

# ANNUAL REPORT 2024

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Kansas

Steven Johnson  
State Treasurer







Dear Fellow Kansans,

It is my pleasure to present the 2024 Annual Report for the Kansas State Treasurer's Office. Since being sworn in two years ago, my administration has worked to continue the long tradition of service to Kansans from the Office of the State Treasurer, while making improvements throughout the office to benefit the state and its citizens.

Highlighted in this year's report are the following noteworthy accomplishments:

- The Treasurer's office work with the Legislature to write and pass Senate Bill 360 which allows Kansans to contribute to their Learning Quest, ABLE or First-Time Home Buyer accounts up until the tax filing deadline, and still have those contributions count toward the prior year for tax purposes. SB 360 also codified in statute the Treasurer's Advisory Committee (TAC). Codifying the TAC improves the oversight of the Learning Quest 529 program and helps ensure that Kansans saving for the educational and career advancement of a loved one receives quality investment options.
- The Treasurer's office assisted with the passage of House Bill 2577. This legislation addressed a technical aspect of the unclaimed property statute by allowing the Treasurer's office to move the unclaimed property funds in and out of investments as needed. Moving unclaimed property funds from short-term cash account and investing a portion of those funds with the Kansas Public Employee Retirement System (KPERS) provides the potential to produce a higher return for the state.
- In April, the Treasurer's office, in partnership with the Kansas Department for Aging and Disability Services and the Kansas Council on Developmental Disabilities, launched an educational campaign aimed at raising awareness of the ABLE Savings Plan among Kansans within the intellectual and developmental disability (IDD) community. Our office traveled across the state hosting over 50 in-person events helping families learn more about ABLE accounts. Along with in-person events, the Treasurer's office hosted multiple virtual events, a practice we are continuing into 2025.
- In October, the Treasurer's office hosted its inaugural "Women and Money" event in Kansas City, Kansas. Women from across northeast Kansas took part in this free day-long financial empowerment conference held at Children's Mercy Park. Along with hearing inspiring remarks from local and national speakers, throughout the day attendees had the opportunity to choose from multiple seminars designed to empower women in the next steps of their financial journey.
- In the Fall, the Treasurer's office partnered with the Kansas Bankers Association and the Office of the State Bank Commissioner to educate Kansans about financial fraud. The "Banks Don't Ask That" ad is designed to help Kansans preserve their savings by raising awareness to the deceptive tactics of financial fraudsters.

I am proud of the work our team has produced in our two years in office, and look forward to the many opportunities to continue building on the foundation we have laid in the coming years. Thank you for the privilege of serving as your state treasurer.

Best wishes,

Steven Johnson, State Treasurer

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# SAVINGS PROGRAMS

## Learning Quest® 529 Education Savings Program

The Kansas Learning Quest 529 Education Savings Program is administered by Kansas State Treasurer Steven Johnson, who is responsible for the regulations governing the program, selecting the financial organization that manages the accounts, ensuring the program complies with all relevant Internal Revenue Service guidelines and monitoring investment performance with the assistance of an outside consultant and an advisory committee.

American Century Investments currently serves as the Learning Quest program manager pursuant to K.S.A. 75-645. This mutual fund, brokerage and investment services company is in charge of managing accounts, providing customer service, and, in partnership with the Treasurer's office, communicating the benefits of the program. With the contract for program manager ending on June 30, 2025, the Treasurer's office, along with the Office of Procurement and Contracts, has opened the state's 529 program manager contract up for bid. The bidders competing for the program manager contract have been through an extensive review process. The state plans to select a new program manager in early 2025. The 529 procurement process has been designed to ensure that Kansans receive a more competitive investment product with lower fees.

Kansas also offers the Learning Quest Advisor and the Schwab 529 Plan, the latter of which is managed by American Century Investments and distributed by Charles Schwab & Co., Inc. Both the Learning Quest Advisor and the Schwab 529 Plan are included in the 2024 program manager bid process.

