

March 13, 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 2329 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2329 is respectfully submitted to your committee.

HB 2329 would increase the Kansas Public Employees Retirement System (KPERS) contribution rate for school district employees to 7.15 percent beginning July 1, 2019. Currently, school district employees contribute 6.00 percent of compensation. The bill would only apply to school districts in the KPERS School Group; it would not apply to technical colleges or community colleges. Technical colleges and community colleges are also part of the KPERS School Group.

The bill would appropriate \$40,056,781 in FY 2020 to the KPERS Employee Contribution Enhancement account, which would be a new State General Fund account in the Department of Education budget. The appropriation would be used to provide a 1.15 percent pay increase to school district employees.

KPERS estimates the bill would decrease KPERS State/School Group employer contribution rates by less than 1.0 percent beginning in FY 2022. The agency indicates there would be administrative costs associated with implementing the bill. However, KPERS estimates the costs could be absorbed within existing resources. Any fiscal effect associated with HB 2329 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jarod Waltner, KPERS
Dale Dennis, Education