Approved: <u>April 02</u>, 2015

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00am on Monday, March 16, 2015, 152-S of the Capitol.

All members were present except:

Representative Marc Rhoades – Excused

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:

Jarod Waltner, Assistant Planning and Research Officer, KPERS

Terry Forsyth, Kansas National Education Association

Tom Krebs, Governmental Relations Specialist, KASB

Cheryl Semmel, Executive Director United School Administrators of Kansas

Dr. Harvey Ludwick, Lobbyist KARSP

Fairth Loretto, Planning and Research Officer, KPERS

Charles Wakefield, Wichita Public School Employment Director

Bill Seidel, Superintendent USD 419

Others in attendance:

See Attached List

Possible action on bills previously heard HB2095 — Issuing \$1.5 billion of pension obligation bonds to finance a portion of the unfunded actuarial liability of KPERS.

<u>Representative Thompson moved to pass **HB2095** favorable for passage, seconded by Representative <u>Kelly.</u></u>

Discussion followed between Representative Trimmer and Chairperson Johnson

Representative Thompson moved to adopt **HB2095** as favorable.

Before there was a second, Chairperson Johnson explained there is a possibility on **HB2095** to change the funding in 2016 with an amendment. Motion died for lack of a second.

Representative Thompson moved to amend **HB2095**, seconded by Representative Kelly.

A copy of the balloon amendment for <u>HB2095</u> was distributed to the Committee (<u>Attachment 1</u>). Chairperson Johnson stated the intention for the balloon amendment on Page 4, Line 4, striking the year 2016 and inserting 2015 is to have total funding for both debts the same going forward.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Monday, March 16, 2015, 152-S of the Capitol.

<u>Representative Thompson called for the motion on **HB2095** as amended, seconded by Representative Kelly. Motion carried.</u>

Discussion followed between Representative Trimmer, Representative Alcala and Representative Ward stating they do not support **HB2095** as amended and requested their votes be recorded as Nay's.

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Possible action on bills previously heard SB228 — Defining police for purposes of eligibility in the Kansas police and firemen's retirement system.

Representative Billinger moved to pass SB228 favorably, seconded by Representative Kelly.

Representative Thompson moved to amend SB228, seconded by Representative Ward.

David Wiese, Assistant Revisor, advised the Committee the amendment for **SB228** is on Page 4, Line 41, striking "Kansas register" and inserting "statute book".

Motion to amend SB228 carried.

<u>Representative Billinger moved, seconded by Representative Jones **SB228** be passed as amended. Motion carried.</u>

Chairperson Johnson recognized Representative Trimmer who introduced Jay Buffum from Winfield High School. Mr. Buffum is here at the State Capitol shadowing Representative Trimmer.

<u>Hearing on: HB2253 — Extending special employment after retirement provisions under KPERS for certain retirants who are teachers.</u>

Chairperson Johnson opened the hearing on **HB2253**.

David Wiese, briefed the Committee on <u>HB2253</u> concerns working after retirement for certain licensed school personnel. The bill would extend the sunset date from July 01, 2015 to July 01, 2018 (<u>Attachment 2</u>). Mr. Wiese stood for questions from the Committee.

Jarod Waltner, Assistant Planning and Research Officer, KPERS, provided additional data to the Committee of retirement age patterns among the groups affected by <u>HB2253</u> (Attachment 3). Mr. Waltner stood for questions from the Committee.

Terry Forsyth, Kansas National Education Association presented testimony in support of <u>HB2253</u>. He stated many school districts benefit from retirees who have returned to work following their retirement (<u>Attachment 4</u>). Mr. Forsyth stood for questions from the Committee.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Monday, March 16, 2015, 152-S of the Capitol.

Tom Krebs, Governmental Relations Specialist, KASB, presentted testimony in support of <u>HB2253</u> (<u>Attachment 5</u>) Mr. Krebs stood for questions from the Committee.

Cheryl Semmel, Executive Director United School Administrators of Kansas presented testimony in support of <u>HB2253</u> (<u>Attachment 6</u>). Ms. Semmel stood for questions from the Committee.

Dr. Harvey Ludwick, Lobbyist ofr KARSP presented testimony in support of <u>HB2253</u> (<u>Attachment 7</u>). Along with Dr. Ludwick's testimony he presented Working after Retirement Scenario 2, Income Comparison. Dr. Ludwick stood for questions from the Committee.

Faith Loretto, Planning and Research Officer, KPERS spoke on the Working after Retirement Scenario 2, Income Comparison presented by Dr. Ludwick. The page illustrates from an individual perspective of what is attractive to come back to work after retirement. An individual would need to look at their current circumstances and how long they plan on working. Basically, present value in terms of what the dollar is worth today, your pension is never greater than that first day you are eligible.

Charles Wakefield, Wichita Public School Employment Director, spoke without written testimony in support of **HB2253**. Mr. Wakefield stated his job is to staff the schools for the Wichita. There are specific needs in the school district where we have to reach out to the experienced retired teachers to meet the needs of our students. We currently have vacancies that cannot be filled at this time. The Wichita School District has visually impaired students and the teacher is to be federally certified. Currently there are three programs for certification in the area and not one is in the State of Kansas. We do not support reaching the age of 62 before a teacher can come back to teach. If we make a teacher wait six to eight years before they come back and fill some of the hard to fill positions, they will be so far behind in terms of teaching, changes in curriculum and protocol. Mr. Wakefield stood for questions from the Committee.

Bill Seidel, Superintendent USD 419 presented testimony in support of <u>HB2253</u> (<u>Attachment 8</u>). Mr. Seidel stood for questions from the Committee.

Chairperson Johnson stated the hearing for **HB2253** will continue Wednesday, March 18.

Meeting adjourned at 10:35 a.m.