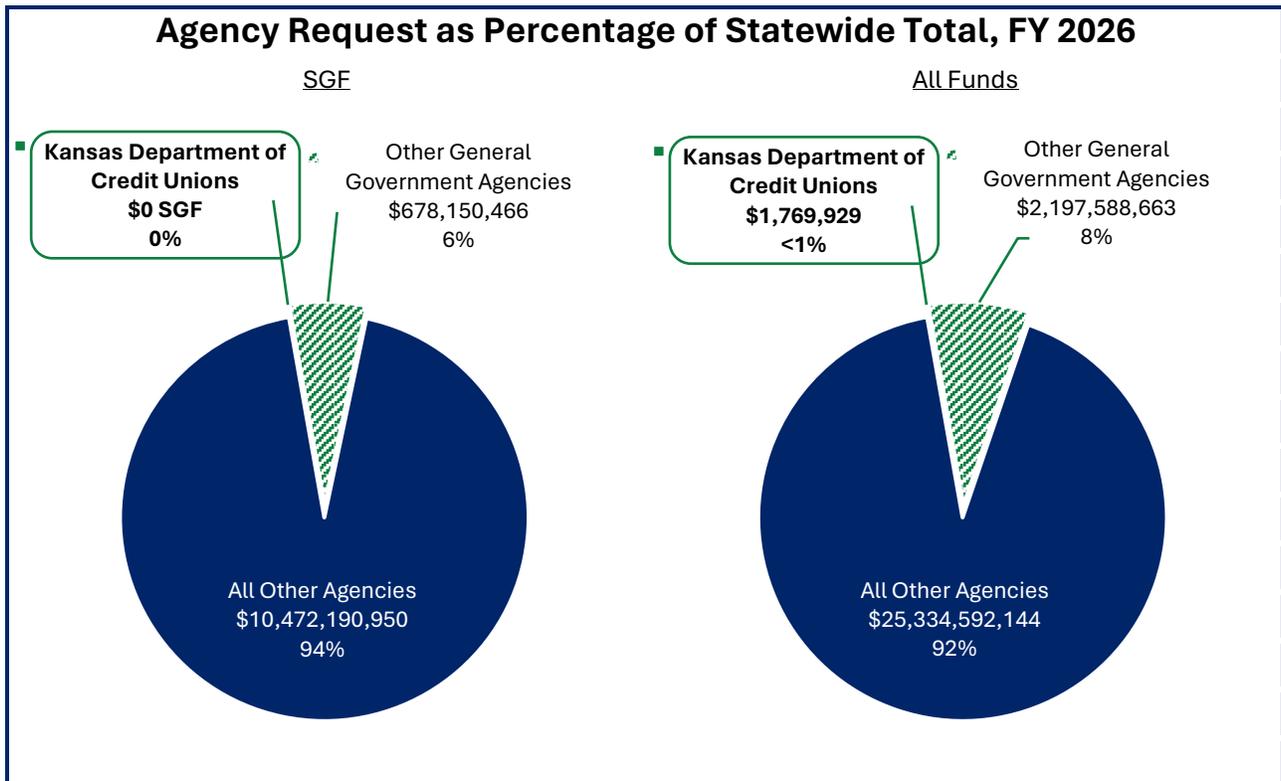
KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

Executive Summary

The mission of the Kansas Department of Credit Unions (KDCU) is to protect Kansas citizens from undue risk by ensuring safe and sound operation of state-chartered credit unions. The agency regulates compliance with state and federal laws, conducts examinations, approves new charters and mergers, and oversees liquidation when necessary. Kansas has 44 natural-person, member-owned, state-chartered credit unions and one corporate credit union under KDCU supervision. State-chartered credit unions must insure deposits through the National Credit Union Administration (NCUA), undergo examinations at least every 18 months, and pay annual fees based on asset size. Federally chartered credit unions in Kansas operate under NCUA and are exempt from KDCU oversight. The agency is located in the Jayhawk Tower at 700 SW Jackson Street, Suite 803, in Topeka.

Expenditures by Fiscal Year and Version			
	SGF	All Funds	Note
FY 2024 Actual	\$ -	\$ 1,226,838	Actual expenditures
FY 2025 Actual	-	1,205,247	Actual expenditures
FY 2026 Approved	-	1,440,160	2025 SB 125
FY 2026 Agency	-	1,769,929	Revised estimate, submitted September 2025
FY 2027 Agency	-	1,726,468	Revised estimate, submitted September 2025



KANSAS DEPARTMENT OF CREDIT UNIONS

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Budget and Policy Snapshot

The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** (NEW), adjustments related to **reappropriated funds** (E), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the [FY 2026 Analysis](#) and [FY 2027 Analysis](#) sections later in this document.

