OFFICE OF THE MISSOURI STATE TREASURER
FY 2027 BUDGET REQUEST
PROGRAMS BOOK

VIVEK MALEK
MISSOURI STATE TREASURER

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Executive Budget Narrative

Executive Budget Narrative

ADMINISTRATION
The State Treasurer is responsible for receiving and investing state moneys, posting receipts to the proper funds, and signing warrants drawn according to law. As custodian of those funds, the State Treasurer determines the amount of state moneys not needed for current operating expenses and invests those funds in interest-bearing time deposits with Missouri financial institutions, or in short-term United States government obligations or other instruments, as provided by Article IV, Section 15 of the Missouri Constitution. Safety and liquidity are the State Treasurer's top priorities in investing the public's funds. The State Treasurer monitors capital markets and works to maximize the return on the state's portfolio without compromising safety, earning the state millions of dollars in interest income each year.

The State Treasurer is also responsible for all state banking services, authorizing state payments, and reconciling those accounts. The State Treasurer establishes bank accounts for the collection of state moneys and for the receipt of all electronic payments. To protect taxpayers' money, the State Treasurer maintains a separate accounting system to provide a check and balance on the Office of Administration accounting system, and distributes investment earnings to the proper funds.

Additionally, the State Treasurer is responsible for the biennial transfer of funds to the General Revenue Fund and the transfer of excess interest earned on the debt offset escrow account, as specified in Section 33.080, RSMo, and Section 143.786, RSMo.

MO BUCK$ INTIATIVE
The MO BUCK$ linked deposit program encourages economic growth and development in Missouri. It enables the state to provide reduced-rate deposits to financial institutions, which in turn make low-interest loans to eligible borrowers, as specified in Section 30.750, RSMo. Qualified borrower categories include agriculture, job creation, small business, local governments, or other authorized categories. Under the MO BUCK$ linked deposit program, the State Treasurer places deposits in Missouri financial institutions at a discount of up to 60 percent on the normal market interest rate. In turn, the financial institutions pass on the interest-rate savings by making loans to qualified borrowers at interest rates no more than 70 percent of the market rate. If the lending institution does not loan the full amount of the deposit, the institution must pay the state the difference between the market rate and the reduced linked deposit rate. If the State Treasurer determines that the lending institution miscalculated and overpaid additional interest, a refund is made to the lending institution.

UNCLAIMED PROPERTY AND THE ABANDONED FUND ACCOUNT

The State Treasurer administers the state's unclaimed property program by collecting, safeguarding, and returning unclaimed property sent by financial institutions, insurance companies, private businesses, and public agencies. The State Treasurer's Office holds this cash and property until the owner or their heirs can be located or come forward. The Treasurer is committed to returning as much unclaimed property as possible and continues to break records in this area. As required by state statute, the Treasurer also annually notifies owners of their unclaimed property via postcards sent to their last known address as well as by taking out advertisements in local newspapers.

In accordance with Section 447.543, RSMo, the abandoned fund account receives and holds these unclaimed funds, making payment of valid claims. Any time the abandoned fund exceeds 1/12 of the previous fiscal year's disbursements, the State Treasurer may, and at least once every year shall, transfer the excess to general revenue. If verified claims for payment should reduce the balance in the account to less than 1/24 of the previous fiscal year's disbursements, the State Treasurer shall transfer from general revenue an amount sufficient to restore the fund to 1/12 of the previous fiscal year's disbursements. Additionally, pursuant to Section 470.020, RSMo, the State Treasurer makes an annual transfer from the abandoned fund to the public schools fund equal to 5% of net transfers from the abandoned fund to general revenue.

ISSUING DUPLICATE AND OUTLAWED CHECKS

The State Treasurer is charged with replacing state-issued checks in the event they are not presented for payment within the legally required 12-month period pursuant to Section 30.200, RSMo.

CENTRAL CHECK MAIL SERVICE

The State Treasurer operates a centralized check mailing service for state agencies pursuant to Section 30.245, RSMo, which allows the state to take advantage of bulk mailing rates and consolidate payments to a single vendor.

