

# OFFICE OF THE STATE TREASURER

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Operating Expenditures:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	24,060,389	27,970,571	27,970,571	82,035,405	28,035,405
<i>Subtotal</i>	<i>\$ 24,060,389</i>	<i>\$ 27,970,571</i>	<i>\$ 27,970,571</i>	<i>\$ 82,035,405</i>	<i>\$ 28,035,405</i>
<b>Capital Improvements:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
<b>TOTAL</b>	<b><u>\$ 24,060,389</u></b>	<b><u>\$ 27,970,571</u></b>	<b><u>\$ 27,970,571</u></b>	<b><u>\$ 82,035,405</u></b>	<b><u>\$ 28,035,405</u></b>
<b>Percentage Change:</b>					
Operating Expenditures					
State General Fund	0.0 %	-- %	-- %	-- %	-- %
All Funds	(21.2)	16.3	16.3	193.3	0.2
FTE Positions	39.0	39.0	39.0	39.0	39.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

## AGENCY OVERVIEW

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 Program (Learning Quest). The State Treasurer is the paying agent for state and municipal bonds and also is tasked with the disposition of unclaimed property. The State Treasurer is an ex officio member of the Kansas Public Employees Retirement System (KPERs) Board of Trustees.

The State Treasurer is one of six state officials elected every four years and also serves as a member of the Pooled Money Investment Board (PMIB), which invests state funds to provide optimum levels of safety, liquidity, and yield.

## MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** passed SB 382, which amended the Kansas Housing Loan Deposit Program requirements to expand the definition of "house" to include multi-family dwellings; to expand the definition of "eligible developer borrower" to include not only new

construction, but also rehabilitation of existing homes; to change the limit on the value of the eligible housing from a sale at or below 350.0 percent of the Kansas median household for the previous year to a sale or appraisal at or below the average purchase price safe harbor as established by the State Treasurer; to delete the limit of the one outstanding housing loan per borrower and instead specify that no more than \$2.0 million in total loans can be outstanding at any one time to a developer borrower; and to move the ending date for the loan requirement to designated cities forward from July 1, 2011, to December 31, 2010. Loans made under the program will be made available statewide starting January 1, 2011.

In addition, the **2010 Legislature** passed SB 415, which allowed taxing subdivisions that have the power to issue general obligation bonds to include pools of mortgage funds guaranteed by the Government National Mortgage Association, commonly referred to as Ginnie Maes. The bill also allowed municipalities that issue revenue bonds to extend the time limitation specified for the maximum stated rate of interest on fixed- or variable-rate bonds issued by a municipality or taxing subdivision from June 30, 2010, to June 30, 2012. Under current law, the specified maximum stated interest rate is to be determined on the day the bonds are sold and shall not exceed the daily yield for the ten-year treasury bonds published by *The Bond Buyer* in New York City, New York, plus a certain interest percentage. Specifically, the bill increased the interest percentages from 5.0 percent to 6.0 percent if the interest on the bonds is excluded from gross income for federal tax purposes or from 6.0 percent to 7.0 percent if interest is included.

The **2010 Legislature** also passed the following legislation:

- **SB 451.** This legislation allowed municipalities the option of accepting the good faith deposit for a municipal bond in the form of cash, including cash deposited *via* electronic fund transfer. Previously, the good faith deposit could be made only in the form of a certified or cashier's check or surety bond;
- **SB 463.** This legislation added Norton County to those counties authorized to have a bonded indebtedness limit of 30.0 percent of the assessed value of all tangible taxable property. Previous law limited all counties to a 3.0 percent bonded indebtedness level, except Franklin and Wyandotte counties, for which the limit was 30.0 percent; and
- **House Sub. for SB 312.** This legislation authorized counties paying large property tax refunds relative to a single property whose value exceeds 5.0 percent of the total countywide tax base to request a loan from the PMIB to assist in the payment of such refunds. The loans would bear interest, could not exceed an aggregate of \$50.0 million statewide, and must be repaid within four years. Participating counties were required to make equal annual tax levies sufficient to pay the loans within the four-year period. The bill also amended the statute providing a cap relative to the total amount of PMIB investments available for legislative mandate. The limitation was changed from the lesser of 10.0 percent or \$140.0 million of state moneys invested to the greater of 10.0 percent or \$140.0 million of state moneys invested.

The **2013 Legislature** reduced the estimated transfer by \$305,000 from the State General Fund to the Kansas Postsecondary Education Savings Trust Fund for fiscal year (FY) 2014 and FY 2015. The Legislature also reduced estimated payments from the Unclaimed Property Fund in FY 2013 and FY 2014 by \$780,000 and \$1.5 million, respectively.

The **2014 Legislature** added \$370,000 in expenditure authority for the Kansas Postsecondary Education Savings Trust Fund in FY 2015. The trust fund is funded by a demand transfer from the State General Fund.

The **2015 Legislature** created the Achieving a Better Life Experience (ABLE) savings program with HB 2215. This program is based on a federal statute that allows individuals with a disability, before the age of 26, to save in accounts they own with tax-deferred growth and tax-free withdrawal of earnings used for qualified expenses related to their disability. Accounts are limited to \$14,000 in contributions per year and must be owned by the individual with a disability or their parent, guardian, or custodian. The Office of the State Treasurer estimates the eligible population for the program will be less than 100,000 individuals based on U.S. Census data for individuals with a disability and their age.

The **2016 Legislature** directed the agency to report the PMIB budget separately from the Office of the State Treasurer's budget.

## **BUDGET SUMMARY AND KEY POINTS**

**FY 2021 – Current Year.** The **agency** requests a revised estimate of \$28.0 million, all from special revenue funds, in FY 2021. This is a decrease of \$3.0 million, or 9.7 percent, below the FY 2021 approved budget. The decrease is primarily attributable to a decrease in estimated payments for unclaimed property claims.

The revised estimate includes 39.0 FTE positions, which is the same as the FY 2021 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2021.

