

# POOLED MONEY INVESTMENT BOARD

	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	717,622	762,025	762,025	762,595	762,595
<i>Subtotal</i>	<i>\$ 717,622</i>	<i>\$ 762,025</i>	<i>\$ 762,025</i>	<i>\$ 762,595</i>	<i>\$ 762,595</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>\$ 717,622</b>	<b>\$ 762,025</b>	<b>\$ 762,025</b>	<b>\$ 762,595</b>	<b>\$ 762,595</b>
<b>Percentage Change:</b>					
Operating Expenditures					
State General Fund	0.0 %	-- %	-- %	-- %	-- %
All Funds	1.9	6.2	6.2	0.1	0.1
FTE Positions	5.0	5.0	5.0	5.0	5.0

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 Pooled Money Investment Board (PMIB) and its authority are established under the State Moneys Law, KSA 75-4201 *et seq.* The PMIB manages the investable state money available from the State General Fund (SGF) and the hundreds of other individual state agency funds received by the Office of the State Treasurer. PMIB also provides investment management services for individual state agencies with statutorily authorized investment authority. The agencies are referred to as "special funds," and include the Kansas Department of Transportation and the Health Care Stabilization Fund. In addition, PMIB administers the Kansas Municipal Investment Pool (MIP), a state program providing local municipal entities with an investment alternative for their idle funds. For investment and cash flow management purposes, MIP moneys are combined with investable state moneys to create the Pooled Money Investment Portfolio (PMIP). Under state statutes, investments are allowed in Kansas bank certificates of deposit (CDs) (no more than 15.0 percent of the portfolio per investment policy), U.S. Treasury securities, U.S. governmental agency securities, high grade commercial paper, high grade corporate bonds, and overnight repurchase agreements.

## MAJOR ISSUES FROM PRIOR YEARS

The **1992 Legislature** passed SB 480, which expanded investment authority to include investments in U.S. government securities.

The **1996 Legislature** passed SB 476, which allowed PMIB to purchase high grade commercial paper.

The **2008 Legislature** passed SB 472, which expanded PMIB's investment authority to include high grade corporate bonds.

The **2016 Legislature** directed the PMIB budget to be reported separately from the State Treasurer budget.

The **2017 Legislature** transferred the funding in the Office of the State Treasurer's Unclaimed Property Fund into the Pooled Money Investment Portfolio. The Legislature then directed the PMIB to transfer adequate funding from this source to the SGF to guarantee a \$50 million ending balance in fiscal year (FY) 2017 and the remainder for FY 2018 to be paid back in six yearly increments starting for FY 2019. The total transfer was approximately \$317.2 million.

The **2019 Legislature** adjusted the loan repayment schedule for the 2017 \$317.2 million bridge loan in FY 2019. The Legislature approved a transfer of \$52.9 million in FY 2019 and two additional payments of \$132.2 million in FY 2020 and FY 2021. The revised repayment schedule fully retires the loan in FY 2021, three years earlier than originally proposed.

## BUDGET SUMMARY AND KEY POINTS

**FY 2021 – Current Year.** The **agency** requests a revised estimate of \$762,025, all from the Pooled Money Investment Portfolio Fee Fund, in FY 2021, which is unchanged from the FY 2021 approved amount.

The revised estimate includes \$546,642 for salaries and wages expenditures, which is an increase of \$575, or 0.1 percent, above the FY 2021 approved amount. The increase is attributable to one employee promotion and increases in employer contributions to salaries and wages fringe benefits. The salaries and wages increase is offset by a decrease in contractual services.

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

**FY 2022 – Budget Year.** The **agency** requests \$762,595, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2022. This is an increase of \$570, or 0.1 percent, above the FY 2021 revised estimate. This increase is attributable to an increase in salaries and wages and commodities, which is partially offset by a decrease in contractual services.