MO SCHOLARS

The MO Scholars Program offers educational opportunities to Missouri students and their families. Additionally, the law provides for contributions to approved, non-profit Education Assistance Organizations (EAOs). These EAOs use the contributions to award scholarships to eligible Missouri students. The State Treasurer administers the fund and monitors compliance pursuant to Sections 166.705-166.720 RSMo, and 135.712-135.719 RSMo.

State Auditor's Reports and Legislative Oversight Evaluations

State Auditor's Reports and Oversight Evaluation

Program or Division Name	Type of Report	Date Issued	Website
Office of the State Treasurer	State Auditor's Report	July 2025	https://auditor.mo.gov/AuditReport/ViewReport?report=2025041
Office of the State Treasurer	State Auditor's Report	August 2023	https://auditor.mo.gov/AuditReport/ViewReport?report=2023033
Office of the State Treasurer	State Auditor's Report	August 2023	https://auditor.mo.gov/AuditReport/ViewReport?report=2023032
Office of the State Treasurer	State Auditor's Report	August 2022	https://auditor.mo.gov/AuditReport/ViewReport?report=2022052
Office of the State Treasurer	State Auditor's Report	June 2021	https://auditor.mo.gov/AuditReport/ViewReport?report=2021036
Office of the State Treasurer	State Auditor's Report	December 2019	https://auditor.mo.gov/AuditReport/ViewReport?report=2019130
Office of the State Treasurer	State Auditor's Report	May 2019	https://auditor.mo.gov/AuditReport/ViewReport?report=2019033
Office of the State Treasurer	State Auditor's Report	May 2019	https://auditor.mo.gov/AuditReport/ViewReport?report=2019034
Office of the State Treasurer	State Auditor's Report	March 2018	https://auditor.mo.gov/AuditReport/ViewReport?report=2018014
Office of the State Treasurer	State Auditor's Report	April 2017	https://auditor.mo.gov/AuditReport/ViewReport?report=2017029
Office of the State Treasurer	State Auditor's Report	April 2017	https://auditor.mo.gov/AuditReport/ViewReport?report=2017028
Office of the State Treasurer	State Auditor's Report	April 2016	https://auditor.mo.gov/AuditReport/ViewReport?report=2016019
Office of the State Treasurer	State Auditor's Report	April 2015	https://auditor.mo.gov/AuditReport/ViewReport?report=2015016
Office of the State Treasurer	State Auditor's Report	May 2014	https://auditor.mo.gov/AuditReport/ViewReport?report=2014034

Program Description Forms

PROGRAM DESCRIPTION

Department: State Treasurer's Office	**AB Section(s): 12.185**
Program Name: Investments, Banking, General Services	
Program is found in the following core budget(s): STO Operating Core	

1a. What strategic priority does this program address?

The operations of the State Treasurer's Office carry out the duties assigned to the Office of the Missouri State Treasurer in the Missouri Constitution and state statutes. These operations manage and perform the investment of state funds; the maintenance and reconciliation of bank accounts, including the disbursement of funds from the treasury; the separate accounting of the funds of the state; and the distribution of interest to those funds.

Pursuant to Article IV, Section 15, of the Missouri Constitution, the Treasurer is to be the custodian of all state funds and funds received from the United States Government. The Treasurer shall deposit all moneys not needed for current expenses in investment vehicles authorized in the Missouri Constitution.

Pursuant to Chapter 30, RSMo, the Treasurer shall disburse state moneys upon warrants drawn on the treasury according to law; ensure warrants presented for payment are properly drawn against a legal appropriation and do not exceed the amount of the appropriation; shall issue a duplicate payment for any payments not presented within one year of issuance; shall distribute interest earned on investments to the funds according to law; shall contract with state depositaries; shall maintain an investment policy and invest state funds in accordance with that policy; shall ensure sufficient and satisfactory collateral is pledged by state depositaries; shall keep separate accounts of the funds of the state; shall report to the Governor, Commissioner of Administration, Auditor, Attorney General, and General Assembly as required by statute; and shall manage any linked deposits placed according to statute.

1b. What does this program do?