**FY 2022 – Budget Year.** The **agency** requests \$82.0 million, all from special revenue funds, for FY 2022. This is an increase of \$54.1 million, or 193.3 percent, above the FY 2021 revised estimate. This increase is primarily attributable to \$54.0 million for expenditures from the Local *Ad Valorem* Tax Reduction Fund.

The request includes 39.0 FTE positions, which is unchanged from the number included in the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$28.0 million, all from special revenue funds, for FY 2022. This is a decrease of \$54.0 million, or 65.8 percent, below the agency's request. This decrease is due to the Governor not recommending the \$54.0 million transfer from the SGF to the Local *Ad Valorem* Tax Reduction Fund for FY 2022.

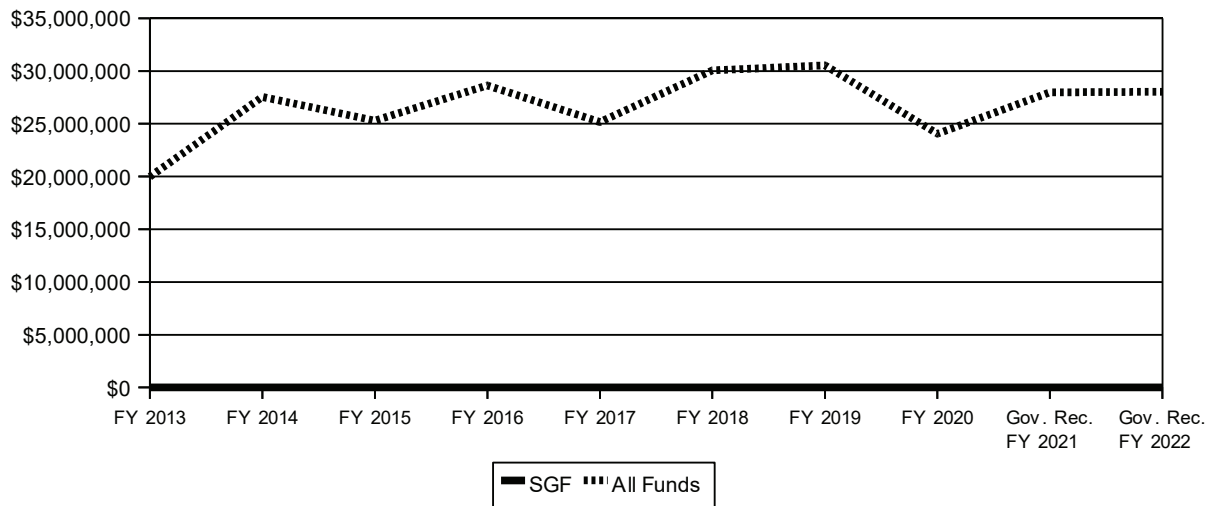
# PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Value of Unclaimed Property Received by the State (Dollars in Millions)	\$ 38.9	\$ 47.9	43.5	\$ 41.5	\$ 41.5	\$ 42.5
Number of Claims Paid	100,854	112,397	116,000	104,893	114,000	114,000
Value of Unclaimed Property Returned to Rightful Owners (Dollars in Millions)	\$ 26.1	\$ 27.1	27.5	\$ 20.3	\$ 23.6	\$ 23.6
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 30.1	\$ 30.5	\$ 30.6	\$ 24.1	\$ 28.0	\$ 28.0
FTE Positions	39.0	39.0	39.0	39.0	39.0	39.0

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2013 – FY 2022



## OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	%	\$ 19,984,132	0.6 %	43.0
2014	0	--	27,542,787	37.8	44.5
2015	0	--	25,301,658	(8.1)	45.5
2016	0	--	28,633,344	13.2	39.5
2017	0	--	25,167,726	(12.1)	39.5
2018	0	--	30,056,950	19.4	39.0
2019	0	--	30,537,771	1.6	39.0
2020	0	--	24,060,389	(21.2)	39.0
2021 Gov. Rec.	0	--	27,970,571	16.3	39.0
2022 Gov. Rec.	0	--	28,035,405	0.2	39.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 8,051,273	40.3 %	(4.0)

Summary of Operating Budget FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate				Governor's Recommendation			
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
<b>By Program:</b>									
Administration	\$ 687,796	\$ 863,292	\$ 880,352	\$ 17,060	2.0 %	\$ 863,292	\$ 880,352	\$ 17,060	2.0 %
Bond Services	489,181	579,679	585,361	5,682	1.0	579,679	585,361	5,682	1.0
Education Assistance	734,557	844,764	872,157	27,393	3.2	844,764	872,157	27,393	3.2
ABLE Savings	48,761	44,706	44,950	244	0.5	44,706	44,950	244	0.5
Unclaimed Property	21,435,878	24,826,593	24,836,319	9,726	0.0	24,826,593	24,836,319	9,726	0.0
Cash Management	664,216	811,537	54,816,266	54,004,729	6,654.6	811,537	816,266	4,729	0.6
<b>TOTAL</b>	<b>\$ 24,060,389</b>	<b>\$ 27,970,571</b>	<b>\$ 82,035,405</b>	<b>\$ 54,064,834</b>	<b>193.3 %</b>	<b>\$ 27,970,571</b>	<b>\$ 28,035,405</b>	<b>\$ 64,834</b>	<b>0.2 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 2,299,821	\$ 2,574,878	\$ 2,601,867	\$ 26,989	1.0 %	\$ 2,574,878	\$ 2,601,867	\$ 26,989	1.0 %
Contractual Services	1,036,914	1,305,203	1,315,278	10,075	0.8	1,305,203	1,315,278	10,075	0.8
Commodities	11,063	19,260	19,260	0	0.0	19,260	19,260	0	0.0
Capital Outlay	48,090	56,230	59,000	2,770	4.9	56,230	59,000	2,770	4.9
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 3,395,888</i>	<i>\$ 3,955,571</i>	<i>\$ 3,995,405</i>	<i>\$ 39,834</i>	<i>1.0 %</i>	<i>\$ 3,955,571</i>	<i>\$ 3,995,405</i>	<i>\$ 39,834</i>	<i>1.0 %</i>
Aid to Local Units	0	0	54,000,000	54,000,000	--	0	0	0	--
Other Assistance	20,664,501	24,015,000	24,040,000	25,000	0.1	24,015,000	24,040,000	25,000	0.1
<b>TOTAL</b>	<b>\$ 24,060,389</b>	<b>\$ 27,970,571</b>	<b>\$ 82,035,405</b>	<b>\$ 54,064,834</b>	<b>193.3 %</b>	<b>\$ 27,970,571</b>	<b>\$ 28,035,405</b>	<b>\$ 64,834</b>	<b>0.2 %</b>
<b>Financing:</b>	0								
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Unclaimed Property Claims Fund	20,293,471	23,590,000	23,590,000	0	0.0	23,590,000	23,590,000	0	0.0
All Other Funds	3,766,918	4,380,571	58,445,405	54,064,834	1,234.2	4,380,571	4,445,405	64,834	1.5
<b>TOTAL</b>	<b>\$ 24,060,389</b>	<b>\$ 27,970,571</b>	<b>\$ 82,035,405</b>	<b>\$ 54,064,834</b>	<b>193.3 %</b>	<b>\$ 27,970,571</b>	<b>\$ 28,035,405</b>	<b>\$ 64,834</b>	<b>0.2 %</b>

