

OFFICE OF THE STATE TREASURER

Budget Committee Report

KLRD Analyst: Kleespie
KLRD Summary: Vol. 1, Pg. 93

DOB Analyst: Tomb
GBR Analysis: Vol. 2, Pg. 188

Executive Summary

Summary of Total Expenditures, FY 2023 – FY 2027						
	SGF	Build Kansas Matching Grant Fund	All Other Funds	Total	FTE Positions	
FY 2023 Actual	\$ 51,989,864	\$ -	\$ 25,617,128	\$ 77,606,992	40.0	
FY 2024 Actual	2,005,953	-	21,834,074	23,840,027	39.8	
FY 2025 Actual	2,004,183	6,723,755	26,581,231	35,309,169	40.0	
FY 2026						
Approved, with Reappropriations	\$ 13,000,000	\$ 5,000,000	\$ 31,965,218	\$ 49,965,218	40.0	
Agency Revised Estimate	13,000,000	103,276,245	34,296,507	150,572,752	40.0	
Special Committee on the State Budget	13,000,000	103,276,245	34,296,507	150,572,752	40.0	
House Committee of the Whole	13,000,000	103,276,245	34,296,507	150,572,752	40.0	
Senate Committee of the Whole	13,000,000	103,276,245	34,296,507	150,572,752	40.0	
Legislative Approved	13,000,000	103,276,245	34,296,507	150,572,752	40.0	
Governor's Recommendation	13,000,000	103,276,245	137,572,752	150,572,752	40.0	
FY 2027						
Approved, without Reappropriations	\$ 13,000,000	\$ 5,000,000	\$ 31,965,218	\$ 49,965,218	40.0	
Agency Request	-	50,000,000	34,205,485	84,205,485	40.0	
Special Committee on the State Budget	-	-	34,205,485	34,205,485	40.0	
House Committee of the Whole	-	-	54,205,485	54,205,485	40.0	
Senate Committee of the Whole	3,000,000	-	34,205,485	37,205,485	40.0	
Legislative Approved	3,025,703	-	39,455,485	42,481,188	41.0	
Governor's Recommendation	-	25,000,000	59,205,485	59,205,485	40.0	

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

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FY 2026

Summary of Legislative Recommendations, FY 2026						
	Build Kansas					FTE
	SGF	Matching Grant Fund	All Other Funds		Total	Positions
Approved, with Reappropriations	\$ 13,000,000	\$ 5,000,000	\$ 31,965,218	\$	49,965,218	40.0
Agency Revised Estimate	13,000,000	103,276,245	34,296,507		150,572,752	40.0
Special Committee on the State Budget (SBC)						
Change from Agency Revised Estimate	\$ -	\$ -	\$ -	\$	-	-
TOTAL – Special Committee	\$ 13,000,000	\$ 103,276,245	\$ 34,296,507	\$	150,572,752	40.0
House Committees						
General Government Budget	\$ -	\$ -	\$ -	\$	-	-
Appropriations	-	-	-		-	-
Committee of the Whole	-	-	-		-	-
Subtotal – House Change from SBC	\$ -	\$ -	\$ -	\$	-	-
TOTAL – Current House Position	\$ 13,000,000	\$ 103,276,245	\$ 34,296,507	\$	150,572,752	40.0
Senate Committees						
Financial Institutions and Insurance	\$ -	\$ -	\$ -	\$	-	-
Ways and Means	-	-	-		-	-
Committee of the Whole	-	-	-		-	-
Subtotal – Senate Change from SBC	\$ -	\$ -	\$ -	\$	-	-
TOTAL – Current Senate Position	\$ 13,000,000	\$ 103,276,245	\$ 34,296,507	\$	150,572,752	40.0
Legislative Approved						
Conference Committee	\$ -	\$ -	\$ -	\$	-	-
Governor's Vetoes	-	-	-		-	-
Veto Overrides	-	-	-		-	-
Certifications	-	-	-		-	-
Subtotal – Approved Change from SBC	\$ -	\$ -	\$ -	\$	-	-
GRAND TOTAL – Final Approved	\$ 13,000,000	\$ 103,276,245	\$ 34,296,507	\$	150,572,752	40.0

Agency

The **agency** submits a revised estimate of \$150.6 million, including \$13.0 million SGF, in expenditures, and 40.0 FTE positions in FY 2026. This represents an increase of \$100.6 million above the amount approved by the 2025 legislature, largely due to the Build Kansas Matching Grant Fund:

- **Build Kansas:** \$98.3 Million, all from the Build Kansas Matching Grant Fund, in FY 2026. As of January 2026, there are 48 grant applications that have been approved by the Build Kansas Advisory Committee and the federal program.

Absent the Build Kansas, the **agency** submits a revised estimate of \$52.3 million, including \$13.0 million SGF, in expenditures, and 40.0 FTE positions in FY 2026. This represents an increase of \$2.3 million above the amount approved by the 2025 legislature, largely due to the following items:

- **STAR Bonds:** \$1.1 million all from the STAR Bonds Food Sales Tax Revenue Replacement Fund, in FY 2026. These funds will be provided to cities and counties to hold STAR Bond holders harmless from the elimination of the food sales tax.

