



STATE OF KANSAS  
OFFICE OF THE ATTORNEY GENERAL

**DEREK SCHMIDT**  
ATTORNEY GENERAL

MEMORIAL HALL  
120 SW 10TH AVE., 2ND FLOOR  
TOPEKA, KS 66612-1597  
(785) 296-2215 • FAX (785) 296-6296  
WWW.AG.KS.GOV

June 29, 2020

Jocelyn Gunter, Director  
Office of Accounts and Reports  
Kansas Department of Administration  
Eisenhower State Office Building  
700 SW Harrison Street  
Topeka, KS 66603

By email: [jocelyn.gunter@ks.gov](mailto:jocelyn.gunter@ks.gov) and building mail

Dear Director Gunter:

K.S.A. 75-4209(m)(2) and (m)(4) set forth specific requirements for repayment of funds loaned to the state general fund from the pooled money investment portfolio pursuant to K.S.A. 75-4209(m)(1) and (m)(3). Those statutory provisions require repayment in three installments: The first on or before June 30, 2019; the second on or before June 30, 2020; and the third on or before June 30, 2021. As relevant here, K.S.A. 75-4209(m)(2)(B) and (m)(4)(B) require that “[o]n or before June 30, 2020 ... the director of accounts and reports shall transfer” the second installment “from the state general fund to the pooled money investment portfolio.” The amount of the second installment has been calculated at \$132,166,666.67.

Although the statute places on the director of accounts and reports the duty for making the three repayment transfers, in practice the Office of the State Treasurer initiated the first transfer, which was due June 30, 2019. That transfer was completed timely and without dispute. Consequently, the Office of the State Treasurer on June 26, 2020, initiated the second repayment transfer. However, immediately after that transfer was made, the Office of the State Treasurer was made aware that the Division of Budget had reversed the second transfer. Citing the requirement of K.S.A. 75-4209(m)(2)(B) and (m)(4)(B), the Office of the State Treasurer declined to reverse the transfer. Nevertheless, later on that same day persons outside the Office of the State Treasurer reversed the transfer.

Therefore, as of the date of this letter, to the best of our knowledge, the required transfer of \$132,166,666.67 from the state general fund to the pooled money investment portfolio has not been accomplished. K.S.A. 75-4209(m)(2)(B) and (m)(4)(B) impose a nondiscretionary duty on you to make that transfer not later than tomorrow. While we are aware of the state’s current

fiscal position, the law mandating this loan repayment remains in force and cannot be disregarded. Therefore, we seek your immediate assurance you will make this transfer as required by law; if not, we will review options for enforcement of the law. Because the statute requires notice of the transfer be provided to the director of legislative research and the director of the budget, we are copying those officials on this correspondence.

Sincerely,



Derek Schmidt  
Kansas Attorney General



Jake LaTurner  
Kansas State Treasurer



Casey Lair  
Chair, Pooled Money  
Investment Board

Cc: J.G. Scott, Director of Legislative Research  
Larry Campbell, Director, Division of the Budget  
DeAngela Burns-Wallace, Secretary, Kansas Department of Administration