All KS 529 Plans	2024 (as of 12.31.2024)	2023 (as of 12.31.2023)	YOY Change
Total Assets	\$12,286,492,085.73	\$10,611,492,403.27	+15.78%
Purchases	\$1,525,247,398.01	\$1,168,727,027.85	+30.51%
Withdrawals	(\$981,197,264.02)	(\$863,104,778.08)	+13.68%
Net Investment	\$544,050,133.99	\$305,622,249.77	+78.01%

Funded Accounts	373,452	336,536	+10.97%
New Accounts	53,666	38,939	+37.82%
Rollover In	\$368,593,801.28	\$250,504,640.08	+47.14%
Rollover (Out)	(\$106,768,810.01)	(\$76,377,087.01)	+39.79%
Net Rollover	\$261,824,991.27	\$174,127,553.07	+50.36%

# Learning Quest® 529 Education Savings Program

## The Learning Quest® 529 Education Savings Program Currently Has \$12.6 Billion In Assets

The State Treasurer has established an advisory committee to advise him on the selection and management of funds in the 529 plan. Their collective industry expertise and historical perspective will also guide program enhancements and ensure decisions are made in the best interest of account owners and beneficiaries. Thanks to the passage of Senate Bill 360 in 2024, the Treasurer's Advisory Committee has been codified into state statute. This legislative change has been recognized within the financial industry as an improvement to the oversight of the Learning Quest 529 program.

Learn more about the Learning Quest 529 Education Savings Program and meet the members of the Treasurer's Advisory Committee at [treasurer.ks.gov/learn\\_quest.html](https://treasurer.ks.gov/learn_quest.html).



The 2024 enactment of Senate Bill 360 also included language which allows Kansans to contribute to their Learning Quest, ABLE or First-Time Home Buyer accounts until the tax filing deadline, and still have those contributions count toward the prior year for tax purposes. This change will encourage more people to contribute when they are working through their tax preparation and see these programs as additional ways they can lower their state tax liabilities.

The State Treasurer's Office continually engages in efforts to increase awareness of the Learning Quest program, including the flexibility of 529 accounts to be used to pay for a variety of educational expenses, including traditional college tuition, fees, books, room and board, as well as non-traditional educational avenues like technical schools and apprenticeships. The Tax Cuts and Jobs Act of 2017 expanded eligible expenses for 529 accounts to include tuition for private K-12 education. Starting in 2024, unused funds in 529 accounts can now be rolled over to Roth IRAs, subject to certain conditions.

Among the outreach efforts for 2024, the Learning Quest 529 plan continued its partnership with popular children's musician and author Jim Cosgrove, better known as "Mr. Stinky Feet." Along with several education-focused concerts at schools and libraries, Jim performed free concerts for fairgoers at the Kansans State Fair.





# Learning Quest® 529 Education Savings Program

In 2024 the Learning Quest 529 plan began a partnership with the Major League Soccer franchise, Sporting KC. This partnership featured match day 529 promotions throughout the 2024 Sporting KC soccer season and a premium sponsorship of the Sporting KC youth soccer program.

At the Midwest Sporting Classic this summer the Treasurer's office, thanks to a donation from Children's Mercy Hospital, introduced two large additions to our 529 marketing team. Our pair of 529 piggy banks has been a huge hit with children (and parents) as they have participated in the "autographing" of the mascot.



Our jumbo piggy banks also hit the road this Summer for a trip to the State Fair. In Hutchinson, the pigs roamed throughout the fairgrounds helping to promote our Learning Quest 529 Education Savings Program.

Looking ahead, 2025 will bring many positive enhancements to the state's 529 Education Savings Program. Follow our social media channels or sign up for the monthly newsletter to receive real time updates to our 529 marketing, promotional and administrative efforts.

## KIDS Matching Grant Program

The Kansas Investments Developing Scholars (KIDS) Matching Grant Program was established in 2006, and allows investors with a household adjusted gross income below 200 percent of the federal poverty level to receive matching contributions of up to \$600 per beneficiary based on their contributions to their Learning Quest accounts. (Example: A family of four with an income less than \$62,400 was eligible to participate in 2024.) Account owners must reapply each year, and the program currently has up to 1,200 spaces (300 per congressional district). As of December 31, 2024, there were 708 beneficiaries, with 104 new applications, approved with a total of \$397,776.90 in matchable contributions made. This is a decrease from the 2023 total matchable contributions of \$415,397.00. The average household income of participants for 2024 was \$50,483. More than \$8.4million has been contributed to accounts for students participating in the KIDS Matching Grant Program since its inception. More information on the KIDS Matching Grant Program is available at [treasurer.ks.gov/kids](https://treasurer.ks.gov/kids).



