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MEMORANDUM

To: Chairman Masterson and members of the Senate Committee on Ways and Means
From: David Wiese, Assistant Revisor
Date: April 5, 2013
Re: HB 2403; \$1.5 Billion of revenue bonds for KPERS

House Bill No. 2403 authorizes the Kansas development finance authority to issue one or more series of revenue bonds for the purpose of financing a portion of the unfunded actuarial pension liability of KPERS in a total amount not to exceed \$1,500,000,000.

The bill would cap the interest rate on such bonds at 5%. If interest rates exceed 5%, no bonds shall be issued.

No bonds shall be issued unless such issuance has been approved by a resolution of the state finance council.

The House Committee on Pensions and Benefits amended the bill to reduce the KPERS employer contribution rate for the state and school group and the department of corrections subgroup for fiscal year 2015 by the amount of the debt service payment for bonds issued pursuant to this bill, as certified by the KPERS board of trustees. (Page 3, lines 39-43; Page 6, lines 20-23)

The effective date of the bill is upon publication in the Kansas Register.

Senate Ways and Means Committee
Date: 04-05-2013
Attachment #: 1