

Approved: \_\_\_\_\_

Date March 6, 2000

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Senator Don Steffes at 9:00 a.m. on March 1, 2000 in Room 234-N of the Capitol.

All members were present except: Senators Biggs and Praeger

Committee staff present: Dr. William Wolff, Legislative Research  
Ken Wilke, Office of Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Myrna Morrison, Spring Hill School Board, USD #230  
Chuck Henry, Unified Government of Wyandotte County  
Steve Handke, Community Bankers Association  
Chuck Stones, Kansas Bankers Association  
Don Moler, Kansas League of Municipalities

Others attending: (See Attached)

**Continued Hearing on SB 549—Cities, deposits of public moneys  
and further discussion on SB 524—Cities, deposits of public moneys**

Myrna Morrison, Business Manager and Treasurer of Spring Hill USD #230, described the situation in their school district due to the current requirement that idle funds be deposited in only state-chartered banks or invested in the Municipal Investment Pool (Attachment 1). The TEAM bank in Spring Hill has a Missouri charter so they are ineligible to participate in the investment of such funds and the state-chartered bank, State Bank of Spring Hill, has advised them they could not pay the required interest rates on idle funds but would wire the idle funds to the MIP at no charge at this time. However, charges may be forthcoming. The school district would prefer to move all their accounts to one bank but that would mean at least two trips a day to a qualifying bank in Olathe. In the past TEAM Bank was usually paying as much as the MIP. When it was determined that TEAM did not qualify due to moving their charter, the Spring Hill Bank dropped their rates as they no longer had to be competitive. Spring Hill averages \$3 million in idle funds. Mrs. Morrison agreed to provide the Committee with the comparison rates being paid for idle funds by TEAM Bank and the Municipal Investment Pool. Non-chartered banks usually pay ½ to ¾% more than the T-rate.

Chuck Henry, Unified Government of Wyandotte County, explained they bid their active account for two years with the option for two more two-year terms (Attachment 2). They do this through RFP's sent to state-chartered banks only due to their legal staff's interpretation of the current law. He urged the passage of **SB 524** as it increases investment opportunities for idle funds by allowing institutions which pay higher interest rates to bid on the funds. There would be no cost nor risk to the taxpayer because 100% collateral is still required. They average \$157 million in invested idle funds.

Steve Handke, representing Community Bankers Association, reported state and local public funds make up 10-12% of total bank deposits or approximately \$3 billion in Kansas (Attachment 3). These funds are extremely important to rural communities in building tax bases. Local banks take a short term deposit and by making a loan, create a long-term asset. He reminded the Committee of the Municipal Investment Pool which was created to solve the problem of state-chartered banks not paying competitive interest rates for idle funds. He asked that such a huge part of Kansas' money supply not be sucked out across interstate deposit conduits.

Chuck Stones, Kansas Bankers Association, said that although he sympathized with the local school districts, he reminded the Committee that public funds is one of the main reasons some banks maintain charters in Kansas (Attachment 4). His information network reports that 17% of the total deposits in Kansas are in idle funds and allowing this drain would dramatically affect the economic interests of Kansas.

During discussion, it was pointed out that idle funds invested in the Municipal Investment Pool often leave the state through investments. This does not seem to negatively impact the economy of the communities

## CONTINUATION SHEET

involved. Many of the banks who have charters in other states serve their communities well and it does not seem to make sense for them to be denied the deposit of idle funds from public bodies.

Written testimony supporting **SB 524** was received from Larry R. Tucker, Reno County Treasurer (Attachment 5).

Copies of a letter dated February 25, 2000, to the Attorney General requesting an opinion on the legality of **SB 549** were distributed (Attachment 6). Chuck Henry of Wyandotte County reported that his legal staff would require statute changes and would not rely on an AG opinion regarding the placement of public funds. Don Moler, League of Municipalities, stated that although an AG's opinion would be valuable, he still felt there was a need for **SB 549**.

Copies of Statute 12-1675a and a chart showing the investment rates for public funds by the Pooled Money Investment Board were distributed to Committee members (Attachment 7).

Senator Barone moved for the approval of the minutes of February 21 and 22. Motion was seconded by Senator Brownlee. Motion carried.

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for March 2.

