

MINUTES OF THE SENATE SELECT COMMITTEE ON KPERS

The meeting was called to order by Chairperson Jeff King at 3:35pm on Monday, February 02, 2015, 118-N of the Capitol.

All members were present

Committee staff present:

J.G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Suzanne Nelson, Kansas Legislative Committee Assistant
Daniel Yoza, Office of Revisor of Statutes
Gordon Self, Office of Revisor of Statutes
Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

Bill introductions

The Chair asked the Committee and audience for bill requests and introductions. There were none.

Hearing on:

Chair King turned the Committee's attention to a hearing on various proposals regarding pension obligation bonds and/or re-amortization plans.

Alan Conroy distributed an overview Memorandum detailing four KPERS cost studies that were created with the following parameters in mind:

- Reflects the Governor's allotment of \$58 million in the current year;
- Reflects the Governor's recommended employer contribution rate of 9.69% in FY 2016 (instead of the current statutory rate of 12.37%); and 9.59% in FY 2017 (instead of the current statutory rate of 13.57%); and,
- Does not include any extra state casino money to help pay down the unfunded actuarial liability (no ELARF). ([Attachment 1](#))

As a means to assist in reviewing the studies, Mr. Conroy also distributed four summary tables that compare the various cost studies on the following points:

- Maximum employer contribution rate;

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on KPERS at 3:35pm on Monday, February 02, 2015, 118-N of the Capitol.

- FY 2018 and FY 2019 employer contribution rate;
- Year that the actuarial required contribution rate is reached (rather than the lower statutory rate);
- Year the funding ratio reaches 80%;
- Total employer contributions through 2046 (in nominal or non-inflation adjusted dollars);
- Difference in total contributions through 2046 (in nominal or non-inflation dollars) versus current law;
- Difference in total contributions through 2046 in present value dollars (inflation adjusted).
[\(Attachment 2\)](#)

Mr. Conroy reviewed the four cost studies as follows:

- \$1.0 billion in bonds, including the present value costs; [\(Attachment 3\)](#)
- \$1.0 billion in bonds, including present value, plus 10-year re-amortization; [\(Attachment 4\)](#)
- \$1.5 billion in bonds, including the present value costs; [\(Attachment 5\)](#)
- \$1.5 billion in bonds, including present value, plus a 10-year re-amortization; [\(Attachment 6\)](#)

Following the presentation, there was discussion and Mr. Conroy answered questions from the Committee relative to the studies. The Chair announced that the next meeting would be on Tuesday, February 10, 2015, at 3:30 pm.

The meeting adjourned at 4:15 pm.