While the program has provided substantial matching funds, its effectiveness in expanding 529 access for lower-income families is unclear, as most participants are re-applicants rather than new enrollees. This suggests the program benefits existing savers more than attracting first-time participants. Further evaluation is needed to improve the program's reach and impact. With a new bill request forthcoming, collaboration with the legislature will be key to the refining the program and increasing awareness of the 529 Education Savings Plan across the state.

# ABLE Savings Program

The Kansas Achieving a Better Life Experience (ABLE) Savings Program was established in 2015. The purpose of the program is to authorize the establishment of savings accounts empowering individuals with a disability and their families to save private funds to support the individual with a disability, obtain federal and state income tax benefits of a qualified ABLE program is defined by federal law, which provides guidelines for the maintenance of such accounts. State ABLE savings programs were authorized by federal tax legislation modeled after the 529 higher education savings program. Contributions into ABLE accounts are made on an after-tax basis. Funds within the account grow tax deferred, and interest is tax-free if used for qualified disability-related expenses.



The Kansas ABLE Savings Program is administered through a contract with Ascensus Government Savings, in cooperation with the National ABLE Alliance. The Alliance is the largest consortium of ABLE plans in the country. ABLE participants can choose among seven investment tracks with varying expected risk/return profiles, and a checking account option. The checking account option is a unique feature of Alliance plans, which provides FDIC insurance and increased liquidity through debit-card access to ABLE funds.

All KS 529 Plans	2024 (as of 12.31.2024)	2023 (as of 12.31.2023)	YOY Change
Total Assets	26,008,194.46	18,746,050.69	38.7%
Purchases	8,080,047.59	6,489,344.69	24.5%
Withdrawals	2,551,985.88	2,118,916.21	26.4%
Net Investment	5,528,061.71	4,470,428.48	23.7%
Funded Accounts	2,246	1,775	26.5%
New Accounts	628	513	22.4%

In 2022, Congress passed the federal ABLE Age Adjustment Act, which will expand eligibility for the Kansas ABLE savings program to people whose qualifying disability first onset prior to the age of 46 (rather than the current age-of-onset maximum of 26), effective in 2026. This will make ABLE programs available to 6 million additional people nationwide – including 1 million veterans with disabilities.

In April 2024, our office launched a statewide educational campaign in partnership with the Kansas Department for Aging and Disability Services (KDADS) and the Kansas Council on Developmental Disabilities (KCDD) to promote the ABLE Savings Plan to individuals within the intellectual and developmental disability (IDD) community.





## ABLE Savings Program



Through the 2024 partnership, the State Treasurer's Office, KDADS, and KCDD provided educational resources for self-advocates, family members and caregivers; hosted a series of webinars for disability stakeholders, including Kansas providers, Community Developmental Disability Organizations, managed care organizations and disability organizations. These outreach efforts were primarily funded with a grant from KCDD to the State Treasurer's Office. Additional funding was pledged from CareSource and the Kansas Financial Empowerment Foundation to support empowerment grants, which served as "seed money" to fund individuals' ABLE accounts. Grant dollars were awarded to individuals who themselves or a caregiver completed an in-person or virtual ABLE class conducted by our office.

In April 2024, the Treasurer's Office launched a statewide campaign with KDADS and KCDD to promote ABLE accounts among the intellectual and developmental disability (IDD) community. Efforts included educational resources, webinars, and outreach targeting 5,100 Kansans on the 2024 IDD waiver waiting list. A "learn-to-earn" empowerment grant program funded by CareSource and the Kansas Financial Empowerment Foundation offered seed money to individuals opening ABLE accounts after completing an in-person or virtual educational class.

From April to December 2024, 392 Kansans completed classes, leading to the creation of 543 new ABLE accounts—a 25% growth in the program. The Treasurer's Office plans to build on this success in 2025.