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

GUEST LIST

DATE: March 1, 2000

NAME	REPRESENTING
Chuck Henry	Unified Government WYCOCK
Don Sefer	City of Olathe
Sonny Allen	OSBC
Franklin Nelson	OSBC
[Signature]	OSBC
Mark Drost	PKCB
Mrs. Anderson	Community Bankers Assn.
Steven Handke	Union State Bank of Everest
Kelly Kuetala	City of Overland Park
Don Moler	LKM
Judi Stork	OSBC
Matt Goddard	HCBA
Myrna Morrison	Spring Hill USD 230
Jane Gjerstad	Wichita Public Schools
Kathy Olsen	KBA
Chuck Stores	KBA
Chris Collins	KMS





Unified School District #230



Board of Education Office
101 E. South Street, Spring Hill, KS 66083
phone: 913/592-7200 fax: 913/592-7270
e-mail address: goering@usd230.k12.ks.us

Dr. Barton L. Goering, Superintendent
Dr. Verneda Edwards, Director of Curriculum and Instruction
Dr. Joseph G. Meyers, Director of Human Resources and Education Services
Myrna Morrison, Business Manager/Treasurer
Sue Luttrell, Clerk of the Board

SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE
SENATOR DON STEFFES, CHAIR
TESTAMONY S.B. 524 & S.B. 549

Myrna Morrison
Business Manager/Treasurer
Spring Hill U.S.D. #230
March 1, 2000

Senator Steffes, Members of Committee:

I am here today representing Spring Hill U.S.D. 230. Our district is located in southern Johnson County and northern Miami County. I would like to voice the concerns of our school district regarding S.B. 524 and S.B. 549.

Currently Spring Hill USD 230 has two banks within our district boundaries. However, Team Bank has a Missouri Charter, so we are only able to invest our idle funds at the State Bank of Spring Hill. Recently, officials at the State Bank of Spring Hill advised us that they could not pay the required interest rates on our idle funds and that we would need to invest our idle funds elsewhere. Our Board of Education was upset about this and would have changed our entire bank account to another bank, except we would have had to go to Olathe to do this. This means we would need to pick up money at each school daily, and then be making one or two trips a day to Olathe to deposit funds collected for lunches, book fees, school activity gate and concession sales, etc. Since this was not feasible, we have left our checking account at the State Bank of Spring Hill and we are wiring our idle funds to the State Municipal Investment Pool. Currently the bank said they would not charge for this transfer of funds, but they may in the future.

It is my understanding in S.B. 549, that if we had money invested in Team Bank, had the money secured and followed all other legal requirements, we could still be held liable if the bank was to have financial problems. If we were able to invest legally at Team Bank in Spring Hill, without fear of district liability, it would be a benefit to our district.

I am also currently serving as the President of the Kansas Association of School Business Officials. At a recent KASBO workshop, there was a great deal of discussion regarding these two bills. As the banking industry is changing, investing of idle funds in Kansas Chartered Banks is becoming more difficult for many districts throughout the state.

We would appreciate your support in allowing deposits of public moneys to be made to any bank in Kansas, whether it has a Kansas Charter or not, without liability to the public entity, as long as all of the legally required steps have been taken to insure the money.

Thank you for your time and consideration of S.B. 524 and S.B. 549.

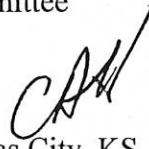
Board of Education
Jim Robinson, President • Bill Meek, Vice President
Craig Drummond, Member • Carmen Ellis, Member • Joann Harry, Member • Bob Metcalf, M

Senate Financial Institutions & Insurance
Date 3/1/00
Attachment 1

**TESTIMONY – SENATE BILL 524  
DEPOSITORIES OF PUBLIC FUNDS**

To: Senate Financial Institutions and Insurance Committee  
Senator Don Steffes, Chairman

From: Chuck Henry, Director of Revenue/Treasury  
Unified Government of Wyandotte County/Kansas City, KS



Dear Senator Steffes and Committee Members:

I come before you to testify in favor of Senate Bill 524.

In the Unified Government, we selected our primary depository bank through the issuance of a Request For Proposal. That primary bank clears all of our warrants, accepts all of our deposits, and invests our checking account balance overnight and over weekends. That process is not expected to be affected by this bill. In fact, it is unlikely that the Commission would allow our primary operating account be handled by any institution without a large presence in our County.

What this bill does address is our investment opportunities. When our cash-flow model reflects an amount of cash available in excess of our immediate needs, we solicit bids for the funds.