# BUDGET OVERVIEW

## A. FY 2021 – Current Year

### Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund (SGF) expenditures.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	30,967,974	27,970,571	(2,997,403)	27,970,571	(2,997,403)
<b>TOTAL</b>	<b>\$ 30,967,974</b>	<b>\$ 27,970,571</b>	<b>\$ (2,997,403)</b>	<b>\$ 27,970,571</b>	<b>\$ (2,997,403)</b>
FTE Positions	39.0	39.0	0.0	39.0	0.0

The **agency** requests a revised estimate of \$28.0 million, all from special revenue funds, in FY 2021. This is a decrease of \$3.0 million, or 9.7 percent, below the FY 2021 approved budget. The decrease is primarily attributable to a decrease in estimated payments for unclaimed property claims.

The revised estimate includes 39.0 FTE positions, which is the same as the FY 2021 approved number. The revised estimate includes the following categories of expenditure for FY 2021:

- **Salaries and Wages.** The agency requests \$2.6 million for salaries and wages, which is a decrease of \$31,603, or 1.2 percent, below the FY 2021 approved amount. This decrease is primarily attributable to fringe benefit costs, including group health insurance contributions;
- **Contractual Services.** The agency requests \$1.3 million for contractual services, which is a decrease of \$12,800, or 1.0 percent, below the FY 2021 approved amount. The decrease is attributable to shifts in expenditures within various contractual services categories. The largest expenditures in contractual services are in bank fees, the state buildings operating charge, computer programming and computer software maintenance expenditures, and advertising;
- **Commodities.** The agency requests \$19,260 for commodities, which is unchanged from the FY 2021 approved amount. Expenditures in this category are primarily attributable to stationery and office supplies;
- **Capital Outlay.** The agency requests \$56,230 for capital outlay, which is unchanged from the FY 2021 approved amount. Expenditures in this category

are primarily attributable to information processing and computer equipment expenditures;

- Aid to Local Units of Government.** The agency made no request for expenditures from the Tax Increment Financing Revenue Replacement Fund. The funding for this fund is provided by a demand transfer from the SGF. The 2017 Legislature suspended payments from the Fund as the 20-year limit on redevelopment districts set in statute had been reached. The 2020 Legislature did not authorize the distribution in FY 2021 and FY 2022. The 2017 Legislature also suspended the payments for Local *Ad Valorem* Tax Reduction Fund and the County and City Revenue Sharing Funds for FY 2021; and
- Other Assistance.** The agency estimates \$24.0 million for other assistance, which is a decrease of \$2.9 million, or 11.0 percent, below the FY 2021 approved amount. The decrease is attributable to a decrease in estimated payments paid for unclaimed property claims. Unclaimed property is deposited in the SGF, so decreased claims payments increase SGF revenue. This decrease is also attributable to a decrease in estimated payments from the Kansas Postsecondary Education Savings Trust Fund (KIDS Matching Grant Program). This would decrease the total expenditure request for the KIDS Matching Grant Program to \$425,000. The statutory cap on payments is \$720,000, so payments remain below the statutory limit. The KIDS Matching Grant Program payments included here are funded by demand transfers from the SGF.

The **Governor** concurs with the agency's revised estimate in FY 2021.

## B. FY 2022 – Budget Year

<b>FY 2022 OPERATING BUDGET SUMMARY</b>				
	Agency Request	Governor's Recommendation	Difference	
<b>Total Request/Recommendation</b>	\$ 82,035,405	\$ 28,035,405	\$ (54,000,000)	
<b>FTE Positions</b>	39.0	39.0	0.0	
<b>Change from FY 2021:</b>				
<i>Dollar Change:</i>				
State General Fund	\$ 0	\$ 0		
All Other Funds	54,064,834	64,834		
<b>TOTAL</b>	<b>\$ 54,064,834</b>	<b>\$ 64,834</b>		
<i>Percent Change:</i>				
State General Fund	0.0 %	0.0 %		
All Other Funds	193.3	0.2		
<b>TOTAL</b>	<b>193.3 %</b>	<b>0.2 %</b>		
Change in FTE Positions	0.0	0.0		



The **agency** requests \$82.0 million, all from special revenue funds, for FY 2022. This is an increase of \$54.1 million, or 193.3 percent above the FY 2021 revised estimate. This increase is primarily attributable to \$54.0 million for expenditures from the Local *Ad Valorem* Tax Reduction Fund.