Partnerships with organizations like the Capper Foundation further expanded ABLE outreach, helping employees with disabilities, such as those at Capper's Dialogue Coffee shops, save additional income without jeopardizing benefits eligibility. For more information, visit [treasurer.ks.gov/able\\_savings](https://treasurer.ks.gov/able_savings)

## First-Time Home Buyers Savings Program

First-Time Home Buyer Savings Accounts, created by the Kansas Legislature in 2021, help Kansas residents save for their first home with significant tax advantages. Account holders can deduct up to \$3,000 annually for independent filers or \$6,000 for joint filers from their Kansas adjusted gross income, and interest earned is exempt from state income tax, subject to limits. These accounts can be opened at any state- or federally-chartered bank or credit union.



In 2023, the law was amended to task the State Treasurer's Office with promoting these accounts and their tax benefits to potential Kansas home buyers. Our office partnered with the Kansas Department of Revenue, Kansas Bankers Association, Kansas Credit Union Association, and Kansas Association of Realtors to create educational materials and increase awareness.

The Treasurer's Office maintains a dedicated webpage with comprehensive resources, including account registration steps, eligibility guidelines, required tax forms, and FAQs. Learn more about the First-Time Home Buyer Savings Program at [treasurer.ks.gov/homebuyer](https://treasurer.ks.gov/homebuyer).

# UNCLAIMED PROPERTY

The Unclaimed Property Division's mission is to reunite Kansans or their heirs with unclaimed property, common examples of which include safe deposit box contents, bank accounts, shares of stock, dividends, mineral royalties, uncashed checks, drafts or money orders, insurance policy payouts, and utility deposits.

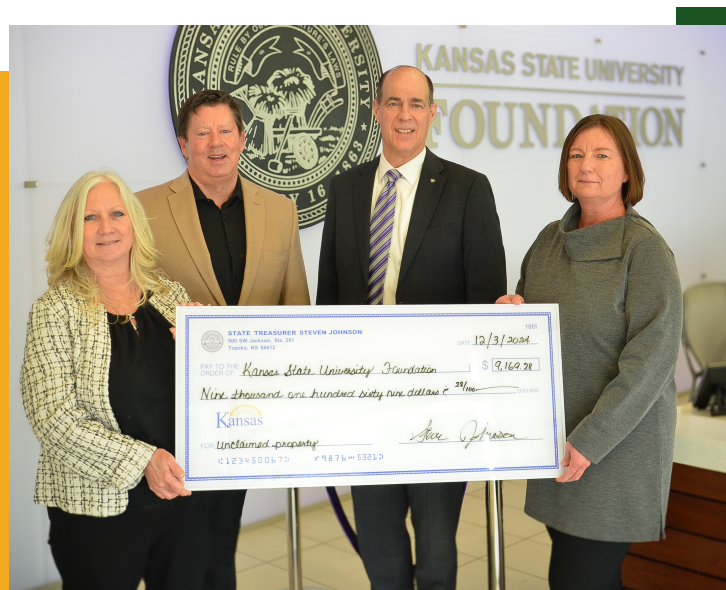
In 2024, the Unclaimed Property Division received 5,339 reports of unclaimed property, totaling \$69,061,283.13. The Division processed 33,730 claims, returning \$21,263,672.01 to claimants – resulting in an average claim of \$630.41



## As of December 31, 2024, the Unclaimed Property Division holds over \$605 million in unclaimed property.

In early 2024, the office partnered with the Kansas legislature in an effort to return missing money to constituents and businesses within House and Senate districts. Typically during the legislative session, our office works to provide legislators with lists of unclaimed property owed to their constituents in their respective districts. Legislators, with their intimate knowledge of the communities they represent, often serve as effective detectives for tracking down owners, heirs and businesses and returning property owed to them. The communication team at the Treasurer's office is always happy to coordinate with a Representative, Senator, or local official to highlight successful stories of reunited funds.

In August, the Treasurer's office participated in a week-long celebration of National Nonprofit Day (August 17). One of the highlights of this week was hosting an informational session with the



Kansas Association of Community Foundations, a productive partnership was formed around returning missing money. Our Unclaimed Property team also spent the week focused on increased outreach efforts to various non-profits listed within our database. These efforts led to schools, churches and educational institutions, including returning money to the Spring Hill Police Department and Kansas State University Foundation.



# Delaware Settlement Funds

After a multiyear multistate legal battle against the state of Delaware, the Treasurer's office along with the Kansas Attorney General's Office, announced that Kansas will collect more than \$1.5 million in unclaimed property funds from the state of Delaware.