Our bid requests are sent to the eight institutions which have expressed interest in bidding on our idle funds which have offices in our County and a main office in the State of Kansas. We indicate the amount of money we want to invest and the date we would like it to mature. We ask the institution to bid either a Certificate of Deposit, a Repurchase Agreement, or a U.S. Treasury obligation. We indicate to each institution that they can bid on all or any part of the total amount to be invested.

This bill would permit us to expand our bid list to at least three other institutions with offices in our County but with no Kansas Charter. Two of these three hold Missouri charters only. The other likely holds several state charters but is primarily based in North Carolina. These are institutions which serve our public, pay us property taxes, and offer checking accounts for our employees but with whom we can not invest our idle funds.

The bill would also permit us to expand our bid list to several institutions located across the river from us in Kansas City, Missouri. Whether we would choose to solicit bids from those institutions would require decisions by the Cash Management Committee and potentially the Unified Government Commissioners.

This bill offers the Unified Government the chance to earn additional investment income at no cost to the taxpayer. Because the law and our policies remain unchanged, the taxpayers are not at risk because 100 percent collateral is still required. For these reasons, I stand before you in support of Senate Bill 524.

Senate Financial Institutions & Insurance

Date 3/1/00

Attachment

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*Directed By The Members We Serve*

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE  
REGARDING SB 524**

*March 1, 2000*

*Presented by  
Steve Handke  
Community Bankers Association of Kansas*

Good morning. My name is Steve Handke and I serve as CEO of the Union State Bank of Everest. Everest is a small town of 300 people located in northeast Kansas. Our bank has served the area residents of Atchison and Brown counties since 1902. Today I'm representing the Community Bankers Association of Kansas as a member of our State Legislative Committee.

Thank you for the opportunity to address you today on such an important economic issue. Our bank serves the northeastern Kansas counties of Brown, Atchison, and Doniphan. As way of introduction, my formal education was in economics. I earned a BS at Kansas State University and a Masters Degree in Economics at Oklahoma State University. I am fortunate to have the opportunity to use this training in the community that our family has lived for four generation. I am here today on behalf of the Community Banker's Association of Kansas in opposition of Senate Bill 524. But more importantly, I am here today as a concerned Kansan to oppose a piece of legislation that would be had public economic policy for Kansas.

It is hard to over emphasize the importance of the supply of money to economic growth. The Federal Reserve controls the whole direction of the US economy by merely shrinking and expanding the money supply. In Kansas, we can look at one component of our state's money supply as measured in deposits. Presently, in Kansas there are approximately \$28 Billion in total deposits. According to the FDIC latest data available. State and local public funds make up 10- 12% of those total deposits, or in dollar terms approximately \$3 billion. This is a huge amount of money that commands a considerable economic power in Kansas.

It appears this issue was divided mostly by urban vs. rural sentiments. I also see the majority of the Senators on this committee represent urban counties. I hope my remarks will help to bridge this gap. Sound economic principals apply equally in city or rural markets. The only difference is that in rural areas our economics are smaller and easier to see the working of these principals and the importance of deposits or money in economic growth. Viewing this public funds issue with good economics is good for cities as well as rural areas and therefore best for all of Kansas.

Senate Financial Institutions & Insurance

Date 3/1/00

Attachment

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(over)



The major proponents of changing Kansas' long standing policy of public funds investment appears to be representatives of local units of government. The government units are genuinely concerned about getting competitive rates for their funds, and some out of state banks are wanting access to one of Kansas largest source of funds. I would like to address each of these issues.

Proponents of allowing out of state banks and S&Ls access to public funds site concerns about lack of competition. They believe that without competition they will not earn a market rate of interest an their funds. This is precisely why the Pooled Money Investment Board was created in Kansas. If local units of government could not get a competitive bid locally for their funds, they could go to the state pooled funds for a market rate. Historically, not only did these local units get market interest rates at the pool, but they earned above market rates, which caused problems with the pools. Thankfully, the Pooled Money Investment Board and the Legislature have made changes to the program to get back to paying market rates.

An even more important issue, which I believe the local units of government may have missed, is the importance local deposits play in building tax bases. The business of local banking is to take a short term deposits, and by making a loan, create a long-term asset. These loans provide the local engine for the creation of new property that generally increases the tax base of the community. When new cars are purchased, new houses are built, businesses opened, tax bases increase and tax revenues go up. It just doesn't make sense to let deposits flow out of the state to build tax bases in other states. Since public funds are monies that come from our local communities, don't we owe it to people to first invest back into their communities?