The request includes 39.0 FTE positions, which is unchanged from the FY 2021 revised estimate. The request includes the following categories of expenditure for FY 2022;

- **Salaries and Wages.** The agency requests \$2.6 million for salaries and wages, which is an increase of \$26,989, or 1.0 percent, above the FY 2021 revised estimate. The increase is primarily attributable to expected increases in employer contributions to salaries and wages fringe benefits;
- **Contractual Services.** The agency requests \$1.3 million for contractual services, which is an increase of \$10,075, or 0.8 percent, above the FY 2021 revised estimate. The increase is primarily attributable to computer software maintenance and rental;
- **Commodities.** The agency requests \$19,260 for commodities, which is unchanged from the FY 2021 revised estimate. Expenditures in this category are primarily attributable to stationery and office supplies;
- **Capital Outlay.** The agency requests \$59,000 for capital outlay, which is an increase of \$2,770, or 4.9 percent, above the FY 2021 revised estimate. Expenditures in this category are primarily attributable to information processing and computer equipment expenditures;
- **Aid to Local Units of Government.** The agency requests \$54.0 million for expenditures from the Local *Ad Valorem* Tax Reduction Fund pursuant to statute. The funding for this fund is provided by a demand transfer from the SGF; and
- **Other Assistance.** The agency requests \$24.0 million for other assistance, which is an increase of \$25,000, or 0.1 percent, above the FY 2021 revised estimate. The increase is attributable to an additional \$25,000 estimated for payments from the Kansas Postsecondary Education Savings Trust Fund (KIDS Matching Grant Program). This would increase the total expenditure request for the KIDS Matching Grant Program to \$450,000. The statutory cap on payments is \$720,000, so payments remain below the statutory limit. The KIDS Matching Grant Program payments included here are funded by demand transfers from the SGF.

The **Governor** recommends expenditures of \$28.0 million, all from special revenue funds, for FY 2022. This is a decrease of \$54.0 million, or 65.8 percent, below the agency's request. This decrease is due to the Governor not recommending the \$54.0 million transfer from the SGF to the Local *Ad Valorem* Tax Reduction Fund in FY 2022.

## Governor's Recommended Salary and Wage Adjustments

**For FY 2022**, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

**Longevity Bonus Payments.** In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$1,000, and FY 2022 longevity payments total \$1,000, all from special revenue funds.**

**Kansas Public Employees Retirement System (KPERs).** The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

**KPERs Death and Disability Group Insurance Fund.** During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

## Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
Bond Services Fund	0.7 %	2.1 %
Postsecondary Education Fund	0.5	1.5
ABLE Savings Expense Fund	0.1	0.2
Unclaimed Property Expense Fund	1.5	4.4
State Treasurer Operating Fund	2.1	6.1
Postsecondary Education Trust Fund	0.5	1.6
Local <i>Ad Valorem</i> Tax Reduction Fund	65.8	0.0
Unclaimed Property Claims Fund	28.8	84.1
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

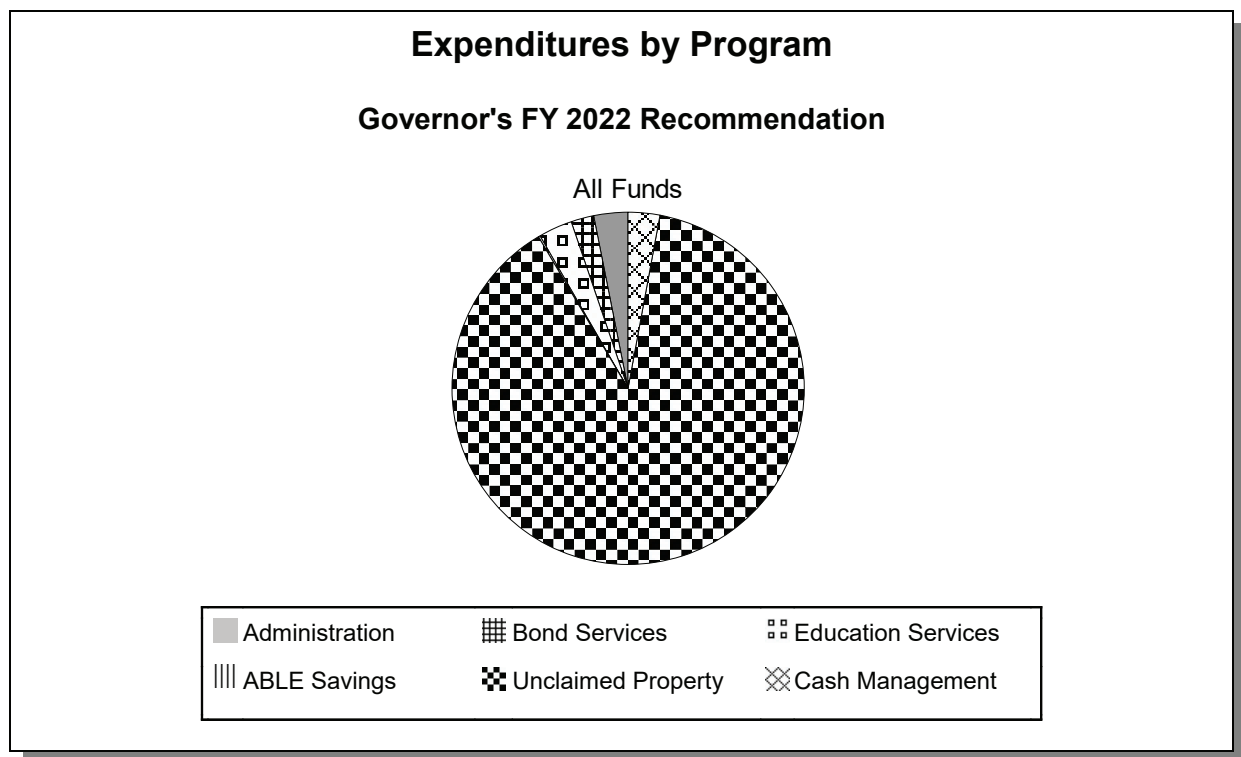
(Note: Totals may not add due to rounding.)

