

Kansas Public Employees Retirement System

| Expenditure | Actual FY 2013 | Approved FY 2014 | Approved FY 2015 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| All Funds: | | | |
| State Operations | \$ 44,030,821 | \$ 44,683,506 | \$ 46,240,220 |
| Aid to Local Units | - | - | - |
| Other Assistance | 3,229,964 | 3,228,906 | 23,100 |
| <i>Subtotal - Operating</i> | <u>\$ 47,260,785</u> | <u>\$ 47,912,412</u> | <u>\$ 46,263,320</u> |
| Capital Improvements | - | - | - |
| TOTAL | <u><u>\$ 47,260,785</u></u> | <u><u>\$ 47,912,412</u></u> | <u><u>\$ 46,263,320</u></u> |
| State General Fund: | | | |
| State Operations | \$ - | \$ - | \$ - |
| Aid to Local Units | - | - | - |
| Other Assistance | 3,208,979 | 3,206,406 | - |
| <i>Subtotal - Operating</i> | <u>\$ 3,208,979</u> | <u>\$ 3,206,406</u> | <u>\$ -</u> |
| Capital Improvements | - | - | - |
| TOTAL | <u><u>\$ 3,208,979</u></u> | <u><u>\$ 3,206,406</u></u> | <u><u>\$ -</u></u> |
| Percent Change: | | | |
| Operating Expenditures | | | |
| All Funds | 5.7 | 1.4 % | (3.4)% |
| State General Fund | 0.0 | (0.1) | (100.0) |
| FTE Positions | | | |
| Non-FTE Unclass. Perm. Pos. | 97.4 | 98.4 | 98.4 |
| TOTAL | <u><u>98.4</u></u> | <u><u>101.4</u></u> | <u><u>101.4</u></u> |

The approved budget for the Kansas Public Employees Retirement Fund in FY 2014 totals \$47.9 million, including \$3.2 million from the State General Fund, an all funds increase of \$651,627, or 1.4 percent, and a State General Fund decrease of \$2,573, or 0.1 percent, from FY 2013 actual expenditures. The approved budget is an all funds increase of \$1.9 million, or 4.1 percent, above the amount approved by the 2013 Legislature, while the State General Fund amount is the same amount approved by the 2013 Legislature. The all funds increase is primarily attributable to increased expenditures involved in the implementation of the Tier 3 Cash-Balance retirement plan for new state employees.

The approved budget for the Kansas Public Employees Retirement Fund for FY 2015 totals \$46.3 million, all from special revenue funds, an all funds decrease of \$1.7 million, or 3.4 percent, below the FY 2014 approved budget. The decrease is primarily attributable to elimination of expenditures from the State General Fund, as the final payment on the 13th check bond was made in FY 2014. The FY 2015 approved budget is an all funds increase of \$3.4 million, or 7.9 percent, above the amount approved by the 2013 Legislature. The increase from the amount approved by the 2013 Legislature is primarily attributable to increased expenditures involved in the implementation of the Tier 3 Cash-Balance retirement plan for new state employees and actuarial and accounting expenses necessary to implement new accounting and financial reporting requirements for state and local government pensions plans, as required by the Governmental Accounting Standards Board (GASB) Statements 67 and 68. The increase is partially attributable to the \$250 bonus for full-time state employees. The Legislature transferred \$5 million from the Kansas Endowment for Youth (KEY) fund to the State General Fund.

Governor's Veto. The Governor vetoed the transfer of \$5 million from the KEY fund to the State General Fund for FY 2015.

Kansas Public Employees Retirement System

| | FY 2014 | | | FY 2015 | | |
|--|---------------------|----------------------|-------------|-------------|----------------------|-------------|
| | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Agency Estimate/Request | \$ 3,206,406 | \$ 47,912,412 | 98.4 | \$ - | \$ 45,764,418 | 98.4 |
| Governor's Changes: | | | | | | |
| 1. GBA No 1, Item 2 GASB 67 & 68 | \$ - | \$ - | - | \$ - | \$ 470,000 | - |
| 2. 1.5 Percent Base Pay Increase | - | - | - | - | 54,948 | - |
| 3. KEY Fund Transfer Veto | - | - | - | - | - | - |
| Total Governor's Recommendation | \$ 3,206,406 | \$ 47,912,412 | 98.4 | \$ 0 | \$ 46,289,366 | 98.4 |
| Change from Agency Est./Req. | \$ 0 | \$ 0 | 0.0 | \$ 0 | \$ 524,948 | 0.0 |
| Percent Change from Agency Est./Req. | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 1.1 % | 0.0 % |
| Legislative Action: | | | | | | |
| 4. KEY Fund Transfer | \$ - | \$ - | - | \$ - | - | - |
| 5. 1.5 Percent Base Pay Increase | - | - | - | - | (54,948) | - |
| 6. \$250 State Employee Bonus | - | - | - | - | 28,902 | - |
| TOTAL APPROVED | \$ 3,206,406 | \$ 47,912,412 | 98.4 | \$ - | \$ 46,263,320 | 98.4 |
| Change from Gov. Rec. | \$ 0 | \$ 0 | 0.0 | \$ 0 | \$ (26,046) | 0.0 |
| Percent Change from Gov. Rec. | 0.0 % | 0.0 % | 0.0 % | 0.0 % | (0.1)% | 0.0 % |
| Change from Agency Est./Req. | \$ 0 | \$ 0 | 0.0 | \$ 0 | \$ 498,902 | 0.0 |
| Percent Change from Agency Est./Req. | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 1.1 % | 0.0 % |

1. The Legislature concurred with Governor's Budget Amendment No. 1, Item 2, and added \$470,000, all from the Kansas Public Employee Retirement Fund Agency Operations Account, for new actuarial and auditing work for FY 2015. The actuarial and accounting work is needed to address new accounting and financial reporting requirements for state and local government pensions plans, as required by the Governmental Accounting Standards Board (GASB) Statements 67 and 68.
2. The Governor added \$54,948, all special revenue funds, for a 1.5 percent base pay increase for classified employees in the Executive Branch for FY 2015.
3. The Governor vetoed the transfer of \$5 million from the Kansas Endowment for Youth (KEY) fund to the State General Fund for FY 2015.
4. The Legislature transferred \$5 million, all from the Kansas Endowment for Youth (KEY) fund to the State General Fund for FY 2015.
5. The Legislature deleted \$54,948, all special revenue funds, for a 1.5 percent base pay increase for classified employees in the Executive Branch for FY 2015.
6. The Legislature added \$28,902, all from special revenue funds, for FY 2015 for employee bonuses of \$250 for all full-time employees except elected officials who were employed on December 6, 2013, and which will be paid on December 6, 2014.