

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00am on Monday, January 26, 2015, 152-S of the Capitol.

All members were present except:

Representative John Edmonds – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department

David Wiese, Office of Revisor of Statutes

Gordon Self, Office of Revisor of Statutes

Lea Gerard, Kansas Legislative Committee Assistant

Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:

Jim MacMurray, Finance Vice President KDFA

Rebecca Floyd, Executive Vice President/General Counsel, KDFA

Alan Conroy, Executive Director, KPERS

Others in attendance:

[See Attached List](#)

Bill introductions

Chairman Johnson called the meeting to order and asked if there were any bill introductions. There no bill introductions.

Presentation on:

Bonding:

Chairman Johnson recognized Jim MacMurray, Finance Vice President KDFA, who provided an overview on Annual Debt Service Estimate for \$1.0/\$1.5 billion in Net Proceeds ([Attachment 1](#)). The presentation was a numerical analysis of the following three scenarios:

- 30 year level debt plan starting FY16
- Interest only for FY16-17
- Capitalized Interest for FY16-17.

Mr. MacMurray provided rating considerations for \$1.0/1.5 billion of pension bonds which covered current ratings vulnerabilities and debt profile.

Representative Ward requested the following information in writing.

- Trend data on the credit rating for State of Kansas.
- Trend data on debt for the State of Kansas for last 10-15 years.

Mr. MacMurray responded to questions from the Committee.

There was Committee discussion and general feedback by members and staff on language in the draft of the bonding bill.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Monday, January 26, 2015, 152-S of the Capitol.

Presentation on:

Bonding:

Rebecca Floyd, Executive Vice President & General Counsel, KDFA, presented an overview of pension funding bonds ([Attachment 2](#)).

Ms. Floyd responded to questions from the Committee.

Presentation on:

Cost Comparison Study:

At the request of the Committee, Alan Conroy, Executive Director, KPERS, provided a cost comparison study of current law and alternate scenario with \$1.5 billion Pension Obligation Bond and reamortizing to 2043. Also, provided was a cost comparison study of current law and alternate scenario with \$1.5 billion Pension Obligation Bond ([Attachment 3](#)).

Chairman Johnson advised the Committee would hear **HB2095** on Wednesday, January 28, 2015.

Meeting adjourned at 10:15 a.m.