

House Budget Committee Report

Agency: Kansas Public Employees Retirement System **Bill No.** HB 2396 **Bill Sec.** --

Analyst: Wu **Analysis Pg. No.** Vol. 2, 1315 **Budget Page No.** 68

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	52,487,529	52,687,529	0
<i>Subtotal</i>	<u>\$ 52,487,529</u>	<u>\$ 52,687,529</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 52,487,529</u>	<u>\$ 52,687,529</u>	<u>\$ 0</u>
 FTE positions	 98.4	 98.4	 0.0

Agency Estimate

The **agency** requests a revised estimate of \$52.5 million, all from special revenue funds, in FY 2021. The revised estimate is an all funds increase of \$64,224, or 0.1 percent, above the amount approved by the 2020 Legislature. The increase is primarily due to revised investment-related management expenses (\$71,193), partially offset by reduced administration expenses from the Group Insurance Reserve Fund (\$6,968). The revised estimate includes expenditures to begin the modernization process for the KPERS pension administration system in FY 2021 (\$1.5 million). The revised estimate also includes higher expenditures for employee pay (\$344,813), offset by lower budgeted expenditures for computer system maintenance (\$410,000) and staff travel (\$124,500). These expenditures are funded by existing resources in FY 2021 and do not change the overall amount approved by the 2020 Legislature. The request also includes 98.4 FTE positions, which is the same as the FY 2021 approved number.

Governor's Recommendation

The **Governor** recommends expenditures of \$52.7 million, all from special revenue funds, in FY 2021. The recommendation is an all funds increase of \$200,000, or 0.4 percent, above the FY 2021 revised estimate. The increase is due to distributions from the Coronavirus Relief Fund made after submission of the agency revised estimate (\$200,000). The agency estimates using these funds for COVID-19 relief expenditures, including emergency protective measures and conference room equipment for streaming Board of Trustees meetings. The recommendation also includes 98.4 FTE positions, which is the same as the FY 2021 revised estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2021 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 \$1.5 million in FY 2021, all from existing resources. 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 in FY 2021.

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

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.

Senate Subcommittee Report

Agency: Kansas Public Employees Retirement System **Bill No.** SB 268 **Bill Sec.** --

Analyst: Wu **Analysis Pg. No.** Vol. 2, p. 1315 **Budget Page No.** 68

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	52,487,529	52,687,529	0
<i>Subtotal</i>	<u>\$ 52,487,529</u>	<u>\$ 52,687,529</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 52,487,529</u>	<u>\$ 52,687,529</u>	<u>\$ 0</u>
 FTE positions	 98.4	 98.4	 0.0

Agency Estimate

The **agency** requests a revised estimate of \$52.5 million, all from special revenue funds, in FY 2021. The revised estimate is an all funds increase of \$64,224, or 0.1 percent, above the amount approved by the 2020 Legislature. The increase is primarily due to revised investment-related management expenses (\$71,193), partially offset by reduced administration expenses from the Group Insurance Reserve Fund (\$6,968). The revised estimate includes expenditures to begin the modernization process for the KPERS pension administration system (\$1.5 million). The revised estimate also includes higher expenditures for employee pay (\$344,813), offset by lower budgeted expenditures for computer system maintenance (\$410,000) and staff travel (\$124,500). These expenditures are funded by existing resources in FY 2021 and do not change the overall amount approved by the 2020 Legislature. The request also includes 98.4 FTE positions, which is the same as the FY 2021 approved number.

Governor's Recommendation

The **Governor** recommends expenditures of \$52.7 million, all from special revenue funds, in FY 2021. The recommendation is an all funds increase of \$200,000, or 0.4 percent, above the FY 2021 revised estimate. The increase is due to distributions from the Coronavirus Relief Fund made after submission of the agency revised estimate (\$200,000). The agency estimates using these funds for COVID-19 relief expenditures, including emergency protective

measures and conference room equipment for streaming Board of Trustees meetings. The recommendation also includes 98.4 FTE positions, which is the same as the FY 2021 revised estimate.

Senate Committee on Financial Institutions and Insurance Recommendation

The **Committee** concurs with the Governor's recommendation in FY 2021.

Senate Committee Recommendation

The **Committee** concurs with the Committee on Financial Institutions and Insurance's recommendation in FY 2021.

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

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.

Conference Committee Recommendation (HB 2007)

The **Conference Committee** concurs with the Governor's recommendation in FY 2021.

	Governor's Recommendation FY 2021	Legislative Action	Legislative Approved FY 2021	Governor's Veto FY 2021	Final Legislative Approved FY 2021
All Funds					
State Operations	\$ 52,687,529	\$ 0	\$ 52,687,529	\$ 0	\$ 52,687,529
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 52,687,529</i>	<i>\$ 0</i>	<i>\$ 52,687,529</i>	<i>\$ 0</i>	<i>\$ 52,687,529</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 52,687,529	\$ 0	\$ 52,687,529	\$ 0	\$ 52,687,529

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
---------------	------	-----	------	-----	------