

February 19, 2019

The Honorable Jim Kelly, Chairperson  
House Committee on Financial Institutions and Pensions  
Statehouse, Room 581-W  
Topeka, Kansas 66612

Dear Representative Kelly:

**SUBJECT:** Fiscal Note for HB 2139 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2139 is respectfully submitted to your committee.

HB 2139 would allow certain local government correctional employees to become members of the Kansas Police and Firemen's Retirement System (KP&F). Currently, these employees are part of the Kansas Public Employees Retirement System (KPERS) Local Group. The bill would apply to detention deputies, corrections officers, detention officers and jailers as defined in HB 2139.

KPERS estimates the bill would have an actuarial effect on KP&F. However, the fiscal effect cannot be estimated as the number of local employees who would move from KPERS to KP&F is unknown. The agency does not have position description information of local government members to be able to discern how many members would be eligible for KP&F. Additionally, KPERS notes the bill allows the election of KP&F coverage to be voluntary. As a result, the number of employers who are not currently affiliated with KP&F but would choose to do so cannot be predicted. KPERS indicates any change to the KP&F actuarial required contribution rate would have to be paid by all KP&F employers. Because KP&F uses a single uniform rate for both state and local employers, HB 2139 has the potential to affect contributions for KP&F state agencies.

While KPERS does not have the data to determine precisely how many members would be eligible to become KP&F members, it is estimated that the number of employees would be large. The agency indicates the bill would require additional expenditures totaling \$378,479, all from the KPERS Trust Fund. This figure includes \$98,479 for 2.00 new FTE positions to provide transition

and ongoing support to local employers and members. The total also includes \$280,000 to make upgrades across several database systems. Any fiscal effect associated with HB 2139 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. L. Campbell". The signature is written in black ink and is positioned above the printed name and title.

Larry L. Campbell  
Director of the Budget

cc: Jarod Waltner, KPERS