FY 2026

	Item	Amount	Source	Note
NEW	Examiner Training	\$ 58,000	Credit Union Fee Fund	Supplemental Request
NEW	Examination Software	85,000	Credit Union Fee Fund	Supplemental Request
NEW	Examiner Salaries	186,769	Credit Union Fee Fund	Supplemental Request

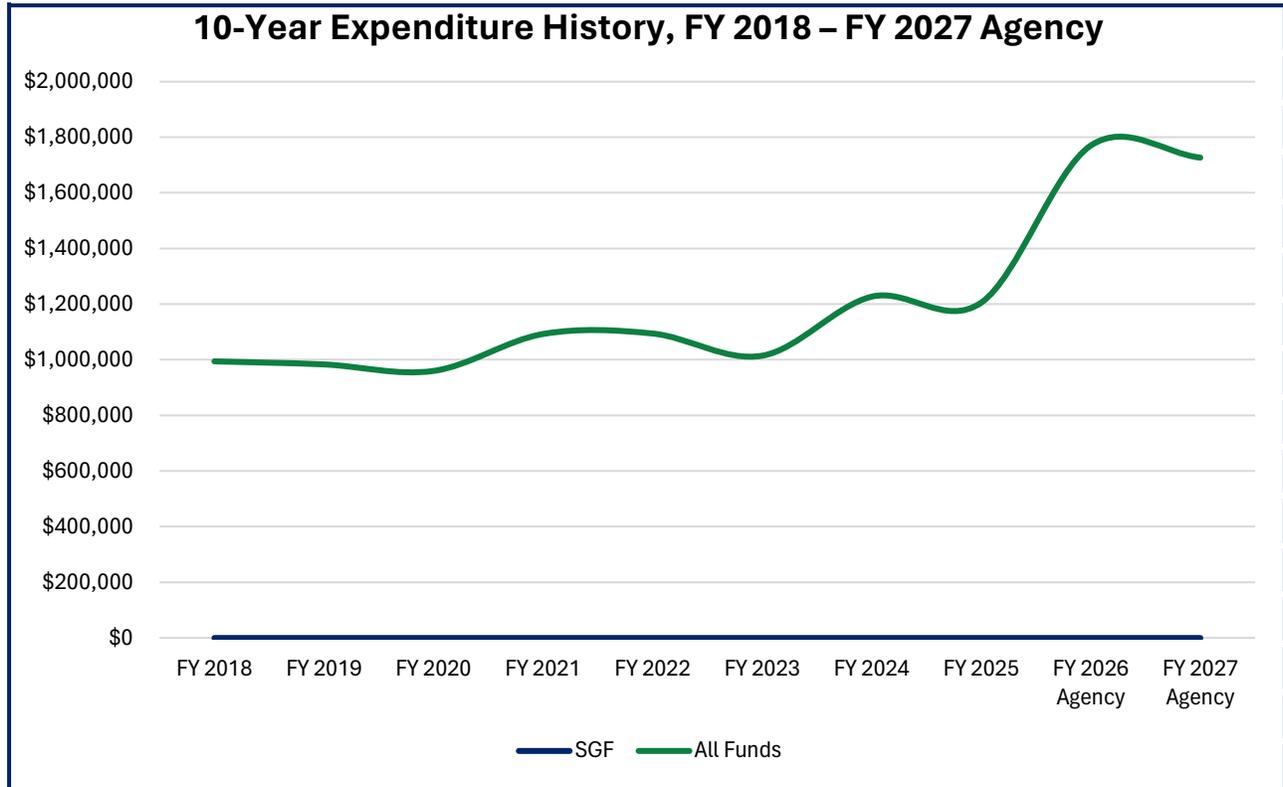
FY 2027

	Item	Amount	Source	Note
E	Examiner Training	\$ 58,000	Credit Union Fee Fund	Enhancement Request
NEW	Examination Software	85,000	Credit Union Fee Fund	Enhancement Request
NEW	Examiner Salaries	186,769	Credit Union Fee Fund	Enhancement Request
NEW	2025 Legislative Pay Plan	22,244	Credit Union Fee Fund	Enhancement Request

