



# [Oklahoma State Treasurer]

**FY 2027 Budget Hearing Presentation**

Submitted by: [Hon. Todd Russ, State Treasurer]

# Todd Russ State Treasurer



The Oklahoma State Treasurer provides for the safe and efficient operation of state government through effective banking, investment, and cash management.

Founded at statehood and enshrined in the Oklahoma Constitution, this agency, encompasses the following divisions: Administration, Banking and Treasury Services, Portfolio Accounting and Reporting, Unclaimed Property, Debt Management, the Oklahoma Capitol Improvement Authority, Compliance and Internal Audit.

The State Treasurer has the following specific statutory and constitutional responsibilities:

1. Receiving, depositing, and disbursing all state funds;
2. Investing temporary surplus funds;
3. Investing specific funds for other state agencies where authorized;
4. Requiring banks to furnish collateral sufficient to secure deposits of state and other public funds;
5. Paying of interest on the state's bonded debt and the redeeming of the debt at maturity;
6. Maintaining a safekeeping operation for securities owned by various state agencies, and those securities pledged as collateral to other state agencies;
7. Processing and distributing all state payments;
8. Administering the Business and Agricultural Link Programs;
9. Administering the Unclaimed Property Program;
10. Overseeing the issuance of debt and other obligations by the state's 10+ issuers, as well as management of the state's private activity bond volume cap;
11. Administering the Oklahoma Capitol Improvement Authority, including managing the Legacy Capital Fund and Oklahoma Capital Asset Maintenance and Protection programs;
12. Administering Oklahoma 529 Program, Oklahoma STABLE Program, OKSEED Program;
13. State Treasurer serves as chair of Oklahoma 529 College Savings Plan, Tobacco Settlement Trust Board of Investors, and Oklahoma Pension Oversight Commission

# Agency Vision, Mission and Core Values

**VISION:** The vision of the State Treasurer's Office is to remain a state agency that is among the national leaders for the delivery of basic treasury services and innovative programs; improves on programs through more efficient and effective delivery of financial services; demonstrates leadership through the use of technology and the introduction of new or enhanced programs and services that meet the needs of Oklahoma citizens; provides public education and information as to the availability of programs and services, as well as the roles and responsibilities of the Treasurer's office; and, achieves and maintains public confidence in the State Treasurer's Office.

**MISSION:** The mission of the Oklahoma State Treasurer is to serve the people of Oklahoma by providing sound banking and investment services, reuniting individuals and businesses with their unclaimed property, and promoting economic opportunities in a fiscally responsible and efficient manner while adhering to the highest professional and ethical standards.

**CORE VALUES:** Our core values guide how the State Treasurer's Office serves the people of Oklahoma and fulfills its responsibilities as a state agency. They reflect our commitment to managing public resources responsibly, maintaining the highest ethical standards, providing excellent service, and fostering a culture of teamwork, innovation, and clear communication. These principles ensure that our operations are efficient, effective, and trustworthy.

- Fiscal Stewardship
- Ethical Conduct
- Public Service
- Team Collaboration
- Clear Communication
- Smart Innovation
- Operational Balance
- Accountability
- Transparency
- Continuous Improvement
- Community Engagement