Branch banking is in essence a conduit or pipeline for management and the flow of funds, which now are extending over Kansas borders. My community is a vivid example of what these pipelines can do. In our market of the City of Atchison, the community is served by four banks and one savings & loan. The town is prospering with good economic growth in large part due to the competition of the local banks. Our competitor bank, The Exchange National Bank, is the largest bank in the market at approximately \$125 million in assets. It's a well-managed bank that is aggressively lending in the Atchison area using approximately 70% of their deposits for loans. Our bank is a smaller bank in the market at \$17 million in assets and we also are using over 70% of our deposit for loans. In Atchison county during 1996, 492 residential real estate mortgages were filed at the county register of deeds. Silent in these numbers is the second largest financial institution in the market that being World Saving and Loan Association, head quartered in Oakland, California. This out of state branch has \$60 million in local deposit and in 1996 made I mortgage loan. It made 2 mortgage loans in each of the years 1995, 1993, and 1992, and no mortgage loans in 1994. It should also be clarified of their 8 mortgage loans since 1992, 3 loans were to their employees. This is a vivid example to illustrate what out of state banks and S&Ls can create with branch conduits for management and deposits. Can you imagine what it would do to our local tax base if we could get 70% of World Saving's deposits working in the community.

In conclusion, I strongly recommend that the current policy remain unchanged for the investment of idle funds and urge you to oppose SB 524. Please don't let such a huge part of our state's money supply be sucked out across interstate deposit conduits. It is good sound economic policy for both cities and rural areas to make every attempt to use Kansas funds in Kansas by requiring a Kansas charters or home officers for all public funds holders.

# Kansas Bankers Association

800 SW Jackson, Suite 1500

Topeka, KS 66612

785-232-3444 Fax - 785-232-3484 kbacs@ink.org

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## KANSAS TAXPAYERS MONEY SHOULD STAY IN KANSAS FOR THE BENEFIT OF THE TAXPAYERS.

### ◆ IT IS NOT THE LOCAL UNIT OF GOVERNMENTS' MONEY.

If local units are going to hoard taxpayer money, it should, at least, be used to the benefit of the people in the taxing unit and the State.

Kansas is definitely a "host" state when it comes to interstate banking and branching. There are 11 out of state banks with 196 branches in Kansas, while there are 4 Kansas banks with about 15 branches in other states.

It is very evident that Kansas is mere acting as a deposit collecting area for many of the large multi-state banking operations. If more deposits are needed to fund activity in other states, they merely increase rates to collect the needed funding. The same would be true in the case of public funds. Kansas's taxpayers money would be used to fund projects in other states.

### ◆ IT IS NOT ABOUT COMPETITION.

In the last 15 years the number of banks has declined from a high of 628 to 372. In 1986 out of town branching was first allowed. There are now 178 Kansas banks with branches in other towns with a total of 423 out of town locations. In other words, there is more competition now than there was before.

18 banks have decided to put branches in Johnson County. The 21 banks chartered in Johnson County are already competing with them.

### ◆ THERE IS NOT A NEED FOR THIS LEGISLATION.

We have made every effort to be amenable to the concerns of the public units of government.

When the concern was expressed that banks were not bidding at all or not bidding a high enough rate for the money that local taxpayers had paid to the local unit, we helped design the Municipal Investment Pool. A bank must now bid a minimum rate, called the "Investment rate", or the local unit has the option to then place their money in the MIP.



When the concern was raised that some banks simply did not have the technology or the capacity available to handle some cities active accounts, we were willing to insert the word “acceptable” in the statute dealing with bids from banks with charters in Kansas. The word “acceptable” was purposefully left undefined in order give the local units maximum flexibility under the law.

We have not heard a valid reason to make this change. All the reasons cited are *convenience* factors for the local units. None address the issue of Kansas taxpayer dollars remaining in Kansas.

◆ **PUBLIC FUNDS ARE ONE OF THE VERY FEW REASONS THAT AN OUT-OF-STATE BANK WOULD KEEP A CHARTER IN KANSAS.**

There are currently 3 major out-of-state banks that have decided to maintain a charter in Kansas in order to qualify to hold public funds. Those 3 banks combined represent 17% of the total deposits in Kansas. Added to the current 18% of deposits of out-of-state branches, that would be a total of 35% of the total deposits in Kansas held in branches of out-of-state banks.

