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September 15, 2026

Mr. Adam Proffitt, Director
Division of the Budget
900 SW Jackson, Suite 504-N
Landon State Office Building
Topeka, KS 66612

Dear Mr. Proffitt:

As Treasurer of the State of Kansas, I hereby submit for your consideration the Fiscal Year 2027 budget document for the Office of the Kansas State Treasurer. It has been prepared in accordance with the instructions transmitted by your office.

In accordance with procedures, we are delivering two paper copies and one electronic copy of the FY 2027-2028 Budget Request to your office. We are also delivering one electronic copy to the Legislative Research Department.

All statements and explanations contained in the agency's budget request are true and correct to the best of my knowledge and belief.

Should you or your staff have any questions, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

Steven Johnson
Kansas State Treasurer

Office of the Kansas State Treasurer
FY 2027-2028 Budget Submission

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Agency Overview

Agency Mission

To responsibly manage public and private funds with a commitment to safety, sound financial practices and strong stewardship. By using resources efficiently and effectively, we will work alongside Kansans to strengthen financial security and create greater opportunity for individuals, families and communities across our state.

Agency Programs

The following programs have been established to assist with the Agency Mission.

Administration & Information Technology – Overhead

Administration 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 operation and procedures.

Information Technology manages the agency's information resources and provides comprehensive technical support for all divisions within the State Treasurer's Office. This includes maintaining systems, ensuring secure and reliable access to data, and supporting daily technology needs across the agency.

Cash Management – State Bank & Aid to Locals

The Cash Management program performs the functions of the State's bank assisting agencies with banking transactions and best practices. This program receives monies on behalf of various funds based on statutory formula as well as distributes funds to local units of government from sales tax revenue. This program also administers several financial programs within the State of Kansas such as the Linked Deposit Programs, Aid to Local Units of Government, Build Kansas Funds, and the City Bond Finance Fund.

Municipal Bond Services

The Municipal Bond Services program is responsible for the registration of all municipal bonds issued in the State of Kansas. The program also provides paying agent and registrar services for the majority of municipal bonds and temporary notes issued within the state.

Unclaimed Property

The Unclaimed Property program seeks to return various forms of unclaimed property to the rightful owners or heirs. As of June 30, 2026, the outstanding net receipts of unclaimed property was $691.7 million a portion of which is generally on deposit in the State General Fund.

Kansas Postsecondary Education & KIDS Matching Grant

The Kansas Postsecondary Education Savings Program helps individuals and families prepare for future education and career expenses through tax-advantaged 529 savings accounts. Individuals and organizations may contribute on behalf of a designated beneficiary or themselves, helping make education and career advancement more financially attainable.

The KIDS Matching Grant Program further supports Kansas families by providing a needs-based, dollar-for-dollar match for eligible 529 contributions. Administered annually by the State Treasurer's Office, the program is designed to help more families begin saving early and build a stronger financial foundation for the future.

Achieving a Better Life Experience

The Achieving a Better Life Experience (ABLE) Savings Program helps individuals whose disability began before age 46 save for current and future needs while maintaining greater financial independence. Account owners benefit from tax-deferred growth and tax-free withdrawals when funds are used for qualified disability expenses.

Authorized under Section 529A of the Internal Revenue Code, ABLE accounts give individuals with disabilities a flexible way to save, invest and plan for expenses that support their health, independence and quality of life.

Financial Literacy

The Financial Literacy Program helps Kansans make informed financial decisions by increasing awareness of available programs, resources and sound financial practices. Through community outreach, collaborative partnerships, in-person meetings, virtual presentations and conferences, the Treasurer's Office works to make trusted financial information more accessible to individuals and families across the state.

As part of these efforts, the office also provides education about state and federal programs designed to strengthen financial well-being and expand opportunity. This includes outreach related to First-Time Homebuyer Savings Accounts, Adoption Savings Accounts and the recently established Trump (530A) Savings Accounts. By connecting Kansans with practical information and available resources, the Financial Literacy Program seeks to help individuals and families plan with greater confidence and build a stronger financial future

Statutory History

The Kansas State Treasurer is one of six statewide officials elected every four years. The Treasurer is responsible for the timely receipt and deposit of all receipts and revenues into the state treasury and, as a member of the Pooled Money Investment Board (PMIB), sees to the prudent investment of certain funds to provide optimum levels of safety, liquidity, and yield.

Cash Management – State Bank

In 1879, the Legislature charged the State Treasurer with accurate accounting of the receipts and disbursements of the treasury by enacting K.S.A. 75-603. Then, in 1923, the Legislature enacted K.S.A. 75-604 to entrust the State Treasurer with possession of all public moneys paid to the State Treasury and permits the Treasurer to deposit moneys in Kansas banks designed as state depositories. The Cash Management program exists within the Fiscal Services division to fulfill these statutory requirements and, in such capacity, serves as the state's bank. As the state bank the program is charged with receipt and deposit responsibilities, as well as the payment of all State checks.

The State Moneys Law (K.S.A. 75-4201 et seq.), enacted in 1967, regulates the designation of banks that receive state accounts, the pledging of securities by these banks, and the rate of interest to be paid on deposits of state moneys. The 1985 session of the legislature passed HB 2122 which increased the pledge requirements for banks on state accounts from 70% to 100% of market value on all funds not covered by the Federal Deposit Insurance Corporation. The same 1992 Legislature that authorized the Treasurer to offer a Municipal Investment Pool also substantially changed the types and terms of allowable investments in SB 480. K.S.A. 75-4268 et. seq, passed by the 2000 Legislature, and amended by the 2001 Legislature, authorizes the creation of the Kansas Agricultural Production Loan Deposit Program (APLDP) and K.S.A. 2-3705 created the Remediation Linked Deposit Loan Program.

Kansas Collateral Pool

The Kansas Legislature created the Kansas Collateral Pool (KCP) in 2025 to strengthen and modernize the way public funds are secured in Kansas. Established through HB 2152, the program created a pooled method of collateralization for banks holding state and local public deposits. Through the KCP, participating depository institutions may aggregate the collateral pledged against their public deposits rather than collateralizing each public depositor separately. The program also increased the collateral requirement for public funds not insured by the Federal Deposit Insurance Corporation from 100% to 102% of market value, providing an additional layer of protection for taxpayer dollars.

In 2026, the Legislature approved additional updates through SB 435, including aligning collateral requirements for state and local public funds to support a consistent and efficient transition to the Kansas Collateral Pool. As of June 30, 2026, 95 banks were operating within the Kansas Collateral Pool, securing more than $5.1 billion in public deposits with 5,572 pieces of collateral. An additional 88 banks had enrolled and were working with the Treasurer's Office to complete the process of joining the pool. By creating a more efficient collateralization system while maintaining strong safeguards for public funds, the Kansas Collateral Pool helps protect taxpayer dollars and provides financial institutions with a more streamlined way to serve Kansas communities.

Linked Deposits

The APLDP program authorizes the director of investments to place $55 million in Kansas banks with the deposits directly linked to borrowers who qualify for agricultural production loans in the form of a certificate of deposit. The certificate of deposit interest rate to the bank is 2.00% below the daily market rate calculated by PMIB with the rate to the borrower being no more than 4.00% above the certificate of deposit rate. Legislation passed during the 2009 session sets the minimum deposit interest rate at 0.50%, thereby making the minimum required rate to the borrower 4.50%. Interest rates are adjusted on the first day of each July and January and interest monies are collected from the banks on the first banking day after each June 30th and December 31st. Principal is remitted to the State Treasurer after borrowers make payments on their loans and is applied to reduce the certificate of deposit balance.

The Agricultural Remediation Linked Deposit Loan Program has never been utilized. This program was originally scheduled to be abolished in accordance with K.S.A. 2-3714 on July 1, 2010. This date was extended to July 1, 2020 by the 2008 Legislature and to July 1, 2030 by the

2019 Legislature. To learn more about the Remediation Program, contact the Kansas Agricultural Remediation Board. Contact information may be found at karb.org.

In 2008, the legislature passed SB 387 which included the creation of the Kansas Housing Loan Deposit Program (HLDP). This program is modeled after the APLDP and authorizes the director of investments to place $60 million in Kansas banks with the deposits directly linked to borrowers who qualify for the program. The certificate of deposit interest rate to the bank is 2.00% below the daily market rate calculated by PMIB with the rate to the borrower being no more than 4.00% above the certificate of deposit rate. Legislation passed during the 2009 session sets the minimum deposit interest rate at 0.50%, thereby making the minimum rate to the borrower 4.50%. Interest rates are adjusted on the first day of each July and January and interest monies are collected from the banks on the first banking day after each June 30th and December 31st. Principal is remitted to the State Treasurer after borrowers make payments on their loans and is applied to reduce the certificate of deposit balance.

The Kansas Extraordinary Utility Cost Loan Deposit Program became law in April 2021. This program provides that idle funds not utilized for the City Utility Low-Interest Loan Program in the amount of $21,836,554.00 were made available to wholesale natural gas customers located in the State of Kansas that incurred extraordinary natural gas costs due to the extreme winter weather event of February 2021 in the form of a linked deposit. The director of investments is authorized to place the amount of unused funds transferred from the City Utility Low-Interest Loan Program in Kansas banks and credit unions with deposits directly linked to borrowers who qualify for the program. The certificate of deposit interest rate to the financial institution is 2.00% below the daily market rate calculated by the PMIB (minimum of 0.25%) with the rate to the borrower being no more than 3.00% above the certificate of deposit rate. Interest rates are adjusted each January 1 and interest is collected on the certificates of deposit the first banking day after each June 30 and December 31. Banks are to remit to the State Treasurer's Office any early principal payments made on their loans and that amount is reduced from the certificate of deposit balance.

The Kansas Economic Recovery Loan Deposit Program (ERLDP) also became law in April 2021. This program authorizes an amount not to exceed $60,000,000 in idle funds to be placed in Kansas banks and credit unions with deposits directly linked to borrowers who qualify for the program. The certificate of deposit interest rate to the financial institution is 2.00% below the daily market rate calculated by the PMIB (minimum of 0.25%) with the rate to the borrower being no more than 3.00% above the certificate of deposit rate. Interest rates are adjusted each January 1 and interest is collected on the certificates of deposit the first banking day after each June 30 and December 31. Banks are to remit any early principal payments made on their loans and that amount is reduced from the certificate of deposit balance.

