

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2099

As Recommended by House Committee on
Financial Institutions and Pensions

Brief*

HB 2099 would authorize the Kansas Department of Wildlife, Parks and Tourism (Department) to become an eligible employer with the Kansas Police and Firemen's Retirement System (KP&F) on July 1, 2019, for persons employed in the parks, public lands, or law enforcement division who have completed the coursework for law enforcement officers approved by the Kansas Law Enforcement Training Center and who are certified as a full-time police officer or law enforcement officer. The application for affiliation with KP&F would be effective on July 1, 2020. The Division of the Budget and Governor would be required to budget future contributions accordingly.

The Department would pay the KP&F employer contribution rate for these employees. As KP&F members, the employees would contribute at the rate of 7.15 percent of compensation. Currently, these employees contribute to the Kansas Public Employees Retirement System (KPERs or the Retirement System) at the rate of 6.0 percent. The determination of benefits would be based upon service credited under KP&F statutes, and it would include participating service earned on and after July 1, 2020. Department employees who would become KP&F members and have a vested retirement benefit under KPERs, but terminate employment prior to vesting in KP&F, would be allowed to have their KP&F service credit apply to KPERs benefits.

*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>

Background

The bill was introduced by the House Committee on Financial Institutions and Pensions at the request of the Department. The Secretary of Wildlife, Parks and Tourism (Secretary) spoke in favor of the bill at the House Committee hearing. The Secretary explained the Department's law enforcement officers have the same certification as the officers of the Kansas Highway Patrol and the agents of the Kansas Bureau of Investigation, and they face the same dangers as other law enforcement personnel. The Secretary stated the bill would help with recruitment and retention issues.

A natural resource officer working for the Department and representing Lodge 59 of the Fraternal Order of Police spoke in favor of the bill, explaining employees in these positions often assist state and local law enforcement officers. A representative of the Kansas Organization of State Employees provided written-only testimony in favor of the bill, suggesting the legislation be amended to include state correctional officers.

A representative of the Retirement System provided neutral testimony, explaining many elements in the KP&F plan are different from regular KPERS. The final average salary is calculated differently, and the multiplier is 2.50 percent instead of 1.85 percent. The vesting requirement is 15 years of service in KP&F and five years of service in KPERS. Normal KP&F retirement is at age 50 with 25 years of service, age 55 with 20 years of service, or age 60 with 15 years of service.

According to the fiscal note prepared by the Division of the Budget, KPERS indicates the net effect of the bill would increase expenditures by approximately \$700,000 in FY 2021 from all funds. The unfunded actuarial liability (UAL) for KP&F would not increase, and the change would result in a decrease to the State Group's UAL of \$2.4 million. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.