The State Treasurer's Office ensures that state funds are invested according to law, maintains a separate accounting of the funds for the state, obtains banking services which provide quality cash management services, distributes interest to the funds for the state, settles claims against the Second Injury Fund, provides service to taxpayers and state agency personnel, establishes and administers policies for the Missouri Linked Deposit Program, the Missouri ABLE Program, Missouri ABLE Program, Missouri's 529 Education Plan, and the MOScholars Program to ensure are used within the guidelines set by legislation and policy, and processes replacement checks.

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185**
Program Name: Investments, Banking, General Services
Program is found in the following core budget(s): STO Operating Core

2a. Provide an activity measure(s) for the program.

	FY 2023 Proj.	FY 2023 Actual	FY 2024 Proj.	FY 2024 Actual	FY 2025 Proj.	FY 2025 Actual	FY 2026 Proj.	FY 2027 Target	FY 2028 Target
Missouri Linked Deposits and General Time Deposits Placed	1,000	1,237	1,300	1,099	1,300	1,316	1,500	1,600	1,700
Dollar Amount of State Payments Processed	31.500 b	39.765 b	40.000 b	42.368b	42.500 b	43.710 b	43.000 b	43.500 b	44.000 b
Demand Bank Accounts Managed	125	120	120	77	77	71	77	77	77

2b. Provide a measure(s) of the program's quality.

	FY 2023 Proj.	FY 2023 Actual	FY 2024 Proj.	FY 2024 Actual	FY 2025 Proj.	FY 2025 Actual	FY 2026 Proj.	FY 2027 Target	FY 2028 Target
Proactive Letters & Affidavits Sent	8,200	7,024	8,200	18,034	15,000	13,037	15,000	16,000	17,000
ACH (Electronic Payment) Activity as a percent of total disbursements	77.5%	73.82%	77.5%	76.31%	77.0%	77.48%	77.5%	78.0%	78.5%

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185**

Program Name: Investments, Banking, General Services

Program is found in the following core budget(s): STO Operating Core

2c. Provide a measure(s) of the program's impact.

	FY 2023 Proj.	FY 2023 Actual	FY 2024 Proj.	FY 2024 Actual	FY 2025 Proj.	FY 2025 Actual	FY 2026 Proj.	FY 2027 Target	FY 2028 Target
Assets Under Management (includes STO Portfolio, MO ABLE, MOST 529 plan)	18b	21.7b	20b	22.1b	20b	21b	17b	17b	17b
Dollar Amount of Linked Deposits Outstanding	300m	509m	800m	578m	800m	769m	900m	900m	900m

2d. Provide a measure(s) of the program's efficiency.

	FY 2023 Proj.	FY 2023 Actual	FY 2024 Proj.	FY 2024 Actual	FY 2025 Proj.	FY 2025 Actual	FY 2026 Proj.	FY 2027 Target	FY 2028 Target
State Investment Returns as a percent of average 3 month T-Bill rate (USGG3M)	200%	57%	70%	59%	74%	70%	75%	100%	100%
General Services Payment Look Ups	7,500	15,216	10,000	12,171	12,000	24,486	20,000	21,000	22,000

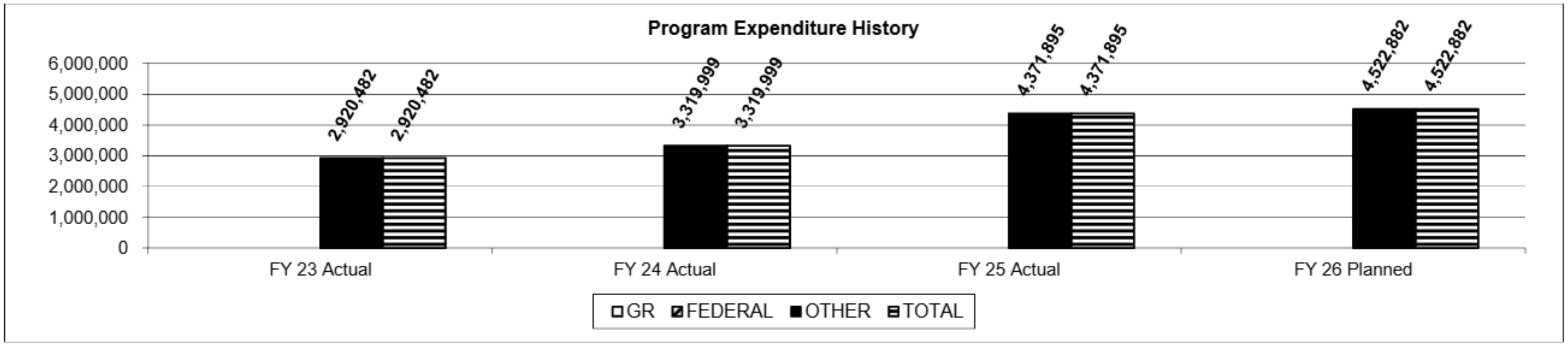
PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185**

