

Approved \_\_\_\_\_ Date MARCH 22, 1990

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by Rep. Vernon L. Williams at \_\_\_\_\_  
Chairperson

7:45 a.m./~~p.m.~~ on February 21, 1990 in room 531N of the Capitol.

All members were present except:

Rep. Rezac (Excused)  
Rep. Wilbert (Excused)

Committee staff present:

Alan Conroy  
Richard Ryan  
Mary Meier

Conferees appearing before the committee:

Rep. Jess Harder  
Basil Covey, Kansas Assoc. of Retired Teachers  
Craig Grant, KNEA  
Stuart Knoll, Marketing Dept., Kansas BankCard Center, Wichita  
Jack McCord, Dept. of Administration

Chairman Williams announced the first order of business would be the hearing of HB2954 and welcomed Rep. Jess Harder who testified in support of HB2954.

Chairman Williams welcomed Basil Covey, Kansas Association of Retired Teachers, who offered oral and written testimony (Attachment 1) in support of HB2954. Mr. Covey urged its passage to assist older retired teachers retain their dignity.

At Chairman Williams' request, Marshall Crowther explained that 1971 was the cut-off point because after that the KPERS plan was in effect and the old "teachers' plan" was absorbed.

Chairman Williams welcomed Craig Grant, KNEA, who offered oral and written testimony (Attachment 2) in support of HB2954. Mr. Grant added that he felt the "ad hoc" increases are good for certain people, and that this is one of those times.

Rep. Sader questioned Mr. Crowther about the fiscal note for the bill, to which he responded \$1.8 million State General Fund and \$426,000 from local units. He also emphasized that while the term "teachers" is often used, this bill would apply to all public employees who retired prior to the '71 date. That it is not a singling out of any one group.

Chairman Williams then declared the hearing on HB2954 closed.

Chairman Williams opened the hearing on HB2719 by introducing Jack McCord, Office of Secretary of Administration, who spoke in support of HB2719, stating that the affinity card program would benefit employees and the state general fund. He also spoke of a proposed amendment which would broaden the basis for the state's awarding contracts which would include fees charged by any credit card company, and lowest prime rate that could be charged the user of the card. Chairman Williams commented that it would open up the negotiation for several features of the credit cards.

Rep. Sader asked if there were any disadvantages and Mr. McCord responded that the biggest concern is the need to keep the mailing list of active employees and retirants in KPERS away from outside sources. He did not see any costs of administration unless special mailings were requested. Applications would be responsibility of successful bidder and notices would be sent through regular payroll mailings.

Rep. Sader asked if it's usual to not have any competitive bids, and Mr. McCord responded that it was not unusual, that it is a matter of

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,  
room 531N, Statehouse, at 7:45 a.m./~~p.m.~~ on February 21, 1990

negotiation, weighing various factors. It is unlike insurance bids where specs are uniform.

Chairman Williams welcomed Craig Grant, KNEA, who offered oral and written testimony (Attachment 3) in support of HB2719, suggesting that any annual fee for the card might be forgiven retired members, and that any monies received should go into the KPERS fund for possible use to increase benefits.

Chairman Williams welcomed Stuart Knoll, Marketing Department, Kansas BankCard Center, Wichita, who testified in support of HB2719. He emphasized that his organization would be unable to project at this time as to fees, rates, etc. He also indicated that the potential number of card users would be quite attractive to several bidders.

Gary Scheer, of Wichita Bank IV, speaking in favor of HB2719, stated that as far as bidding was concerned that each bidder might approach it differently, offering different packages with different sets of benefits. He felt there would be no risk to the state, that any risk would go back to the affinity offerer. The state may or may not make significant amounts of money.

Chairman Williams commented that as government employees, there are certain benefits available, for instance, travel and lodging discounts. The card carrier would have this added benefit.

Chairman Williams closed the hearing on HB2719.

Meeting adjourned at 8:30 a.m.



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Rep. Vernon L. Williams  
Chairman



# Kansas Retired Teachers Association

## Keep Retired Teachers Active

1989 - 1990



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February 21, 1990

Members of the House Pensions, Investments and Benefits Committee:

My name is Basil Covey and I represent the Kansas Retired Teachers Association.

We support HB 2954 that would give increased benefits based on years of service before 1971 and the number of years retired.

Most of the older retired teachers are in the late 80's and early 90's. They taught when salaries were very low. Their pension and social security benefits are based on low salaries.

Teachers were not included in the social security system until 1958. Older teachers had no chance to build on their social security benefits.

Many of the older teachers had to furnish their own supplies and were not reimbursed. The older teachers subsidized the school districts in which they taught.

The older retired teachers need an extra increase in benefits to retain their dignity and keep from falling below the poverty level.

Applying HB 2954 to six retirees in the Leavenworth survey:

Retired	Yrs. Service	\$1.000	Yrs. Retired	Sum
1963	39	39.00	(27) 27.00	66.00
1966	20	20.00	(24) 24.00	44.00
1967	22	22.00	(23) 23.00	45.00
1968	25	25.00	(22) 22.00	47.00
1969	25	25.00	(21) 21.00	46.00
1970	25	25.00	(20) 20.00	45.00

We urge the committee to give HB 2954 a favorable vote.

Thank you,  
*Basil Covey*  
Basil Covey

*Arr 1*

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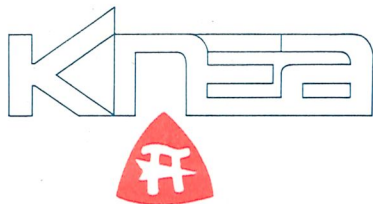
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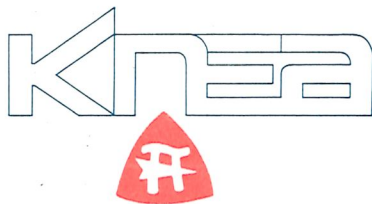
Craig Grant Testimony Before The House  
Pensions, Investments, & Benefits Committee,  
Wednesday, February 21, 1990

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2954.

Kansas-NEA supports HB 2954 which would provide an "ad hoc" increase to those who have already retired. This increase would be based on years of credited service and when the person retired. This should help that long-time teacher who retired when salaries were not as high as they needed to be to provide a decent retirement benefit. This bill would certainly help that situation.

Kansas-NEA supports HB 2954 and hopes that the committee acts favorably on the bill. Thank you for listening to our concerns.

*Att. 2*



Craig Grant Testimony Before The  
House Pensions, Investments, & Benefits Committee  
Wednesday, February 21, 1990

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2719.

HB 2719 provides creative thoughts which we certainly could support. It seems like many entities are getting into the credit card business and KPERS could be one that would have a large number of possible users. We would make two possible suggestions. First, if there is an annual fee associated with the card, retired members should have the fee forgiven. Second, in line 39, we think the moneys received should go into the KPERS fund for possible use to increase benefits.

Kansas-NEA supports the concepts in HB 2719 with the suggestions listed above. Thank you for listening to our concerns.

Att. 3