

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2022, with the following notation:

1. The Budget Committee commends and supports the agency in its efforts to modernize the pension administration system to improve the system's functionality, user experience, and overall efficiency. The 2020 Legislature approved of expenditures to conduct an assessment of the existing pension administration system, and the KPERS Board of Trustees subsequently moved to pursue modernization. The agency estimates a five-year process to modernize the system and has budgeted \$20.6 million for that project in total, including \$6.6 million for FY 2022. Additional information on the modernization project can be found on page 1327 of the Budget Analysis.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2022, with the following adjustment:

1. Add \$177.3 million, including \$158.7 million SGF, due to the KPERS reamortization policy not passing. The Governor's Budget included cost savings for FY 2022 attributable to the passage of KPERS reamortization policy.

House Committee of the Whole Recommendation (Sub. for HB 2397)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022.

Senate Committee on Financial Institutions and Insurance Recommendation

The **Committee** concurs with the Governor's recommendation for FY 2022.

Senate Committee Recommendation

The **Committee** concurs with the Committee on Financial Institutions and Insurance's recommendation for FY 2022, with the following adjustment:

1. Add \$177.3 million, including \$158.7 million SGF, due to the KPERS reamortization policy not passing. The Governor's Budget included cost savings for FY 2022 attributable to the passage of KPERS reamortization policy. This item is represented as a statewide adjustment and is not reflected in the tables for this agency.

Senate Committee of the Whole Recommendation (Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022.

Conference Committee Recommendation (HB 2007)

The **Conference Committee** concurs with the Governor's recommendation for FY 2022 with the following adjustment:

1. Add \$177.3 million, including \$158.7 million SGF, due to the KPERS reamortization policy not passing. The Governor's Budget included cost savings for FY 2022 attributable to the passage of KPERS reamortization policy. This item is represented as a statewide adjustment and is not reflected in the tables for this agency.

Omnibus Action (SB 159)

1. Add \$28.8 million, all SGF, for debt service payments on pension obligation bonds issued pursuant to HB 2405, including \$7.1 million for principal payments and \$21.6 million for interest, for FY 2022. This item is represented in the budget for the Department of Administration and are not reflected in the tables for this agency.
2. Add language to adjust KPERS employer contributions for FY 2022 to account for the provisions of HB 2405. This would adjust the rates to 13.33 percent in calendar year (CY) 2021 and 13.11 percent for CY 2022.

	Governor's Recommendation FY 2022*	Legislative Action**	Legislative Approved FY 2022**	Governor's Veto FY 2022	Final Legislative Approved FY 2022
All Funds					
State Operations	\$ 60,555,156	\$ 0	\$ 60,555,156	\$ 0	\$ 60,555,156
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 60,555,156</i>	<i>\$ 0</i>	<i>\$ 60,555,156</i>	<i>\$ 0</i>	<i>\$ 60,555,156</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 60,555,156	\$ 0	\$ 60,555,156	\$ 0	\$ 60,555,156

State General Fund

State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

FTE Positions 98.4 0.0 98.4 0.0 98.4

* Note: The Governor's Recommendation includes a plan to reamortize the KPERS-State/School Group legacy unfunded liability over 25 years. This item is represented as a statewide adjustment and is not reflected in the tables for this agency.

** Note: The Legislature added \$177.3 million, including \$158.7 million SGF, due to the KPERS reamortization policy not passing. This item is represented as a statewide adjustment and is not reflected in the tables for this agency. Additionally, the Legislature added \$28.8 million, all SGF, for debt service payments on pension obligation bonds issued pursuant to HB 2405, including \$7.1 million for principal payments and \$21.6 million for interest, for FY 2022. This item is represented in the budget for the Department of Administration and are not reflected in the tables for this agency.