

February 6, 2023

The Honorable Nick Hoheisel, Chairperson  
 House Committee on Financial Institutions and Pensions  
 300 SW 10th Avenue, Room 582-N  
 Topeka, Kansas 66612

Dear Representative Hoheisel:

**SUBJECT:** Fiscal Note for HB 2085 by Representative Proctor

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2085 is respectfully submitted to your committee.

Under current law, juvenile justice corrections officers participate in the regular KPERS group for retirement benefits. Any new member enrolled in KPERS since January 1, 2015, is a member of the KPERS 3 Cash Balance Plan. HB 2085 would add these officers to the definition of a “security officer,” which would allow these employees to participate in correctional subgroups of KPERS.

| Estimated State Fiscal Effect |                |                      |                |                      |
|-------------------------------|----------------|----------------------|----------------|----------------------|
|                               | FY 2023<br>SGF | FY 2023<br>All Funds | FY 2024<br>SGF | FY 2024<br>All Funds |
| Revenue                       | --             | --                   | --             | --                   |
| Expenditure                   | --             | --                   | \$36,674       | \$36,674             |
| FTE Pos.                      | --             | --                   | --             | --                   |

According to KPERS, there are two subgroups of the KPERS Correctional Group—KPERS Correctional 55 (also known as Security Officer Group A, or C55) and KPERS Correctional 60 (also known as Security Officer Group B, or C60). KPERS Correctional 55 subgroup has historically included all adult corrections officers with a normal retirement at 55 years of age. The KPERS Correctional 60 subgroup includes employees with inmate contact (for example food service and facility staff) with a normal retirement at 60 years of age. The normal retirement for KPERS 2 and 3 members (current juvenile corrections officers) is 65 years of age

with five years of service, or 60 years of age with 30 years of service. The bill would allow juvenile corrections officers to move to KPERS corrections subgroups coverage for all years of service.

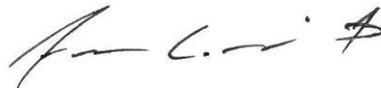
There are approximately 160 KPERS members who would be eligible for C55 or C60 coverage with the enactment of HB 2085. The cost to the state for these members would be the employer contribution difference between KPERS 2 Group and the C55 or C60 Group fringe benefit rates. The actuary reports that the FY 2024 cost would be \$36,674, all from the State General Fund for affected employees in the Department of Corrections. The following table summarizes this estimate:

### Estimate Fiscal Effect--HB 2085

| KPERS Group | Estimated FY 2024 Payroll Base | Current FY 2024 Employer Contribution Rate | Current Employer Contributions | Employer Contribution HB 2085 | Employer Contribution with HB 2085 | Difference HB 2085 & Current Rate |
|-------------|--------------------------------|--|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|
| C55         | \$6,942,186                    | 13.57%                                     | \$ 942,055                     | 13.99%                        | \$ 971,212                         | \$ 29,157                         |
| C60         | 648,012                        | 13.57%                                     | 87,935                         | 14.73%                        | \$ 95,452                          | 7,517                             |
| Totals      |                                |  | <b>\$1,029,990</b>             |                               | <b>\$ 1,066,664</b>                | <b>\$ 36,674</b>                  |

Any fiscal effect associated with HB 2085 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Jarod Waltner, KPERS  
Randy Bowman, Department of Corrections