

KANSAS DEPARTMENT OF CREDIT UNIONS

FY 2024 – FY 2027 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 1,226,838	\$ 1,397,029	\$ 1,397,029	\$ 1,417,916	\$ 1,417,916
Salaries and Wages	906,023	982,216	982,216	989,607	989,607
Contractual Services	258,485	367,860	367,860	411,849	411,849
Commodities	12,334	15,403	15,403	15,710	15,710
Capital Outlay	49,996	31,550	31,550	750	750
State Aid and Assistance	\$ -	\$ -	\$ -	\$ -	\$ -
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Capital Budget and Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 1,226,838	\$ 1,397,029	\$ 1,397,029	\$ 1,417,916	\$ 1,417,916
FINANCING:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Credit Union Fee Fund	1,226,838	1,397,029	1,397,029	1,417,916	1,417,916
TOTAL	\$ 1,226,838	\$ 1,397,029	\$ 1,397,029	\$ 1,417,916	\$ 1,417,916
PERCENTAGE CHANGE:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	20.9 %	13.9 %	-- %	1.5 %	-- %
FTE Positions	12.0	12.0	12.0	12.0	12.0

* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

AGENCY OVERVIEW

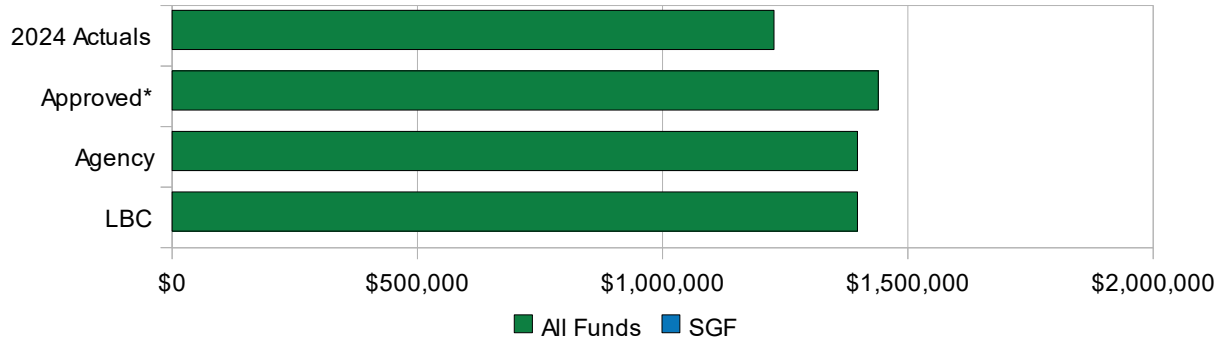
The mission of the Kansas Department of Credit Unions (KDCU) is to protect Kansas citizens from undue risk by ensuring safe and sound operation of state-chartered credit unions. The agency regulates state-chartered credit unions to assure compliance with state and federal laws. KDCU is empowered to conduct examinations, grant new charters, approve mergers, and provide for liquidation procedures when necessary. There are 44 natural-person, member-owned, state-chartered credit unions and one corporate credit union in Kansas under the agency's supervision.

The National Credit Union Administration, a federal agency, administers concurrently with the KDCU a network of federally chartered credit unions operating in Kansas. State-chartered credit unions are required by law to insure their deposits through the National Credit Union Administration. In addition, state-chartered credit unions are required to be examined at least every 18 months, and pay an operation fee based on asset size every year. Federally chartered credit unions are exempt from the KDCU's oversight.

KDCU is supervised by the Credit Union Administrator, who is appointed to a four-year term by the Governor and subject to confirmation by the Senate. The Administrator is advised by a seven-member Credit Union Council, all of whom are appointed by the Governor. Five of the seven members must be officers of Kansas state-chartered credit unions. Of these five members, only two may be from the same congressional district. The remainder of the members are from the state at-large. No more than four of the seven members can be of the same political party.

FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	1,226,838	1,439,263	1,397,029	170,191	13.9	(42,234)	(2.9)
TOTAL	\$ 1,226,838	\$ 1,439,263	\$ 1,397,029	\$ 170,191	13.9 %	\$ (42,234)	(2.9) %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ -	\$ 1,439,263	12.0	\$ -	\$ 1,439,263	12.0
2024 SB 28 & HB 2551	-	1,439,263	12.0	-	1,439,263	12.0
1. SGF Reappropriation	-	-	-	-	-	-
Supplemental Requests	\$ -	\$ -	-	\$ -	\$ -	-
2. No Supplemental Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (42,234)	-	\$ -	\$ (42,234)	-
3. Salaries and Wages	-	(56,740)	-	-	(56,740)	-
4. Contractual Services	-	10,248	-	-	10,248	-
5. All Other Adjustments	-	4,258	-	-	4,258	-
TOTAL	\$ -	\$ 1,397,029	12.0	\$ -	\$ 1,397,029	12.0

1. SGF REAPPROPRIATION

The agency did not have any SGF funds reappropriated from FY 2024 into FY 2025.

2. SUPPLEMENTAL REQUESTS

The agency's revised request did not include any supplemental requests in FY 2025.

3. SALARIES AND WAGES

The agency's FY 2025 revised estimate includes a decrease of \$56,740, all from the Credit Union Fee Fund, due to decreased spending on salary and benefits, including employee pay (\$15,438) and employer contributions to the Kansas Public Employees Retirement System (KPERs) (\$15,363), health benefits (\$13,484), Social Security (\$8,055), leave payments (\$1,967), Medicare (\$1,882), and other benefits (\$551) in FY 2025. This decrease is due to vacancies the agency continues to experience. The agency anticipates filling these positions.

- **Agency:** Delete \$56,740, all from the Credit Union Fee Fund, for decreased expenditures on salary and wages in FY 2025.

- **LBC:** No changes.

4. CONTRACTUAL SERVICES

The agency's FY 2025 revised estimate includes an increase of \$10,248, all from the Credit Union Fee Fund, due to increased spending on meals, lodging, and job-related trainings for eight full-time employees who will spend half their time traveling to conduct credit union examinations and callbacks in FY 2025.

- **Agency:** Add \$10,248, all from the Credit Union Fee Fund, for increased expenditures for meals, lodging, and job-related trainings for travel to conduct credit union examinations and callbacks in FY 2025.
- **LBC:** No changes.

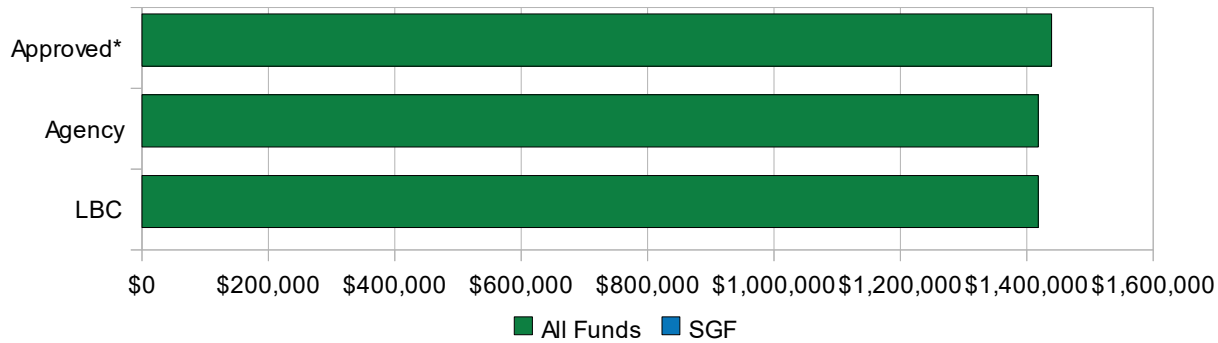
5. ALL OTHER ADJUSTMENTS

The agency had other adjustments from the amount approved by the 2024 Legislature, resulting in an increase of \$4,258, all from the Credit Union Fee Fund, for commodities expenditures, including stationery (\$4,622) and other supplies (\$1,034), and capital outlay expenditures, including replacing a vehicle in its fleet (\$800) based on the vehicle's mileage and required maintenance and software (\$750) in FY 2025. These increases were partially offset by decreased spending on gasoline (\$1,460) and tires (\$1,812).

- **Agency:** Add \$4,258, all from the Credit Union Fee Fund, for all other adjustments in FY 2025.
- **LBC:** No changes.

FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	1,397,029	1,439,263	1,417,916	20,887	1.5	(21,347)	(1.5)
TOTAL	\$ 1,397,029	\$ 1,439,263	\$ 1,417,916	\$ 20,887	1.5 %	\$ (21,347)	(1.5) %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ -	\$ 1,439,263	12.0	\$ -	\$ 1,439,263	12.0
2024 SB 28 & HB 2551	-	1,439,263	12.0	-	1,439,263	12.0
Enhancement Requests	\$ -	\$ -	-	\$ -	\$ -	-
1. No Enhancement Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (21,347)	-	\$ -	\$ (21,347)	-
2. Salaries and Wages	-	(49,349)	-	-	(49,349)	-
3. Capital Outlay	-	(29,250)	-	-	(29,250)	-
4. Contractual Services	-	54,237	-	-	54,237	-
5. All Other Adjustments	-	3,015	-	-	3,015	-
TOTAL	\$ -	\$ 1,417,916	12.0	\$ -	\$ 1,417,916	12.0

1. ENHANCEMENT REQUESTS

The agency's request did not include any enhancement requests for FY 2026.

2. SALARIES AND WAGES

The agency's request includes a decrease of \$49,349, all from the Credit Union Fee Fund, for salaries and wages that is primarily associated with decreased spending on employee pay (\$15,439) and employer contributions to KPERS (\$14,460), Social Security (\$8,054), health benefits (\$7,029), Medicare (\$1,880), leave payments (\$1,581), and other benefits (\$381) for FY 2026. This decrease is due to vacancies the agency continues to experience. The agency anticipates filling these positions.

- **Agency:** Delete \$49,349, all from the Credit Union Fee Fund, for decreased salaries and wages expenditures for FY 2026.
- **LBC:** No changes.

3. CAPITAL OUTLAY

The agency's request includes a decrease of \$29,250, all from the Credit Union Fee Fund, for capital outlay expenditure primarily associated with not purchasing an agency vehicle for FY 2026.

- **Agency:** Delete \$29,250, all from the Credit Union Fee Fund, due to not needing to purchase an agency vehicle for FY 2026.
- **LBC:** No changes.

4. CONTRACTUAL SERVICES

The agency's request includes an increase of \$54,237, all from the Credit Union Fee Fund, for contractual services expenditures primarily associated with increased spending on meals and lodging and job-related trainings and conferences for FY 2026. The agency's request includes increased spending of \$45,274 on travel, subsistence, and job-related trainings and conferences. This expenditure category also includes an increased spending of \$8,963 in other miscellaneous contractual services categories for FY 2026.

- **Agency:** Add \$54,237, all from the Credit Union Fee Fund, for increased contractual expenditures, including meals and lodging for job-related trainings and conferences, for FY 2026.
- **LBC:** No changes.

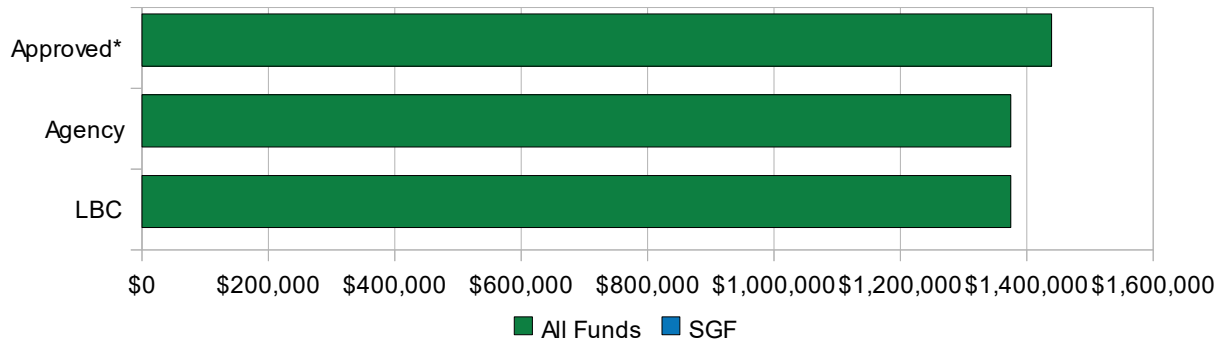
5. ALL OTHER ADJUSTMENTS

The agency had other adjustments from the amount approved by the 2024 Legislature, resulting in an increase of \$3,015, all from the Credit Union Fee Fund, for commodities expenditures, including stationery (\$4,929) and other supplies (\$1,034) for FY 2026. These increases were partially offset by decreased spending on gasoline (\$1,460) and tires (\$1,812) in this expenditure category.

- **Agency:** Add \$3,015, all from the Credit Union Fee Fund, for all other adjustments for FY 2026.
- **LBC:** No changes.