City Utility Low-Interest Loans

The City Utility Low-Interest Loan Program became law on March 4, 2021, after publication in the Kansas Register. Within 24-hours of the bill becoming law, the State Treasurer's Office began implementing the program which granted the State Treasurer the ability to issue loans to the cities in Kansas who incurred extraordinary electric and/or natural gas costs during the extreme weather event of February 2021. These loans were issued at a rate that is 2.00% below the market rate

as provided in K.S.A. 75-4237 with a minimum interest rate of 0.25%. Interest rates are adjusted each January 1 and payments are collected on the loans according to the repayment schedule in the loan agreement and applied to principal and interest. Early principal payments may be made on the loans at any time without penalties. By June 1, 2021, a total of 52 loans were issued for a total in excess of $74 million. In accordance with 2021 SB 86, $20,000,000 was transferred from the City Utility Low-Interest Loan Program to the Extraordinary Utility Costs Loan Program, and on June 1, 2021, the remaining unused portion of the original $100,000,000 allocation was also transferred, and no further City Utility Low-Interest loans were approved.

In all, the State Treasurer's Office is responsible for managing a total of $201 million in potential linked deposit loans and $22.6 million in outstanding utility loans. Staff within the fiscal services division are responsible for managing these loans. The current rates and amount of available funds for any of the linked deposit or loan programs is available at any time by visiting our website at treasurer.ks.gov.

State Warrants

The Director of Accounts and Reports is required by K.S.A. 75-3732, enacted in 1953, to pay the state's obligations by issuing checks drawn on the State Treasury and to remit to the Treasurer a duplicate copy of the director's record of all checks issued. K.S.A. 75-607 and 75-608, originally enacted in 1879, respectively, require that the Treasurer return paid checks to the Director of Accounts and Reports and that the State Treasurer prepare an annual report. This process is now accomplished electronically in the statewide accounting system and data is shared in real-time.

Municipal Investment Pool

The 1992 Legislature authorized the Treasurer's Office to develop a Municipal Investment Pool (MIP) to provide an investment option to more than 4,000 municipal taxing units of the State of Kansas. Under the State Moneys Law, K.S.A. 75-4201 et seq, the staff of the PMIB manages a large pool of money referred to as the state idle pool which consists of cash available from hundreds of state funds commingled for purposes of cash management and investment. The investment program consists of the State idle pool and the MIP monies both in the Pooled Money Investment Portfolio (PMIP) and funds with special investment authority. The staff that is responsible for the administration of the MIP and PMIP was transferred to the Board by the 1996 Legislature. Ten years' later, the 2016 Legislature further designated the PMIB as a separate agency.

Kansas Public Employee Retirement System – Board of Trustees

The Treasurer statutorily became an ex officio member of the Kansas Public Employee Retirement System (KPERS) Board of Trustees in July of 1993. KPERS exists to deliver retirement, disability, and survivor benefits to its members and their beneficiaries. The Board of Trustees meets regularly to discuss and decide on a range of topics including, but not limited to, appropriate asset allocation mix, hiring and monitoring of performance of contractors, and establishing and reviewing policies and guidelines.

Triennial Audit with Commissioner of Insurance

K.S.A. 40-229a designates the State Treasurer and the Commissioner of Insurance to perform an audit no less frequently than once each three years on the cash, securities, and other assets deposited with the commissioner pursuant to the provisions of the insurance code of the State of Kansas. The State Treasurer was previously designated joint custodian of pledged securities to cover reserves in relation to this statute. However, the 1996 Legislature repealed K.S.A. 40-230 ending this responsibility and removing a budgeted FTE.

Bond Services

The State Treasurer was designated as the fiscal agent for the State of Kansas in 1908. The Bond Services program currently operates under the provisions of Chapter 10 of Kansas Statute. The registration of the issuance of municipal bonds was originally performed by the State Auditor, but these duties were transferred to the State Treasurer in 1975 when the office of State Auditor was abolished. The enactment in 1982 of PL 97-428, the Tax Equity and Fiscal Responsibility Act, required that municipal obligations issued after June 30, 1983, be issued in registered form in order for the interest on these obligations to qualify for exemption from federal income tax. The 1983 Legislature then enacted SB 265, which made major changes to the state's bond laws in order to permit Kansas municipalities to issue their bonds in the required registered form; this legislation contained provisions which were codified in K.S.A. 10-620 et seq., the Kansas Bond Registration Law. As a consequence of this legislation, the State Treasurer has become a registrar and transfer agent for those registered form municipal bonds which designate the Treasurer as paying agent. The 2000 Legislature enacted a law to allow fees collected by the program to be deposited into the fee fund with the subsequent budgetary expenditures for this program to be funded out of that fund. The fees are to provide administration of the bonds until maturity - many as long as 30 years. This program is currently self-sufficient.

Postsecondary Education Savings Program & KIDS Matching Grant

The 1999 Legislature authorized the Treasurer, in K.S.A. 75-640 through 75-646, to implement and administer a qualified education savings plan as defined in Internal Revenue Code, Section 529. The language in the statute is broad enough to allow the Treasurer many decisions in designing and administering the program which was implemented on July 1, 2000. Further amendments by the 2000 Legislature corrected and enhanced parts of the original act. Further legislative changes in the 2001 session allowed this program to become self-funded beginning in FY 2002. Additional amendments to the law were enacted in FY 2002, FY 2004, FY 2005 and FY 2006. In the 2006 session, the Legislature passed a bill creating a matching grant program for Kansans whose income is no more than 200% of the federal poverty level and who have opened Kansas 529 accounts. The three-year pilot program allowed the Treasurer to match up to $600 for 400 participants in FY 2007, 800 in FY 2008 and 1,200 in FY 2009. The 2009 Legislature passed SB 225 making the K.I.D.S. Program a permanent part of the Kansas 529 Program. Resulting from an efficiency study in 2024, the 2025 Legislature made changes to the KIDS program and scheduled it to sunset with an end date on December 31, 2027.

Kansas Unclaimed Property

The Disposition of Unclaimed Property Act (K.S.A. 58-3934 et seq.), enacted in 1979, designates the State Treasurer to administer functions established by the Act. Amendments to the Act in 1983 broadened the definition of abandoned property to which the Act applies. SB 326 enacted by the 1989 Legislature shortened the holding period for unclaimed property from seven to five years on most property and allowed aggregate reporting of amounts up to $25.00. The 1994 Legislature enacted SB 393 which repealed several of the statutes relating to unclaimed property and enacted a more recent version of the model Uniform Unclaimed Property Act. The legislation recognized new financial instruments developed since the 1954 uniform code was adopted. In 1996, HB 2643 amended the Act to raise the aggregate dollar amount to $100, defined when a financial institution must presume a demand account to be abandoned, and allowed additional flexibility in the advertisement of owner names. The Act was amended by the 2000 Legislature to allow holders of small amounts to accumulate those amounts and combine them with amounts in subsequent years. In 2004, the Legislature passed law that decreased the dormancy period for assets which resulted from the demutualization of life insurance companies from five years to two years.

Achieving a Better Life Experience (ABLE) Savings

The Kansas Legislature established the Achieving a Better Life Experience (ABLE) Savings Program in 2015 through HB 2216, giving individuals with disabilities and their families an important tool to save for current and future needs while maintaining greater financial independence. ABLE accounts allow individuals whose disability began before age 46 to save and invest in an account established for their benefit. Earnings grow tax-deferred and withdrawals are tax-free when used for qualified disability expenses, including housing, education, transportation, employment support, health care, assistive technology and other expenses that support an individual's independence and quality of life.

ABLE accounts also provide important protections for individuals who rely on means-tested public benefits. Up to $100,000 held in an ABLE account is excluded from the Supplemental Security Income resource limit, and ABLE funds receive favorable treatment when determining Medicaid eligibility. The standard annual contribution limit is $20,000 in 2026, with certain employed account owners eligible to contribute additional funds.

Following enactment of the Kansas program, the State Treasurer's Office joined with other states to help establish the National ABLE Alliance, creating a collaborative approach to administering ABLE programs and providing investment and account services. Kansas began enrolling participants on January 26, 2017. Today, the Kansas ABLE Savings Program continues to provide individuals with disabilities and their families with a flexible way to save, invest and plan for the future while supporting greater independence, financial security and quality of life.

Pregnancy Compassion Awareness Program

In 2024, the legislature authorized the Pregnancy Compassion Awareness Program with funding appropriated to the Treasurer to act as pay agent and generally oversee fiscal compliance with the contractor chosen in the prior fiscal year. The Contractor, which must be a single nonprofit organization, is responsible for the payment of any qualified organizations that act as

subcontractors under the master agreement and is also responsible for ensuring the contractual and statutory compliance by any such subcontractors.

The contractor shall submit a report to the Legislature and the Treasurer on or before June 30, of each fiscal year, on the administration of the program during the prior year, including: The number of clients; the number of clients who participated in case management services; the number of case management hours provided to clients; the number of clients engaged in educational services or job training and placement activities; the number of newborns who were born to program participants; the number of such newborns placed for adoption; the number of fathers who participated in program services; the number of client satisfaction surveys completed; and any other information that shows the success of the Contractor's administration of the program.

Home in the Heartland

The Kansas Legislature established the Home in the Heartland community talent recruitment grant program in 2025 through an appropriation in SB 125. Administered by the State Treasurer's Office, the program provides grants to eligible Kansas communities and organizations to develop initiatives designed to attract new households, strengthen the workforce and support economic growth across the state.

During the program's first year, 61 documented household relocations to Kansas were reported across the 12 first-round grant recipients. A total of $1.5 million was awarded, with $1,064,842 disbursed to date. The remaining $435,158 is contingent upon grant recipients meeting the relocation goals established in their approved applications.

For the program's second year, seven applicants requested a combined $1,369,896 in grant funding, including three first-time applicants. Award decisions are pending review of final reports from first-year recipients to ensure that previous commitments and program requirements are considered before additional funding decisions are made.

Prior Year Highlights

During FY 2026, the Kansas State Treasurer's Office continued its focus on responsible stewardship, modernization and connecting Kansans with programs and resources that can strengthen their financial security.

At the end of FY 2026, assets in the Kansas Postsecondary Education Savings Program totaled $16.34 billion, ranking the program 10th nationally with a 2.6% market share. Assets increased 22.03% during the fiscal year, rising from $13.39 billion at the end of FY 2025 and exceeding the industry average.