## State Treasurer Operating Fund Analysis

Beginning with FY 2008, the general operations of the Office of the State Treasurer are funded through a transfer from receipts of unclaimed property that normally would be deposited into the SGF. This funding is transferred to the agency's State Treasurer Operating Fund. The State Treasurer also pays operating expenses from the Bonds Services Fee Fund, Postsecondary Education Savings Trust Fund, and the Unclaimed Property Expense Fund.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 1,069,266	\$ 493,307	\$ 493,307	\$ 493,307	\$ 100,000
Revenue	1,683,705	1,674,829	1,674,829	1,696,618	1,696,618
Transfers in	0	0	0	0	0
<b>Funds Available</b>	<b>\$ 2,752,971</b>	<b>\$ 2,168,136</b>	<b>\$ 2,168,136</b>	<b>\$ 2,189,925</b>	<b>\$ 1,796,618</b>
Less:					
Expenditures	\$ 1,352,012	\$ 1,674,829	\$ 1,674,829	\$ 1,696,618	\$ 1,696,618
Transfers-Out	907,652	0	393,307	0	0
Off-Budget Expenditures	0	0	0	0	0
<b>Ending Balance</b>	<b>\$ 493,307</b>	<b>\$ 493,307</b>	<b>\$ 100,000</b>	<b>\$ 493,307</b>	<b>\$ 100,000</b>
Ending Balance as Percent of Expenditures	36.5%	29.5%	6.0%	29.1%	5.9%
Month Highest Ending Balance	July \$ 2,168,529	July \$ 1,000,453	July \$ 1,000,453	July \$ 1,000,453	July \$ 1,000,453
Month Lowest Ending Balance	June \$ 493,315	June \$ 227,592	June \$ 227,592	June \$ 227,592	June \$ 227,592

# PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Administration	\$ 880,352	3.1 %	\$ 0	-- %
Bond Services	585,361	2.1	0	--
Education Services	872,157	3.1	0	--
ABLE Savings	44,950	0.2	0	--
Unclaimed Property	24,836,319	88.6	0	--
Cash Management	816,266	2.9	0	--
<b>TOTAL</b>	<b>\$ 28,035,405</b>	<b>100.0 %</b>	<b>\$ 0</b>	<b>-- %</b>

<b>FTE POSITIONS BY PROGRAM FY 2020 – FY 2022</b>					
<b>Program</b>	<b>Actual FY 2020</b>	<b>Agency Est. FY 2021</b>	<b>Gov. Rec. FY 2021</b>	<b>Agency Req. FY 2022</b>	<b>Gov. Rec. FY 2022</b>
Administration	6.7	6.7	6.7	6.7	6.7
Bond Services	8.0	8.0	8.0	8.0	8.0
Education Assistance	2.7	2.7	2.7	2.7	2.7
ABLE Savings	0.3	0.3	0.3	0.3	0.3
Unclaimed Property	14.8	14.8	14.8	14.8	14.8
Cash Management	6.5	6.5	6.5	6.5	6.5
Aid to Locals	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

## **A. Administration**

The Administration Program is composed of two subprograms: Administrative Services and the Information Technology Division. Administrative Services is responsible for the overall determination of agency priorities and policies, planning and regulation of operational activities, proper allocation of available resources, and performance of ongoing internal review of operations and procedures. Functions performed or delegated by Administrative Services for the benefit of the agency include information technology; human resources; public relations and marketing; budgeting and forecasting; and administrative and fiscal support services including purchasing, travel and expense, accounts payable, and communications and correspondence.

**Administrative Services Subprogram.** Administrative Services is responsible for all administrative functions with the exception of information technology and those expenditures dedicated to another specific function of the Treasurer.

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

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Average help desk ticket response time* (In minutes)	N/A	13	10	16	13	13
<b>Agency Expenditures</b>						
All Funds (Dollars in Thousands)	\$ N/A	\$ 671.0	\$ 773.4	\$ 687.8	\$ 863.3	\$ 880.4
FTE Positions	N/A	5.9	5.9	6.7	6.7	6.7

\* The Governor's Office does not utilize this measure for evaluation purposes.

ADMINISTRATION SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 468,833	\$ 632,142	\$ 632,142	\$ 638,202	\$ 638,202
Contractual Services	197,092	205,750	205,750	214,750	214,750
Commodities	4,493	5,400	5,400	5,400	5,400
Capital Outlay	17,378	20,000	20,000	22,000	22,000
Debt Service	0	0	0	0	0
<b>Subtotal - Operations</b>	<b>\$ 687,796</b>	<b>\$ 863,292</b>	<b>\$ 863,292</b>	<b>\$ 880,352</b>	<b>\$ 880,352</b>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 687,796</b>	<b>\$ 863,292</b>	<b>\$ 863,292</b>	<b>\$ 880,352</b>	<b>\$ 880,352</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	687,796	863,292	863,292	880,352	880,352
<b>TOTAL</b>	<b>\$ 687,796</b>	<b>\$ 863,292</b>	<b>\$ 863,292</b>	<b>\$ 880,352</b>	<b>\$ 880,352</b>
FTE Positions	6.7	6.7	6.7	6.7	6.7

The **agency** requests \$880,352, all from the State Treasurer Operating Fund, for the Administration program for FY 2022. The request is an increase of \$17,060, or 2.0 percent, above the FY 2021 revised estimate.

The request includes \$542,588 for the Administrative Services subprogram, which is an increase of \$4,693, or 0.9 percent above the FY 2021 revised estimate. The increase is primarily attributable to expected increases in employer contributions to salaries and wages fringe benefits.