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- **Unclaimed Property:** \$950,000, all from special revenue funds, in anticipated unclaimed property claims in FY 2026. Transfers to pay claims totaled \$21.4 million in FY 2025. The agency estimates unclaimed property claim payments of \$21.7 million in FY 2026.
- **Contractual Services:** \$122,607, all from special revenue funds, for higher contractual service expenditures in FY 2026. This increase is primarily attributable to an increased marketing budget for programs related to education savings.
- **Salaries and Wages:** \$118,779, all from special revenue funds, for higher salary and wage expenditures in FY 2026. This increase is primarily attributable to funding allocated to a previously approved but unfunded FTE position as well as the hiring of interns and other temporary staff.

Special Committee on the State Budget

The **Special Committee** concurs with the agency's revised estimate in FY 2026.

House Committees

House Committee on General Government Budget

The **House Budget Committee** concurs with the Special Committee's recommendation in FY 2026.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation in FY 2026.

House Committee of the Whole

The **House Committee of the Whole** concurs with the Committee's recommendation in FY 2026.

Senate Committees

Senate Committee on Financial Institutions and Insurance

The **Senate Committee on Financial Institutions and Insurance** concurs with the Special Committee's recommendation in FY 2026.

Senate Committee on Way and Means

The **Senate Committee** concurs with the Senate Committee on Financial Institutions and Insurance's recommendation in FY 2026.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Committee's recommendation in FY 2026.

Conference Committee

The **Conference Committee** concurs with the Committee's recommendation in FY 2026.

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FY 2027

Summary of Legislative Recommendations, FY 2027					
	SGF	Build Kansas Matching Grant Fund	All Other Funds	Total	FTE Positions
Approved, without Reappropriations	\$ 13,000,000	\$ 5,000,000	\$ 31,965,218	\$ 49,965,218	40.0
Agency Request	-	50,000,000	34,205,485	84,205,485	40.0
Special Committee on the State Budget (SBC)					
Change from Agency Request	\$ -	\$ (50,000,000)	\$ -	\$ (50,000,000)	-
TOTAL – Special Committee	\$ -	\$ -	\$ 34,205,485	\$ 34,205,485	40.0
House Committees					
General Government Budget	\$ -	\$ -	\$ -	\$ -	-
Appropriations	-	-	20,000,000	20,000,000	-
Committee of the Whole	-	-	-	-	-
Subtotal – House Change from SBC	\$ -	\$ -	\$ 20,000,000	\$ 20,000,000	-
TOTAL – Current House Position	\$ -	\$ -	\$ 54,205,485	\$ 54,205,485	40.0
Senate Committees					
Financial Institutions and Insurance	\$ -	\$ -	\$ -	\$ -	-
Ways and Means	3,000,000	-	-	3,000,000	-
Committee of the Whole	-	-	-	-	-
Subtotal – Senate Change from SBC	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	-
TOTAL – Current Senate Position	\$ 3,000,000	\$ -	\$ 34,205,485	\$ 37,205,485	40.0
Legislative Approved					
Conference Committee	\$ 3,000,000	\$ -	\$ 5,250,000	\$ 8,250,000	1.0
Governor's Vetoes	-	-	-	-	-
Veto Overrides	-	-	-	-	-
Certifications	25,703	-	-	25,703	-
Subtotal – Approved Change from SBC	\$ 3,025,703	\$ -	\$ 5,250,000	\$ 8,275,703	1.0
GRAND TOTAL – Final Approved	\$ 3,025,703	\$ -	\$ 39,455,485	\$ 42,481,188	41.0

Agency

The **agency** requests \$84.2 million in expenditures, and 40.0 FTE positions for FY 2027. This is an increase of \$34.2 million or 68.5 percent above the amount approved by the 2025 legislature, largely due to the following items:

- **Build Kansas:** \$55.0 Million transfer from the SGF to the Build Kansas Matching Grant Fund. This item was previously approved by the Legislature.
- **Unclaimed Property:** \$930,000, all from special revenue funds, for anticipated unclaimed property claims for FY 2027. The agency estimates unclaimed property claim payments of \$21.7 million for FY 2027.
- **Contractual Services:** \$158,337, all from special revenue funds, for higher contractual service expenditures for FY 2027. This increase is primarily attributable to an increased marketing budget for programs related to education savings (\$102,418) and computer programming and data processing service charges (\$58,522).

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- **Salaries and Wages:** \$151,930, all from special revenue funds, for higher salary and wage expenditures for FY 2027. This increase is primarily attributable to funding allocated to a previously approved but unfunded FTE position as well as the hiring of interns and other temporary staff.