◆ **MANY KANSAS BANKS DEPEND ON LOCAL PUBLIC FUNDS AS A STABLE BASE OF DEPOSITS IN ORDER TO MEET THE NEEDS OF THEIR COMMUNITIES.**

Deposit growth in Kansas banks has been relatively flat. A lot of the growth in bank deposits has been because of conversions and purchases of S&L branches. We are seeing the beginnings of a “funding concern” in many rural areas of Kansas. As the population base ages and declines many Kansas banks find it difficult to sustain a stable deposit base. A bank in western Kansas did an internal study recently. They found that:

- ◆ 79% of their core deposits were held by people 60 years of age or older
- ◆ The inheritors of 62% of that money were not in their community
- ◆ The result will be a 51% decline in the banks deposit base

An examination of “*The Governor’s Economic and Demographic Report – 1999-2000*” shows the same scenario can likely be told throughout rural Kansas, and in many cases is already true in some very small rural communities. Kansas is above the national average for population over the age of 65 and 85. the percentage of people over the age of 65 makes up over 20% of the population in 43 counties. In addition, 40 Kansas counties are projected to have less population in 10 years than they currently have.

◆ **THIS IS NOT IN THE BEST ECONOMIC INTERESTS OF KANSAS**

Kansas spends millions each year on economic development in order to attract capital. Yet this bill opens the spigot and allows Kansas tax dollars to flow freely out of the state. For over 65 years we have had a sound policy of requiring that local public funds be invested locally if at all possible. Are we going to abandon this sound and logical policy just to please a small number of out of state banks, whose primary interests are merely deposit gathering, or for the convenience of a few cities.

Where is the logic in putting forth all the effort on economic development and then casually allowing out-of-state institutions to raid Kansas capital?

The multiplier effect has a dramatic effect when you look at public funds on deposit with Kansas banks.

- ◆ **\$2.8 billion** of public funds on deposit at Kansas banks
- ◆ **68%** loan to deposit ratio
- ◆ multiplier effect of 4 = **\$7.6 billion** economic benefit
- ◆ **\$456 million** benefit to the state if economic growth is taxed at 6%

Looking at the benefits, local units of governments seem very short sighted in promoting this proposal. How much of this benefit is the state willing to lose?

**TESTIMONY – SENATE BILL 524  
DEPOSIT OF PUBLIC MONEYS**

To: Senate Financial Institutions & Insurance Committee  
Senator Don Steffes, Chair.

From: Larry Tucker, Reno County Treasurer

Dear Senator Steffes and Committee Members:

I am writing in support of Senate Bill 524, regarding the proposed changes in depository authority of public funds for Kansas municipalities. Currently, state law does not allow Kansas counties the authority to designate national banks with their corporate charters located outside of Kansas, as official depositories. I would like to see this law changed for the following reasons:

1. National banks bring competition to the financial services industry. Such banks bring fresh new ideas and services that benefit all potential customers. Why should Kansas municipalities be excluded from this opportunity? One of these benefits would be to let national banks bid on local government idle funds, which is not currently allowed under Kansas law. More competition would benefit taxpayers as higher investment rates, increase non-tax revenues which in turn, hold down local tax mill levies.
2. Multiple sources for investing idle funds will help local municipalities reduce their administrative costs associated with having the knowledge and skill to maximize returns on public tax dollars. Currently Kansas municipalities can invest in certificates of deposit, repurchase agreements, U.S. government treasuries and enter into local trust agreements or invest in the state municipal investment pool. Allowing non-Kansas national banks to participate as public depositories would expand professional investment services and allow local governments the ability to earn higher yields without having to employ local financial advisors or officers.
3. Kansas banks continue to be financially strong, even with the current competition of national banks. Allowing national banks to bid on public tax dollars would have little or no affect on local banks, which would continue to be successful in competing and providing the resources needed to support their communities across Kansas.

For these reasons, I ask for your favorable support of Senate Bill 524.