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

Summary of Expenditures



Fiscal Year	SGF		All Funds		FTE	CPI-U*	
	Amount	Change (%)	Amount	Change (%)			
FY 2018	\$	-	\$	994,295	(0.8)	12.00	0.2
FY 2019		-		983,217	(1.1)	12.00	--
FY 2020		-		959,787	(2.4)	12.00	0.8
FY 2021		-		1,092,602	13.8	12.00	2.4
FY 2022		-		1,094,322	0.2	12.00	9.2
FY 2023		-		1,014,497	(7.3)	12.00	5.8
FY 2024		-		1,226,838	20.9	12.00	3.0
FY 2025		-		1,205,247	(1.8)	12.00	3.0
FY 2026 Agency		-		1,769,929	46.9	12.00	2.8
FY 2027 Agency		-		1,726,468	(2.5)	12.00	2.4

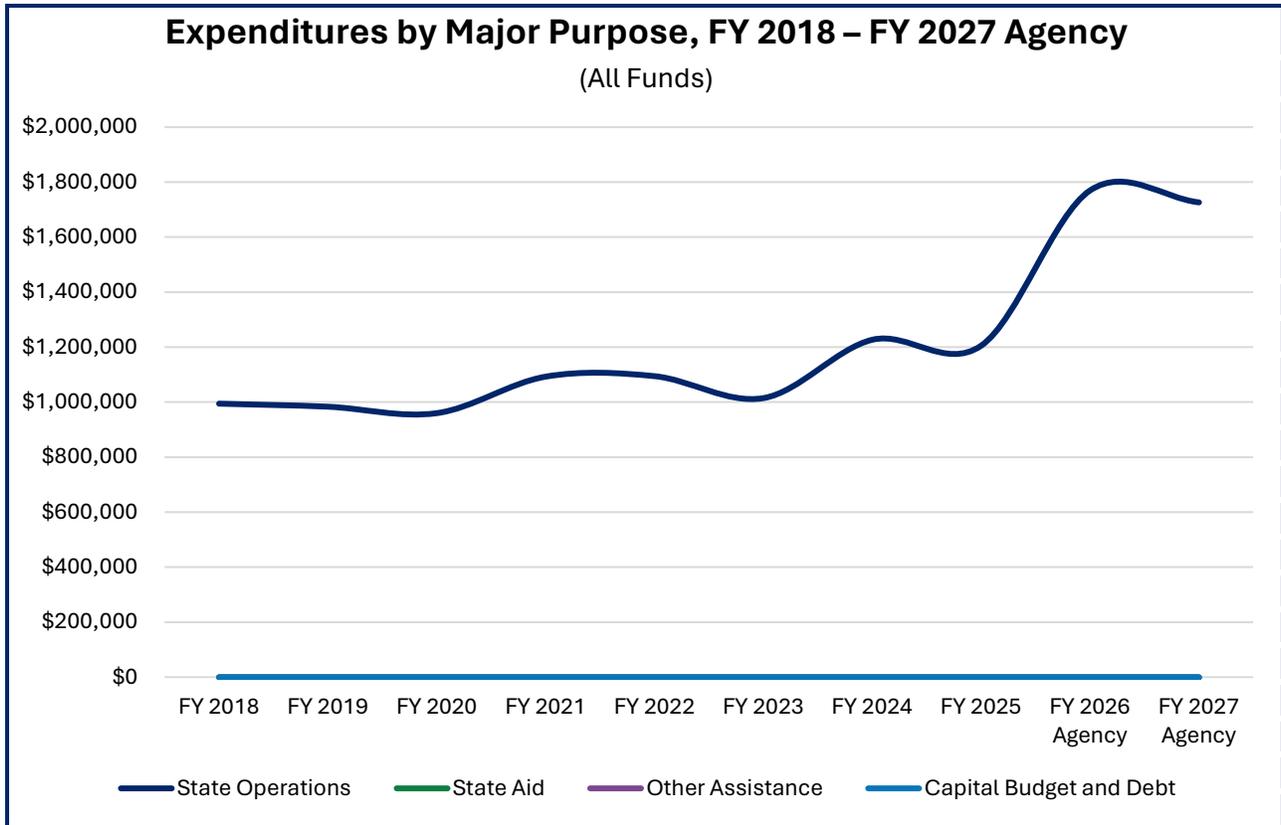
5-Year Change (FY 2023–2027)	\$	-	--	\$	711,971	70.2	-	11.6
10-Year Change (FY 2018–2027)		-	--		732,173	73.6	-	33.1
3-Year Average** (FY 2023–2025)		-	N/A		1,148,861	N/A	12.00	N/A

* Note : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** Note : Reflects the three most recent years of actuals data.