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

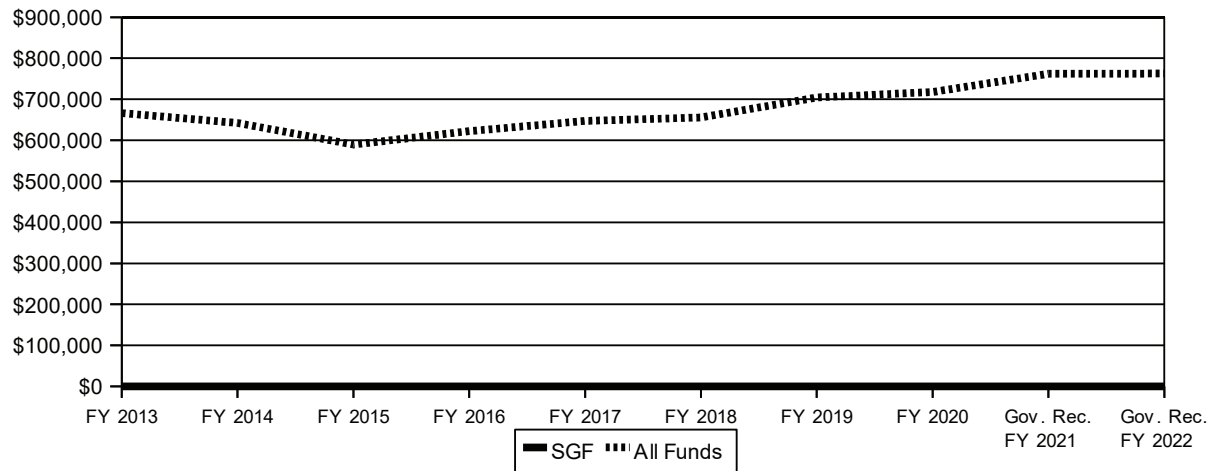
# PERFORMANCE MEASURES

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
Interest Earned on the Idle Portfolio (All Funds; Dollars in Millions)	\$ 47.3	\$ 92.0	\$ 66.9	\$ 73.7	18.5	9.8
Yield on Idle Portfolios in Excess of Average Yield of Comparable Federal Agency Discount Notes and Commercial Paper	0.05 %	0.07 %	0.05 %	0.23 %	Flat to +0.15%	Flat to +0.15%
Total Assets under Management (Dollars in Billions)	\$ 3.0	\$ 3.6	3.6	\$ 4.6	\$ 4.1	\$ 3.9
<i>Agency Expenditures</i>						
All Funds (Dollars in Thousands)	\$ 655.6	\$ 704.2	\$ 740.8	\$ 717.6	\$ 762.0	\$ 762.6
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2013 – FY 2022



## OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 666,244	(8.1)%	5.0
2014	0	--	642,155	(3.6)	5.0
2015	0	--	589,459	(8.2)	5.0
2016	0	--	622,146	5.5	5.0
2017	0	--	647,009	4.0	5.0
2018	0	--	655,557	1.3	5.0
2019	0	--	704,182	7.4	5.0
2020	0	--	717,622	1.9	5.0
2021 Gov. Rec.	0	--	762,025	6.2	5.0
2022 Gov. Rec.	0	--	762,595	0.1	5.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 96,351	14.5 %	0.0

**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	717,622	762,025	762,595	570	0.1	762,025	762,595	570	0.1
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 540,101	\$ 546,642	\$ 552,040	\$ 5,398	1.0 %	\$ 546,642	\$ 552,040	\$ 5,398	1.0 %
Contractual Services	164,997	201,103	196,200	(4,903)	(2.4)	201,103	196,200	(4,903)	(2.4)
Commodities	5,245	5,825	5,900	75	1.3	5,825	5,900	75	1.3
Capital Outlay	7,279	8,455	8,455	0	0.0	8,455	8,455	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 717,622	\$ 762,025	\$ 762,595	\$ 570	0.1 %	\$ 762,025	\$ 762,595	\$ 570	0.1 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
<b>TOTAL</b>	<b>\$ 717,622</b>	<b>\$ 762,025</b>	<b>\$ 762,595</b>	<b>\$ 570</b>	<b>0.1 %</b>	<b>\$ 762,025</b>	<b>\$ 762,595</b>	<b>\$ 570</b>	<b>0.1 %</b>
<b>Financing:</b>									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
All Other Funds	717,622	762,025	762,595	570	0.1	762,025	762,595	570	0.1
<b>TOTAL</b>	<b>\$ 717,622</b>	<b>\$ 762,025</b>	<b>\$ 762,595</b>	<b>\$ 570</b>	<b>0.1 %</b>	<b>\$ 762,025</b>	<b>\$ 762,595</b>	<b>\$ 570</b>	<b>0.1 %</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	762,025	762,025	0	762,025	0
<b>TOTAL</b>	<b>\$ 762,025</b>	<b>\$ 762,025</b>	<b>\$ 0</b>	<b>\$ 762,025</b>	<b>\$ 0</b>
FTE Positions	5.0	5.0	0.0	5.0	0.0