FY 2027 ANALYSIS

FIG. 8 BUDGET HIGHLIGHTS, FY 2027



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 9 BUDGET HIGHLIGHT CHANGES, FY 2027

Fund	2026 Agency	2025 Approved*	2027 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ -	\$ -	\$ -	\$ -	-- %	\$ -	-- %
All Other Funds	1,417,916	1,439,263	1,374,455	(43,461)	(3.1)	(64,808)	(4.5)
TOTAL	\$ 1,417,916	\$ 1,439,263	\$ 1,374,455	\$ (43,461)	(3.1) %	\$ (64,808)	(4.5) %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 10 SUMMARY OF BUDGET REQUEST, FY 2027

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ -	\$ 1,439,263	12.0	\$ -	\$ 1,439,263	12.0
2024 SB 28 & HB 2551	-	1,439,263	12.0	-	1,439,263	12.0
Enhancement Requests	\$ -	\$ -	-	\$ -	\$ -	-
1. No Enhancement Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ (64,808)	-	\$ -	\$ (64,808)	-
2. Salaries and Wages	-	(37,275)	-	-	(37,275)	-
3. Contractual Services	-	(33,621)	-	-	(33,621)	-
4. All Other Adjustments	-	6,088	-	-	6,088	-
TOTAL	\$ -	\$ 1,374,455	12.0	\$ -	\$ 1,374,455	12.0

1. ENHANCEMENT REQUESTS

The agency's request did not include any enhancement requests for FY 2027.

2. SALARIES AND WAGES

The agency's request includes a decrease of \$37,275, all from the Credit Union Fee Fund, for salaries and wages primarily associated with decreased spending on employee pay (\$15,439) and employer contributions to KPERS (\$16,780), Social Security (\$8,049), and Medicare (\$1,874) for FY 2027. The employer contribution for health benefits increased above the amount approved by the 2024 Legislature for FY 2027. This decrease is due to vacancies the agency continues to experience. The agency anticipates filling these positions.

The decreased spending on salaries and benefits is partially offset by increased spending on health benefits (\$5,942).

- **Agency:** Delete \$37,275 all from the Credit Union Fee Fund, for salaries and wages for FY 2027.

- **LBC:** No changes.

3. CONTRACTUAL SERVICES

The agency's request includes a decrease of \$33,621, all from the Credit Union Fee Fund, for contractual services expenditure primarily associated with decreased spending on travel and subsistence for FY 2027. According to the agency, by FY 2027, most of the financial examiners are expected to have completed their specialized training. Consequently, the agency anticipates a decrease in expenses related to meals, lodging, and training in comparison with the revised estimate for FY 2025 and the request for FY 2026. The agency's request includes decreased spending of \$50,005 on travel and subsistence, and an increased spending of \$12,421 on job-related trainings and conferences. This expenditure category also includes an increased spending of \$3,963 in other miscellaneous contractual services categories.

- **Agency:** Delete \$33,621, all from the Credit Union Fee Fund, for decreased contractual services expenditures, including travel and subsistence, for FY 2027.
- **LBC:** No changes.

4. ALL OTHER ADJUSTMENTS

The agency had other adjustments from the amount approved by the 2024 Legislature, resulting in an increase of \$6,088, all from the Credit Union Fee Fund, for commodities expenditures, including stationery (\$4,929) and other supplies (\$1,034), and capital outlay expenditures, including replacing a vehicle (\$2,058) in its fleet based on the vehicle's mileage and required maintenance for FY 2027. These increases were partially offset by decreased spending on gasoline (\$1,195) and tires (\$1,812).

- **Agency:** Add \$6,088, all from the Credit Union Fee Fund, for all other adjustments for FY 2027.
- **LBC:** No changes.

REFERENCE TABLES

FIG. 11 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$	- -- %	\$ 1,002,536	(2.1) %	12.0	0.0 %
FY 2018		- --	994,295	(0.8)	12.0	0.2
FY 2019		- --	983,217	(1.1)	12.0	0.0
FY 2020		- --	959,787	(2.4)	12.0	0.8
FY 2021		- --	1,092,602	13.8	12.0	2.4
FY 2022		- --	1,094,322	0.2	12.0	9.2
FY 2023		- --	1,014,497	(7.3)	12.0	5.8
FY 2024		- --	1,226,838	20.9	12.0	3.0
FY 2025 Agency		- --	1,397,029	13.9	12.0	2.5
FY 2026 Agency		- --	1,417,916	1.5	12.0	2.4
10-Yr. Chg. (FY 2017– 2026)	\$	- -- %	\$ 415,380	41.4 %	-	33.4 %
3-Yr. Avg. (FY 2022– 2024)*		- --	1,111,886		12.0	

* Note: Reflects three most recent years of actuals data.

** Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

SPECIAL REVENUE FUND OVERVIEW

CREDIT UNION FEE FUND

The Credit Union Fee Fund is the only source of funds for the Kansas Department of Credit Unions. Expenditures from the Credit Union Fee Fund have remained relatively steady for several years. The majority of the agency's expenditures are budgeted for salaries and wages, as well as contractual services.

Assessment of fees are based on the asset size of state-chartered credit unions on March 31 of each year. Prior to June 1 of each year, the Credit Union Administrator establishes an examination fee that is similar to the schedule established by the National Credit Union Administration, while also sufficient to meet the budget requirements of the agency.

KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund. The National Association of State Credit Unions Supervisors (NASCUS) recommends maintaining enough of a balance forward each fiscal year to cover one quarter's expenses. The Kansas Department of Credit Unions estimates that even with the remittance to the SGF, its balance will fulfill NASCUS recommendations in FY 2024.

FIG. 12 CREDIT UNION FEE FUND RESOURCE ESTIMATE, FY 2023 – FY 2027					
	Actual FY 2023	Actual FY 2024	Agency FY 2025	Agency FY 2026	Agency FY 2027
Beginning Balance	\$ 784,536	\$ 850,852	\$ 954,565	\$ 1,136,759	\$ 1,404,553
Audits and Inspections	1,023,949	1,330,551	1,579,223	1,685,710	1,730,331
Other Service Charges	4,320	-	-	-	-
Transfers In	-	-	-	-	-
Funds Available	\$ 1,812,805	\$ 2,181,403	\$ 2,533,788	\$ 2,822,469	\$ 3,134,884
Expenditures	\$ 1,014,497	\$ 1,226,838	\$ 1,397,029	\$ 1,417,916	\$ 1,374,455
Expenditures–Off-Budget	-	-	-	-	-
Transfers Out	-	-	-	-	-
Ending Balance	\$ 798,308	\$ 954,565	\$ 1,136,759	\$ 1,404,553	\$ 1,760,429

FIG. 13 KANSAS DEPARTMENT OF CREDIT UNIONS FEES, FY 2025			
Fee	Current Fee	Statutory Limit*	Previous Fee**
Total Asset Under \$1 Million	\$ 0	\$ -	\$ -
Total Asset Over \$1 Million, less than \$5 Million	0.2	-	-
Total Asset Over \$5 Million, less than \$20 Million	0.2	-	-
Total Asset Over \$20 Million, less than \$50 Million	0.2	-	-
Total Asset Over \$50 Million, less than \$100 Million	0.2	-	-
Total Asset Over \$100 Million, less than \$150 Million	0.2	-	-
Total Asset Over \$150 Million	0.2	-	-

* Note: The authority for these fees is found in KSA 17-2206.

** Note: These fees were changed within the last two fiscal years.

FIG. 14 NATURAL-PERSON CREDIT UNION FEES, FY 2024– FY 2027				
	Actual FY 2024	Actual FY 2025	Agency FY 2026	Agency FY 2027
Assets as of March 31	\$ 6,227,684	\$ 6,461,412,000	\$ 6,655,254,360	\$ 6,854,911,990
Asset Growth	3.3 %	3.8 %	3.0 %	3.0 %
Fees	\$ 1,247,229	\$ 1,320,710	\$ 1,360,331	\$ 1,401,140
Out-of-State Credit Union Fees	\$ 325,000	\$ 340,000	\$ 345,750	\$ 356,000

FIG. 15 CORPORATE CREDIT UNION FEES, FY 2024 – FY 2027				
	Actual FY 2024	Actual FY 2025	Agency FY 2026	Agency FY 2027
Assets as of March 31	\$ 1,211,782,097	\$ 1,236,017,738	\$ 1,276,188,314	\$ 1,320,855
Asset Growth	(23.2)%	2.0 %	3.3 %	3.5 %
Fee	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Fees	1,369,337	1,597,229	1,685,710	1,730,331
General Fund	(100,000)	(100,000)	(100,000)	(100,000)
Net Fees	1,269,337	1,497,229	1,585,710	1,630,331