# Accomplishments

## Top accomplishments for FY 2025 – FY 2026

- 1) **Treasury Modernization Effort** – The final vendor, FIS Capital Markets US LLC, has been selected, and agreements have been executed for an approximately \$12 million project. Multiple environments have been established, with access granted to OST. The Treasury module is completing UAT, with Go Live planned for mid-February 2026. Remaining modules are nearing the end of configuration, with UAT scheduled for January 2026 and Go Live expected before the end of FY 2026. The project remains on schedule and within budget.
- 2) **Unclaimed Property System Modernization** – The existing Unclaimed Property (UP) software, which has been in use for 25 years, has been transitioned to the most modern and relevant software available. This upgrade is expected to deliver significant efficiencies and increase payouts, with an anticipated upward of 30% growth in the first year of implementation.
- 3) **Debt Management:**
  - Issuance of bonds and obligations across all state issuers totaled a high \$3.4 billion across 32 transactions in calendar year 2025.
  - Moody's Ratings and S&P Global Ratings upgraded the state's credit rating to Aa1 and AA+, respectively, which represents the second-highest rating possible. Fitch Ratings maintains a Positive Outlook on the state's credit rating indicating the expectation of an upgrade in the next 6-12 months.
  - Maximized Legacy Capital Fund investment earnings which supplement the recapitalization payments in the amount of \$62.3 million since inception in July 2023.
- 4) **Programs:**
  - Grown the Oklahoma 529 College Savings Plan toward 100,000+ active accounts statewide and reached \$1.75 billion in assets under management by 2028. Expand direct deposit for businesses and expand to K–12 private tuition savings and mobile-friendly payment options.
  - Grown our state-run Oklahoma ABLE Program, which empowers people with disabilities to save and invest without losing SSI or Medicaid benefits, with eligibility expanding to more than 250,000 Oklahomans on January 1, 2026.
  - Expanded Unclaimed Property outreach through consumer education, estate-planning partnerships, and a new business account-holder compliance pathway to help more Oklahomans successfully claim funds.
  - Completed the first 25% of SEED for Oklahoma Kids (SEED OK) disbursements totaling \$3.4 million to support students entering college and career training programs. This 2007 research project also informs current policy for the new Trump Accounts providing \$1,000 to eligible newborns nationwide in 2026.
  - Launch a statewide K–12 Financial Literacy initiative in partnership with schools, organizations, and employers to equip Oklahoma students and families with the tools for confident, informed financial decision-making.
- 5) **Investments:**
  - Record breaking year for FY25 General Fund interest earnings coming in at \$450 million or 11% over projections.
  - General Fund/OK Invest market value reflected a high of \$18 billion as of June 30, 2025.
  - Earned over \$7.6 million from security lending revenue.



# Analysis of Agency Challenges

	<b>Challenge Description</b>	<b>Current Actions</b> (Briefly describe how the agency is currently addressing the challenge.)	<b>Planned Actions</b> (Briefly describe how the agency plans to address the challenge going forward.)
1	Outdated and at-risk -Legacy Systems	OST has contracted with FIS Capital Markets US LLC to replace the legacy systems. The project is progressing on schedule with expected Go-live before the end of FY26.	Continue with testing and implementing the selected SaaS solution within the expected budget and timeline.
2	Economic trends	Maintain adequate liquidity	Monitor agency needs for liquidity
3	Administration of Legacy Capital Fund	The program is administered by current OCIA staff and funded by administrative fees collected from state agencies in OCIA's bond program.	Modify Legacy Capital Fund Program.
4			
5			



# Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2025 (Actual \$ Savings)	FY 2026 (Projected \$ Savings)	FY 2027 (Projected \$ Savings)
<b>Legacy System Modernization</b>	Replacement of legacy systems with modern solutions to achieve efficiencies	Reduced maintenance and support needs, leading to reduced costs	N/A	N/A	Possible Savings from reduced risk of system failures due to modernization
<b>Credit Rating Increase</b>	Lower interest costs on bond issues	Dollars	N/A	N/A	TBD
<b>Legacy Capital Fund</b>	Portfolio earnings will supplement additional projects	\$25 MM +	\$29.4MM	\$27.6MM	
<b>Space Consolidation UP</b>	Moving Unclaimed Property to State owned facility on Capital complex	Reduced external lease requirements for Unclaimed Property	N/A	TBD	TBD

\* Hours, FTE, square feet, etc.



