

February 22, 2022

The Honorable Rick Billinger, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 548-S
Topeka, Kansas 66612

Dear Senator Billinger:

SUBJECT: Fiscal Note for SB 508 by Senate Committee on Ways and Means

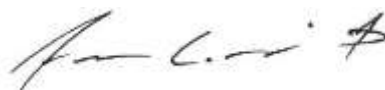
In accordance with KSA 75-3715a, the following fiscal note concerning SB 508 is respectfully submitted to your committee.

During FY 2017 and FY 2019, the Legislature enacted budgets that withheld approximately \$258.0 million from KPERS-School employer contributions, all from the State General Fund. To keep the retirement system whole from an actuarial view, statutory annual layering payments were authorized for 20 years for each of the missed payments, totaling \$25.8 million from the State General Fund. The annual layering payments are financed at the KPERS-assumed rate of return of 7.75 percent. At the end of FY 2022, the outstanding balance of these payments totals \$253,866,022, which is held as an accounts receivable by KPERS.

SB 508 would enact the statutory change for the Governor's recommendation to pay off the outstanding KPERS-School employer contributions layering payment balance.

The fiscal effect associated with SB 508 has been included in *The FY 2023 Governor's Budget Report*. The Governor recommends appropriating \$253,866,022 to the Department of Education in FY 2022, which would be paid to KPERS for the outstanding balance of the layering payments. However, the appropriation is not contained in SB 508, but rather in the Governor's FY 2022 supplemental appropriations bill, SB 444.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jarod Waltner, KPERS
Shelbie Konkell, Office of the Governor