

Approved: 4-23-91  
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 1:40 p.m. on March 20, 1991 in room 514-S of the Capitol.

All members were present except: Representatives Helgerson, Blumenthal, Hochhauser, Pottorff, and Goossen (all excused).

Committee staff present:

Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Basil Covey, Kansas Retired Teachers Association  
Craig Grant, KNEA  
Gerald Henderson, United School Administrators  
Ernie Mosher, League of Kansas Municipalities  
Dennis Shockley, Director of Intergovernmental Affairs, City of KC, Ks.  
George Gabel, AARP

Others attending: see attached list.

HB 2095 - KPERS, postretirement benefit increase of 3 percent.

HB 2103- KPERS, postretirement benefit increase of \$15 per month.

Alan Conroy, Kansas Legislative Research Department, explained that HB 2095 increases the retirement benefits of anyone who had retired prior to July 1, 1990 by 3 percent. The cost of the bill would be an additional state contribution of approximately \$3.8 million of which \$2.9 would be financed from the State General Fund. The increase would not be reflected in the state contribution rate until FY94.

Representative Patrick expressed concern about reported losses of the KPERS fund on investments, which are estimated to be \$100 million or more. He questioned how many years it would take to make up this loss by the State General Fund and what the effect would be on the contribution rates. Staff will research this question.

Regarding HB 2103, staff explained the bill increases the monthly retirement benefit by \$15 for all who have retired prior to July 1, 1977. The fiscal impact of this increase for the state is \$1.4 million of which \$1.1 million would be from the State General Fund reflected in the FY94 contribution rate.

Basil Covey, Kansas Retired Teachers Association, appeared in support of HB 2095 and provided written testimony (Attachment 1). Mr. Covey also testified in support of HB 2103 (Attachment 2). Mr. Covey noted that HB 2103 would help those retired teachers in their late 70's, 80's and 90's. He advised that some of them have experienced difficulty in getting their service years validated, as some school board records were lost or destroyed. Several members discussed that there should be a mechanism for certifying service years for teachers whose records were lost.

Craig Grant, KNEA, testified in support of HB 2095, as it represents a cost of living increase for retirees (Attachment 3). Mr. Grant stated that cost of living adjustments are preferable to the "ad hoc" increase in HB 2103, although he does not oppose that bill.

Gerald Henderson, United School Administrators, appeared in support of HB 2095 and HB2103.

George Gabel, AARP, testified in support of HB 2103 and HB 2095. He stated that because salaries were very low when many of the older teachers retired, their pensions are small and these bills would help them.

HB 2170 - Kansas public employee retirement study commission established.

Staff explained that HB 2170 establishes an eleven member Kansas Public Employee Retirement Study Commission. The purpose of the commission is to study the benefits and costs of the KPERS, to receive and

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 1:40 p.m.  
on March 20, 1991.

consider proposed changes, and to present recommendations to the Governor and the Legislature. These must include recommendations regarding long-term policy objectives of the retirement systems for state and local government employees in Kansas. The fiscal impact of the bill is estimated to be approximately \$35,189. This cost includes possibly two actuarial studies at \$15,000 each.

Ernie Mosher, League of Kansas Municipalities, appeared in support of HB 2170 (Attachment 4). He emphasized the need for establishment of a long-term policy for the state retirement system.

Dennis Shockley, Director of Intergovernmental Affairs, City of KC, Ks., appeared in strong support of HB 2170 stating Kansas needs a directed policy rather than last minute decisions on its retirement system (Attachment 5). He noted in 1985 the Committee on Pensions of the National Conference of State Legislatures recommended the establishment of permanent advisory commissions for pension review in all states.

Craig Grant, KNEA, testified in support of HB 2170 stating Kansas is lagging behind other states in benefits and early retirement options and he feels directed policy will benefit Kansas' employees (Attachment 6).

HB 2126 - Automobile Liability Insurance; uninsured and underinsured motorists coverage; subrogation of insurer; attorney fees.

The subcommittee of Representatives Turnquist, Solbach and Heinemann presented a subcommittee report on HB 2126, which was referred to Appropriations from General Orders on March 11, 1991. Representative Turnquist advised that the subcommittee report includes an amendment recommended to clarify the intent in the bill with regard to the uninsured and underinsured motorist coverage (Attachment 7). Representative Heinemann moved adoption of the subcommittee report on HB 2126 as recommended to be amended by the House Committee on Insurance. Representative Turnquist seconded. Motion carried. Representative Heinemann moved that HB 2126 be amended as recommended by the Committee on Insurance and Committee on Appropriations and be passed as amended. Representative Turnquist seconded. Motion carried.

Chairman Teagarden turned to consideration of HB 2492 and HB 2536 for a motion to send the bills, which were referred to Appropriations from General Orders on March 13, 1991, back to the Floor. Staff explained that HB 2492 would allow a telecommunications company to elect a single factor apportionment method for determining state corporate income taxes. HB 2536 would establish the Kansas Investments in Lifelong Learning (SKILL) Program, to be administered by the Secretary of Commerce. Representative Patrick moved that HB 2492 be recommended favorably for passage. Representative Lowther seconded. Motion carried. Representative Chronister moved that HB 2536 be amended as recommended by the House Committee on Economic Development by substituting a new bill and the substitute bill be passed. Representative Wisdom seconded. Motion carried.

