Approved: March 18, 2015

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00am on Friday, February 20, 2015, 152-S of the Capitol.

All members were present except:

Representative Virgil Peck – 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

Conferees appearing before the Committee:

Steve Kearney, Executive Vice President Kansas State Trooper Association, Proponent HB2288

Major Mark Bruce, Interim Superintendent Kansas Highway Patrol, Proponent HB2288 Alan Conroy, Executive Director, KPERS

Others in attendance:

See Attached List

Hearing on: HB2288 — Enacting the Kansas deferred retirement option program act.

Chairperson Johnson opened the hearing <u>HB2288</u> and asked Gordon Self, Revisor of Statutes, to brief the committee on HB2288 (Attachment 1). The bill is referred to as the Kansas Deferred Retirement Option Program (DROP) act. It is applicable to KP&F and provides a mechanism for a member who chooses to opt into the program upon obtaining normal retirement age would have the option of participating in the plan for 3 to 5 years. During the time period they would continue working and receive their compensation but their normal retirement benefit will be determined by the system and deposited into a DROP account for the duration of their work period. Gordon Self stood for questions from the committee.

Proponents:

Steve Kearney, Executive Vice President Kansas State Troopers Association, testified as a proponent of **HB2288** (Attachment 2). Steve Kearney stood for questions from the committee.

Major Mark Bruce, Interim Superintendent Kansas Highway Patrol, testified as a proponent of <u>HB2288</u> (<u>Attachment 3</u>). Major Mark Bruce stood for questions from the committee.

Neutral:

Alan Conroy, Executive Director, KPERS, as neutral of <u>HB2288</u> (<u>Attachment 4</u>). Alan Conroy provided background information on the Deferred Retirement Option Program (DROP). Mr. Conroy also provided committee members with Cost Study by Cavanaugh Macdonald Consulting, LLC (<u>Attachment 5</u>). Mr. Conroy stood for questions from the committee.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Friday, February 20, 2015, 152-S of the Capitol. Meeting adjourned at 10:30 a.m. Next meeting scheduled Monday, February 23, 2015.