# Agency Goals and Key Performance Metrics

Goal		Metric	FY 25 Target	FY 25 Actuals	FY 26 Target
1	To achieve more efficiency and process via secure payment methods, reducing the overall costs to state agencies and OST	Warrants Processed - %	10%	~10%	10%
2	To reunite as many missing rightful owners as possible with their unclaimed property – D0201 (Debts & Obligations)	Unclaimed Property – Total of Claims Paid	\$37,353,518	\$34,623,411	\$41,548,094
3	To reunite as many missing rightful owners as possible with their unclaimed property - D0201 (Debts & Obligations)	Unclaimed Property – Number of Claims Paid	13,019	12,469	14,963
4					
5					
6					
7					
8					



# Projects for FY 2026

- 1) **Replacement of Legacy Systems** – Project underway with Go Live targeted before the end of FY 2026.
- 2) **Enhance State Credit Rating** – Aim to improve the state’s Fitch Ratings from AA with Positive Outlook to AA+ with Stable Outlook.
- 3) **Host Oklahoma Public Finance Alliance Event** – Launch the state’s first event to strengthen relationships between state and local debt issuers.
- 4) **Grow the Oklahoma 529 Education Savings Plan** – Expand participation to improve educational outcomes for Oklahomans.
- 5) **Rebrand Oklahoma ABLE Program** – Update program for people with disabilities to allow for tax-free cost-of-living benefits.
- 6) **Market OK ABLE Program** – Lead marketing and partnership campaigns to inform veterans and individuals diagnosed before age 46.
- 7) **Expand Unclaimed Property (UP) Key Performance Indicators** – Strengthen personnel acquisition and training to achieve an additional 30% redemption of property.



# Projects for FY 2027

- 1) **Complete Legacy Systems Modernization** – Transition all operations to the SaaS solution before the end of FY 2026, followed by decommissioning legacy systems promptly after Go Live.
- 2) **Drive Operational Efficiencies** – Achieve continued improvements through system upgrades, statute amendments, and maintaining the safety, soundness, and security of investments.
- 3) **Implement OCAMP Program** – Roll out the OCAMP program as mandated by legislation.