The request also includes \$337,764 for the Information Technology Services subprogram. The request is an increase of \$12,367, or 3.8 percent, above the FY 2021 revised estimate. The increase is primarily attributable to charges related to computer and software maintenance.

The **Governor** concurs with the agency's request for FY 2022.

## B. Bond Services

The Municipal Bond Services program is responsible for the registration of all municipal bonds issued in Kansas. This program also provides registrar and paying agent services for the majority of local bond issues as well as state issues. When the State Treasurer is named the fiscal agent for registered form bonds, a fee is charged to the issuing municipality for provided services. Effective FY 2002, the program is financed entirely from bond service fees. Total fees collected and credited to the Bond Services Fee Fund in FY 2020 were \$730,561.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Registration Numbers Issued (Bond Projects)	251	220	200	305	275	225
Percent of New Municipal Bonds with State as Paying Agent	86.0 %	93.0 %	90.0 %	91.0 %	90.0 %	90.0 %
<b>Agency Expenditures</b>						
All Funds (Dollars in Thousands)	\$ 576.4	\$ 601.0	\$ 586.2	\$ 489.2	\$ 579.7	\$ 585.4
FTE Positions	8.6	8.0	8.0	8.0	8.0	8.0

BOND SERVICES SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 361,019	\$ 435,649	\$ 435,649	\$ 440,486	\$ 440,486
Contractual Services	116,857	128,200	128,200	129,275	129,275
Commodities	903	3,100	3,100	3,100	3,100
Capital Outlay	10,402	12,730	12,730	12,500	12,500
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 489,181</i>	<i>\$ 579,679</i>	<i>\$ 579,679</i>	<i>\$ 585,361</i>	<i>\$ 585,361</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 489,181</b>	<b>\$ 579,679</b>	<b>\$ 579,679</b>	<b>\$ 585,361</b>	<b>\$ 585,361</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	489,181	579,679	579,679	585,361	585,361
<b>TOTAL</b>	<b>\$ 489,181</b>	<b>\$ 579,679</b>	<b>\$ 579,679</b>	<b>\$ 585,361</b>	<b>\$ 585,361</b>
FTE Positions	8.0	8.0	8.0	8.0	8.0

The **agency** requests \$585,361, all from the Bond Service Fee Fund, for the Bond Services program for FY 2022. The request is an increase of \$5,682, or 1.0 percent, above the FY 2021 revised estimate. The increase is attributable to employer contributions to group health insurance and computer repair services.

The **Governor** concurs with the agency's request for FY 2022.

**C. Education Assistance**

The Postsecondary Education Savings subprogram (Learning Quest Education Savings Program, Learning Quest Advisor, and Schwab 529 College Savings Plan) was created by the 1999 Legislature to provide an opportunity for individuals and organizations to save for postsecondary education expenses under a qualified tuition savings plan (529 plan). Following a negotiated bid process through the Division of Purchases, the Office of the State Treasurer contracted with American Century Investments as the program manager in December 1999 and renewed the contract in December 2006. The program became operational on July 1, 2000. Effective in FY 2002, the program is financed entirely by service fees. The program celebrated its 19th anniversary on July 1, 2019, with 242,403 accounts and \$6.94 billion in assets. Kansas residents own 69,325 of these accounts with a total number of 32,842 account owners.

The Kansas Investments Development Scholars (KIDS) Matching Grant Program was created as a three-year pilot program in FY 2006 and is part of the Learning Quest program. The KIDS Matching Grant Program is designed to encourage low-income families to establish postsecondary savings accounts by providing state matches (up to \$600 per participant) for contributions to such accounts.

The Financial Literacy subprogram position has been unfilled since 2015. The Director of the Achieving a Better Life Experience (ABLE) program currently has taken over duties related to the Financial Literacy subprogram as part of a coordinated outreach effort.

<b>PERFORMANCE MEASURES</b>						
<u>Measure</u>	<u>Actual FY 2018</u>	<u>Actual FY 2019</u>	<u>Gov. Rec. FY 2020</u>	<u>Actual FY 2020</u>	<u>Gov. Rec. FY 2021</u>	<u>Gov. Rec. FY 2022</u>
Number of Active Kansas Accounts	68,077	69,325	71,404	71,169	72,628	74,117
New Kansas Money Deposited (Dollars in Millions)	\$ 113.0	\$ 115.0	\$ 120.0	\$ 121.5	\$ 130.0	\$ 139.1
<u>Agency Expenditures</u>						
All Funds (Dollars in Thousands)	\$ 710.5	\$ 726.2	\$ 821.3	\$ 734.6	\$ 844.8	\$ 872.2
FTE Positions	1.9	3.1	3.1	2.7	2.7	2.7



<b>EDUCATION ASSISTANCE SUMMARY OF EXPENDITURES FY 2020 – FY 2022</b>					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 218,147	\$ 241,392	\$ 241,392	\$ 243,785	\$ 243,785
Contractual Services	142,611	174,272	174,272	174,272	174,272
Commodities	313	1,100	1,100	1,100	1,100
Capital Outlay	2,456	3,000	3,000	3,000	3,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 363,527</u>	<u>\$ 419,764</u>	<u>\$ 419,764</u>	<u>\$ 422,157</u>	<u>\$ 422,157</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	371,030	425,000	425,000	450,000	450,000
<b>TOTAL</b>	<b><u>\$ 734,557</u></b>	<b><u>\$ 844,764</u></b>	<b><u>\$ 844,764</u></b>	<b><u>\$ 872,157</u></b>	<b><u>\$ 872,157</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	734,557	844,764	844,764	872,157	872,157
<b>TOTAL</b>	<b><u>\$ 734,557</u></b>	<b><u>\$ 844,764</u></b>	<b><u>\$ 844,764</u></b>	<b><u>\$ 872,157</u></b>	<b><u>\$ 872,157</u></b>
FTE Positions	2.7	2.7	2.7	2.7	2.7

The **agency** requests \$872,157, all from the Kansas Postsecondary Education Savings Program Expense and Trust Funds, for the Education Assistance program for FY 2022. This is an increase of \$27,393, or 3.2 percent, above the FY 2021 revised estimate.