Program Name: Investments, Banking, General Services

Program is found in the following core budget(s): STO Operating Core

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (*Note: Amounts do not include fringe benefit costs.)*



4. What are the sources of the "Other " funds?

State Treasurer's General Operations Fund (0164); Abandoned Fund PS (0863); Central Check Mail Fund (0515); Treasurer's Information Fund (0255)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Chapters 30 and 447, RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185**

Program Name: Missouri Empowerment Scholorship Accounts Program

Program is found in the following core budget(s): MESAP Core

1a. What strategic priority does this program address?

MoScholars awards scholarship accounts to parents or guardians of at-risk students, which can be used for a wide-range of educational resources.

1b. What does this program do?

In 2021, the Missouri General Assembly passed HB349 and SB86, which established the Missouri Empowerment Scholarship Accounts Program, MOScholars. The law provides for contributions to approved, non-profit Educational Assistance Organizations (EAOs). These EAOs use the contributions to award scholarship accounts to Missouri students with Individual Education Plans (IEPs) and students living in low-income households.

2a. Provide an activity measure(s) for the program.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Target	Target	Target
Number of MOScholars Scholarships Awarded	800	1,365	1,500	1,997	2,100	2,677	6,000	13,000	16,000

2b. Provide a measure(s) of the program's quality.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Target	Target	Target
Parent Satisfaction	75%	95%	75%	98%	75%	96%	90%	92%	96%

2c. Provide a measure(s) of the program's impact.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Target	Target	Target
Number of Schools Participating in MOScholars Program	150	179	200	318	340	259	400	475	500

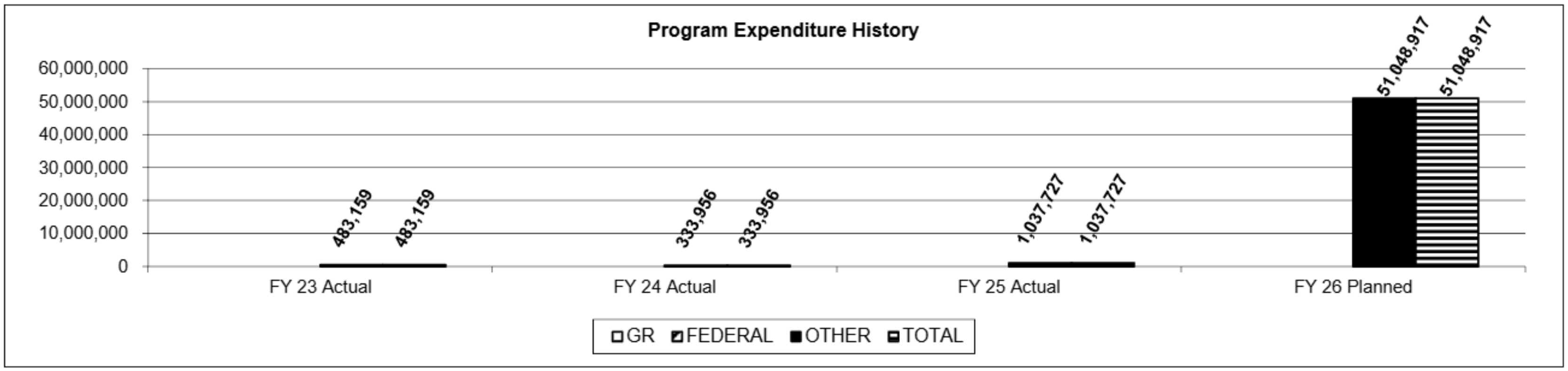
PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185**
Program Name: Missouri Empowerment Scholorship Accounts Program
Program is found in the following core budget(s): MESAP Core