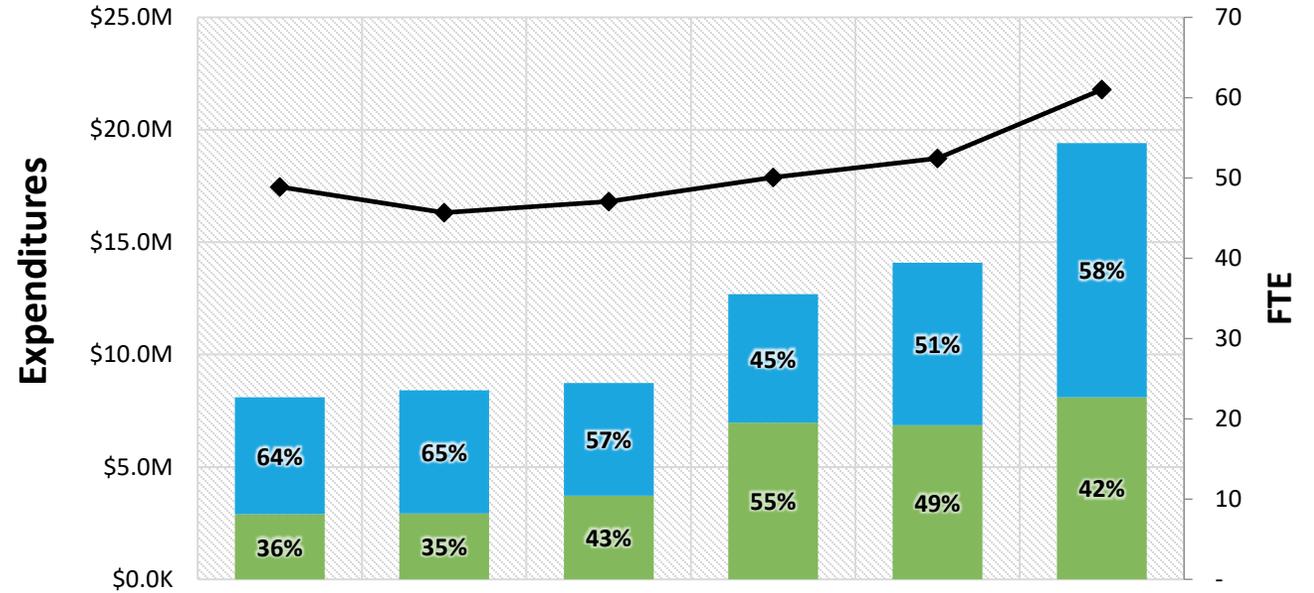
# Total Historic Actual Expenditures

(FY 2021-25) and Current Year Budget (FY 2026)

## Explanation of Changes and Trends

The FY24 – FY26 appropriated totals include actual and budgeted expenses for OST’s Legacy Modernization project and reflect in the increased totals. The increase in revolving fund expenditures for FY25 and FY26 reflects the transition from outdated unclaimed property software to a more efficient and updated solution.

## Historic Actual Expenditures and Current Year Budget



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026 Current Budget
Appropriated	\$2.9M	\$2.9M	\$3.7M	\$7.0M	\$6.9M	\$8.1M
Revolving	\$5.2M	\$5.5M	\$5.0M	\$5.7M	\$7.2M	\$11.3M
Federal						
<b>Total</b>	<b>\$8.1M</b>	<b>\$8.4M</b>	<b>\$8.7M</b>	<b>\$12.7M</b>	<b>\$14.1M</b>	<b>\$19.4M</b>
FTE	49	46	47	50	52	61



# Estimated Impact of Federal Funding Changes

<i>Program Name</i>	<i>Federal Agency</i>	<i>Description of expected change (s) (i.e. change in state match, admin costs, program requirements or client eligibility, etc.)</i>	<i>Actual FY 25 Total Federal Funding Received (\$)</i>	<i>Projected FY 26 Total Federal Funding To Be Received (\$)</i>	<i>Estimated FY 27 Total Federal Funding To Be Received (\$)</i>
No changes expected			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

*\* Only list programs with federal funding that are expected to change. Refer to the agency's Federal Funds Schedule in the Budget Request document.*