The request includes \$375,192 for the Learning Quest subprogram for FY 2022. This is an increase of \$2,393, or 0.6 percent, above the FY 2021 revised estimate. The increase is primarily attributable to expected employer contributions to salaries and wages fringe benefits including group health insurance.

The request includes \$450,000 for the KIDS Matching Grant subprogram for FY 2022. This is an increase of \$25,000, or 5.9 percent, above the FY 2021 revised estimate. The increase is due to the agency estimate of participants filing for the program.

The request includes \$46,572 for the Financial Literacy subprogram for FY 2022, which is the same as the FY 2021 revised estimate. Expenditures for this program are primarily for printing and advertising.

The **Governor** concurs with the agency's request for FY 2022.

#### **D. ABLÉ Savings**

The 2015 Legislature created the Achieving a Better Life Experience savings program with HB 2215. This program is based on a federal statute that allows individuals diagnosed with a disability before the age of 26 to save in accounts they own with tax-deferred growth and tax-free withdraw of earnings used for qualified expenses related to their disability under section 529A of the Internal Revenue Code. Assets in the accounts are also not counted for Supplemental Security Income and Medicaid asset tests.

Accounts are limited to \$15,000 in contributions per year and must be owned by the individual with a disability or their parent, guardian, or custodian. After legislation was passed in Kansas, Congress amended the federal legislation to allow individuals with a disability to open an account in a plan administered by any state rather than just their state of residence in the Protecting Americans from Tax Hikes Act of 2015.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Active Accounts	174	239	275	601	871	1,167
<b>Agency Expenditures</b>						
All Funds (Dollars in Thousands)	\$ 48.0	\$ 61.7	\$ 50.0	\$ 49.0	\$ 44.7	\$ 45.0
FTE Positions	0.4	0.5	0.5	0.3	0.3	0.3

ABLE SAVINGS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 19,074	\$ 23,696	\$ 23,696	\$ 23,940	\$ 23,940
Contractual Services	26,806	17,600	17,600	17,600	17,600
Commodities	425	410	410	410	410
Capital Outlay	2,456	3,000	3,000	3,000	3,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 48,761</i>	<i>\$ 44,706</i>	<i>\$ 44,706</i>	<i>\$ 44,950</i>	<i>\$ 44,950</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 48,761</b>	<b>\$ 44,706</b>	<b>\$ 44,706</b>	<b>\$ 44,950</b>	<b>\$ 44,950</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	48,761	44,706	44,706	44,950	44,950
<b>TOTAL</b>	<b>\$ 48,761</b>	<b>\$ 44,706</b>	<b>\$ 44,706</b>	<b>\$ 44,950</b>	<b>\$ 44,950</b>
FTE Positions	0.3	0.3	0.3	0.3	0.0

The **agency** requests \$44,950 all from the Kansas ABLE Savings Expense Fund, for the ABLE Savings program for FY 2022. This is an increase of \$244, or 0.5 percent, above the FY 2021 revised estimate. This increase is attributable to expected increases in employer contributions to salaries and wages fringe benefits.

**The Governor** concurs with the agency's request for FY 2022.

### ***E. Unclaimed Property***

The Unclaimed Property program seeks to return various forms of unclaimed property to the rightful owners or heirs. The Disposition of Unclaimed Property Act (KSA 58-3901, *et seq.*) authorizes the State Treasurer to take possession of specified types of abandoned personal

property and become the custodian in perpetuity while reserving the right of the original owner and other persons to claim the property.

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

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

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

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Value of Unclaimed Property Received by the State (Dollars in Millions)	\$ 38.9	\$ 47.9	\$ 43.5	\$ 41.5	\$ 41.5	\$ 42.5
Number of Claims Paid	100,854	112,397	116,000	104,893	114,000	114,000
Value of Unclaimed Property Returned to Rightful Owners (Dollars in Millions)	\$ 26.1	\$ 27.1	27.5	\$ 20.3	\$ 23.6	\$ 23.6
<b>Agency Expenditures</b>						
All Funds (Dollars in Millions)	\$ 26.2	\$ 27.8	\$ 27.4	\$ 21.4	\$ 24.8	\$ 24.8
FTE Positions	14.5	14.4	14.4	14.8	14.8	14.8

<b>UNCLAIMED PROPERTY SUMMARY OF EXPENDITURES FY 2020 – FY 2022</b>					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 835,618	\$ 917,148	\$ 917,148	\$ 926,874	\$ 926,874
Contractual Services	291,905	299,595	299,595	299,595	299,595
Commodities	2,204	5,350	5,350	5,350	5,350
Capital Outlay	12,680	14,500	14,500	14,500	14,500
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,142,407</u>	<u>\$ 1,236,593</u>	<u>\$ 1,236,593</u>	<u>\$ 1,246,319</u>	<u>\$ 1,246,319</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	20,293,471	23,590,000	23,590,000	23,590,000	23,590,000
<b>TOTAL</b>	<b><u>\$21,435,878</u></b>	<b><u>\$ 24,826,593</u></b>	<b><u>\$ 24,826,593</u></b>	<b><u>\$ 24,836,319</u></b>	<b><u>\$ 24,836,319</u></b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	21,435,878	24,826,593	24,826,593	24,836,319	24,836,319
<b>TOTAL</b>	<b><u>\$21,435,878</u></b>	<b><u>\$ 24,826,593</u></b>	<b><u>\$ 24,826,593</u></b>	<b><u>\$ 24,836,319</u></b>	<b><u>\$ 24,836,319</u></b>
FTE Positions	14.8	14.8	14.8	14.8	14.8

The **agency** requests \$24.8 million, all from the Unclaimed Property Claims and Unclaimed Property Expense Funds, for the Unclaimed Property program for FY 2022. The request is an increase of \$9,726, or less than 0.1 percent, above the FY 2021 revised estimate. This increase is attributable to increases in employer contributions to salaries and wages fringe benefits.