2d. Provide a measure(s) of the program's efficiency.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Target	Target	Target
Admin Expenditures as a Percent of Tax Credits	10%	5%	10%	3%	8%	2%	8%	8%	8%

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (*Note: Amounts do not include fringe benefit costs.)*



4. What are the sources of the "Other " funds?

MO Empowerment Scholarship (0278)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 166.705, RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185,12.195**
Program Name: Abandoned Fund
Program is found in the following core budget(s): AF Advertising & Auction and AF Claims

1a. What strategic priority does this program address?

The Abandoned Fund, also known as the Unclaimed Property Program, receives, maintains, and pays out to the rightful owners of abandoned funds remitted to the state pursuant to Sections 447.500-595, RSMo.

The State Treasurer, through the Unclaimed Property Program, shall receive reports of unclaimed property from holders; shall keep record of the owner information submitted by holders; shall make prompt payment of claims submitted by owners; shall sell property held for 2 years at public sale; shall maintain a registry of representatives assisting in the recovery of unclaimed property held by the Treasurer, which have complied with the certification requirements in state statute to remain in good standing; and shall annually publish the names of persons appearing to be owners of abandoned property.

1b. What does this program do?

The State Treasurer's Office (STO) is obligated to issue a check to the rightful owners of unclaimed property in accordance with Missouri Statutes.

In order for the STO to fulfill its statutory advertising requirements regarding unclaimed property, the STO must mail notices, advertise in newspapers, and utilize outreach programs (i.e. radio, television, website, booths at public events and other proactive owner locations) in an attempt to locate rightful owners of unclaimed or abandoned funds held by the STO. The STO must also make all precautions to conduct an auction of items received that need to be liquidated. This includes an auctioneer, locating a place to hold the auction, cataloguing the items to be sold, and advertisement for the auction.

2a. Provide an activity measure(s) for the program.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Unclaimed Property Accounts Paid	236,106	272,368	275,091	243,665	246,102	224,326	226,569	228,835	231,123

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185,12.195**
Program Name: Abandoned Fund
Program is found in the following core budget(s): AF Advertising & Auction and AF Claims

2b. Provide a measure(s) of the program's quality.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Average Days to Process a Claim	7.00	5.00	8.00	11.47	10.00	8.52	9.00	8.50	8.00

2c. Provide a measure(s) of the program's impact.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Total Dollars Returned & Value of Securities	50,737,151	55,298,354	55,851,338	56,449,250	56,731,496	57,816,589	58,105,671	58,396,199	58,688,180

