

March 8, 2016

The Honorable Steven Johnson, Chairperson
House Committee on Pensions and Benefits
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2710 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2710 is respectfully submitted to your committee.

Under current law, the Deferred Retirement Option Program (DROP) is available to only Kansas Police and Fireman's Retirement System (KP&F) members who are troopers, examiners or officers employed by the Kansas Highway Patrol. HB 2710 would allow KP&F members who are agents of the Kansas Bureau of Investigation (KBI) to also be eligible for the DROP plan.

According to the consulting actuary for the Kansas Public Employees Retirement System (KPERS), it is estimated that the bill would not increase the KP&F employer contribution rate. KBI agents comprise approximately 1.0 percent of the total KP&F population and the cost for adding agents to the DROP plan would be spread across all KP&F employers. The actuary notes that the precise cost is difficult to estimate because it is impossible to predict changes to retirement behavior that may or may not occur as a result of the bill.

KPERS indicates that the bill would require upgrades to its information technology systems; however, it is anticipated that the cost of upgrades would be negligible. Any fiscal effect associated with HB 2710 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Faith Loretto, KPERS