The **Governor** concurs with the agency's request for FY 2022.

## ***F. Cash Management***

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

**Local Ad Valorem Tax Reduction Fund.** By statute, these payments are a demand transfer from the SGF. The distribution of local *ad valorem* aid is made on January 15 and July 15 to county governments under the statute. The amount distributed equals 3.63 percent of the total sales and compensating use taxes credited to the SGF in the prior calendar year based on a formula allocating 65.0 percent to the counties by population and 35.0 percent by property valuation. The Legislature has previously placed limitations on the distribution amounts. The Governor and the Legislature eliminated the second-half distribution in FY 2003, and there was not a distribution through FY 2020. In Senate Bill 66, the 2020 Legislature did not authorize a transfer in FY 2021. The amount of the transfer in FY 2022 is estimated to be \$54,000,000.

**County and City Revenue Sharing Funds.** The Office of the State Treasurer distributes payments to local units of government under the law providing for county and city revenue sharing. The payments are demand transfers from the SGF. Under the current statute, county and city revenue sharing is distributed on July 15 and December 10 in an amount equal to 2.823 percent of the total credited to the SGF in the prior calendar year from sales and compensating use taxes. The formula allocates 65.0 percent among the counties by population and 35.0 percent by equalized assessed tangible property valuation. Each county receives 50.0 percent of its entitlement, and the remaining 50.0 percent is distributed to its cities on the basis of population.

Receipts were \$34,876,349 for FY 2002 and \$16,740,646 for FY 2003. The Governor and the Legislature eliminated the second-half distribution in FY 2003. No distributions have been made since FY 2003. The 2013 Legislature, in SB 171, Sec. 275, states no money shall be transferred from the SGF to the County and City Revenue Sharing Fund during FY 2013, FY 2014, FY 2015, and FY 2016. The 2015 Legislature, in House Sub. for SB 112, stated no money will be transferred for FY 2016, FY 2017, and FY 2018. The 2017 Legislature suspended the transfer for FY 2018, FY 2019, and FY 2020. In Senate Bill 66, the 2020 Legislature did not authorize transfers in FY 2021 and FY 2022.

**Tax Increment Financing Revenue Replacement Fund.** Created by the 1997 Legislature, this program provides that the State Treasurer is to pay certain local units of government for lost tax revenues due to legislative changes to school finance property taxation. Cities that have established a redevelopment district prior to July 1, 1996, are entitled to receive from the State the revenues that otherwise would have been collected from the redevelopment district but for legislative changes in the school district finance formula. The State Treasurer, prior to April 15 of each year, shall pay each city its certified amount. Currently, 6 cities and 22 redevelopment districts receive payments. These payments are financed by a transfer from the SGF.

The Legislature suspended the Tax Increment Financing Revenue Replacement Fund since FY 2018 *via* proviso in the appropriations bill. KSA 12-1772 states that any projects in a redevelopment district should be completed within 20 years of the filing of the redevelopment plan. Twenty-three years have elapsed since the creation of the program.

<b>TAX INCREMENT REVENUE REPLACEMENT FUND</b>	
<u>Fiscal Year</u>	<u>Receipts</u>
FY 2009	\$ 1,259,070
FY 2010	1,194,477
FY 2011	752,745
FY 2012	915,169
FY 2013	861,567
FY 2014	1,014,286
FY 2015	866,537
FY 2016	991,827
FY 2017	913,029

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Dollars Received Electronically	85.0 %	95.0 %	92.0 %	94.0 %	92.0 %	93.0 %
Percent of Funds Paid Electronically	88.0 %	94.0 %	92.0 %	97.0 %	95.0 %	95.0 %
<b>Agency Expenditures</b>						
All Funds (Dollars in Thousands)	\$ 878.6	\$ 697.5	\$ 943.9	\$ 664.2	\$ 811.5	\$ 816.3
FTE Positions	7.3	7.1	7.1	6.5	6.5	6.5

CASH MANAGEMENT SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
<b>Expenditures:</b>					
Salaries and Wages	\$ 397,130	\$ 324,851	\$ 324,851	\$ 328,580	\$ 328,580
Contractual Services	261,643	479,786	479,786	479,786	479,786
Commodities	2,725	3,900	3,900	3,900	3,900
Capital Outlay	2,718	3,000	3,000	4,000	4,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 664,216</i>	<i>\$ 811,537</i>	<i>\$ 811,537</i>	<i>\$ 816,266</i>	<i>\$ 816,266</i>
Aid to Local Units	0	0	0	54,000,000	0
Other Assistance	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 664,216</b>	<b>\$ 811,537</b>	<b>\$ 811,537</b>	<b>\$ 54,816,266</b>	<b>\$ 816,266</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	664,216	811,537	811,537	54,816,266	816,266
<b>TOTAL</b>	<b>\$ 664,216</b>	<b>\$ 811,537</b>	<b>\$ 811,537</b>	<b>\$ 54,816,266</b>	<b>\$ 816,266</b>
FTE Positions	6.5	6.5	6.5	6.5	6.5

The **agency** requests \$54.8 million, all from the State Treasurer Operating Fund, for the Cash Management program for FY 2022. The request is an increase of \$54.1 million, or 6,654.6 percent, above the FY 2021 revised estimate. This increase is primarily attributable to \$54.0 million for the Local *Ad Valorem* Tax Reduction Fund to be transferred to local units of government. The agency also estimates increases in salaries and wages, fringe benefits, and office equipment.

The **Governor** recommends expenditures of \$816,266, all from special revenue funds, for FY 2022. This is an all funds decrease of \$54.0 million, or 98.5 percent, below the agency's request. This decrease is due to the Governor's recommendation not to transfer \$54.0 million to the Local *Ad Valorem* Tax Reduction Fund for FY 2022.