FY 2026 also marked one of the most significant transitions in the history of the Kansas 529 program. Following a comprehensive competitive procurement process, program management transitioned from American Century Investments to TIAA-CREF Tuition Financing, Inc. (TFI). On March 2, 2026, TFI assumed management of the Kansas 529 Postsecondary Education Savings Program and Learning Quest was rebranded as Quest529. The program also streamlined its offerings into two plans: Quest529 and the Schwab 529 Plan.

As part of the transition, the Quest529 program management fee was reduced from 0.15% to 0.01%. Lower fees allow account owners to keep more of their money invested and working toward future education and career goals. The transition also provided an opportunity to modernize the program, simplify investment options and improve the overall experience for Kansas families.

The Unclaimed Property Division continued its core mission of returning money to its rightful owners. During FY 2026, the division processed more than 30,000 claims and returned more than $21.47 million to Kansans. During the same period, more than $88.3 million in additional unclaimed property was remitted to the Treasurer's Office.

Continued improvements to the Unclaimed Property system have made the claims process more accessible and secure. The vendor-supported system implemented in 2023 allows claimants to track the status of their claims, securely upload supporting documents and benefit from enhanced fraud-prevention measures. These improvements help the office return money more efficiently while protecting both claimants and public resources.

The office also expanded efforts to connect Kansans with savings opportunities beyond traditional education accounts. The Adoption Savings Account Act gives Kansans an additional tool to prepare for eligible adoption-related expenses and authorizes the State Treasurer to promote awareness of the program. During FY 2026, the office developed informational and promotional materials, worked with adoption stakeholders and incorporated Adoption Savings Accounts into broader financial education and outreach efforts across the state.

During the 2026 legislative session, the Treasurer's Office worked with policymakers and other stakeholders on the Born to Invest Act, enacted through SB 232. The law directs the Office of Vital Statistics to provide certain information regarding Kansas children to the State Treasurer,

allowing the office to provide families with information about government-facilitated savings opportunities.

With options including Trump Accounts established under Section 530A of the Internal Revenue Code, Quest529 Education Savings Accounts and Kansas ABLE Savings Accounts, parents and caregivers have more opportunities to begin preparing for a child's financial future. Born to Invest is designed to help families understand these options, learn about available financial incentives and recognize the important role that saving and investing early can play in building long-term financial security. Providing this information early in a child's life gives parents and caregivers the opportunity to consider which savings options best meet the needs of their family.

Community outreach remained an important part of the office's work throughout FY 2026. The Treasurer and staff continued visiting communities across Kansas to raise awareness of the programs and services available through the office. Partnerships with libraries, schools and community organizations have expanded opportunities to provide financial education and information about programs that help Kansas families save and plan for the future. These efforts allow the office to connect directly with parents, students, educators, community leaders and financial professionals.

The office also continued strengthening relationships with Kansas' disability community to increase awareness of the Kansas ABLE Savings Program and identify opportunities to make the program more accessible to individuals with disabilities and their families. During FY 2026, the Treasurer's Office continued its partnership with the Kansas Council on Developmental Disabilities, Kansas Council on Economic Education and Kansas Department for Children and Families to provide financial education for foster youth with ABLE accounts established as part of the implementation of Executive Order 25-01.

That executive order directs DCF to preserve eligible foster youths' federal benefits in appropriate accounts, including ABLE accounts when applicable, rather than using those benefits to reimburse the state for the cost of care. It also requires financial education for youth beginning at age 14 and training for representative payees. Through these efforts, the Treasurer's Office and its partners are helping young Kansans better understand how to manage and preserve financial resources as they prepare for greater independence.

The Treasurer's Office continued collaborating with state treasurers and public finance professionals across the country during FY 2026. Participation in multistate organizations and conferences provides opportunities to exchange ideas, identify effective practices and learn from innovations being implemented by other states. In December of 2025, Treasurer Johnson was selected by his peers at the national level to chair The 529 Network. As chair of this organization, Treasurer Johnson and Kansas will lead policy and administrative oversight to ensure that The 529 Network meets the objectives of helping American families achieve their career and educational dreams.

The agency also continued administering the Agricultural Production Loan Deposit Program, Kansas Housing Loan Deposit Program, Kansas Economic Recovery Linked Deposit Program

and Kansas Extraordinary Utility Cost Loan Deposit Program. Through partnerships with Kansas financial institutions, the office works to increase awareness of these financing opportunities while evaluating potential improvements that could make the programs more useful and accessible to Kansas families, farmers and businesses.

Significant work during FY 2026 also focused on implementation of the Kansas Collateral Pool, an important modernization of the system used to protect public deposits. Working closely with the Kansas Bankers Association, the Treasurer's Office conducted weekly webinars leading up to implementation on January 1, 2026, providing financial institutions with information about the new system while gathering feedback to help ensure a successful transition.

The office also partnered with organizations representing public depositors, including the League of Kansas Municipalities and Kansas education stakeholders, to provide training and information about the new collateralization system. This collaborative approach helped financial institutions and public entities prepare for the transition while giving stakeholders an opportunity to identify issues and provide input as the program was implemented.

Internally, agency leadership continued its focus on strengthening operations and preparing the office for the future. Each division is working to document critical processes and procedures and update continuity of operations plans to reflect current responsibilities and practices. The office is also identifying opportunities to modernize systems, improve efficiency, reduce costs and ensure that performance measures accurately reflect current programs and priorities.

The Treasurer's Office will continue developing its information technology succession and continuity strategy to ensure that systems developed and maintained internally remain secure, reliable and current. Together, these efforts are intended to strengthen institutional knowledge, reduce operational risk and ensure Kansans continue receiving efficient, dependable service.

Across each of these initiatives, the goal remains consistent: responsibly manage the programs entrusted to the State Treasurer's Office, modernize services where opportunities exist and provide Kansans with the information and financial tools they need to plan for a more secure future.

Budget Year Outlook

During FY 2027, the Kansas State Treasurer's Office will continue expanding outreach to connect Kansans with the programs, services and financial resources available through the office. At the same time, the agency will continue identifying efficient and cost-effective ways to administer these programs while providing high-quality service to Kansas families, communities and financial institutions.

A significant focus will be continued implementation and promotion of Quest529 following the transition to the program's new management structure in 2026. The office will expand educational and promotional materials designed to help families understand the program, its investment options and the benefits of beginning to save early. Quest529 will be incorporated into the office's broader financial education efforts through statewide outreach, community partnerships and both in-person and virtual presentations.

The Treasurer's Office will also continue its responsibilities related to the Pregnancy Compassion Awareness Program, previously known as the Alternatives to Abortion Program. The program was established in 2023, with the State Treasurer responsible for contracting with a nonprofit organization to administer program services. The Legislature has continued funding the program in subsequent fiscal years. The Treasurer's Office will continue to provide contractual and fiscal oversight to help ensure that state funds are administered in accordance with legislative requirements.

Helping families understand opportunities to build financial security for their children will remain a major focus of the office's outreach efforts. The Born to Invest Act, enacted in 2026 through SB 232, provides a new opportunity to connect Kansas families with information about government-facilitated savings accounts early in a child's life. The office will provide educational materials regarding available savings options, including Trump Accounts established under Section 530A of the Internal Revenue Code, Quest529 Education Savings Accounts and Kansas ABLE Savings Accounts.

Through Born to Invest and related outreach efforts, the Treasurer's Office will help parents and caregivers understand the purposes, advantages and enrollment procedures associated with these accounts, as well as available financial incentives. Providing families with this information early gives them more time to consider which savings tools may be appropriate for their circumstances and to understand the long-term benefits of saving and investing.

The office will also continue working with organizations serving Kansans with disabilities, including the Kansas Department for Aging and Disability Services and the Kansas Council on Developmental Disabilities, to increase awareness and understanding of the Kansas ABLE Savings Program. These partnerships are important to ensuring that individuals with disabilities and their families are aware of the financial tools available to help them save, plan and pursue greater financial independence.

More broadly, the Treasurer will continue efforts to help Kansans reduce the financial burden of education, build greater financial security and pursue opportunities such as homeownership.

Financial education will remain an important component of this work, with the office continuing to develop partnerships and educational opportunities that provide Kansans with practical information they can use throughout their financial lives.

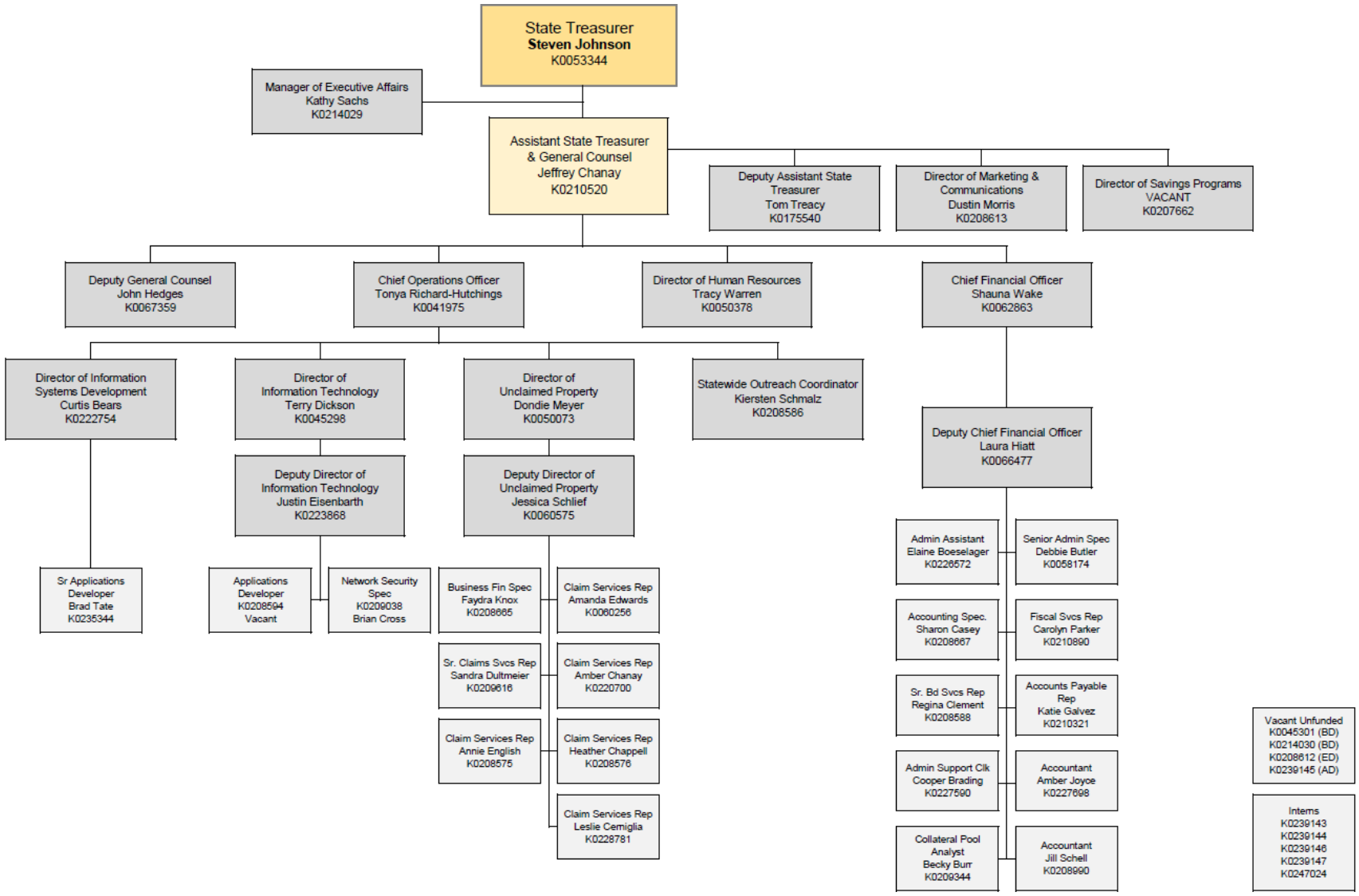
Returning unclaimed property to its rightful owners will remain another core priority. The office will continue using available outreach tools and partnerships to locate the owners of millions of dollars in unclaimed property held by the state. Partnerships with county treasurers and other local organizations will remain an important part of bringing these efforts directly into Kansas communities.