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request



Expenditures by Category, FY 2024 – FY 2027 Agency
(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations						
Salaries and Wages	68.0 %	\$ 906,023	\$ 921,809	\$ 1,011,851	\$ 1,202,983	\$ 1,210,764
Contractual Services	29.6	258,485	245,538	411,849	524,402	482,604
Commodities	0.7	12,334	8,099	15,710	12,544	7,800
Capital Outlay	1.7	49,996	29,801	750	30,000	25,300
Operating Adjustments	--	-	-	-	-	-
Subtotal	100.0 %	\$ 1,226,838	\$ 1,205,247	\$ 1,440,160	\$ 1,769,929	\$ 1,726,468
State Aid and Assistance						
Aid to Locals	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Other Assistance	--	-	-	-	-	-
Subtotal	-- %	\$ -				
Capital Budget and Debt						
Capital Improvements	-- %	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal	--	-	-	-	-	-
Debt Service Interest	--	-	-	-	-	-
Subtotal	-- %	\$ -				
Reappropriations	-- %	\$ -				
GRAND TOTAL	100.0 %	\$ 1,226,838	\$ 1,205,247	\$ 1,440,160	\$ 1,769,929	\$ 1,726,468

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Operations, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	49.9 % \$	672,760 \$	688,438 \$	777,436 \$	883,724 \$	883,724
Employee Benefits	18.0	233,263	233,371	234,415	319,259	327,040
Shrinkage	--	-	-	-	-	-
Subtotal	68.0 % \$	906,023 \$	921,809 \$	1,011,851 \$	1,202,983 \$	1,210,764
Contractual Services						
Communication	1.5 % \$	25,256 \$	22,681 \$	28,000 \$	26,000 \$	22,480
Fees (Professional)	0.1	1,300	1,200	1,300	1,200	1,200
Fees (Other Services)	8.3	65,759	51,650	89,950	147,691	138,308
Freight and Express	--	-	-	-	-	-
Printing and Advertising	0.1	205	69	150	150	70
Rent and Leases	7.8	46,752	46,825	56,350	138,850	131,050
Repair and Servicing	0.7	3,647	7,177	7,600	13,000	11,350
Travel and Subsistence	9.5	90,669	91,558	196,741	168,500	151,891
Utilities	--	-	-	-	-	-
Other	1.6	24,897	24,378	31,758	29,011	26,255
Subtotal	29.6 % \$	258,485 \$	245,538 \$	411,849 \$	524,402 \$	482,604
Commodities						
Clothing	-- % \$	3,936 \$	- \$	- \$	- \$	-
Equipment and Parts	--	-	38	-	-	-
Food	--	24	-	600	-	-
Fuel	--	-	-	-	-	-
Motor Vehicle Parts	0.4	6,208	3,352	8,000	7,744	4,500
Supplies (Office)	0.2	1,241	2,097	5,810	3,500	2,000
Supplies (Professional)	--	-	30	-	-	-
Supplies (Research)	--	-	-	-	-	-
Other	0.1	925	2,582	1,300	1,300	1,300
Subtotal	0.7 % \$	12,334 \$	8,099 \$	15,710 \$	12,544 \$	7,800
Capital Outlay						
Books	-- % \$	- \$	- \$	- \$	- \$	-
Computer Hardware	--	-	-	-	-	-
Computer Software	--	2,612	-	750	-	-
Equipment, Furniture	1.7	47,384	29,801	-	30,000	25,300
Information Processing	--	-	-	-	-	-
Telecommunications	--	-	-	-	-	-
Other	--	-	-	-	-	-
Subtotal	1.7 % \$	49,996 \$	29,801 \$	750 \$	30,000 \$	25,300
Operating Adjustments	-- % \$	- \$	- \$	- \$	- \$	-
TOTAL	100.0 % \$	1,226,838 \$	1,205,247 \$	1,440,160 \$	1,769,929 \$	1,726,468