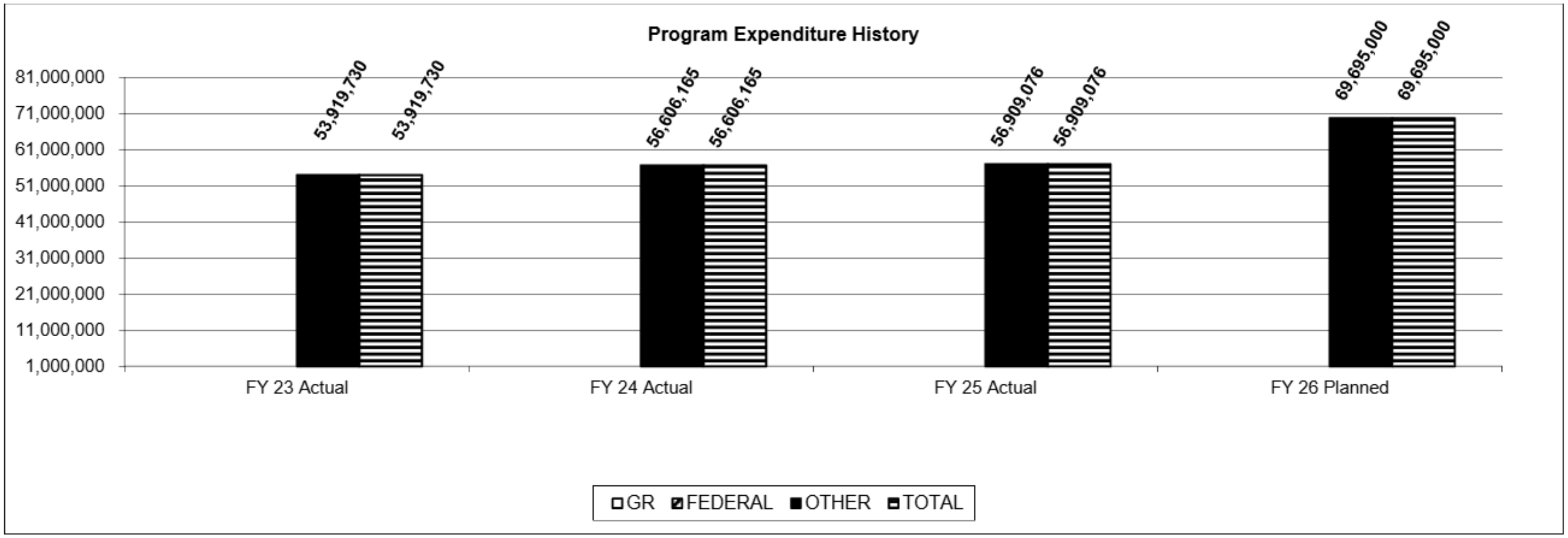
2d. Provide a measure(s) of the program's efficiency.

	FY 2023		FY 2024		FY 2025		FY 2026	FY 2027	FY 2028
	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Target	Target
Owner Accounts Received & Processed	1,399,511	1,225,352	1,237,605	1,155,656	1,167,213	1,357,297	1,370,869	1,384,577	1,398,422

PROGRAM DESCRIPTION

Department: State Treasurer's Office **AB Section(s): 12.185,12.195**
Program Name: Abandoned Fund
Program is found in the following core budget(s): AF Advertising & Auction and AF Claims

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (*Note: Amounts do not include fringe benefit costs.)*



4. What are the sources of the "Other " funds?

Abandoned Fund (0863)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Sections 447.500-595, RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

Other Submissions

FY 2027
Comprehensive List of Flexibility Requests

DEPARTMENT						AMOUNT		FLEXIBILITY	
AB	Approp	APPROP NAME	FUND	FUND TYPE	FLEX TYPE	FY 27 Requested	FY 27 Governor	FY 26 TAFP	FY 27 Requested
12.185	10844	STATE TREASURER PS-0164	0164	OTHER	FLEX BETWEEN PS AND E&E	$751,766		100%	100%
12.185	10845	STATE TREASURER E&E-0164	0164	OTHER	FLEX BETWEEN PS AND E&E	$2,583,686		100%	100%
12.185	13011	MESAP PS-0278	0278	OTHER	FLEX BETWEEN PS AND E&E	$239,892		100%	100%
12.185	13014	MESAP EE-0278	0278	OTHER	FLEX BETWEEN PS AND E&E	$50,809,025		100%	100%
12.185	10843	STATE TREASURER PS-0515	0515	OTHER	FLEX BETWEEN PS AND E&E	$16,062		100%	100%
12.185	12212	STATE TREASURER E&E-0515	0515	OTHER	FLEX BETWEEN PS AND E&E	$100,000		100%	100%
12.185	10870	STATE TREASURER PS-0863	0863	OTHER	FLEX BETWEEN PS AND E&E	$947,768		100%	100%
12.185	10872	STATE TREASURER E&E-0863	0863	OTHER	FLEX BETWEEN PS AND E&E	$1,818,600		100%	100%

Notes:

FY 26 TAFP Flex should be the amount of flex in the FY 26 TAFP bill, not the flex amount requested.

Many departments will only have flex between PS and E&E.

For flex that is not between two appropriations but is instead between Appropriation Bill sections or for programmatic purposes, departments do not need to list all of the approp numbers, fund numbers, and appropriation amounts. See Sections 10.235, 10.300, and 10.540 for examples of this type of flex.

Departments do not need to request flex authority to the Legal Expense Fund.