Across all programs, the Treasurer's Office will continue to evaluate opportunities to improve efficiency, strengthen administration and expand public awareness while operating within its authorized budget. The goal is to ensure that every program entrusted to the office is administered responsibly and that Kansans have meaningful access to the information, resources and services available to them.

Through responsible stewardship, strong partnerships and continued outreach, the Kansas State Treasurer's Office will remain focused on helping Kansans build greater financial security and confidence for the future.

Organizational Chart

The office consists of thirty-five filled full-time positions, two vacant full-time positions, and four unfunded full-time positions.



DA 405 – Explanation of Receipt Estimates

The following funds are managed by the State Treasurer's Office.

2027 – Public Moneys Fee Fund

The 2026 Legislature created the Public Moneys Fee Fund to fix, charge, and collect fees for the administration of the public moneys pooled method of collateralizing public deposits. A fee structure has not yet been designed and must be established through rules and regulations. In FY 2027, a transfer of $250,000 from the SGF was completed at the direction of the legislature. In FY 2028, estimated fee receipts is $250,000 pending the creation and passage of a fee schedule.

2061 – Bond Services Fee Fund

K.S.A. 10-130 authorizes the State Treasurer to fix, charge, and collect fees for the registration of all municipal bonds and certification that the bonds have been registered. The statute provides for fees as follows:

- For each bond issue for which the State Treasurer serves as paying agent, a fee of not more than $30.00 per issue.
- For each bond issue for which the State Treasurer is not the paying agent, a fee of not more than $30.00 per issue and a fee of not more than $0.30 per bond in the issue.

The State Treasurer charges and collects a one-time fee for servicing bonds for which the State Treasurer is the designated paying agent. With legislative changes made during the 2000 session, these fees are credited to the Bond Services Fee Fund. In FY 2001, about 75% of the operational expenses for the Bond Services Program were charged to this Fund. Beginning in FY 2002, 100% of the operational expenses for the program were charged to this fund. It is necessary for this fund to have a carry-forward balance in order to pay expenses at the beginning of the fiscal year as bond issuance occurs randomly throughout the year. Additionally, the fund must have a carry-forward balance that is sufficient to service the bond issues throughout their lifespan. This is due to the fact that fees are collected at the beginning of the issuance. The average scheduled life of a bond issue is approximately 30 years.

Receipts differ from year to year and are based strictly on the number of bonds issued by municipalities and the number of issues where the State Treasurer's Office is selected to act as paying agent. Receipts were $423,223 in FY 2025 and $484,547 in FY 2026. The estimate in FY 2027 and in FY 2028 is $420,000. This estimate could change depending on the market and potential federal legislation affecting the bond market.

2096 – Postsecondary Education Savings Program Expense Fund

The 2000 Legislature authorized the creation Postsecondary Education Savings Program Expense Fund. During FY 2001 all expenditures for the Kansas Postsecondary Education Savings Program were expended out of the State General Fund. The Treasurer's Office requested reimbursement from the Program Manager and those reimbursements were deposited into the Postsecondary Education Savings Program Expense Fund. The program became completely self-funded beginning FY 2002. Beginning March 2, 2026, the Treasurer's Office

began a partnership with TIAA CREF that reimburses the office based on performance and growth of the 529 plans. The Treasurer's office receives a reimbursement of 1 basis point of the total 529 assets under management to more fully cover the costs of program administration. Receipts were $522,000 in FY 2025 and $791,048 in FY 2026. The estimate in FY 2027 and in FY 2028 is $1,536,000.

2177 – Achieving a Better Life Experience Savings Program Fund

The Legislature created the Achieving a Better Life Experience savings program with 2015 HB 2215, codified at K.S.A. 75-651 et seq. This program allows individuals with a qualifying disability to save in a state-sponsored account to obtain 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. In addition to providing tax benefits, assets in these accounts are not counted for asset tests applicable to various means-tested benefit programs (subject to certain limitations). Annual contributions are generally limited to the federal gift tax exclusion amount. Accounts are owned by the individual with a disability; accounts may be managed by a qualifying authorized individual on behalf of the account owner. In order to administer and market this program, we are requesting a transfer from the Postsecondary Education Savings Program Expense Fund (2096) in the amount of $50,000 each fiscal year 2026 and 2027.

2362 – Unclaimed Property Expense Fund

K.S.A. 58-3956 establishes the Unclaimed Property Expense Fund. 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 State General Fund, except for amounts credited to the Unclaimed Property Expense Fund to finance expenditure associated with the program. It is necessary for this fund to have a carry-forward balance in order to pay expenses at the beginning of the fiscal year. The amount for FY 2025 was $1,677,736 and for FY 2026 was $1,845,941 The estimates are $2,002,271 for FY 2027 and $2,118,153 for FY 2028. Included in these estimates is $2,000 per budget year for hospitality.

2374 – State Treasurer Operating Fund

The general operations of the Treasurer's Office have been funded from receipts of unclaimed property since FY 2008. Those proceeds would normally be deposited to the State General Fund. It is necessary for this fund to have a carry-forward balance in order to pay expenses at the beginning of the fiscal year. To fund general operations, the deposit amount for FY 2025 was $1,911,024 and for FY 2026 was $1,959,222. The requested amount for FY 2027 is $2,080,450 and for FY 2028 is $2,210,383.

2859 – Build Kansas Matching Grant Fund

The legislature authorized the Build Kansas Matching Grant fund in 2023 SB 25 to be administered by the State Treasurer. In FY 2024, $50 million and in FY 2025 through FY 2027, $55 million is transferred into this fund from the state general fund for the purpose of providing the required local match funding for entities in Kansas who qualify for and are approved for funding under the federal Bipartisan Infrastructure Law (BIL). The transfer in FY 2026 was reduced to $5 million by the 2025 Legislature and no further transfers into the fund are approved. On September

30, 2027 the balance in this fund will be transferred to the SGF and the fund will be closed. Any liabilities of the fund will also be transferred to the state general fund.

3380 – Developmental Disabilities Basic Support Fund

The State Treasurer's Office entered into an agreement with the Kansas Counsel on Developmental Disabilities and the Kansas Department for Children and Families to receive funds from a grant to increase and enhance supports for people with IDD that will lead to increased independence, productivity, self-determination, integration, and inclusion throughout Kansas. The approved budget for the grant is $49,965 in 2026.

3878 – Other Federal Grants Fund

This fund is authorized by appropriation and is used to facilitate pass-through balances of Federal Forestry Sales in accordance with 10 U.S. Code 2665(e), which are forty percent (40%) of net proceeds (revenues less expenses) from the sale of timber and forestry products on Army installations. These funds are received in the State Treasury from the federal government and are then passed on to the appropriate county as outlined by the Army.

7241 – Kansas Postsecondary Education Savings Program Trust Fund

K.S.A. 75-648 establishes the Kansas Postsecondary Education Savings Program Trust Fund. This fund is used to record all transactions relating to the Kansas Postsecondary Education Savings Program which was implemented in July 2000; however, since account owners' deposits go directly to their accounts located with the program manager there normally would be no receipts into this fund. Beginning in FY 2007 this fund is used as a vehicle to record the funding of KIDS matching grant program allocations. The amount transferred from the State General Fund was $343,000 in FY 2025 and $313,000 in FY 2026. The estimate for FY 2027 and for FY 2028 is $360,000. The 2025 legislature sunset the KIDS matching grant program to end in FY 2028.

7391 – Tax Increment Financing Revenue Replacement Fund

The State Treasurer's Office distributes amounts to each city (with an established redevelopment district prior to July 1, 1996) that certifies to the Director of Accounts & Reports the amount the ad valorem taxes are estimated to be reduced in such redevelopment district for the ensuing calendar year due to legislative changes in the statewide school finance formula. Receipts were $991,827 in FY 2016 and $913,028 in FY 2017. The legislature has indicated no transfers shall occur from FY 2018 through FY 2028.

75XX – Escrow Funds

These funds result from the State Treasurer acting as escrow agent for refunding bond issues and need not be included in the appropriation bill. These trust funds may also have carry-forward balances.

7601 – Transportation Development District Sales Tax Fund

Created by the 2003 Legislature, this fund will receive any retailer's sales tax collected in a transportation development district. Quarterly, the balances will be distributed to the treasurers of the municipalities where the money was collected. The Secretary of Revenue will instruct the

State Treasurer's Office as to the amounts due. Receipts were $12,964,985 in FY 2025 and $12,060,591 in FY 2026.

7602 – Transient Guest Tax Fund

K.S.A. 12-1693 et seq. authorized the Transient Guest Tax; the Department of Revenue collects the tax from the various jurisdictions that assess guests for sleeping accommodations in any hotel, motel, or tourist court. The Secretary of Revenue will instruct the State Treasurer's Office as to the amounts due and the State Treasurer's Office subsequently remits the net proceeds to the taxing jurisdiction. Receipts were $63,959,373 in FY 2025 and $66,855,911.23 in FY 2026.