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency						
(All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	100.0 %	\$ 1,226,838	\$ 1,205,247	\$ 1,440,160	\$ 1,769,929	\$ 1,726,468
TOTAL	100.0 %	\$ 1,226,838	\$ 1,205,247	\$ 1,440,160	\$ 1,769,929	\$ 1,726,468

FTE Positions by Program, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	100.0 %	12.0	12.0	12.0	12.0	12.0
TOTAL	100.0 %	12.0	12.0	12.0	12.0	12.0

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	-- % \$	- \$	- \$	- \$	- \$	- \$
Credit Union Fee Fund	100.0	1,226,838	1,205,247	1,440,160	1,769,929	1,726,468
TOTAL	100.0 % \$	1,226,838 \$	1,205,247 \$	1,440,160 \$	1,769,929 \$	1,726,468

Fee Fund Analysis

The Credit Union Fee Fund is the sole funding source for the Kansas Department of Credit Unions. Expenditures remained relatively steady in recent years. The majority of the agency's expenditure is budgeted for salaries and wages, as well as contractual services.

Fee assessments are based on the asset size of state-chartered credit unions as of March 31 each year. The Credit Union Administrator establishes annual examination fees before July 1, aligning with the NCUA's schedule while also being sufficient to cover budget needs. During FY 2023, the agency provided a one-time 30.0 percent reduction in fee assessments to offset a higher-than-normal fund balance resulting from staffing shortages and reduced travel during the COVID-19 pandemic. Fee revenues have consistently exceeded expenditures, leading to a growing fund balance.

[KSA 75-3170a\(a\)](#) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund. The National Association of State Credit Unions Supervisors (NASCUS) recommends maintaining a balance equal to one-quarter of annual expenses. Given projected carryover funds, the agency plans a one-time fee reduction in FY 2027 to maintain the fund balance at an appropriate level. Overall, the agency's current and projected balances exceed NASCUS guidelines.

Credit Union Fee Fund					
FY 2024 – FY 2027 Agency					
	FY 2024 Actual	FY 2025 Actual	FY 2026 Agency	FY 2027 Agency	
Beginning Balance	\$ 850,852	\$ 995,983	\$ 1,274,690	\$ 1,544,677	
Revenue					
Audits and Inspections	\$ 1,330,551	\$ 1,483,954	\$ 2,039,916	\$ 2,099,953	
Encumbrances	41,418	-	-	-	
Subtotal – Revenue	\$ 1,371,969	\$ 1,483,954	\$ 2,039,916	\$ 2,099,953	
Total Amount Available	\$ 2,222,821	\$ 2,479,937	\$ 3,314,606	\$ 3,644,630	
Expenditures					
Salaries and Wages	\$ 906,023	\$ 921,809	\$ 1,202,983	\$ 1,210,764	
Contractual Services	258,485	245,538	524,402	482,604	
Commodities	12,334	8,099	12,544	7,800	
Capital Outlay	49,996	29,801	30,000	25,300	
Subtotal – Expenditures	\$ 1,226,838	\$ 1,205,247	\$ 1,769,929	\$ 1,726,468	
Ending Balance	\$ 995,983	\$ 1,274,690	\$ 1,544,677	\$ 1,918,162	

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026					
	SGF	Credit Union Fee Fund	Total	FTE Positions	
Approved, FY 2026					
1. 2025 SB 125	\$	- \$ 1,440,160	\$ 1,440,160	12.0	
Reappropriations					
No Reappropriations	\$	- \$	- \$	--	
Supplemental Requests					
2. Examiner Training	\$	- \$ 58,000	\$ 58,000	--	
3. Examination Software		- 85,000	85,000	--	
4. Examiner Salaries		- 186,769	186,769	--	
Subtotal – Supplementals	\$	- \$ 329,769	\$ 329,769	--	
Other Changes					
5. All Other Adjustments	\$	- \$	- \$	--	
TOTAL – Agency Revised Estimate	\$	- \$ 1,769,929	\$ 1,769,929	12.0	

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. For this agency, select appropriations include the 2025 Pay Plan, which added **\$22,244**, all from the Credit Union Fee Fund, to provide salary increases for most state employees based on the Department of Administration’s market survey.

Supplemental Requests

The agency’s revised estimate includes **\$329,769**, all from the Credit Union Fee Fund, for supplemental requests related to training, software, and salaries for FY 2026. The request is based on anticipated reductions in support from the NCUA.

