

January 27, 2023

The Honorable Nick Hoheisel, Chairperson  
House Committee on Financial Institutions and Pensions  
300 SW 10th Avenue, Room 582-N  
Topeka, Kansas 66612

Dear Representative Hoheisel:

**SUBJECT:** Fiscal Note for HB 2008 by Representative Proctor, et. al

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2008 is respectfully submitted to your committee.

HB 2008 would make the Department of Corrections an eligible employer to affiliate with the Kansas Police and Fireman's Retirement System (KP&F) on July 1, 2023, for security officers employed by the Department of Corrections. The bill would require the Department to make application for affiliation in KP&F "to be effective on July 1 next following application." Security officers that would be affected by the bill are currently in the KPERS subgroup known as "Corrections KPERS-A," who have the same benefits structure as the regular KPERS plan but have a lower normal retirement age. These positions include all uniformed adult corrections officers, corrections counselors, unit team managers and supervisors, classification administrators, and certain correctional facility administrative positions.

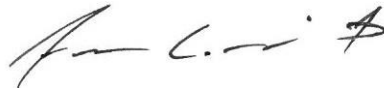
The bill would also allow members who move from Corrections KPERS-A to KP&F to purchase Corrections KPERS-A service as KP&F service, which would only be available to this group of members that would be affected by HB 2008. For members who vest with service in both Corrections KPERS-A and KP&F, their retirement benefit would include a proportional benefit from Corrections KPERS-A portion and KP&F.

According KPERS and the Department of Corrections, the enactment of HB 2008 would require additional expenditures totaling \$9,275,132 from the State General Fund in FY 2024 when all eligible security officers would be transferred from affiliation with KPERS to KP&F. This estimate is based on the employer contributions from the payroll base of these employees going from 13.99 percent (including 1.00 percent for Death & Disability Insurance) for KPERS to 22.86 percent for KP&F in FY 2024.

The Division of the Budget notes that in *The FY 2024 Governor's Budget Report*, the Governor included funding for the KP&F affiliation of corrections officers in the Department of Corrections, including juvenile corrections officers, as well as law enforcement officers in the Department of Wildlife and Parks. The Governor's budget recommendation for FY 2024 includes funding totaling \$12.1 million from all funding sources, including \$9.6 million for the Department of Corrections and \$2.5 million for the Department of Wildlife and Parks.

KPERS also estimates that the agency would require 1.00 new FTE position to provide transition and ongoing support to the Department of Corrections and its facilities. The Benefits Analyst II position would test the information technology changes as well. The cost of the position is estimated at \$81,816 for salaries and wages, including fringe benefits and would be funded by the KPERS Trust Fund. The position would be an ongoing cost for the agency. In addition, the bill would require updates to the KPERS information technology system; however, any costs would be negligible and funded with existing budget resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Jarod Waltner, KPERS  
Randy Bowman, Department of Corrections