7603 – STAR Bonds Food Sales Tax Revenue Replacement Fund

The STAR Bonds Food Sales Tax Revenue Replacement Fund was created in an effort to hold harmless the existing STAR bond project districts as a result of the sales tax on food decrease and/or elimination passed by the legislature. In FY 2026, the Director of Accounts & Reports will certify the amount of the reduction of sales tax in the districts. This amount will then be transferred from the State General Fund to the STAR Bonds Food Sales Tax Revenue Replacement Fund for further credit to the City Bond Finance Fund for each district. The pass-through amount in this fund for FY 2024 was $2,859,207. No appropriations were approved in FY 2025. The amount for FY 2026 was $5,139,903 and no appropriations were approved in FY 2027.

7608 – County and City Retailers Sales Tax Fund

The County and City Retailers Sales Tax Fund is authorized by K.S.A. 12-189. All local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the State Treasurer to the treasurer of such county or city, on instruction from the Director of Taxation. Currently, these funds are distributed monthly. Distributions were $1,305,364,387 in FY 2025 and $1,344,158,469 in FY 2026.

7610 – Community Improvement District Sales Tax Fund

The Community Improvement District Sales Tax Fund is authorized by K.S.A. 12-6a31. A percentage of sales tax collected within a Community Improvement District shall be apportioned and remitted at least quarterly by the State Treasurer to the treasurers of those municipalities which are qualified to received disbursements from such fund for the amount collected within such municipality. Amounts received for distribution were $31,810,541 in FY 2025 and $33,981,863 in FY 2026.

7654 – City Bond Finance Fund

K.S.A. 79-3620 authorizes the City Bond Finance Fund. The law provides that the State Treasurer shall credit all retail sales tax revenues, as certified by the Department of Revenue, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the Secretary of Commerce and Housing to be of statewide as well as local important and to meet other statutory criteria, to the City Bond Finance Fund. Moneys credited to the City Bond Finance Fund are to be distributed biannually to cities which have issued special obligation bonds to finance in whole or in part, a redevelopment project. At the end of FY 2026 there were 19 active STAR bond districts with balances in this fund. Receipts were

$66,322,740 in FY 2025 and $69,546,819 in FY 2026. Receipts are estimated to be $67,000,000 for FY 2027 and FY 2028. There is a balance carry-forward in this fund.

7665 – Local Alcoholic Liquor Fund

K.S.A. 79-41a04 establishes the Local Alcoholic Liquor Fund. The Treasurer's Office distributes these funds quarterly to most counties and cities. Taxes that comprise this fund are included in the estimates made by the Consensus Estimating Group. Budget estimates are based on the four most recent quarterly distributions. The amounts received for distribution was $42,826,892 in FY 2025 and $42,835,420 in FY 2026.

7667 – Local Compensating Use Tax Fund

K.S.A. 12-198 establishes the County and City Compensating Use Tax Fund. Cities and counties are authorized to levy local sales taxes which the Department of Revenue collects and the State Treasurer distributes to levying units monthly. Receipts were $380,673,818 in FY 2025 and $404,462,922 in FY 2026.

7670 – Racing Admissions Tax Fund

K.S.A. 74-8824 establishes the Racing Admissions Tax Fund. Racetrack sites exempt from local ad valorem property taxes must collect $0.20 on each admission and remit those funds to the racing commission. The State Treasurer pays funds quarterly to certain county and city treasurers as directed by the executive director of the racing commission. No receipts have been received since FY 2010 as there are no applicable racing facilities in operation. The State Treasurer expects there to be transactions in FY 2027 with the reopening of Eureka Downs.

7681 – Rental Motor Vehicle Excise Tax Fund

K.S.A. 79-5117 governs the distribution of Rental Motor Vehicle taxes to each county in which such taxes are collected by the Department of Revenue. On June 30 and November 30 of each year the State Treasurer remits to the county treasurer, of each county wherein a taxable transaction took place, all moneys attributable to such transaction on direction from the Secretary of Revenue. Receipts were $6,114,896 in FY 2025 and $6,312,680 in FY 2026.

7682 – Distinctive License Plate Royalty Fund

The 2012 Legislative established the Distinctive License Plate Royalty Fee Fund. Royalties for specific enrolled entities are collected by the Motor Vehicle Division of the Department of Revenue and transferred to the Treasurer's Office for distribution. These royalties are considered 'pass-through' money and are distributed on a monthly basis to the royalty-holding entity. The distributions were $3,454,938 in FY 2025 and $3,848,741 in FY 2026.

7683 – Redevelopment Bond Finance Fund

K.S.A. 79-3703 provides for a tax levy and the collection of those taxes by any city that has issued bonds for a project as defined pursuant to K.S.A. 12-1744. These taxes are to be credited to the redevelopment bond finance fund in accordance with K.S.A. 74-8927. The 1998 legislature instructs the State Treasurer to distribute these revenues to the taxing authority biannually on dates to be agreed upon by the State Treasurer and the authority. No receipts have been collected.

7684 – Business Machinery & Equipment Tax Reduction Fund

K.S.A. 79-2978 created the Business Machinery and Equipment Tax Reduction Assistance Fund. The difference in total ad valorem taxes levied by the counties on machinery and equipment property taxes for the tax year 2005 and the total of such ad valorem taxes levied for tax year 2007 will be available for transfer. Based on the computation by the department of revenue, county treasurers will receive a percentage of the difference as defined in the statute. In FY 2008, the amount transferred and distributed was $20,324,493. The transfer for FY 2009 was $20,041,628. The distribution was only half the calculated amount. The second half payment was suspended by the FY 2009 Legislature. K.S.A. 79-2978 was amended in 2012 to say that no payments will be made after February 15, 2012.

7685 – Telecommunications & Railroad Machinery and Equipment Tax Reduction Fund

K.S.A. 79-2979 created the Telecommunications & Railroad Machinery and Equipment Tax Reduction Assistance Fund. The difference in the total ad valorem taxes levied by the counties on the telecommunications machinery and equipment property taxes for tax year 2005 and the total of such ad valorem taxes levied for tax year 2007 will be available for transfer. Based on the computation by the department of revenue, county treasurers will receive a percentage of the difference as defined in the statute. In FY 2008, the amount transferred and distributed was $5,535,867. The transfer for FY 2009 was $4,967,777 – which was half the calculated amount. The 2009 Legislature suspended the second half transfer and any transfer for FY 2010. K.S.A. 79-2979 was amended in 2012 to say that no payments will be made after February 15, 2012.

7754 – Fiscal Agency Fund

K.S.A. Chapter 10, Article 5 established the State Treasurer as fiscal agent and established the Fiscal Agency Fund which is a non-reportable, no limit fund that the State Treasurer's Office uses in its capacity as fiscal agent. Funds received from local units are held in trust until subsequently paid to the appropriate bondholders on the due dates. Bond receipts passing through the State were $3.078 billion in FY 2025 and $3.363 billion in FY 2026. Future years may or may not be of similar amounts depending on the number of early principal calls made on existing bond issues and possible new closings. We estimate $3 billion for each FY 2027 and FY 2028. The carry-forward balance is due to a timing difference between collection dates and payment due dates.

7758 – Unclaimed Property Claims Fund

K.S.A. 58-3956 establishes the Unclaimed Property Claims Fund. 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 State General Fund, except for amounts credited to the Unclaimed Property Claims Fund for the prompt payment of claims. State General Fund transfers to pay successful claims totaled $22.0 million in FY 2025 and $24.0 million in FY 2026. There is a carry-forward balance to provide funding for claims. Transfers are estimated to be $23.9 million for FY 2027 and $23.9 for FY 2028.

7759 – Local Alcoholic Equalization Fund

K.S.A. 79-41a04 establishes the Local Alcoholic Equalization Fund. If the total amount returned to local governments in any calendar year is less than the total distributed in CY 1981, the Treasurer's Office transfers a sum equal to the aggregate shortfall from the State General Fund

to the Local Alcoholic Liquor Equalization Fund. This provision was not triggered in the period FY 2008 through FY 2026. No receipts are estimated for FY 2027 or FY 2028.

79XX – Escrow Funds

These funds result from the State Treasurer acting as escrow agent for refunding bond issues and need not be included in the appropriation bill. These trust funds may also have carry-forward balances.

8001 – Educational Building Fund

These funds result from the State Treasurer receiving funds from local units of government and crediting them to the appropriate fund(s). This should not be included in the State Treasurer's Appropriation bill as they are included for another agency.

8100 – State Institutions Building Fund

These funds result from the State Treasurer receiving funds from local units of government and crediting them to the appropriate fund(s). This should not be included in the State Treasurer's Appropriation bill as they are included for another agency.

8600 – Correctional Institutions Building Fund

These funds result from the State Treasurer receiving funds from local units of government and crediting them to the appropriate fund(s). This should not be included in the State Treasurer's Appropriation bill as they are included for another agency.

9098 – Special City and County Highway Fund

In January, April, July, and October of every year, the State Treasurer distributes funds to counties and incorporated cities. The money distributed is a portion of the state's motor fuel gallonage tax. It also includes semiannual transfers to the special city and county highway fund from the state general fund. These January and July transfers are equal to the state's collection of property taxes on the rolling stock of motor carriers. In any calendar quarter, 57% of the distribution is paid to the counties (based on average daily vehicle miles traveled, miles of road, and motor vehicle registration fees collected in each county); the remaining 43% is paid to the cities based on population. From FY 2004 through FY 2007, the January and April payments were delayed one month by the Legislature. Beginning with FY 2008, the distribution returned to the original January and April payment schedule. The distributions were $153,785,845 in FY 2025 and $158,466,720 in FY 2026.

9108 – County Equalization and Adjustment Fund

The Treasurer's Office distributes $2.5 million collected from motor fuel gallonage taxes to counties on April 15 each year. Each county, for which the total amount received from the four most recent distributions of the special city and county highway fund is less than a base-year amount specified by statute, is allocated enough money to make up the amount of this shortfall. Any remaining moneys are then allocated among all counties using the normal formula for distributions from the special city and county highway fund. In the event that the $2.5 million is not enough to bring all counties' receipts up to the base year, the money will be allocated based on what each counties' shortage is to the total shortage.