The supplemental request includes funding for training and examination software that has historically been provided to state examiners by the NCUA through the Share Insurance Fund (SIF) Administrative Expenses Budget, which is approved by the NCUA Board and set on a fiscal-year basis.

The NCUA has proposed budget and staffing changes that may result in reduced participation in joint examinations, which historically have ranged from 10 to 15 examinations annually depending on institution complexity and risk. The agency reports that if NCUA participation decreases, KDCU will need additional resources to maintain its examination schedule.

The agency indicates that the increase in FY 2026 fee revenue will partially offset the supplemental request. The higher receipts are due in part to the interstate merger of Premier Members Credit Union with Meritrust Credit Union, with the resulting entity now operating as Meritrust Credit Union. MeriTrust operates as a Colorado state-chartered credit union and is classified as a “foreign credit union,” pursuant to [KSA 17-2223a](#), and is required to pay fees on assets located in Kansas in the same manner as Kansas state-chartered credit unions. MeriTrust paid a prorated share of \$256,000 in FY 2026.

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

2. Examiner Training

The agency's request includes **\$58,000**, all from the Credit Union Fee Fund, for examiner training, contingent on the NCUA no longer providing access to its New Credit Union Examiner Training Program (STEP) and related core curriculum. Reduced federal staffing and proposed operational changes may limit training availability, and some KDCU examiners have already been placed on wait lists for upcoming sessions.

3. Examination Software

The agency requests **\$85,000**, all from the Credit Union Fee Fund, to obtain third-party examination software, contingent on the NCUA discontinuing state access to its examination software. KDCU currently uses the Modern Examination and Risk Identification Tool (MERIT), which is provided at no cost through the NCUA's Share Insurance Fund. The agency indicates that continued access is uncertain, pending a feasibility study by NCUA.

4. Examiner Salaries

The agency requests **\$186,769**, all from the Credit Union Fee Fund, to fund two vacant Financial Examiner positions at current market salary levels. Each position includes a salary of \$65,000 and benefits of \$28,385, for a total of \$93,385 per position. The agency is approved for 12.0 FTE positions. No additional FTE authority is being requested; the funding is solely to fill existing vacancies.

The agency is approved for the following positions, with the status of those positions as of September 2025 noted:

- Administrator: 1 (filled);
- Financial Examiner Administrator: 1 (filled);
- Financial Examiner: 8 (6 filled, 2 vacant – requested to be funded);
- Administrative Officer: 1 (filled); and
- Administrative Specialist: 1 (filled).

The agency reports that while it has been able to operate with six examiners, it has experienced vacancies in the past but focused on developing the current staff, enabling a more efficient operating model. The agency reports that maintaining these positions is necessary to meet statutory requirements that each credit union be examined at least once every 18 months, particularly if NCUA participation decreases.

Other Changes

5. All Other Adjustments

Absent the agency's supplemental requests, the agency's request includes a variety of other adjustments resulting in no net increase above the agency's approved budget for FY 2026.

The increase in salaries and wages (\$4,363) is primarily driven by the filling of a previously vacant Financial Examiner position and other salary adjustments. Associated benefits, including retirement and health insurance, increased accordingly. The new hire also required the addition of a vehicle (\$30,000) to support associated duties. These increases were offset by reductions in other operational expenditures, resulting in no net change in total expenditures.

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027					
	SGF	Credit Union Fee Fund	Total	FTE Positions	
Approved, FY 2027					
2025 SB 125	\$	- \$ 1,374,455	\$ 1,374,455	12.0	
Enhancement Requests					
1. Examiner Training	\$	- \$ 58,000	\$ 58,000	--	
2. Examination Software		- 85,000	85,000	--	
3. Examiner Salaries		- 186,769	186,769	--	
Subtotal – Enhancements	\$	- \$ 329,769	\$ 329,769	--	
Other Changes					
4. 2025 Legislative Pay Plan	\$	- \$ 22,244	\$ 22,244	--	
5. All Other Adjustments		- -	-	--	
Subtotal – Other Changes	\$	- \$ 22,244	\$ 22,244	--	
TOTAL – Agency Request	\$	- \$ 1,726,468	\$ 1,726,468	12.0	

Approved Budget

1. 2025 SB 125

[KSA 75-3717\(f\)](#) requires select agencies, of a primarily regulatory nature, to submit a budget request for an additional fiscal year at the beginning of a biennium. The Kansas Department of Credit Unions is one such biennial agency and has an approved budget for FY 2027.