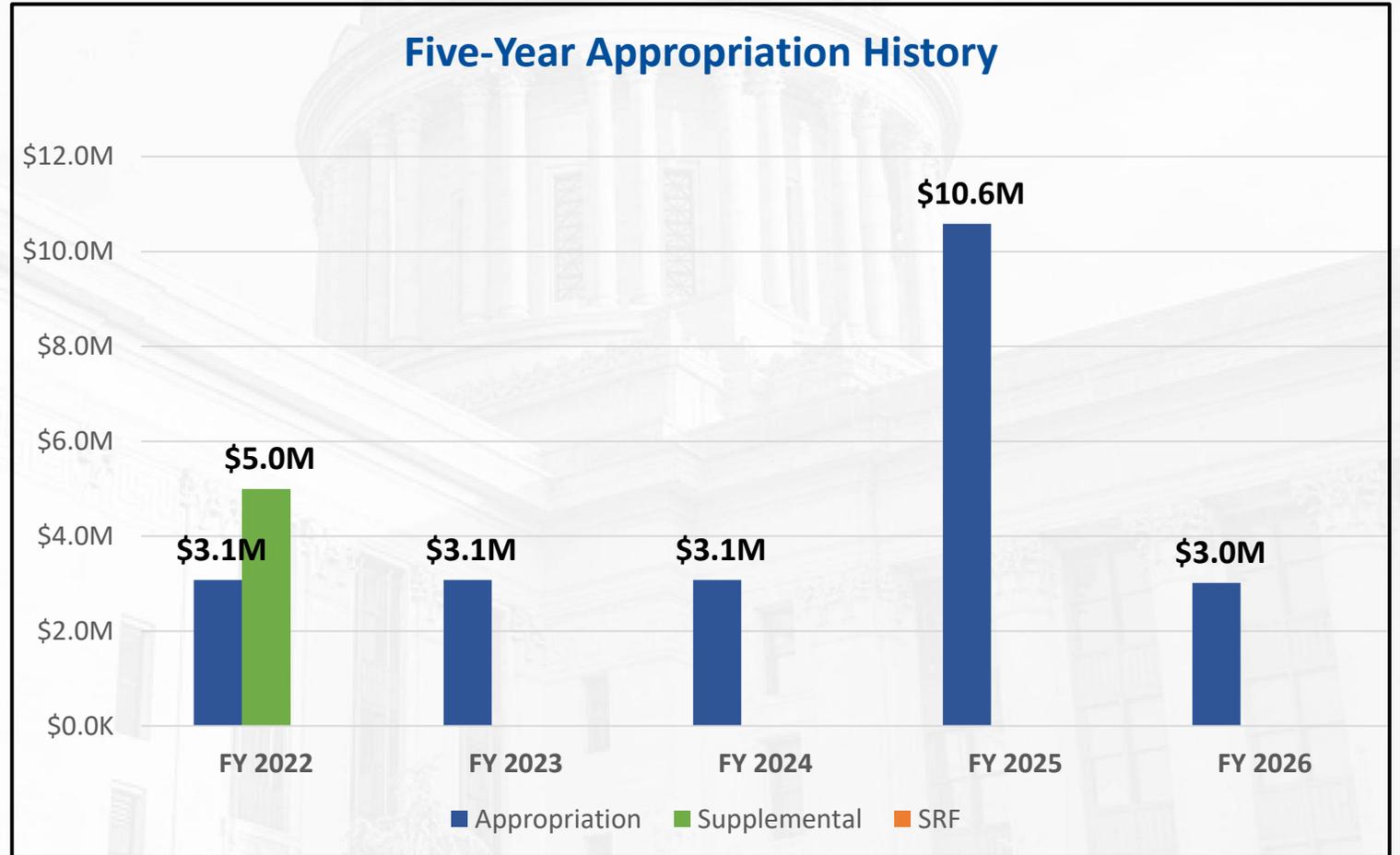


# FY 2026 Budgeted Full Time Equivalents (FTE)

	FY 2026 Budgeted FTE
<b>Total FTE</b>	61
<b>Supervisor FTE</b>	14
<b>Supervisors to Total FTE Ratio (%)</b>	22.9%
<b>Current Budgeted but Unfilled FTE</b>	7

# Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2022	8,079,823
FY 2023	3,079,823
FY 2024	3,079,823
FY 2025	10,579,823
FY 2026	3,018,227



\*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



# Financial Resource Analysis

Carryover	FY 2022	FY 2023	FY 2024	FY 2025
Total appropriated carryover amount expended (\$)	\$1,462,349	\$1,645,337	\$1,373,164	\$0

Historical Cash Balances	FY 2022	FY 2023	FY 2024	FY 2025
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$18,593,643	\$23,612,756	\$29,379,974	\$39,350,570

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2026 year-end cash balance (\$)
200	Treasurer's Revolving Fund	\$13,913,444	\$14,600,000
	<b>Total Unrestricted Revolving Fund Cash balance:</b>	\$13,913,444	\$14,600,000



*Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.*

# FY 2024 – 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2024</i>	<i>Amount FY 2025</i>	<i>Total amount received FY 2024 - 25</i>	<i>Total amount expended by 11/1/2025</i>	<i>Included in FY 2026 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
Legacy Systems Modernization Project	\$	\$7,500,000	\$7,500,000	\$5,049,758	No	The project is in progress and expected to be completed by the end of FY26.
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
<b>Totals</b>	\$	\$7,500,000	\$7,500,000	\$5,049,758		



*\*Do not include SRF / ARPA appropriation increases.*

# FY 2026 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2027 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
Operational efficiencies	(\$61,596)	No		Operational budget reduced due to efficiencies
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
<b>Total adjustment</b>	\$			



*\*Do not include SRF / ARPA appropriation increases.*