

February 4, 2026

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 2500 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2500 is respectfully submitted to your committee.

The bill would create the Kansas Public Employees Retirement System (KPERS) Cost-of-Living Adjustment Commission. The Commission would comprise 13 voting members and two nonvoting members, as outlined by the bill. However, no person could be appointed to the Commission who is a current registered lobbyist.

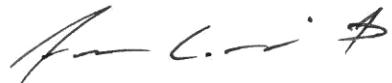
The bill would outline procedures for establishing a chairperson, vice chairperson, and terms of appointments. The Commission would be required to: (1) make a comprehensive study of the retirement benefits of KPERS; and (2) recommend to the Legislature the annual cost-of-living adjustment (COLA) rate for current and future retirants of KPERS. In 2026, the Commission would be required to recommend to the Legislature a COLA rate for retirants of KPERS during the four-year period that would commence on January 1, 2028. This recommendation would be required on or before December 1, 2026. The bill would outline procedures for new members in 2029 and each subsequent four years. Each member of the Commission would receive compensation and mileage, and subsistence allowances, as allowed by law.

KPERS states that the enactment of HB 2500 would require the agency's Executive Director to serve as an ex officio member and would provide support to the Commission. These requirements would have no fiscal effect on the agency. For actuarial costs, the KPERS actuary indicates that the enactment of the bill would not have a cost to the retirement system; however,

any recommended and implemented COLA would have future costs to the state's retirement system. However, the cost would depend on the plan that would be recommended and implemented.

Legislative Administrative Services states the enactment of the bill would increase expenditures in the Legislature's budget by \$5,610 from the State General Fund in FY 2027, including \$1,584 for two legislators and \$4,026 for 11 non-legislative members of the Commission. For each legislator, the cost estimate includes salary and wages, subsistence, reimbursement of tolls, mileage, enroute day costs, and fringe benefits. For each non-legislator, the estimate includes \$35 per day salary, subsistence, mileage and toll reimbursement. The agency bases this estimate on one meeting day in FY 2027. If the Commission would meet more than one day, expenditures would increase proportionately to the number of additional days. The agency notes that the cost estimate does not include a committee assistant for the Commission. Any fiscal effect associated with HB 2500 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Jarod Waltner, KPERS
Tom Day, Legislative Services