Enhancement Requests

The agency's FY 2027 enhancement request totals **\$352,013**, all from the Credit Union Fee Fund, for training, software, salaries, and the Pay Plan. The request is contingent on reduced NCUA participation.

FY 2027 fee receipts are projected to total \$354,000 from MeriTrust Credit Union, reflecting its continued classification as a foreign credit union. The agency indicates that this additional revenue contributes to funding the enhancement request.

2. Examiner Training

The agency requests **\$58,000**, all from the Credit Union Fee Fund, to replace access to NCUA examiner training if federal support is unavailable. This funding is contingent on NCUA no longer providing training.

3. Examination Software

The agency requests **\$85,000**, all from the Credit Union Fee Fund, to obtain third-party examination software previously provided by NCUA. This request is contingent on the NCUA discontinuing state access to the software, ensuring KDCU can continue to complete examinations and meet statutory timelines.

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

4. Examiner Salaries

The agency requests **\$186,769**, all from the Credit Union Fee Fund, to fill two vacant examiner positions at current market salary levels. This will allow KDCU to maintain the examination cycle and comply with the statutory requirement, pursuant to [KSA 17-2206](#).

Other Changes

5. 2025 Legislative Pay Plan

The 2025 Legislature approved salary increases for most state employees based on the Department of Administration's market survey for FY 2026. The agency request includes **\$22,244**, all from the Credit Union Fee Fund, for FY 2027 to account for an increase in expenditure limitations inadvertently omitted from the plan.

6. All Other Adjustments

Absent the agency's enhancement requests, the agency's request includes a variety of other adjustments resulting in no net increase above the agency's approved budget for FY 2027.

The increase in salaries and wages (\$70) is primarily driven by the filling of a previously vacant Financial Examiner position and other salary adjustments. Associated benefits, including retirement and health insurance, increased correspondingly. Contractual services (\$15,613) increased to account for inflation and travel requirements for eight employees, while capital outlay is estimated to decrease, primarily due to spending less than originally approved on a vehicle purchase (\$6,758). Overall, these increases were offset by reductions in other operational expenditures, resulting in no net change in total expenditures.

KANSAS DEPARTMENT OF CREDIT UNIONS

Budget Summary – Agency Request

Fees

Kansas Department of Credit Unions, FY 2026			
Fees by Total Asset	Current Fee	Statutory Limit*	Previous Fee ²
Under \$1 million	\$ 0	-	\$ -
Over \$1 million, less than \$5 million	0.2	-	-
Over \$5 million, less than \$20 million	0.2	-	-
Over \$20 million, less than \$50 million	0.2	-	-
Over \$50 million, less than \$100 million	0.2	-	-
Over \$100 million, less than \$150 million	0.2	-	-
Over \$150 million	0.2	-	-

¹ The authority for these fees is found in [KSA 17-2206](#).

² These fees were changed within the last two fiscal years.

Natural-Person Credit Union Fees, FY 2024 – FY 2028					
	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Assets as of March 31	\$6,227,684,000	\$6,461,412,000	\$6,685,925,000	\$6,899,874,000	\$7,106,870,000
Asset Growth	3.25%	3.75%	3.40%	3.20%	3.00%
Fees	\$1,247,229	\$1,320,710	\$1,417,916	\$1,460,453	\$1,504,266
Out-of-State CU Fees	\$325,000	\$340,000	\$597,000	\$614,500	\$632,935

Corporate Credit Union Fees, FY 2025 – FY 2028				
	FY 2025 Actual	FY 2026 Estimate	FY 2027 ¹ Estimate	FY 2028 Estimate
Assets as of March 31	\$1,236,017,738	\$1,872,269,031	\$1,685,042,127	\$1,735,593,390
Asset Growth	2.00%	51.00%	10.0%	3.00%
Fees	\$25,000	\$25,000	\$25,000	\$25,000

¹The corporate credit union primarily serves as a liquidity facility for natural-person credit unions, resulting in significant asset fluctuations. Assets are expected to decline in FY 2027 as interest rates fall and lending by natural-person credit unions increases.

Summary of Fee Collection and SGF Transfer FY 2025 – FY 2028				
	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Total Fees	\$1,597,229	\$2,039,916	\$2,099,953	\$2,162,201
SGF	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Net Fees	\$1,497,229	\$1,939,916	\$1,999,953	\$2,062,201