The **agency** requests a revised estimate of \$762,025, all from the Pooled Money Investment Portfolio Fee Fund, in FY 2021, which is unchanged from the FY 2021 approved amount. The revised estimate includes the following expenditure categories:

- **Salaries and Wages.** The agency estimates \$546,642 for salaries and wages in FY 2021. This is an increase of \$575, or 0.1 percent, above the FY 2021 approved amount. This increase is due to one employee promotion and increased employer contributions to group health insurance;
- **Contractual Services.** The agency estimates \$201,103 for contractual services in FY 2021. This is a decrease of \$575, or 0.3 percent, below the FY 2021 approved amount. This decrease is attributable to a decrease in expenditures for computer maintenance services. The major expenditures in this category are for fees for investment information technology, investment accounting, banking services, and audit services;
- **Commodities.** The agency requests \$ 5,825 for commodities in FY 2021, which is unchanged from the FY 2021 approved amount. Major expenditures in this category are for office supplies and stationery; and
- **Capital Outlay.** The agency estimates \$8,455 for capital outlay in FY 2021, which is unchanged from the FY 2021 approved amount. Major expenditures in this category are for hardware replacement, annual license and assurance fees, and software purchases.

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>	\$ 762,595	\$ 762,595	\$ 0
<b>FTE Positions</b>	5.0	5.0	0.0
<b>Change from FY 2021:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	570	570	
<b>TOTAL</b>	<b>\$ 570</b>	<b>\$ 570</b>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.1	0.1	
<b>TOTAL</b>	<b>0.1 %</b>	<b>0.1 %</b>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$762,595, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2022. This is an increase of \$570, or 0.1 percent, above the FY 2021 revised estimate. This increase is attributable to an increase in salaries and wages and commodities, which is partially offset by a decrease in contractual services. The request includes the following expenditure categories:

- **Salaries and Wages.** The agency requests \$552,040 for salaries and wages for FY 2022. This is an increase of \$5,398, or 1.0 percent, above the FY 2021 revised estimate. This increase is attributable to expected increases in employer contributions to salaries and wages fringe benefits;
- **Contractual Services.** The agency requests \$196,200 for contractual services, which is a decrease of \$4,903, or 2.4 percent, below the FY 2021 revised estimate. The major expenditures in the category are for fees for investment information technology, investment accounting, banking services, and audit services. The decrease is primarily attributable to performance audit-related expenditures in FY 2021 that do not reoccur for FY 2022;
- **Commodities.** The agency requests \$5,900 for commodities for FY 2022, which is an increase of \$75, or 1.3 percent, above the FY 2021 revised estimate. The expenditures are primarily for increased costs relating to office and household supplies; and
- **Capital Outlay.** The agency requests \$8,455 for capital outlay for FY 2022, which is unchanged from the FY 2021 revised estimate. Expenditures in this category are primarily technology-related, including hardware replacement, annual license and assurance fees, and software purchases.

The **Governor** concurs with the agency's request for 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
State General Fund	0.0 %	0.0 %
Pooled Money Investment Portfolio Fee Fund	100.0	100.0
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

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

## Pooled Money Investment Portfolio Fee Fund Analysis

The PMIB is a completely fee-funded state agency. Administrative fees are charged for portfolio management services. Fees are based on the average balance of the portfolios. Pursuant to KSA 75-4235, fees not necessary for reimbursement of administrative expenses are transferred monthly to the SGF. The agency required interest for 6.9 days in FY 2018, 3.7 days in FY 2019, 3.7 days in FY 2020, and an estimated 29.3 days in FY 2021 to pay for the agency's administrative expenditures.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 522,532	\$ 621,717	\$ 621,717	\$ 621,717	\$ 621,717
Revenue	4,916,807	1,875,000	4,062,025	1,860,000	3,162,595
Transfers in	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 5,439,339</i>	<i>\$ 2,496,717</i>	<i>\$ 4,683,742</i>	<i>\$ 2,481,717</i>	<i>\$ 3,784,312</i>
Less:					
Expenditures	\$ 717,622	\$ 762,025	\$ 762,025	\$ 762,595	\$ 762,595
Transfers Out	4,100,000	1,112,975	3,300,000	1,097,405	2,400,000
Off-Budget Expenditures	0	0	0	0	0
<b>Ending Balance</b>	<b>\$ 621,717</b>	<b>\$ 621,717</b>	<b>\$ 621,717</b>	<b>\$ 621,717</b>	<b>\$ 621,717</b>
Ending Balance as Percent of Expenditures	86.6%	81.6%	81.6%	81.5%	81.5%
Month Highest Ending Balance	June \$ 621,734	June \$ 739,749	June \$ 739,749	June \$ 739,749	June \$ 739,749
Month Lowest Ending Balance	November \$ 340,368	November \$ 404,975	November \$ 404,975	November \$ 404,975	November \$ 404,975