## Over \$1.5 Million Recovered in Settlement

The settlement marks the conclusion of litigation to determine which state collects the funds from unclaimed property. In this case, Delaware argued that unclaimed property funds escheated from MoneyGram, a money transfer company, to Delaware's Office of Unclaimed Property should remain with Delaware, the corporate home of MoneyGram. A coalition of 29 states, including Kansas, argued in the United States Supreme Court that the unclaimed funds from MoneyGram checks should be escheated to the states where the unclaimed property originated. The Supreme Court ruled in 2023 that the coalition states were lawfully entitled to the escheated funds. The settlement resolved the open question of the proper amount owed to the coalition states.

This settlement will ease the ability of Kansans to locate over 1.5 million dollars in missing MoneyGram funds improperly held by the state of Delaware. These funds are now part of our statewide outreach efforts to reunite unclaimed property funds with the rightful owners.

## Maximizing Returns of the Unclaimed Property Fund

Following the passage of HB 2577 during the 2024 legislative session, the Treasurer's Office gained the critical flexibility to collaborate with KPERS in making strategic investment decisions to diversify the state's portfolio. This marked a significant step forward in leveraging modern investment practices for enhanced portfolio management.

Historically, the focus had been on maximizing returns while holding these assets, but the portfolio had recently been restricted primarily to cash holdings. While this conservative approach delivered strong results through 2023 and 2024, it was heavily reliant on favorable short-term interest rates. As we look ahead to an anticipated decline in short-term rates, the partnership with KPERS allows us to reposition the portfolio for a more balanced, long-term growth strategy. By expanding into a broader range of investment vehicles, the fund is better equipped to weather market shifts and generate sustainable returns for the state.

# FINANCIAL LITERACY & OUTREACH

## Office Outreach Efforts

Financial literacy and outreach are central to the mission of the State Treasurer's Office. Establishing healthy financial habits helps Kansans to be able to take advantage of the savings programs offered by our office.

The office continued its yearly tradition by setting up a booth at the Kansas State Fair. This provided an opportunity for fair attendees to interact with the office and search for unclaimed property and learn about other initiatives overseen by the office.



Financial literacy and outreach are central to the mission of the State Treasurer's Office. Establishing healthy financial habits helps Kansans to be able to take advantage of the savings programs offered by our office.

In past years, the State Treasurer's Office had established an affiliated non-profit organization for the purpose of supporting financial education. However, in recent years, the organization's non-profit status had been allowed to lapse. Treasurer Johnson's administration made it a priority to re-establish the organization, and the Kansas Financial Empowerment Foundation (KFEF) was formally established with the Kansas Secretary of State on May 4, 2023.



Under the Johnson administration, the mission of KFEF is to improve financial wellbeing by providing resources to increase financial self-sufficiency. In 2024, KFEF provided support to three initiatives. KFEF supported the Kansas High School Finance Challenge, hosted by the Kansas Council on Economic Education (KCEE) in Wichita. Teams from across the state competed using a scenario of a fictional family and making recommendations as if the team was the family's financial advisor. This year's winning team was from Olathe Kansas and reached the semi-final round at the national competition. Treasurer Johnson serves as a member of the Board of Directors for KCEE.

KFEF supported the Kansas disability community by offering \$100 empowerment grants to individuals or families who completed an educational course focused on effective ways to save, invest and spend funds within a Kansas ABLE savings account. The knowledge gained from our learn-to-earn ABLE grant award process is something we believe will have compounding long-term value far outweighing the short-term value of the awarded grant funds.



## Inaugural Women & Money Event

In October, Treasurer Johnson raised \$115,000 to host the inaugural "Women and Money" event in Kansas City, Kansas. Women from across northeast Kansas took part in this free day-long financial empowerment conference held at Children's Mercy Park. Along with hearing inspiring remarks from local and national speakers, throughout the day attendees had the opportunity to choose from multiple seminars designed to address various financial situations women might face during their financial journey. Post-event feedback from both attendees and sponsors was very positive. We are in the planning process for our November 2025 Women & Money conference in Wichita. Legislative, community, civic and business leaders from south central Kansas are welcome to join us as we put together this empowering event. Learn more at [treasurer.ks.gov/women-money](https://treasurer.ks.gov/women-money).

