

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1040-01
Bill No.: Perfected SB 304
Subject: Retirement System and Benefits; Military Affairs; Law Enforcement Officers and Agencies
Type: Original
Date: March 9, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government*	(\$77,142)	\$0	\$0

***The provisions affecting the Kansas City Police Retirement System increase the Unfunded Actuarial Accrued Liability (UAAL) by \$400,000. The provisions affecting the Kansas City Civilian Employees' Retirement System increase the Unfunded Actuarial Accrued Liability (UAAL) by \$22,250.**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety** assume no fiscal impact to their agency.

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5). However, provisions contained in this proposal will increase the Unfunded Actuarial Accrued Liabilities (UAAL) of the affected systems and result in an increase of annual employer contributions.

Officials with the **Kansas City Police Retirement System** assume this proposal would increase the employer contributions to the Kansas City Police Retirement System by \$72,325 (0.10%) annually. It would also increase the employer contributions to the Kansas City Employee's Retirement system by \$4,817 (0.02%) annually.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**KANSAS CITY POLICE &
 CIVILIAN RETIREMENT SYSTEM**

<u>Cost</u> - Employer Contributions	<u>(\$77,142)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON KANSAS CITY POLICE & CIVILIAN RETIREMENT SYSTEM	<u>(\$77,142)</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act alters statutes regarding military leave for Kansas City police officers and civilian employees. Members of the Police Retirement System of Kansas City and the Civilian Employees' Retirement System of the Police Department of Kansas City who are on leave of absence due to military service in which the United States has declared war, a compulsory draft, or the combat mobilization of any units of the military reserves are entitled to service credit for the time spent in the military service. During their military service, members are not required to pay any member contributions into the retirement system.

Should it becomes necessary for the years of the service to be included in the calculation of the member's compensation, the member will be deemed to have received the same compensation throughout the period of service as the member's base annual salary immediately prior to the commencement of the leave of absence.

DESCRIPTION (continued)

Eligible members who are absent because of the military leave are entitled to federal employment and re-employment rights.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Department of Public Safety
Kansas City Police Retirement System



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Director
March 9, 2005