



February 20, 2013

The Honorable Marc Rhoades, Chairperson  
House Committee on Appropriations  
Statehouse, Room 111-N  
Topeka, Kansas 66612

Dear Representative Rhoades:

**SUBJECT:** Fiscal Note for HB 2230 by House Committee on Appropriations

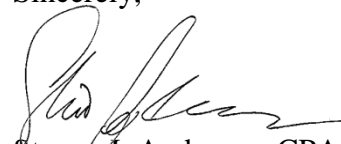
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2230 is respectfully submitted to your committee.

Under current law, after the first \$10.5 million from the Expanded Lottery Act Revenues Fund (ELARF) is distributed to select state universities, half of the remaining funds must be transferred to the Kansas Public Employees Retirement System (KPERS) and applied to reduce the unfunded actuarial liability (UAL) until the system attains an 80.0 percent funding ratio. HB 2230 would instead transfer half of the remaining funds to the Department of Education for payment of KPERS employer contributions for school districts.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	--
Expenditure	--	--	(\$37,512,000)	--
FTE Pos.	--	--	--	--

Passage of HB 2230 would result in the transfer of \$37,512,000 from ELARF to the Department of Education instead of KPERS in FY 2014. Application of the ELARF funds to the KPERS School employer payment would produce an equal amount of State General Fund savings. For FY 2015, it is expected that savings of \$39,490,000 would be attained. The fiscal effect associated with HB 2230 is reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

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

cc: Faith Loretto, KPERS  
Dale Dennis, Education