  
**Women & Money**  
UNLOCKING YOUR FINANCIAL FUTURE





# FIDUCIARY DUTY

Treasurer Johnson serves as a statutory member of the Kansas Public Employees Retirement System (KPERs) Board of Trustees and the Pooled Money Investment Board (PMIB), uniquely as the only statewide directly elected representative on both boards.

As a fiduciary of state funds, Treasurer Johnson prioritizes the interests of taxpayers and KPERs members above all else. This fiduciary duty requires decisions that maximize investment returns while managing appropriate levels of risk, free from personal or political influence.

In 2023, Treasurer Johnson advocated for House Bill 2100, codifying fiduciary obligations to ensure state investments adhere to free-market principles rather than advancing social or political agendas. His leadership maintains a clear focus on optimizing returns within responsible risk parameters.

The appropriate role of a fiduciary remains a contentious topic in the financial industry. Treasurer Johnson has been an active participant in these discussions, including debating Environmental, Social, and Governance (ESG) scoring. He advocates for prioritizing measurable financial metrics, such as fees and investment returns. He argues that incorporating subjective criteria undermines the objectivity and reliability of fiduciary performance evaluations.



# FISCAL SERVICES

## Municipal Bond Services Program

The Municipal Bond Services Program oversees the registration of all municipal bonds and temporary notes issued in Kansas and provides registrar and transfer agent services for most state and local bond issues, including those authorized by the Kansas Department of Transportation and the Kansas Development Finance Authority.

As of June 30, 2024, the State Treasurer manages 2,166 registered bonds and temporary notes, with a total outstanding principal exceeding \$18.8 billion. The office serves as the paying agent for 97% of the 100 new bond issues and 88% of the 49 temporary note issues recorded in FY 2024.

When acting as paying agent, the Treasurer collects principal and interest payments in advance from municipalities to ensure timely payouts. Fees for these services, authorized under K.S.A. 10-506, K.S.A. 10-603, and K.S.A. 10-627, are credited to the Bond Services Fee Fund. This self-funded program also collects registration fees for bonds where the Treasurer is not the paying agent.

In FY 2024, the program collected \$416,441 in fees and processed \$2.69 billion in payments for bond issues. The program operates entirely on these fees, ensuring efficient and reliable service for Kansas municipalities.

# Cash Management

The Fiscal Services Division functions as Kansas's central bank, managing all state receipts, disbursements, and financial records. It serves as the "collateral custodian" for the Pooled Money Investment Board (PMIB), administers four linked deposit programs, distributes taxes to local governments, processes license plate royalty fees, and manages funds from district courts and county treasurers.

Efficiency is a core focus. In FY 2024, 95.32% of state receipts and disbursements were processed electronically, and checks received by state agencies were scanned and electronically deposited with the contract bank. The number of checks paid increased slightly to 505,468 from the previous fiscal year. The Treasurer's Office continues to enhance online tools, enabling courts and county treasurers to report fees and submit ACH payments securely, reducing paper and postage costs.

The program ensures all deposits in Kansas banks are secured by FDIC insurance or approved collateral. Weekly, the PMIB places available cash with Kansas banks as Certificates of Deposit, tracked through the "VAULT" software system to ensure compliance with state statutes.

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## In fiscal year 2024, the State earned \$9,972,019.54 as a result of the commercial paper sweep.

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To maximize interest earnings, Treasurer Johnson implemented a daily sweep account to invest idle cash overnight. This strategy generates a premium above typical overnight rates by targeting higher balances. Additional benefits include:

- Capturing late wire transfers that are automatically swept into the account.
- Investing unprocessed funds, sometimes as much as \$100 million.
- Operating on tighter cash balances due to precise end-of-day projections.

The Treasurer's Office also provides cash concentration services for agencies like the Departments of Revenue, Corrections, and Wildlife and Parks, pooling excess funds into the state investment portfolio to maximize returns. Collaborating with the Department of Revenue, the office facilitates the return of key taxes and fees, including sales, liquor, and vehicle excise taxes.

