

FISCAL NOTE INFORMATION REGARDING HB2100

(Note there is an identical SB. (SB74) Because the bills are identical, no fiscal note has been run on the Senate Bill)

Fiscal Note relating to HB2100 – from three sources:

- A. KPERS Actuary
- B. Jarod Waltner from KPERS
- C. Larry Campbell – Budget Director

The cost of HB2100 would be as follows:

Regarding the Statutes involved*:

1. It is required the actuary provides the bill costs regarding all benefit changes in KPERS Bills but doesn't specify how the benefits are to be funded.
2. KPERS actuary calculated the total up-front cost to pre-fund the COLA and the annual cost of a 15-year amortization, either approach complies with the statutes.
 - a. The total up-front cost was calculated to be \$185.7 million.
 - b. The annual cost for 15-year amortization is approximately \$17.3 million across all KPERS, KP&F and Judges employers

Further Information: Please note the memo from the Budget Director, Page 1

- A. Total Expense is listed as \$17.3 M – This includes all expenses for a COLA. Note #2 above.
- B. \$10.73 M relates to the funds required for a COLA from the State General Fund
- C. \$13.34 M refers to all State Funds, General Funds + other funds.

Now drawing your attention to the memo from Jarod Waltner (KPERS) memo, Page 3:

- A. This graph details the total cost of \$17.3 M from the previous graph.
- B. The total State Cost would be 12.64 (State/School) + .34 (State KP&F) + .16 (State Judges) which equals \$13.4 M. These totals exempt all local costs.
- C. The \$17.3 M number includes \$ 2.22 M (Local KPERS) + \$1.96 (Local KP&F)
- D. \$13.4 M + \$2.22M + 1.96 M = \$17.32 M.

* Statute Governing Fiscal Notes on Benefit Enhancements - K.S.A. 74-4920(8)