

February 14, 2020

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

SUBJECT: Fiscal Note for SB 368 by Senator Denning, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 368 is respectfully submitted to your committee.

SB 368 would transfer \$268.4 million from the State General Fund to the KPERS Fund in FY 2020 for payment of the remaining balance on delayed KPERS school employer contributions from FY 2017 and FY 2019, as of June 30, 2020, also known as “layering” payments.

Enactment of the bill would transfer \$268.4 million from the State General Fund upon the enactment of the bill. This transfer would be reported with other transfers from the State General Fund and would reduce the FY 2020 ending balance of the State General Fund by the same amount. KPERS reports that the early payoff of the “layering” payments in FY 2020 would save the state approximately \$209.0 million in interest payments, which currently accrues at 7.75 percent each year. The Governor has included the payoff of the “layering” payments in *The FY 2021 Governor’s Budget Report* with an identical transfer from the State General Fund as part of an overall KPERS policy recommendation.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jarod Waltner, KPERS