Special Committee on the State Budget

The **Special Committee** concurs with the agency request with the following adjustment:

1. Delete \$50.0 million, all from the **Build Kansas Matching Grant Fund**, to suspend the transfer of SGF to the Build Kansas Matching Grant Fund for FY 2027.

House Committees

House Committee on General Government Budget

The **House Budget Committee** concurs with the Special Committee's recommendation for FY 2027.

House Committee on Appropriations

The **House Committee** concurs with the House Budget Committee's recommendation with the following adjustments:

1. Transfer \$20.0 million SGF to the **Build Kansas Matching Grant Fund** and add language that \$5.0 million, all from the Build Kansas Matching Grant Fund, is to be transferred to the State Finance Council should Build Kansas be extended for FY 2027. Any balance remaining by the end of FY 2027 is to be returned to the SGF.
2. Add language to authorize the agency to enter into loan agreements up to \$50.0 million for the **Aviation Loan Program** to limit the eligible borrower to an airport or entity with majority ownership in Kansas for FY 2027. This is an increase of \$10.0 million over the amount approved by the 2025 Legislature.

House Committee of the Whole

The **House Committee of the Whole** concurs with the Committee's recommendation for FY 2027.

Senate Committees

Senate Committee on Financial Institutions and Insurance

The **Senate Committee on Financial Institutions and Insurance** concurs with the Special Committee's recommendation for FY 2027.

Senate Committee on Way and Means

The **Senate Committee** concurs with the Senate Committee on Financial Institutions and Insurance's recommendation with the following adjustments:

1. Add \$3.0 million SGF to the State Treasurer for **Pregnancy Compassion Awareness** and add language continuing program requirements for FY 2027.
2. Add language to authorize the agency to enter into loan agreements up to \$50.0 million for the **Aviation Loan Program** for FY 2027. This is an increase of \$10.0 million over the amount approved by the 2025 Legislature.

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3. Delete language allocating spending authority and distribution for \$6.1 million, all from the STAR Bond Food Sales Tax Revenue Replacement Fund, for FY 2027.

Senate Committee of the Whole

The **Senate Committee of the Whole** concurs with the Committee's recommendation with the following adjustments:

1. Add language establishing the **Property Tax Relief Fund** and add further language that this fund shall be used to reduce the 20-Mill tax levy for FY 2027.

Conference Committee

The **Conference Committee** concurs with the Committee's recommendation with the following adjustments:

1. Transfer \$20.0 million SGF to the **Build Kansas Matching Grant Fund** and add language that \$5.0 million, all from the Build Kansas Matching Grant Fund, is to be transferred to the State Finance Council should Build Kansas be extended. Any balance remaining by the end of FY 2027 is to be returned to the SGF. Add language to transfer \$10.0 million, all from the Build Kansas Matching Grant Fund to the Department of Commerce for an economic development project, and if the project is not completed, the \$10.0 million will be transferred back to the Build Kansas Matching Grant Fund.
2. Add \$3.0 million SGF to the State Treasurer for **Pregnancy Compassion Awareness** and add language continuing program requirements for FY 2027.
3. Add \$250,000 SGF and 1.0 FTE position to implement SB 524 for FY 2027.
4. Add language to authorize the agency to enter into loan agreements up to \$50.0 million for the **Aviation Loan Program**, limit the eligible borrower to an airport or entity with majority ownership in Kansas, and require that for one new Kansas job, paying 85% of county mean wage, with one job per \$300,000 loan allotment; must be filled by citizens or lawful permanent residents; no violations of terms of the program or termination/increased interest for FY 2027. This is an increase of \$10.0 million over the amount approved by the 2025 Legislature.
5. Add language to delay implementation for creation of fee structure for FY 2027.
6. Delete language allocating spending authority and distribution for \$6.1 million, all from the STAR Bond Food Sales Tax Revenue Replacement Fund for FY 2027.

Governor's Vetoes

The **Governor** vetoes the following for FY 2027:

1. Add \$3.0 million SGF to the State Treasurer for **Pregnancy Compassion Awareness** and add language continuing program requirements for FY 2027.
2. Add language to authorize the agency to enter into loan agreements up to \$50.0 million for the **Aviation Loan Program**, limit the eligible borrower to an airport or entity with majority ownership in Kansas, and require that for one new Kansas job, paying 85% of county mean wage, with one job per \$300,000 loan allotment; must be filled by citizens or lawful permanent residents; no violations of terms of the program or termination/increased interest for FY 2027. This is an increase of \$10.0 million over the amount approved by the 2025 Legislature.

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Veto Overrides

The **Legislature** overrode the Governor's vetoes on the following item for FY 2027:

1. **(Override)** Add \$3.0 million SGF to the State Treasurer for **Pregnancy Compassion Awareness** and add language continuing program requirements for FY 2027.

Legislative Approved

HB 2513 authorized the following statewide adjustments which were certified following the conclusion of the 2026 Session:

1. Add \$25,703 SGF, to implement the Executive Branch pay plan approved by the 2026 Legislature and certified by the State Finance Council for FY 2027.