



Testimony before the
Senate Select Committee on KPERS
on
**Substitute for SB 299 - Providing working after retirement requirements for
certain KPERS retirants.**

by

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April 29, 2015

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to offer comments on this important topic. We are joined in this testimony by the United School Administrators.

KASB has followed the issues closely the last three years and understands time is short to take decisive action. We cannot offer a full-throated endorsement of the new plan nor do we reject it out of hand. But the simple fact is, it does not meet the resolution our Delegate Assembly adopted last December on the the issue.

Retired educators. We support extending current law allowing certified employees to return to work after retirement, provided it does not increase the liability of the system. We support exempting retired teachers hired for special education positions from the district KPERS surcharge.

KPERS is currently operating under the assumption the working-after-retirement policy in place is increasing the liability of the system. Its belief is based on actuarial research looking at several examples, but there's not a number determined to represent that cost. It appears to us there must be a point where there is not a cost, and if that point were found, our position could be realized. Make the current policy permanent and generate enough money through the collection of an actuarial rate and penalty to ensure income exceeds cost. In order to realize the second part of the resolution, the number I just spoke of would need to be such that enough money was collected to offset the lack of money collected from special education positions, but it is our belief, given the federal mandate associated with IDEA, it is imperative the pool of trained SPED teachers remain sufficient to meet the needs of Special Education students.

If this approach is not a possibility, the plan under consideration does not appear to contradict our long-standing KPERS policy:

Kansas Public Employees Retirement System: The employers' cost of any retirement program or benefits mandated by the state should be fully and directly funded by the state. KASB opposes making KPERS a non-contributory system. KASB believes the Legislature should consider changes in the KPERS system to reduce the need for state general fund support, providing that benefits remain appropriate to attract and retain qualified employees.

We would offer two recommendations, however:

The first is to repeal the actuarial rate and penalty on special education teachers. This would still impose a liability to the system, but, as mentioned earlier, it makes sense given the fact districts and interlocals simply have to have these teachers given the mandates of IDEA.

Also, we would ask that any teacher using the working-after-retirement language in the 2014-15 school year be grandfathered in as long as they are in their current job. The new requirements could be imposed if they change employers. This would clearly make the transition to the new system much smoother for both districts and educators.

While there has been much talk about the shortage of special education teachers across the state and discipline shortages appearing in various parts of the state, KASB believes it is also important to ensure a district's ability to hire an interim administrator remains intact. On occasion, a superintendent is incapable of serving due to illness or a family emergency. It is essential, at that point, for a district to have a superintendent licensed to carry on prescribed duties, and often the district has no one else possessing that license. Even more likely is the possibility of a superintendent taking another job late in the school year, which creates insufficient time to carry on an appropriate search for a replacement. In this case, hiring a retired superintendent is almost a necessity. The language appearing under "Exceptions from Earnings Limitation for 'Hardship' Position" seems to meet that need.

KASB believes simply finding a penalty where there is no cost to the system is a winner on several fronts. First, there will be no doubt the employer and/or employee will pay for the privilege/necessity of staffing with retired educators, not KPERS or the state taxpayers. It will allow for both local control and individual freedom. The district has absolute control over any additional costs it might incur, and the employee has the final say as to what value he or she places on their services. And third, it minimizes the need for the state to have a complicated statute in order to direct a smaller government's function.

I'll be happy to stand for questions at the appropriate time.