The office also acts as escrow agent for STAR Bonds and Economic Revitalization funds. As of FY 2024, there were 18 active STAR Bond projects and one Economic Revitalization program, with combined balances exceeding \$39.78 million. These funds are monitored and distributed to designated bond-paying agents per issuance requirements.

To support STAR Bond districts impacted by reduced food sales tax, the STAR Bonds Food Sales Tax Revenue Replacement Fund was established. In FY 2024, \$2.86 million was transferred from the State General Fund to offset revenue losses, though further transfers were not approved by the legislature.

# Pregnancy Compassion Awareness Program

In 2023, the Legislature allocated \$2 million to the Alternatives to Abortion program and tasked the State Treasurer with selecting a qualified nonprofit to administer it. After a competitive request for proposals, the Kansas Pregnancy Care Network (KPCN) was chosen in September, being the only Kansas-based organization among three eligible bids. Modeled after the Texas Pregnancy Care Network, KPCN collaborates closely with its Texas counterpart.

As of calendar year-end, \$1 million has been expended through the Pregnancy Compassion Awareness Program for FY 2025. KPCN is required to submit its second progress report to the Legislature and State Treasurer by June 30, 2025.

## Water Bond Arbitrage

In 2023, House Bill 2302 directed the Treasurer's Office to invest funds set aside for two water reservoir notes in higher-yield Treasury Bills, leveraging an "arbitrage" opportunity to earn interest above the low rates on the notes. This strategy has consistently generated returns over 2% higher than the rates paid on the notes, creating an additional revenue stream for the State. Current projections suggest this opportunity will remain viable through the next year.

To date, \$3.31 million has been earned on matured T-Bills, with an additional \$1.31 million expected from outstanding investments. Over 45% of this interest represents net revenue for the State. As of January 1, 2025, \$31.5 million is invested for the Milford Reservoir note at 4.94%, maturing February 13, 2025, and \$25.5 million for the Perry Reservoir note at 4.43%, maturing May 15, 2025. The average yield across both notes is 4.68%.

The Treasurer's Office remains committed to maximizing returns on these assets to benefit the State.

## Agricultural Production Loan Deposit Program

The Agricultural Production Loan Deposit Program, established in 2000, supports Kansas farmers with high debt-to-asset ratios or lenders lacking sufficient cash to fund additional loans. Administered by the Treasurer's Office in partnership with Kansas banks, the program allows borrowers to obtain low-interest loans, repay them as farm products are sold, and reapply as needed. Lenders must sign a Participation Agreement with the Treasurer's Office, while borrowers certify their eligibility and intended use of funds.

The Legislature caps available funding at \$55 million, with repaid funds recycled to issue new loans. Since inception, the program has funded 1,858 loans totaling \$271.2 million. In FY 2024, 26 loans were issued, and 83 loans remained outstanding at year-end, totaling \$14.69 million across 29 Kansas counties.

Loan interest rates, set daily by the PMIB, allow banks a 4% spread to offset risk. Rates on outstanding loans adjust semiannually, and interest is collected biannually. Since 2000, the program has generated \$10.16 million in interest for the State General Fund, including \$372,031 in FY 2024.

The program's Certificates of Deposit have a statutory minimum interest rate of 0.5%, with the rate as of July 1, 2024, at 3.11%. By design, the State faces no risk of losing principal or interest, ensuring stable support for Kansas agriculture.

## Aid to Local Units of Government

Through the Aid to Local Units of Government subprogram, the State Treasurer distributes monies to city and county governments according to statutory provisions. In FY 2022, the City and County Highway Distribution subprogram, the Highway Equalization subprogram, and the Tax Increment Revenue Replacement were the only programs disbursing money.

## Economic Recovery Linked Deposit Program

The Kansas Economic Recovery Linked Deposit Program, established in April 2021 and administered by the Treasurer's Office, supports small commercial and agricultural businesses in Kansas by providing low-interest loans for operating expenses. Modeled after the Agricultural Production Loan Deposit Program, the program's interest rate is calculated daily by the PMIB and published online, with a legislatively mandated minimum CD rate of 0.25%.