Administration – 01031

Program FTEs: 10.0

Program Explanation

Administration provides the overall leadership, strategic direction and operational support necessary to carry out the responsibilities of the Kansas State Treasurer's Office. The division establishes agency priorities, develops and implements policies, allocates available resources and conducts ongoing reviews of operations and procedures to promote accountability, efficiency and effective public service.

Administration also provides or coordinates essential agency-wide functions, including information technology, human resources, communications and marketing, budgeting and financial planning, purchasing, travel, accounts payable, correspondence and other administrative and fiscal support services. These functions provide the infrastructure necessary for each division of the Treasurer's Office to effectively serve Kansans.

Kansas State Treasurer Steven Johnson took office in January 2023 as the state's 42nd Treasurer. Under his leadership, the office has focused on responsible stewardship of public funds, efficient administration of the programs entrusted to the agency and increasing public awareness of financial programs and services available to Kansans. The office continually evaluates opportunities to make its programs more accessible, efficient and cost-effective.

The State Treasurer also serves as a statutory member of the Kansas Public Employees Retirement System Board of Trustees and the Pooled Money Investment Board. Through these responsibilities, the Treasurer participates in fiduciary oversight of public retirement assets and state investments, with an emphasis on prudent financial management and the long-term interests of the State of Kansas.

Agency priorities include expanding opportunities for Kansans to save and invest through Quest529 and the Kansas ABLE Savings Program; administering the Kansas Collateral Pool and safeguarding public deposits; supporting prudent cash management and investment of state funds; maintaining high fiduciary and accountability standards throughout the office; returning unclaimed property to its rightful owners; strengthening the financial well-being of Kansans through education and outreach; providing responsive, high-quality customer service; and continually identifying opportunities to modernize operations, improve efficiency and reduce costs.

Across these responsibilities, Administration works to ensure that the Treasurer's Office has the people, systems and resources necessary to responsibly manage public and private funds, effectively administer its programs and provide Kansans with dependable, efficient service.

Program Goal

Provide strong, accountable leadership for the Kansas State Treasurer's Office by establishing clear priorities, responsibly allocating resources and continuously evaluating agency performance. Administration will promote sound management of public and private funds, efficient

and transparent government operations and a culture of accountability focused on delivering the best possible service to Kansans.

Objective

Ensure the Kansas State Treasurer's Office operates efficiently, responsibly and transparently by providing effective agency leadership, aligning resources with strategic priorities, strengthening internal operations and supporting each division in delivering high-quality programs and services to Kansans.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Total number of public appearances (virtual or in-person) by the State Treasurer or designee during the fiscal year.	120	120	120
State Treasurer in attended KPERS Board, PMIB, and Treasurer's Advisory Committee Meetings.	Yes	Yes	Yes
Total number of followers on social media channels as of June 30.	28,300	28,700	28,700
Total impressions for digital and print advertising placements as of June 30.	39,671,433	43,638,576	43,638,576
New visitors to the official website as of June 30.	235,000	35,000	37,000
Total number of emails sent during the fiscal year.	12	12	12

Expenditure Justification - Administration

Account 51000 – 519900: Salaries & Wages

There are ten (10) unclassified FTEs in the administration section. Funding for these positions is allocated across agency programs. With a continued area of focus and attention on creating efficiencies and cost savings within the State Treasurer's Office, the administration continues to ensure proper staffing levels and allocations.

Actual FY 2026	Current FY 2027	Service FY 2028
500,532	337,061	354,542

Account 52000 – 529900: Contractual Services

Major expenditures under this category include administration's share of Landon State Office building rents, monumental surcharge, and statutory audits. This category also includes administration's share of security costs payable to the Kansas Highway Patrol, participation in

industry conferences and events and their associated travel and subsistence expenses. When industry associations have tuition monies available, the agency is diligent about requesting reimbursement up to the maximum amount allowed.

Actual FY 2026	Current FY 2027	Service FY 2028
196,149	231,118	272,485

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
5,262	4,400	4,400

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware.

Actual FY 2026	Current FY 2027	Service FY 2028
4,242	10,496	8,184

Information Technology – 01032

Program FTEs: 6.0

Program Explanation

Information Technology is responsible for managing information resources and providing IT support for all divisions in the State Treasurer's Office. The responsibilities of the IT subprogram encompass computer hardware and software acquisition, installation, training, and upgrades. In addition, the staff designs, develops, writes, implements, and maintains an extensive library of custom computer systems to support the missions and goals of the State Treasurer's Office. The IT staff has also designed and currently hosts the Kansas Municipal Investment Pool system (KMIP) for the Pooled Money Investment Board. In addition to the system development, the IT staff continues to focus on and expend resources to have a viable COOP plan.

Program Goal

The goal of the Information Technology division of the Administration subprogram is to provide efficient, cost-effective data processing services to all divisions of the Treasurer's Office as well as other state agencies as requested, through the research and implementation of technologies and streamlined processing.

Objective 1

Support and ensure the availability of the State Treasurer's Office technology and information resources and act as a single point of contact for all user incidents, requests, and communication. Achieving this objective will be measured by the expediency by which tickets can be resolved.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Help Desk Requests			
Number of Help Desk Requests	615	600	600
Average Ticket Work Time	53 mins	60 mins	60 mins

Objective 2

Create, maintain, and support automated computer systems for both the State Treasurer's Office and other state agencies. These automated systems can be custom, third-party, or off-the-shelf. Whenever applicable, convert manual processes to automated systems and redesign existing applications to take advantage of new technologies and services. Achieving this objective will be measured by the number of systems able to be successfully maintained as well as the complexity of the systems.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Systems Designed/Maintained for STO			
Lines of System Code	386,013	375,000	375,000
Size of System by # of Records	11 million	11 million	11 million
Size of System by # of Tables	313	300	300
Major Modifications Requests	7	4	4
Systems Designed/Maintained for Agencies			
Lines of System Code	92,069	90,000	90,000
Size of System by # of Records	2.0 million	2.0 million	2.0 million
Size of System by # of Tables	59	60	60
Major Modifications Requests	1	1	1

Expenditure Justification – Information Technology

Account 51000 – 519900: Salaries & Wages

There are six (6) unclassified FTEs assigned to the information technology program. A portion of the salaries is allocated to programs requiring the special applications. As a result of specialized programming and support to the Department of Administration and the Pooled Money Investment Board, a portion of salaries is reimbursed as a result of MOUs with these agencies.

Actual FY 2026	Current FY 2027	Service FY 2028
292,352	344,223	362,599

Account 52000 – 529900: Contractual Services

Information technology services provided for the agency include intergovernmental communication services, data circuitry, phone equipment, and wiring as well as system design, construction, and support.

Actual FY 2026	Current FY 2027	Service FY 2028
84,105	96,095	105,914

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
758	3,900	3,900

Account 54000 – 549900: Capital Outlay

The Information Technology staff require larger capacity personal computers to maintain multiple specialized systems. Additional outlay is required to maintain and to continue to enhance the enterprise-wide COOP directive and to maintain servers and network storage.

Actual FY 2026	Current FY 2027	Service FY 2028
18,771	34,808	21,111

Cash Management – 01091

Program FTEs: 8.0

Program Explanation

The State Treasurer's Office receives money collected by all state agencies, deposits it in the operating bank account, and validates the receipt with the State's accounting system. These collections are received electronically, by check, and by cash. Checks are deposited by image cash letter using remote scanning devices and cash deposits are transmitted to the State's contracting bank by way of secure courier. The State Treasurer's Office also controls the disbursement of money from the operating account and prepares estimates of idle cash available to be invested by the Pooled Money Investment Board. All warrants (checks) issued by the State of Kansas are payable through the State Treasurer's Office. These warrants are submitted for payment through normal banking channels and are presented to our office for payment through the Federal Reserve Bank. The State Treasurer's Office reconciles these presented checks with the State's accounting system and returns items that should not be paid for various reasons which may include, but is not limited to, fraud. This reconcilement generally occurs twice per business day.

The State Treasurer's Office receives money due to the state from various municipalities throughout Kansas and deposits these funds according to statute. Thorough records of these transactions are kept by our internal systems and collection data is available to the public on the State Treasurer's website. This program is further responsible for the distribution of monies per statutory provisions to local units of government – the special city and county highway fund and the equalization and adjustment fund. These funds are included in the budget for the Department of Transportation.

The State Moneys Law requires security on all deposits of state moneys over the amounts federally insured by the pledging of certain types of negotiable financial instruments. This office maintains an electronic record of these pledged securities and communicates this list to our contracting bank to receive weekly pricing files to ensure that a sufficient level of collateral is met.

Finally, this program is responsible for the Treasurer's Aid to Local Units of Government. Members of the State Treasurer's staff process distributions to local governmental units from the various funds that comprise the Aid to Local Units of Government subprogram, prepares estimates for county treasurers as required by statute, and responds to requests received from local officials and other interested parties for information about the various aspects of the Aid to Local Units of Government subprogram. The distribution data for the following programs is available to the public on the State Treasurer's public facing website.

Program Goal

To record in an accurate and timely manner all receipts and disbursements for the State of Kansas and to promote electronic methods of receiving and distributing State monies while balancing the safety and security of state funds.

Objective

To promote efficiencies and promote electronic methods of receiving and distributing State monies.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Percentage of items received before 2:30 deposited the same business day	100%	100%	100%
Percentage of state dollars received by electronic methods	94.28%	95.00%	95.00%
Percentage of dollars disbursed electronically	95.30%	96.00%	96.00%
Number of checks issued by the State cleared through the Federal Reserve	425,714	425,000	420,000

Expenditure Justification – Cash Management

Account 51000 – 519900: Salaries & Wages

There are seven (7) unclassified FTEs and one (1) classified FTE assigned to the cash management subprogram. Through the COOP planning process, the need for staff in this area to be cross-trained to allow for continuity of operations in certain COOP events and/or daily absences. This subprogram requires professional staff with an emphasis in banking and accounting.

Actual FY 2026	Current FY 2027	Service FY 2028
455,293	647,830	686,468

Account 52000 – 529900: Contractual Services

The major expenditure in this category is the bank service fees which have risen over the years. Other major components of this section are the cash management portion of fees charged by the Department of Administration for central accounting, state office space rent, communications, and central mail.

Actual FY 2026	Current FY 2027	Service FY 2028
324,955	361,508	381,316

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
852	4,600	4,600

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware.

