

February 20, 2015

The Honorable Jeff King, Chairperson
Senate Select Committee on KPERS
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator King:

SUBJECT: Fiscal Note for SB 228 by Senate Select Committee on KPERS

In accordance with KSA 75-3715a, the following fiscal note concerning SB 228 is respectfully submitted to your committee.

SB 228 would expand the definition of police, policeman or policemen as used within the statutes relating to the Kansas Police and Fireman's Retirement System (KP&F). Police, policeman or policemen would be defined to include individuals who have been assigned to a police department, whose duties include engagement in the enforcement of law, who have been certified by the Kansas Law Enforcement Training Center, who have been designated by their employer as a police officer, and who have been making contributions to the KP&F retirement system. Individuals defined as police, policeman or policemen under SB 228 would not be denied benefits because of a temporary or full-time assignment to a jail, adult detention center or other correctional facility. This provision would be applied retroactively to July 1, 1999.

KPERS indicates that to the extent SB 228 applies only to those members who have already been contributing as KP&F members prior to the effective date of the bill, these members would have been considered and included as KP&F members for the purpose of actuarial valuations. In this case, the actuarial cost to the system would be negligible. KPERS also notes that there may be administrative costs associated with SB 228; however, the agency estimates that those costs could be handled within the current budget.

If a broader interpretation of SB 228 is applied, it is possible there would be changes to the pool of KP&F members, which would be incorporated into future actuarial assumptions. Any cost changes would be reflected in annual system actuarial valuations and the actuarial required contribution rate. However, changes to costs are difficult to calculate because the

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membership changes to KP&F that might occur under the bill are unknown. Any fiscal effect associated with SB 228 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Faith Loretto, KPERS