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**WRITTEN ONLY PROPONENT TESTIMONY
SENATE BILL 375**

**Before the House Committee on Financial Institutions and Pensions
By Kansas State Treasurer Steven Johnson**

March 2, 2026

Chairman Hoheisel and Members of the Committee:

Thank you for the opportunity to provide written-only proponent testimony in support of Senate Bill 375.

SB 375 reinforces an important and long-standing principle in public finance: fiduciaries entrusted with managing public dollars must base their decisions on pecuniary factors — that is, financial considerations such as risk, return, cost, and long-term economic impact. When managing taxpayer funds, the primary responsibility must always be financial performance and prudent risk management.

Kansas manages billions of dollars in public investments. Even small differences in return or increased exposure to unnecessary risk can have significant long-term consequences for taxpayers and beneficiaries. By clarifying that investment decisions must prioritize financial factors, SB 375 strengthens accountability and reinforces confidence in the stewardship of public funds.

The Kansas State Treasurer supports efforts that ensure transparency, discipline, and financial responsibility in the management of public assets. Maximizing the financial return for the investor is the bottle line responsibility of every fiduciary.

Over the past several years, that clear standard has at times become blurred as environmental, social, and governance (ESG) considerations were introduced as purported fiduciary obligations. Because these factors are often subjective and difficult to quantify, they have increasingly become politicized in certain contexts. This shift risks diverting attention from the objective, performance-based framework that was established to ensure investment decisions are made solely in the financial interest of beneficiaries.

SB 375 does not dictate specific investment choices. Instead, it reinforces the standard under which those decisions are made — a standard rooted in prudence, accountability, and sound financial judgment.

Thank you for your time and consideration. I respectfully ask for your support of Senate Bill 304.