Actual FY 2026	Current FY 2027	Service FY 2028
4,568	4,411	4,864

Kansas Collateral Pool – 01093

Program FTEs: 1.0

Program Explanation

The Kansas Collateral Pool (KCP) was created by the 2025 Legislature in HB 2152. The bill creates the Public Moneys Pooled Method of Collateral to secure public monies in Kansas. The program is required for all depository banks which hold public deposits in Kansas. The KCP allows these depositories to aggregate their pledged collateral over their own public deposits.

Program Goal

The goal of the Kansas Collateral Pool is to create efficiencies in the securitization of public moneys by aggregating public deposits under a bank's single pool of collateral, while maintaining oversite, reporting, and protection for all Public Entities and Depositories.

Objective

Ensure that public funds in Kansas are collateralized at least 102% at all times.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Amount of public deposits secured at FYE	4,539,040,944	9,000,000,000	9,000,000,000
Market value of pledged collateral at year-end	5,691,316,464	9,180,000,000	9,180,000,000
Depositories approved for public deposits*	86	184	184
Number of public entities with secured deposits	1,039	2,100	2,100
Number of public entities with reported deposits	2,916	5,500	5,500
Number of pledged collateral transactions	6,914	7,200	5,000

Expenditure Justification – Kansas Collateral Pool

Account 51000 – 519900: Salaries & Wages

There is (1) unclassified FTE assigned to the Collateral Pool subprogram. This subprogram requires professional staff with an emphasis in banking and accounting.

Actual FY 2026	Current FY 2027	Service FY 2028
0	168,097	177,787

Account 52000 – 529900: Contractual Services

The major expenditure in this category is the service fees related to obtaining the market value of pledged collateral on a regular basis. Other major components of this section is a portion of fees charged by the Department of Administration for central accounting, communications, and central mail.

Actual FY 2026	Current FY 2027	Service FY 2028
0	72,830	72,830

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
0	545	545

Municipal Bond Services – 01051

Program FTEs: 5.0

Program Explanation

The Municipal Bond Services subprogram is responsible for the registration of all municipal bonds issued in the State of Kansas. This program additionally provides paying agent and registrar services for the majority of municipal bonds and temporary notes registered in the State of Kansas. In FY 2026, this program was selected to act as paying agent for 90% of the bond issues registered and 95% of temporary notes.

As the paying agent and registrar, the State Treasurer maintains records for 120 active bondholders to permit prompt and accurate processing of transactions as well as timely payments of principal and interest to bondholders. In FY 2021, the last remaining bearer bonds were paid out leaving only registered bonds active. Principal and interest funds due are collected from respective municipalities in advance of payment dates to ensure timely payments to bondholders in accordance with K.S.A. 10-130. In FY 2026 the State Treasurer's Office received $3.36 billion in principal and interest payments from Kansas municipalities. These funds were subsequently forwarded to the active bondholders of record or held in trust pending receipt of physical bond certificates.

When the State Treasurer registers a bond or temporary note, the program charges a registration fee of $30.00 and, if the State Treasurer is not the paying agent, a fee of $0.30 for each bond in the issue in accordance with K.S.A. 10-108. When the State Treasurer is named paying agent, a fee is charged to the issuing municipality for providing paying agent services for the life of the bond. Under current law, K.S.A. 10-506, K.S.A. 10-603, and K.S.A. 10-627 as amended, all fee amounts are received and deposited in the state treasury to the credit of the Bond Services Fee Fund. In FY 2026, the program collected and credited $484,547 in total fees to the Bond Services Fee Fund.

Program Goal

To meet statutory requirements by registering Kansas municipal bonds and temporary notes and to publish the annual indebtedness report while providing excellent customer service with our paying agent services.

Objective 1

To register all municipal bonds and temporary notes issued in the State of Kansas in a timely and accurate manner in accordance with K.S.A. 10-108.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
# of Registration Numbers Issued	170	150	150
% of Numbers Issued within 1 Business Day	100%	100%	100%

Objective 2

To compile and have published the annual indebtedness report by September 30 in accordance with K.S.A. 10-1007a.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Annual Indebtedness Report Published by 09/30	Yes	Yes	Yes

Objective 3

To perform paying agent services on Kansas municipal bonds and temporary notes.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
# of New Municipal Bond Issues as Paying Agent	113	135	117
% of New Municipal Bond Issues as Paying Agent	90%	90%	90%
# of New Temporary Note Issues as Paying Agent	42	49	45
% of New Temporary Note Issues as Paying Agent	95%	75%	75%
$ of Open Bond and Temporary Note Issues in Service	20.338 B	19.800 B	19.800 B
# of Open Bond and Temporary Note Issues in Service	2,138	2,100	2,100

EXPENDITURE JUSTIFICATION – Municipal Bond Services

Account 51000 – 519900: Salaries & Wages

There are five (5) unclassified FTEs assigned to the municipal bond services subprogram in order to provide paying agent services and registrar/transfer agent services for municipal bond issues. This program budget also continues to fund a percentage of certain administrative positions.

Actual FY 2026	Current FY 2027	Service FY 2028
479,905	556,843	589,137

Account 52000 – 529900: Contractual Services

The major expenditure in this category is attributed to the costs of the bond paying agent management and accounting system. Information technology services provided for the agency include intergovernmental communication services, data circuitry, phone equipment, and wiring as well as system design, construction, and support.

Actual FY 2026	Current FY 2027	Service FY 2028
137,317	87,071	149,047

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
784	3,300	3,300

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware.

Actual FY 2026	Current FY 2027	Service FY 2028
12,679	16,160	17,340

Unclaimed Property – 01081

Program FTEs: 9.0

Program Explanation

The Unclaimed Property subprogram seeks to return various forms of unclaimed property to the rightful owners or heirs. After a period of dormancy in the hands of the reporting business ("holder"), the State Treasurer can take possession of specified types of abandoned personal property and become custodian in perpetuity, preserving the right of the original owner or heirs to claim the property. Property which may become abandoned includes safe deposit box contents and the following: bank deposits, funds paid toward the purchase of shares in financial organizations, certified checks, drafts or money orders, unclaimed funds held by insurance companies under life, property, and casualty insurance policies, utility deposits, stocks and dividends, property held by courts and public officers and agencies, and miscellaneous other intangible property.

All property that meets statutory requirements for presumption of abandonment must be reported and remitted to the State Treasurer. Any person claiming an interest in such property may file a claim with the State Treasurer. The Unclaimed Property Division reviews all claims received by the State Treasurer for accuracy and completeness. Persons may search for reported property, file a claim, and request claim forms via the State Treasurer's interactive website. Additionally, Unclaimed Property representatives are available via phone and email for search and claim process assistance during business hours.

Information on unclaimed property was previously stored on an internally developed web-based system. In FY 2024 the State Treasurer contracted this program out to improve the service that our office provides to the people of Kansas. Holders may now submit reports on our website using the same process they may use in other states.

The State Treasurer deposits funds received from the reporting holders of unclaimed property into the State General Fund. Beginning in FY 2008, at the start of each fiscal year, we began depositing a legislative appropriated amount of unclaimed property receipts into the State Treasurer's Operating Fund to support the Treasurer's general operations. The State Treasurer also maintains balances in the unclaimed property claims fund to pay approved claims and the unclaimed property expense fund to operate the program.

Program Goal

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 heirs.

Objective 1

Increase the number of businesses (holders) reporting unclaimed property to the State Treasurer.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Value of Unclaimed Property Receipts to SGF	$88.8 mil	$65.6 mil	$65.9 mil
Number of Active Holders (businesses)	46,588	47,000	47,200

Objective 2

To approve or deny 100% 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.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Amount Returned to Rightful Owners	$23.8 mil	$24.0 mil	$24.0 mil
Number of Claims Paid	30,851	35,000	35,000
Inquiries (name searches)	1.67 mil	1.6 mil	1.63 mil
Number of Outreach Letters Mailed	13,999	15,100	15,250

EXPENDITURE JUSTIFICATION – Unclaimed Property

Account 51000 – 519900: Salaries & Wages

There are nine (9) unclassified FTEs assigned to the unclaimed property division who interacts with other states in exchanging data, participating in audits, reporting and remitting unclaimed property, and establishing national standards. This program budget also continues to fund a percentage of certain administrative positions.

Actual FY 2026	Current FY 2027	Service FY 2028
1,121,565	1,220,645	1,291,835

Account 52000 – 529900: Contractual Services

The major expenditure in this category is the contract expense for the Unclaimed Property Management system. Other expenditures in this category are advertising expenses to increase citizens' awareness of the program, central mail charges, office space rent, and travel for awareness function. The amounts in this category includes $2,000 for hospitality as approved by the legislature.

Actual FY 2026	Current FY 2027	Service FY 2028
705,556	750,254	803,378

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
1,854	5,600	5,600

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware.

Actual FY 2026	Current FY 2027	Service FY 2028
16,960	25,772	17,340

Achieving a Better Life Experience (ABLE) Savings Plan – 01071

Program FTEs: 1.0

Program Explanation

The Kansas Legislature established the Achieving a Better Life Experience (ABLE) Savings Program in 2015 through HB 2216. Based on Section 529A of the Internal Revenue Code, ABLE accounts provide individuals whose disability began before age 46 with a tax-advantaged way to save and invest for expenses that support their health, independence and quality of life.

Earnings in an ABLE account grow tax-deferred, and withdrawals are tax-free when used for qualified disability expenses. ABLE accounts also provide important protections for individuals who rely on means-tested public benefits. Up to $100,000 held in an ABLE account is excluded from the Supplemental Security Income resource limit, and federal law provides additional protections related to Medicaid eligibility.

The designated beneficiary is the owner of the ABLE account, while federal and state law allow certain individuals to establish or manage an account on behalf of someone who is unable to do so independently. Contributions are subject to federal limits, with additional contributions permitted in certain circumstances for employed account owners. For 2026, the standard annual contribution limit is $20,000.

The 2015 Legislature did not provide ongoing state funding to operate the program, making it important to develop an administrative structure that could provide competitive investment options and services while keeping costs affordable for account owners. Federal legislation enacted later that year eliminated the requirement that individuals participate only in the ABLE program offered by their state of residence, creating an opportunity for states to work together and achieve greater economies of scale.

Rather than establish a stand-alone Kansas program, the State Treasurer's Office joined other states in developing a multistate ABLE program. The consortium conducted a competitive procurement process, selected a program manager and developed a shared administrative structure designed to reduce costs and provide account owners with a broader, sustainable program. Kansas launched its ABLE Savings Program on January 26, 2017.

