

MINUTES OF THE SENATE SELECT COMMITTEE ON KPERS

The meeting was called to order by Chairperson Jeff King at 3:40pm on Tuesday, February 10, 2015, 118-N of the Capitol.

All members were present except:

Senator Anthony Hensley – Excused

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](#)

Hearing on: SB168 — Issuing a \$1 billion of pension obligation bonds to finance a portion of the unfunded actuarial liability of KPERS.

Chair King opened the hearing on **SB168** by asking Daniel Yoza to present an overview of the bill which provides for credits up to \$1.0 billion in bond proceeds to its unfunded actuarial liability. The bill would cap the interest rate at 5%. Mr. Yoza answered questions from the members. ([Attachment 1](#))

Alan Conroy presented testimony in support of the bill and urged the Committee consider it favorably for passage. Mr. Conroy related that The Board of Trustees does not meet until March and therefore, has not yet had a chance to discuss the bill, but said the Board tends to generally support policies that improve KPERS' funding and sustainability. ([Attachment 2](#))

Mr. Conroy distributed copies of a cost study from KPERS' consulting actuary which gives some background, addresses the cost impact, notes the assumptions and limitations applied to the study and provides two tables that compare current provisions versus projections under **SB168**. ([Attachment 3](#))

Mr. Conroy distributed a third piece of testimony which contains a bond column with the debt service payment along with the present value, which extends through 2046 (exemplifies the ten year re-amortization) and projects a considerable savings if this option were chosen. ([Attachment 4](#))

There was discussion. The Chair and Mr. Conroy responded to questions from the Committee relating to the handouts. Several members and the Chair asked Mr. Conroy to come back with some different scenarios differentiating between a \$1.0 billion and a \$1.5 billion issue of pension bonds with and without a ten year re-amortization plan.

CONTINUATION SHEET

MINUTES of the Senate Select Committee on KPERS at 3:40pm on Tuesday, February 10, 2015, 118-N of the Capitol.

There being no further questions, comments or discussion, the hearing closed.

Possible action on bills previously heard

There was no action on bills today.

The Chair announced that the next meeting would be Monday, February 16, 2015 at 3:30 pm.

The meeting adjourned at 4:15 pm.