

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by Rep. Vernon L. "Vern" Williams at
Chairperson

8:05 a.m./~~p.m.~~ on February 14, 1990 in room 526S of the Capitol.

All members were present except:

Rep. Barbara Allen (Excused)
Rep. Bill Wisdom (Excused)

Committee staff present:

Richard Ryan, Legislative Research
Alan Conroy, Legislative Research
Mary Meier, Committee Secretary

Conferees appearing before the committee:

Pam Summerville, Dept. of Transportation
Jack Pierson, Kansas Association of Police Chiefs

Marshall Crowther, Executive Secretary, KPERS
Jack Hawn, KPERS

Chairman Williams announced that the first order of business would be a hearing on HB2600 and welcomed Pam Summerville of KDOT to the Committee. She presented oral and written testimony (Attachment 1), supporting the bill as drafted, increasing the limitation on salaries to match federal social security limits, thus enabling the Department of Transportation to utilize the expertise of retired engineers in training newly recruited employees. Some discussion followed regarding time limits on the training/transition periods. Upon query by Chairman Williams, Ms. Summerville replied that her department would be amenable to a single flat amount with a 3-year sunset.

Jim Bush, Director of Engineering Design, KDOT, also spoke briefly in response to questioning about length of training periods for newly recruited engineers.

At request of Chairman Williams, Marshall Crowther, Executive Secretary, KPERS, explained that current law provides that if a retirant goes back to work for the same employer by whom they had been hired or by whom they had been employed during the last two years, they could earn no more than \$6,000 during the year. After they have earned \$6,000 in any year, they then have a choice of either un-retiring or suspending their benefits for the balance of the year.

Chairman Williams then introduced Jack Pierson, Kansas Association of Police Chiefs. He gave oral and written testimony (Attachment 2) in support of HB2600, encouraging the Committee to vote favorably on the bill.

Chairman Williams asked Mr. Pierson if he was aware this bill does not affect KPERS, and Mr. Pierson acknowledged that he understood.

Chairman Williams then asked if there were other appearances. Noting there were none, he closed the hearing on HB2600.

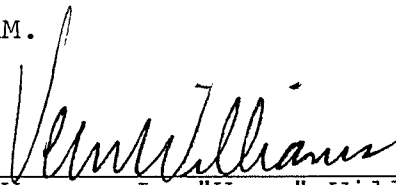
Chairman Williams polled the committee as to their preference for future committee meeting times. Given the options of meeting at 8:00 AM, 12 Noon, or 4:45 PM, the consensus of agreement was that the committee meet at 8:00 AM. Chairman Williams noted that the time might be moved up to 7:45 AM.

AM in some instances. He then asked if the committee had objections to meeting elsewhere, ie, KPERS Boardroom? The majority of members objected to this alternative meeting place.

Marshall Crowther was then available for questions about the annual report, questions by Rep. Sader re the earnings report, consultant fee, equity reserve, expressing the Board's concern in that area and outlining steps being taken at this time.

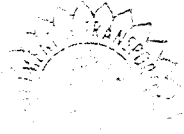
Minutes of the meeting on January 17, 1990 were approved as submitted.

Meeting adjourned at 8:30 AM.



Rep. Vernon L. "Vern" Williams
Chairman

STATE OF KANSAS



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Horace B. Edwards
Secretary of Transportation

Mike Hayden
Governor of Kansas

February 14, 1990

MEMORANDUM TO: Pensions, Benefits, & Investments
Committee

REGARDING: House Bill 2600

FROM: Kansas Department of Transportation

Mr. Chairman and members of the Committee. House Bill 2600 is the result of an interim study (Proposal No. 55), requested by the Department of Transportation, to address the ability of the Department to acquire newly retired engineering support personnel.

One of the goals of the expedited highway program is to develop and implement the program as quickly as possible. A number of recently retired or soon to retire employees have special talents and expertise peculiar to our state highway system that would be

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valuable to KDOT, especially in the initial stages of the new program.

In view of the time involved in training new employees, specifically, the Department's two year Engineer in Training Program, these persons would be extremely helpful during the transition. Once the new employees are recruited and/or trained, they could then return to retirement. At present, costly impediments to the retiree make them unavailable. The salary is limited to \$6,000 annually. If this amount is exceeded, the employee's retirement benefits terminate. It is not uncommon for their preretirement salary to have exceeded \$3,000 per month.

House Bill 2600, as drafted, would increase the salary limits to match federal social security limits. Current limits are \$9,360 for those aged 65-69, and \$6,840 for those aged 62-64. While a \$3,360 increase appears nominal, it would enable the Department to use retirees services for an additional month to three months depending on their hours. The Department feels this will enhance their efforts to implement the requirements of the expedited highway program.

Committee on Pensions, Investments, and Benefits
House Bill No. 2600
February 14, 1990

The Kansas Association of Chiefs of Police supports this bill and would like to encourage the Committee to vote favorably on House Bill 2600.

The Association's interest is in being able to tap additional resources for the benefit of the public service. There are a number of people who retire from service having developed a large degree of expertise in their field. Other agencies may wish to bring this expertise back for short periods of time to help solve problems or provide a broader range of input.

Passage of this bill would allow for a modest increase in allowable earnings after retirement. This would benefit government without penalizing the retiree.