

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00 am on Wednesday, February 11, 2015, 152-S of the Capitol.

All members were present

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:

Alan Conroy, Executive Director, KPERS

Others in attendance:

[See Attached List](#)

Representative Trimmer moved, seconded by Representative Kelly, to approve the minutes from January 28, February 2 and 4. The motion passed.

Discussion on:

Working After Retirement

Alan Conroy, Executive Director, KPERS provided a memorandum on Working after Retirement (WAR) Policy Options ([Attachment 1](#)). Mr. Conroy stood for questions. There was committee discussion on the IRS Private Letter Ruling and a policy statement holding KPERS harmless regarding prearranged agreements on returning to work after retirement.

Mr. Conroy also provided an overview of Cavanaugh Macdonald Analysis, Working after Retirement data ([Attachment 2](#)). The actuarial analysis provided over eight years of data. The rules and terms of working after retirement influence the member and the employer, which can have cost implications to the retirement system. Mr. Conroy stood for questions.

Discussion & possible action on: HB2095 — Issuing \$1.5 billion of pension obligation bonds to finance a portion of the unfunded actuarial liability of KPERS.

David Wiese, Assistant Revisor of Statutes, presented and explained a memorandum in response to a committee question on Article II, Sections 6 and 7 of the *Kansas Constitution* ([Attachment 3](#)). David Wiese explained the bonds do not create debt as meant by the *Kansas Constitution*. Language inserted in the bill was suggested for clarity by KDFA.

Representative Kelly moved, seconded by Representative Thompson, **HB2095** be passed.

Discussion followed by committee members on the \$1.5 billion debt. Representative Rhoades, stating

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reasons to oppose the bill, announced his intention to vote against **HB2095**.

David Wiese, Assistant Revisor of Statutes, presented two balloon amendments for HB2095. David Wiese, explained to committee members the first balloon amendment ([Attachment 4](#)) is a technical amendment regarding issuance of one or more series of revenue bonds and reference to *Constitution of Kansas*.

*Representative Kelly moved, seconded by Representative Edmonds, a substitute motion to amend **HB2095**. The motion passed.*

The second balloon amendment for HB2095 adjusted the employer contribution rate by amount of debt service in fiscal year 2016 ([Attachment 5](#)).

Discussion followed.

*Representative Edmonds moved, seconded by Representative Davis, to amend **HB2095**. The motion failed.*

*Representative Kelly moved, seconded by Representative Davis, **HB2095** as amended, be passed. The motion carried.*

Meeting adjourned at 10:30 a.m.

Next meeting scheduled Monday, February 16, 2015.