

# KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Budget Committee Report

**KLRD Analyst:** Wu  
**KLRD Summary:** Vol. 1, Pg. 158  
**Bill Number:** HB 2007

**DOB Analyst:** Arpin  
**GBR Analysis:** Vol. 2, Pg. 82  
**Committee:** House Appropriations

### Summary, FY 2023 – FY 2026

#### Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	House FY 2025	House FY 2026
<b>State Operations</b>	\$ 63,100,878	\$ 74,532,601	\$ 85,755,022	\$ 92,463,155
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	63,100,878	74,532,601	85,755,022	92,463,155
<b>State Aid and Assistance</b>	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	-	-	-	-
<b>Capital Budget and Debt</b>	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-
Federal Funds	-	-	-	-
All Other Funds	-	-	-	-
<b>TOTAL</b>	<b>\$ 63,100,878</b>	<b>\$ 74,532,601</b>	<b>\$ 85,755,022</b>	<b>\$ 92,463,155</b>

#### Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	House FY 2025	House FY 2026
<b>State General Fund</b>	\$ -	\$ -	\$ -	\$ -
State Operations	-	-	-	-
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	-	-	-	-
<b>Federal Funds</b>	\$ -	\$ -	\$ -	\$ -
State Operations	-	-	-	-
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	-	-	-	-
<b>All Other Funds</b>	<b>\$ 63,100,878</b>	<b>\$ 74,532,601</b>	<b>\$ 85,755,022</b>	<b>\$ 92,463,155</b>
State Operations	63,100,878	74,532,601	85,755,022	92,463,155
State Aid and Assistance	-	-	-	-
Capital Budget and Debt	-	-	-	-
<b>TOTAL</b>	<b>\$ 63,100,878</b>	<b>\$ 74,532,601</b>	<b>\$ 85,755,022</b>	<b>\$ 92,463,155</b>

FTE Positions	98.4	99.4	99.4	99.4
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# KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Budget Committee Report

### FY 2025

	Agency	LBC	House	Senate	Conference
<b>State Operations</b>	\$ 85,755,022	\$ 85,755,022	\$ 85,755,022	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	85,755,022	85,755,022	85,755,022	-	-
<b>State Aid and Assistance</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>Capital Budget and Debt</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 85,755,022</b>	<b>\$ 85,755,022</b>	<b>\$ 85,755,022</b>	<b>\$ -</b>	<b>\$ -</b>
FTE Positions	99.4	99.4	99.4	--	--

The Kansas Public Employees Retirement System (KPERS) refers to the retirement system available to public employees and to the state agency that administers it. This budget reflects the cost to operate the state agency and does not include expenses associated with employee benefits.

### Agency

The **agency** submits a revised estimate of \$85.8 million in expenditures and 99.4 FTE positions in FY 2025, including \$84.4 million from the KPERS Trust Fund. This represents an increase of \$2.2 million, or 2.7 percent, above the amount approved by the 2024 Legislature, largely due to the following items:

- **Investment Management Fees.** Kansas statute<sup>1</sup> authorizes the KPERS Board of Trustees to contract with investment firms to manage KPERS Trust Fund assets. Management expenses are determined by forecasting the market value of the portfolio, by an actuarial rate of return assumption—currently 7.0 percent. After the 2024 Session, KPERS increased its estimate by \$2.0 million, from \$49.8 million to \$51.8 million.
- **Treasurer’s Unclaimed Property Fund.** Kansas statute<sup>2</sup> authorizes the State Treasurer to transfer excess unclaimed property receipts to the Treasurer’s Unclaimed Property Fund for long-term investment. This Fund is administered by KPERS, which estimates \$250,090 in expenses in FY 2025.

The revised estimate also includes \$12.1 million for expenses related to the pension administration system modernization project in FY 2025. The project kicked off in October 2024 and has a five-year timeframe to implement, for a total cost of \$74.9 million. KPERS does not anticipate additional expenses in FY 2025 and maintains the funding level approved by the 2024 Legislature for FY 2025.

### Legislative Budget

The **LBC** concurs with the agency’s revised estimate in FY 2025.

### House Committee on General Government Budget

The **Budget Committee** concurs with the LBC’s recommendation in FY 2025.

### House Committee on Appropriations

The **Committee** concurs with the Budget Committee’s recommendations in FY 2025.

<sup>1</sup> KSA 74-4921

<sup>2</sup> KSA 75-2263. 2024 HB 2577 authorizes the State Treasurer to determine the amount available for investment.

# KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Budget Committee Report

### FY 2026

	Agency	LBC	House	Senate	Conference
<b>State Operations</b>	\$ 92,463,155	\$ 92,463,155	\$ 92,463,155	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	92,463,155	92,463,155	92,463,155	-	-
<b>State Aid and Assistance</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>Capital Budget and Debt</b>	\$ -	\$ -	\$ -	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 92,463,155</b>	<b>\$ 92,463,155</b>	<b>\$ 92,463,155</b>	<b>\$ -</b>	<b>\$ -</b>
FTE Positions	99.4	99.4	99.4	--	--

### Agency

The **agency** requests \$92.5 million in expenditures and 99.4 FTE positions for FY 2026, including \$91.0 million from the KPERS Trust Fund. This represents an increase of \$9.0 million, or 10.8 percent, above the amount approved by the 2024 Legislature for FY 2025. This increase is largely due to **investment management fees** (\$3.4 million), the **pension administration system modernization project** (\$2.1 million), and **fees for services such as legal representation and building utilities** (\$1.9 million).

### Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate for FY 2026.

### House Committee on General Government Budget

The **Budget Committee** concurs with the LBC's recommendation for FY 2026.

### House Committee on Appropriations

The **Committee** concurs with the Budget Committee's recommendations for FY 2026.