Yours truly,



Larry R. Tucker  
Reno County Treasurer

Senate Financial Institutions & Insurance

Date 3/1/00

Attachment

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STATE OF KANSAS

DON STEFFES  
STATE SENATOR, 35TH DISTRICT  
DICKINSON, MARION, MCPHERSON  
& RICE COUNTIES  
1008 TURKEY CREEK DRIVE  
BOX 327  
MCPHERSON, KANSAS 67460  
(316) 241-0700 HOME  
FAX (316) 241-4283  
STATE CAPITOL—128-S  
TOPEKA, KANSAS 66612-1504  
785-296-7354  
(JANUARY—APRIL)



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS  
CHAIRMAN: FINANCIAL INSTITUTIONS &  
INSURANCE  
MEMBER:  
ASSESSMENT AND TAXATION  
COMMERCE  
UTILITIES  
JOINT COMMITTEES:  
CHAIRMAN: ARTS & CULTURE  
PENSIONS, INVESTMENTS AND  
BENEFITS

February 25, 2000

Carla Stovall  
Attorney General  
2<sup>nd</sup> Floor, Memorial Building  
Building Mail

Dear General Stovall:

As Chairman of the Senate Committee on Financial Institutions and Insurance, I am writing concerning SB 549 (see enclosed).

The bill amends K.S.A. 9-1406, the statute that provides relief from liability for certain action of persons who designate placement of public funds. New language would extend the exemption from liability if the public officer acts in good faith to comply with the provisions of this act. I understand the words "this act" apply to the laws governing the placement of local units' public funds in designate depositories.

I am seeking your opinion on the following question: Under the laws governing the designation of depository to handle the active accounts of local units of government, may an official of a local unit solicit all banks, those with Kansas charters and those chartered outside the state but with a branch facility within the geographic area of the local unit, with a request for proposal to handle the active financial needs of the local unit? Additionally, if, as a result of issuing the request for proposals, the local official designated as a depository a bank that does not have a main office in this state, would the official be deemed to have acted in good faith? The official must recognize the statutory preference for a Kansas state-chartered depository if it meets the specifications of the request for proposals (see K.S.A. 1999 Supp., 9-1401).

Since time is very short in the 2000 Legislative Session, I am asking for an expedited response to this request so that this important issue to Kansas municipalities can be addressed yet this Session.

Sincerely,

A handwritten signature in dark ink, appearing to be "Don Steffes", written in a cursive style.

Senator Don Steffes

Enclosure

Senate Financial Institutions & Insurance  
Date 3/1/00  
Attachment 6



## Statute 12-1675a

### Chapter 12.--CITIES AND MUNICIPALITIES

#### Article 16.—MISCELLANEOUS PROVISIONS

12-1675a. Definitions. As used in K.S.A. 12-1675, 12-1676 and 12-1677 and K.S.A. 1999 Supp. 12-1677a and 12-1677b, and amendments thereto:

- (a) "Bank" means any bank incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;
- (b) "savings and loan association" means any savings and loan association incorporated under the laws of this state, or organized under the laws of the United States and which has a main office in this state;
- (c) "savings bank" means any savings bank organized under the laws of the United States and which has a main office in this state;
- (d) "municipality" includes each investing governmental unit under K.S.A. 12-1675, and amendments thereto;
- (e) "main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch;
- (f) "branch" means any office, agency or other place of business within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device; and

**(g) "investment rate" means a rate which is the equivalent yield for United States government securities having a maturity date as published in the Wall Street Journal, nearest the maturity date for equivalent maturities. The 0-90 day rate shall be computed on the average effective federal funds rate as published by the federal reserve system for the previous week.**

History: L. 1997, ch. 180, § 13; May 29.

# Investment Rates for Public Funds

2/1400 thru 2/20/00

TERM	CURRENT	PREVIOUS
1 to 89 Days	5.73%	5.73%
3 Months	5.55%	5.66%
6 Months	5.99%	6.05%
9 Months	6.20%	6.21%
1 Year	6.31%	6.31%
18 Months	6.56%	6.57%
2 Years	6.63%	6.65%

How are these investment rates calculated? [See K.S.A. 12-1675a\(g\)](#)

**\*\*Quoted Rates are subject to changing market conditions.\*\***

Please call Marla Goodrich at (785) 296-3701 or toll free 1-800-972-8379 ext. 6-3701 to confirm specific maturity date (s) and rate(s).

## Historical Rates

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### **Pooled Money Investment Board**

900 S.W. Jackson, Suite 209 - Topeka, KS 66612-1220 phone: (785) 296-3372 - fax: (785) 296-1085

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