

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2602**

As Amended by Senate Select Committee  
on KPERS

**Brief\***

HB 2602, as amended, would remove the statutory limitation on the maximum percentage of allowable unclassified staff working for the Kansas Public Employees Retirement System (KPERS), which currently is 25.0 percent.

**Background**

The KPERS Board of Trustees requested authority to employ up to 50.0 percent of its employees in the unclassified service. The KPERS Executive Director testified in support of the bill at the House Committee hearing, indicating the bill would allow KPERS to have more flexibility in staffing certain areas, such as information technology, where paying comparable market rates tends to be an issue in hiring and retaining qualified staff. KPERS currently employs almost 25.0 percent of its staff in the unclassified service, the current statutory limit, primarily in management and investment related positions. By raising the cap to 50.0 percent (as proposed in the original bill), the Executive Director stated, KPERS would have more flexibility.

During the Senate Committee hearing, the KPERS Executive Director appeared in support of the bill. No other conferees testified.

The Senate Select Committee eliminated any reference of a limitation on unclassified employees in giving the KPERS

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Board of Trustees authority to make personnel decisions about classified and unclassified staff positions.

The fiscal note indicated that to the extent new unclassified positions are added or existing classified positions are converted to unclassified positions, the bill could have a fiscal effect on KPERS operations, if the salaries and wages costs for the unclassified positions differ from the classified position salary and wage costs. The fiscal note concluded that KPERS does not anticipate increasing the number of unclassified positions immediately, and the bill would not require an increase to the agency's operating limitation established for FY 2015. In the Governor's budget, the FY 2015 limitation for KPERS administrative expenses is \$11,643,066, none from the State General Fund.