Funding for the program is capped at \$60 million, with approximately \$53.8 million available for lending as of year-end. In FY 2024, 35 loans totaling \$4.62 million were issued, earning \$87,736.80 in interest for the State General Fund. As of year-end, there were 42 outstanding loans with a combined balance of \$6.2 million, benefiting businesses across 14 Kansas counties. Aggregate amounts deposited in connection with loans under the program total \$7,901,994, as of year-end. The Treasurer's Office continues to market this program and raise awareness as market conditions evolve.



# Kansas Extraordinary Utility Costs Loan Deposit Program

The Kansas Extraordinary Utility Costs Loan Deposit Program, established in April 2021, was designed to assist wholesale natural gas customers in Kansas with extraordinary costs incurred during the February 2021 winter weather event. Unused funds from the City Utility Low-Cost Loan Program were allocated for this purpose.

As of the end of 2024, no loans have been issued under this program. Pursuant to K.S.A. 75-4285, \$20 million remains available for loan; however, no future loans are anticipated due to the time elapsed since the weather event.

## City Utility Low-Interest Loan Program

The City Utility Low-Interest Loan Program, enacted in March 2021, allowed the State Treasurer's Office to provide loans to Kansas cities facing extraordinary electric and natural gas costs from the February 2021 extreme weather event.

A total of 54 cities and one municipal energy agency received \$78.41 million in approved loans. As of December 31, 2024, 15 cities and the municipal energy agency have repaid their loans in full, leaving 38 cities with an outstanding balance of \$31.79 million.

## Housing Loan Linked Deposit Program

The Kansas Housing Loan Linked Deposit Program, established by the 2008 Legislature, is administered by the Treasurer's Office through the Cash Management Program. Modeled after the Agricultural Production Loan Deposit Program, it provides low-interest loans for building or rehabilitating homes and adult care facilities. Interest rates are calculated daily by the PMIB and published online, with a minimum rate of 0.5% set by the 2009 Legislature.

The program underwent key changes to expand its reach:

### 2010 Legislative Changes:

- The maximum qualifying home value was linked to federal average area purchase price safe harbors for mortgage revenue bonds (varying limits for single- and multi-family homes).
- Developers became eligible to borrow up to \$2 million through multiple loans.
- Loans for rehabilitation projects were permitted.

### 2012 Legislative Changes:

- Eligibility was extended to not-for-profit developers of adult care facilities, with a \$2 million borrowing cap.

Despite these efforts, the program has remained unused for 11 consecutive years, with no outstanding loans as of the end of 2024. The Treasurer's Office continues to provide information about the program to community leaders, lenders, and developers to raise awareness and encourage utilization.

The Remediation Linked Deposit Loan Program, established in 2000, allows the State Treasurer's Office to provide loans to pay the cost of certain remediation projects approved Agriculture Remediation Board; no loans were made under this program in 2024. The Unclaimed Mineral Proceeds Trust Fund has been transferred to the state general fund pursuant to K.S.A. 58-3977(c) therefore no moneys were paid from that trust fund for fiscal year 2024.

A list of lenders participating in linked deposit loan programs is available on the State Treasurer's website.

# Build Kansas Matching Grant Fund

The Build Kansas Matching Grant Fund was established by the Legislature in 2023 with \$50 million appropriated. Administered by the State Treasurer’s Office, the fund provides matching dollars to help local governments secure federal funding for projects under the Infrastructure Investment and Jobs Act.

A nine-member committee, appointed by the governor and legislative leadership, reviews applications. As of December 31, 2024, \$13.99 million had been approved.

Summary	Declined	Pending BIL	Committed	Obligated	Total	Not Awarded
Pending	\$1,678,968.86	\$8,955,348.47	\$33,202,518.03	\$2,963,809.92	\$46,800,645.28	\$60,714,963.79
Distributed	-	-	-	\$196,056.71	\$196,056.71	-
Local Match	\$1,609,937.80	\$1,042,520.74	\$28,855,699.00	\$385,010.76	\$29,893,168.30	\$45,569,167.47
Federal Funds	\$9,130,782.19	\$30,084,865.57	\$78,614,431.99	\$10,449,052.45	\$128,279,132.20	\$288,838,561.74
Totals	\$12,419,688.85	\$40,082,734.78	\$138,672,649.02	\$13,993,929.84	\$205,169,002.49	\$395,122,693.00





## Office of State Treasurer Steven Johnson

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**Kansas**  
Steven Johnson  
State Treasurer