

February 20, 2014

The Honorable Mario Goico, Chairperson
House Committee on Veterans, Military and Homeland Security
Statehouse, Room 276-W
Topeka, Kansas 66612

Dear Representative Goico:

SUBJECT: Fiscal Note for HB 2656 by House Committee on Veterans, Military and Homeland Security

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2656 is respectfully submitted to your committee.

HB 2656 would require that on or after January 1, 2015, when a federal government shutdown occurs and any eligible Kansas military service member is killed, the costs of the death gratuity would be paid by the Adjutant General. The Adjutant General would be required to develop and implement a procedure to provide reimbursements on or before January 1, 2015. The bill would require the Pooled Money Investment Board (PMIB) to direct and loan the Adjutant General sufficient funds for the gratuities. The bill would create the Adjutant General Death Gratuity Payment Facilitation Fund. The bill details how the loans would be repaid.

The Adjutant General indicates it cannot estimate a fiscal effect for HB 2656 because it is impossible to anticipate when a federal government shutdown would occur, how long it would last, or what the odds are that a Kansas military combat death would occur during the shutdown. The Adjutant General states there were no Kansas National Guard service members killed in combat during the last shutdown. The agency notes that a death benefit payout is \$100,000 per soldier.

The PMIB indicates the monies it would be required to loan the Adjutant General would otherwise be invested as part of the Pooled Money Investment Portfolio (PMIP), resulting in a potential loss of interest income. Since there is no maximum amount mentioned and the loans in the bill are to be no interest loans, the number of claims and their dollar amount are all unknown, PMIB indicates it is unable to estimate the potential loss in interest income. The potential

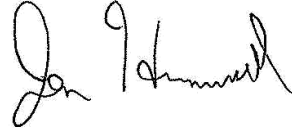
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amount is believed to be negligible, however. Any fiscal effect associated with HB 2656 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and a distinct "H".

Jon Hummell,
Interim Director of the Budget

cc: Cheri Froetschner, Adjutant General's Department
Scott Miller, PMIB