To support implementation, the 2016 Legislature authorized a $50,000 transfer from the Kansas Postsecondary Education Savings Program expense fund to the Kansas ABLE Savings expense fund and established the ABLE fund without an expenditure limitation.

Kansas continued modernizing the program in 2022 with passage of HB 2490. The legislation updated state law to conform with federal requirements and gave the State Treasurer additional authority to establish procedures allowing specified individuals to act on behalf of an eligible person who is unable to open or manage an account independently. The changes reduced administrative barriers and made ABLE accounts more accessible to individuals with disabilities and their families.

The Kansas ABLE Savings Program continues to provide individuals with disabilities and their families with a flexible way to save for current and future needs while protecting access to important public benefits. Through continued outreach, partnerships and improvements to the program, the State Treasurer's Office works to ensure more eligible Kansans understand and can take advantage of this opportunity to build greater financial independence.

Program Goal

Continue working with the multistate consortium to strengthen and expand the Kansas ABLE Savings Program, increase awareness of the important role ABLE accounts can play in helping Kansans with disabilities achieve greater financial independence and ensure the program remains accessible to individuals and families who can benefit from it.

The Treasurer's Office will also continue implementing applicable federal requirements, identifying opportunities to improve program administration and pursuing efficiencies that reduce barriers, enhance accessibility and better serve Kansas' disability community and their families.

Objective 1

Continue to implement an awareness/marketing campaign aimed at educating eligible individuals and their families about the ABLE program.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
Number of Educational Programs Presented or ABLE Meetings Attended	71	95	95

Objective 2

Establish an ABLE investment product that is more accessible to the disability community and their families while offering competitively low fees and quality customer service.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
# of New Kansas ABLE Accounts	1,955	750	800
# of Kansas ABLE Accounts (total)	5,062	3,857	4,657
# of Kansas ABLE Accounts (funded)	3,806	2,714	4,514

EXPENDITURE JUSTIFICATION – ABLE Savings Plan

Account 51000 – 519900: Salaries & Wages

There is one (1) unclassified FTE assigned to the ABLE Savings subprogram in order to manage and market the program. This program budget also continues to fund a percentage of certain administrative positions.

Actual FY 2026	Current FY 2027	Service FY 2028
1,115	88,153	92,406

Account 52000 – 529900: Contractual Services

The major expenditure in this category is attributed to advertising and marketing the program. Travel is also expensed to allow staff to attend industry conferences and events.

Actual FY 2026	Current FY 2027	Service FY 2028
29,815	30,160	31,410

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
309	895	895

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware.

Actual FY 2026	Current FY 2027	Service FY 2028
2,164	3,305	4,482

Postsecondary Education Savings Program – 01061

Program FTEs: 1.0

Program Explanation

The Kansas Legislature established the Kansas Postsecondary Education Savings Program in 1999 to give individuals and families a tax-advantaged way to save and invest for education. Authorized under Section 529 of the Internal Revenue Code, the program allows individuals and organizations to contribute to accounts established for a designated beneficiary or for themselves. Today, the Kansas State Treasurer administers two 529 education savings plans: the Quest529 Education Savings Plan and the Schwab 529 Education Savings Plan.

529 accounts provide important federal and state tax advantages designed to help families make the most of their education savings. Investment earnings grow tax-deferred, and withdrawals are free from federal and Kansas income tax when used for qualified education expenses. Kansas taxpayers may also deduct contributions of up to $3,000 per beneficiary each year, or $6,000 for married taxpayers filing jointly. Kansas provides tax parity, meaning the deduction is available for qualifying contributions to a 529 plan sponsored by Kansas or another state.

The flexibility of a 529 account allows families to prepare for a wide range of education and career paths. Qualified expenses can include tuition, fees, books, supplies, equipment and certain room-and-board expenses at eligible colleges, universities, community colleges, technical schools and other postsecondary institutions. Funds may also be used for certain registered apprenticeship expenses, qualified student loan repayments and eligible postsecondary credentialing expenses. Kansas does not require the beneficiary to attend a Kansas institution.

Current federal law also allows up to $20,000 per beneficiary each year to be withdrawn for qualified expenses associated with enrollment or attendance at an elementary or secondary school. This flexibility allows families to use 529 savings throughout a beneficiary's educational journey while preserving the opportunity to save and invest for future education and career needs.

Through Quest529 and the Schwab 529 Education Savings Plan, the Treasurer's Office works to provide families with flexible, affordable tools to begin saving early, reduce the future financial burden of education and help Kansans prepare for the opportunities that education and career training can provide.

Program Goal

Help reduce financial barriers to education and career advancement by providing individuals and families with flexible, tax-advantaged opportunities to save for qualified expenses associated with colleges, community colleges, technical schools, registered apprenticeships and other eligible education and training programs.

Objective 1

To actively promote the Kansas Education Savings Program in all areas of the state.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
# of Kansas Counties Reached Through Marketing	105/105	105/105	105/105
# of Active Accounts (program total)	442,064	486,000	535,000
# of Active Accounts (Quest529 Only)	96,349	99,200	102,200
Plan Assets (program total)	$16.34 B	$17.16 B	$18.02 B
Plan Assets (Quest529 Only)	$2.47 B	$2.59 B	$2.72 B
Purchases (program total)*	$1.43 B	$1.46 B	$1.50 B
Purchases (Quest529 Only)**	$152.54 mil	$156.05 mil	$160.25 mil
Accounts Opened*	50,414	51,675	52,965

**Includes purchases and accounts opened in Quest529 (formerly known as Learning Quest) and the Schwab 529 Education Savings Plan, as well as the prior Learning Quest Advisor and Schwab Learning Quest plans. The Learning Quest Advisor and Schwab Learning Quest plans were consolidated into the Quest529 Plan and Schwab 529 College Savings Plan, respectively, in spring of 2026.*

*** Includes purchases in Quest529, as well as the prior Learning Quest Advisor plan which was consolidated into the Quest529 plan in spring of 2026.*

Objective 2

To reach Kansans with information on the Kansas Education Savings Program through educational meetings and outreach opportunities.

Performance Measures

(Note: These numbers reflect less activity due to uncertainty during the RFP. The projected increase in service FY 2028 reflects the addition of 2 new outreach hires by TIAA.)

	Actual FY 2026	Current FY 2027	Service FY 2028
# of Presentations by STO Staff and Program Manager	240	120	120

Objective 3

Increase the amount of assets transferred to our plan from competitors relative to those transferred out.

Performance Measures

	Estimated* FY 2026	Current FY 2027	Service FY 2028
Rollovers In (program total)	$340 mil	$350 mil	$340 mil
Rollovers Out (program total)	$88 mil	$89 mil	$85 mil
Ratio (In/Out)	3.9	3.9	4

**Actual rollover data for FY 26 is not available for this report due to the transition to new program management in spring 2026.*

EXPENDITURE JUSTIFICATION – Postsecondary Education Savings

Account 51000 – 519900: Salaries & Wages

There is one (1) unclassified FTE assigned to the program in order to manage and market the program. This program budget also continues to fund a percentage of certain administrative positions.

Actual FY 2026	Current FY 2027	Service FY 2028
205,663	530,665	559,023

Account 52000 – 529900: Contractual Services

The major expenditure in this category is attributed to the financial consulting fees as well as the cost of advertising and marketing the program. FY 2026 will see an increase in professional fees due to the successful RFP for financial advisory services. Travel is also expensed to allow staff to attend industry conferences and events.

Actual FY 2026	Current FY 2027	Service FY 2028
238,931	328,050	335,166

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
529	1,200	1,200

Account 54000 – 549900: Capital Outlay

Replacement of computers and monitors on a regular schedule as well as the subprogram's share of file servers, firewalls, and other hardware. Also included in this category is the purchase of an agency-owned vehicle for travel related to outreach.

Actual FY 2026	Current FY 2027	Service FY 2028
2,644	62,403	14,983

Kansas Investments Developing Scholars (KIDS) Matching Grant Program – 01062

Program FTEs: n/a

Program Explanation

The Kansas Investments Developing Scholars (KIDS) Matching Grant Program helps lower-income Kansas families build education savings by providing a dollar-for-dollar state match on qualifying contributions to a Quest529 Education Savings Account.

Eligible account owners must be Kansas residents with household income that does not exceed 200% of the federal poverty level. Approved participants who contribute at least $100 during the calendar year may receive a matching contribution of up to $600 per beneficiary. Under current law, the program may approve up to 1,000 applications annually through calendar year 2027.

The program was designed to make education savings more attainable for families that may otherwise face financial barriers to saving. However, the office has identified an ongoing challenge in expanding the program's reach to new savers. Because participants may reapply each year, a significant portion of program resources can support families already participating rather than introducing additional lower-income families to education savings.

Changes enacted by the Legislature limit matching grants to contributions made through calendar year 2027, and no new applications may be accepted or approved beginning in 2028. As the program approaches its conclusion, the Treasurer's Office will continue administering available matching grants while evaluating other opportunities to encourage families to begin saving early and reduce financial barriers to education and career advancement.

Program Goal

To encourage the establishment of family postsecondary savings accounts by qualified individuals and families.

Objective

Actively promote the KIDS Matching Grant Program thereby promoting investments in a 529 education account while processing and approving account withdrawals according to statute.

Performance Measures

	Actual FY 2026	Current FY 2027	Service FY 2028
# of Applications Received	774	800	400
# of Withdrawal Requests	-	-	-
$ of Qualifying Withdrawals	-	-	-
# of Matching Grants Awarded	656	650	650
$ of Matching Grants Awarded	$375,989	$360,000	$360,000

Financial Literacy Program – 01063

Program FTEs: n/a

Program Goal

Improve the financial well-being of Kansans by providing clear, practical and accessible financial education throughout every stage of life. The Treasurer's Office will help individuals and families better understand financial concepts, evaluate available savings and investment opportunities and connect with state and federal programs that can support their financial goals.

Through statewide outreach, trusted partnerships and educational programming, the office will work to give Kansans the knowledge and tools they need to make informed financial decisions, build financial confidence and create greater long-term financial security for themselves and their families.

EXPENDITURE JUSTIFICATION – Financial Literacy

Account 52000 – 529900: Contractual Services

The major expenditure in this category is in relation to marketing, outreach, and education.

Actual FY 2026	Current FY 2027	Service FY 2028
33,270	48,894	50,174

Account 53000 – 539900: Commodities

Expenditures in this category include data processing supplies and office supplies.

Actual FY 2026	Current FY 2027	Service FY 2028
728	1,105	1,105