**POOLED MONEY INVESTMENT PORTFOLIO CASH FLOW ANALYSIS  
(AS OF DECEMBER 31, 2020, NUMBERS IN THOUSANDS)**

	2021				2022			
	Jan-March 1- 3 Mo	Apr-June 4-6 Mo	July-Sept 7-9 Mo	Oct-Dec 10-12 Mo	Jan-March 13-15 Mo	Apr-June 16-18 Mo	July-Sept 19-21 Mo	Oct-Dec 22-24 Mo
<b>Cash In</b>								
Maturities	3,861,895	850,000	100,000	0	0	0	0	0
Revenue*	7,328,800	9,078,600	9,173,900	7,281,200	7,328,800	9,078,600	9,173,900	4,759,400
<i>Total</i>	<u>11,190,695</u>	<u>9,928,600</u>	<u>9,273,900</u>	<u>7,281,200</u>	<u>7,328,800</u>	<u>9,078,600</u>	<u>9,173,900</u>	<u>4,759,400</u>
<b>Cash Out</b>								
MIP	969,741	9,750	1,045	0	0	0	0	0
Expenditures	7,211,900	8,141,700	8,989,100	8,101,900	7,212,000	8,141,700	9,049,100	5,748,600
<i>Total</i>	<u>8,181,641</u>	<u>8,151,450</u>	<u>8,990,145</u>	<u>8,101,900</u>	<u>7,212,000</u>	<u>8,141,700</u>	<u>9,049,100</u>	<u>5,748,600</u>
<b>Net Cash Available</b>	<u><b>3,009,054</b></u>	<u><b>1,777,150</b></u>	<u><b>283,755</b></u>	<u><b>(820,700)</b></u>	<u><b>116,800</b></u>	<u><b>936,900</b></u>	<u><b>124,800</b></u>	<u><b>(989,200)</b></u>

\*Projections

### Kansas Municipal Investment Pool (MIP)

Created pursuant to legislation passed during the 1992 Session, the Municipal Investment Pool (MIP) is a state program providing local municipal entities with an investment alternative for their idle funds. For investment and cash flow management purposes, MIP moneys are combined with investable state moneys to create the Pooled Money Investment Portfolio (PMIP). In December 1996, the Board revamped the existing MIP structure by eliminating the variable rate options, previously referred to as SMIP and IMIP, and by introducing new fixed-rate investment alternatives. In November 2000, the Board added a 30-day fixed-rate option and allowed municipalities to pick their own maturity date between 30 and 179 days. In January 2016, the Board added two new fixed-rate options—a 550 day and a 730 day—and allowed municipalities to pick their own maturity date between 30 and 725 days.

