

March 30, 2012

CORRECTED

The Honorable Mitch Holmes, Chairperson
House Committee on Pensions and Benefits
Statehouse, Room 166-W
Topeka, Kansas 66612

Dear Representative Mitch Holmes:

SUBJECT: Corrected Fiscal Note for HB 2786 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following corrected fiscal note concerning HB 2786 is respectfully submitted to your committee.

HB 2786 would give statutory authority to suspend employer contributions for death and disability benefits for active KPERS members from April 1, 2012 through June 30, 2012.

During the 2011 Legislative Session, budget authority for state agencies was reduced to account for the death and disability moratorium during the last three months of FY 2012. Budget savings of \$12.1 million from all funding sources, including \$9.7 million from the State General Fund, were authorized by the Legislature. The Governor's budget for FY 2012, as revised in *The FY 2013 Governor's Budget Report*, accounted for these savings. However, the statutory authority was not enacted by the Legislature. Enactment of HB 2786 would not create further savings beyond that which are already reflected in the Governor's budget. KPERS states that the KPERS Local Group would save approximately \$3.9 million in employer death and disability contributions.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Faith Loretto, KPERS