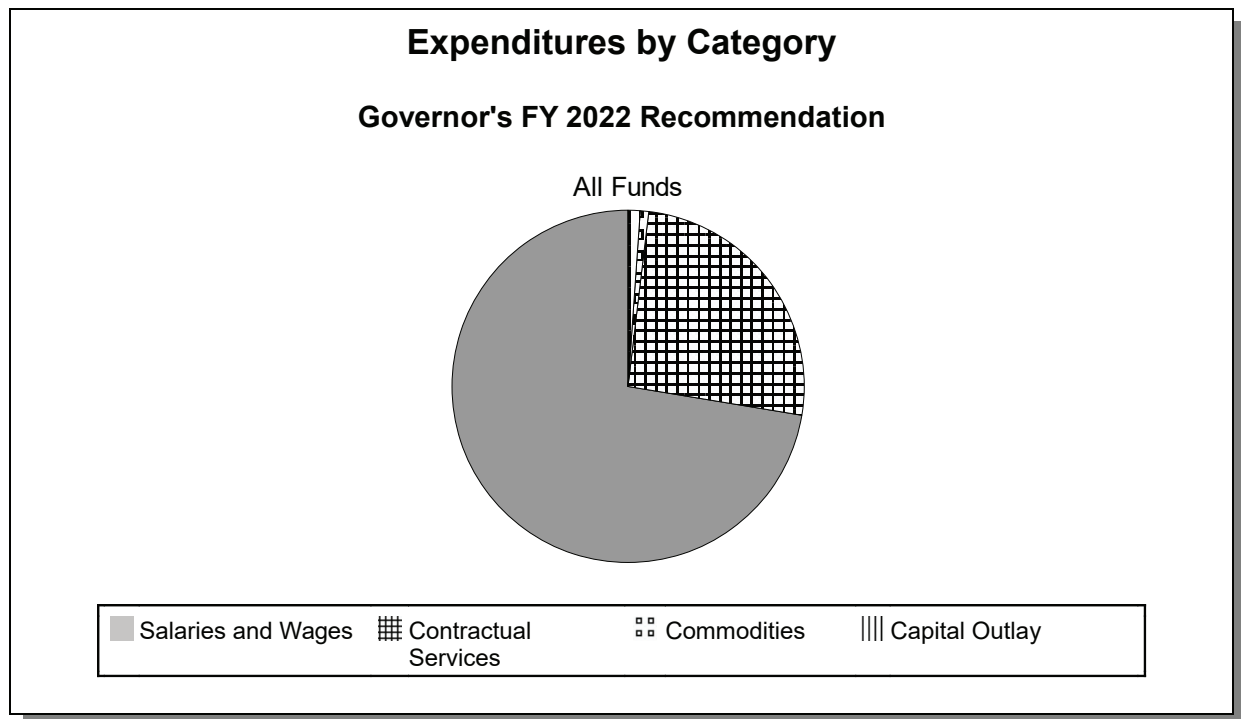
MIP balances totaled approximately:

- \$1.310 billion on June 30, 2019;
- \$1.166 billion on June 30, 2018;
- \$1.235 billion on June 30, 2017;
- \$951.9 million on June 30, 2016;
- \$1.056 billion on June 30, 2015;
- \$1.223 billion on June 30, 2014;
- \$962.0 million on June 30, 2013;
- \$834.0 million on June 30, 2012, and
- \$932.0 million on June 30, 2011.

**MUNICIPAL INVESTMENT POOL—DEPOSITS  
(AS OF DECEMBER 31, 2020)**

	OMP	FX 30	FX 90	FX 180	FX 365	FX550	FX 730	TOTAL
<b>Deposits</b>								
Agencies	\$ 1,980,339	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,980,339
Cities	\$ 199,397,166	\$ 11,417,467	\$ 24,324,782	\$ 6,372,388	\$ 0	\$ 0	\$ 0	\$ 241,511,833
Counties	\$ 369,638,607	\$ 3,000,000	\$ 1,500,000	\$ 5,145,000	\$ 4,000,000	\$ 0	\$ 0	\$ 383,283,607
Schools	\$ 256,517,843	\$ 397,559	\$ 211,646	\$ 0	\$ 0	\$ 0	\$ 0	\$ 257,127,048
Other	\$ 88,847,103	\$ 685,997	\$ 7,100,001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 96,633,101
<b>TOTAL</b>	<b>\$ 916,381,058</b>	<b>\$ 15,501,053</b>	<b>\$ 33,136,429</b>	<b>\$ 11,517,388</b>	<b>\$ 4,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 980,535,928</b>

# CATEGORY DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Salaries and Wages	\$ 552,040	72.4 %	\$ 0	-- %
Contractual Services	196,200	25.7	0	--
Commodities	5,900	0.8	0	--
Capital Outlay	8,455	1.1	0	--
<b>TOTAL</b>	<b>\$ 762,595</b>	<b>100.0 %</b>	<b>\$ 0</b>	<b>-- %</b>

**FTE POSITIONS BY PROGRAM FY 2020 – FY 2022**

Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Administration	5.0	5.0	5.0	5.0	5.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</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.)*