### INTRODUCTION OF BILLS

Chairman Teagarden requested introduction of four bills on behalf of the Committee on Pensions, Investments and Benefits described as follows:

- (1) 1 RS 1180 which includes in the definition of service connected for purposes of disability benefits under the Kansas police and firemen's retirement system, any death or disability resulting from cancer, if the member has at least five years of credited service;
- (2) 1 RS 1369 which provides that court services officers shall be members of the KP&F retirement system and provides funding for such membership through the remittance of the probation or community correctional services fee to the retirement system;
- (3) 1 RS 1242 which provides for the transfer of the value of any defined pension plan of a fire district to be transferred to the KP&F retirement system and apply such transfer to the cost of affiliating for prior service coverage; and
- (4) 1 RS 1378 which provides an election for certain members of the KBI who served as narcotic violation investigators to receive prior service credit for such service under the KP&F retirement system.

Representative Chronister moved introduction of the four bills. Representative Solbach seconded. Motion carried.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 1:40 p.m.  
on March 20, 1991.

Representative Chronister moved introduction of a bill on behalf of the Education Committee which would extend the deadline for release of a teacher from April 10 to May 1. Representative Wisdom seconded. Motion carried.

Representative Chronister moved introduction of a bill regarding certification of retired teachers' years of service which would require that the teacher appear before a notary with one supporting notarized letter from a disinterested member of the community that was in the community at the time the teacher was teaching there in order to certify their years of service. Representative Heinemann seconded. Motion carried.

Representative Dean moved introduction of a bill that would prohibit voter registration lists from being used for jury lists. Representative Hensley seconded. Motion carried.

Chairman Teagarden took up consideration of HB 2170 for discussion and final action. Representative Wisdom moved that HB 2170 be recommended favorably for passage. Representative Heinemann seconded. Representative Vancrum made a substitute motion to amend HB 2170 to add to the membership of the Commission three members of the general public appointed by the Governor. Representative Wisdom seconded. Representative Vancrum withdrew the substitute motion with the permission of the second. Representative Wisdom. Representative Patrick stated a bill should be introduced that would direct the Kansas Public Employees Retirement Board to conduct a study and have hearings on retirement policy and objectives rather than having legislators or state employees doing the study. He feels this would produce a more objective study. Representative Heinemann made a substitute motion to amend HB 2170 to provide for two legislative members of the Commission, one from each political party, to be appointed by the Speaker and Senate President and to add two members of the general public to be appointed by the Governor. Representative Vancrum seconded. Substitute motion carried. Representative Heinemann moved that HB 2170, as amended, be recommended favorably for passage. Representative Wisdom seconded. Representative Patrick made a substitute motion that the retirement study commission be given the authority to contract with an actuary for expert advice during its deliberations. Representative Wisdom seconded. Substitute motion carried. Representative Heinemann made a motion to amend HB 2170 to provide that the actuarial studies by the Commission shall be authorized by the Legislative Coordinating Council. Representative Chronister seconded. Motion carried. Representative Heinemann moved that HB 2170, as amended, be recommended favorably for passage. Representative Wisdom seconded. Motion carried.

Representative Gatlin moved approval of the minutes of March 4 and 5, 1991 as written. Representative Lowther seconded. Motion carried.

The meeting was adjourned at 3:20 p.m. The next meeting is scheduled for Thursday, March 21 at 1:30 p.m. in 514-S.





# Kansas Retired Teachers Association

School is never out for Retired Teachers

1990 - 1991



## ELECTIVE OFFICERS

**President**  
Mary Douglas  
2121 Meadowlark Road, Apt. 302  
Manhattan, KS 66502  
Phone 913-776-0773

**President Elect**  
Ralph Ruhlén  
P.O. Box 269  
Baldwin City, KS 66606  
Phone 913-594-3413

**Vice President**  
Floyd Pope  
1133 N. Ridgewood  
Wichita, KS 67208  
Phone 316-686-6991

**Secretary**  
Dorothy Pounds  
511 S. Chestnut  
McPherson, KS 67460  
Phone 316-241-3336

**Treasurer**  
Fred Jarvis  
1122 N. Cedar  
Abilene, KS 67410  
Phone 913-263-1533

**Assistant Treasurer**  
Doris Setterquist  
1925 Kenmar  
Manhattan, KS 66502  
Phone: 913-539-4968

**Past President**  
R. H. Turner  
516 Welton  
Pratt, KS 67124  
Phone 316-672-7890

## DISTRICT DIRECTORS

**District 1**  
Selma Maronde  
235 W. 7th  
Russell, KS 67665  
Phone 913-483-2457

**District 2**  
Charles Setterquist  
1925 Kenmar  
Manhattan, KS 66502  
Phone 913-539-4968

**District 3**  
Virginia Kelso  
306 South 18th  
Leavenworth, KS 66048  
Phone 913-682-5302

**District 4**  
Mildred Griffith  
P.O. Box 178  
Meade, KS 67864  
Phone 316-873-2673

**District 5**  
Lawrence Bechtold  
1106 S. Gouverneur Rd.  
Wichita, KS 67207  
Phone 316-684-2350

**District 6**  
Leon Foster  
R.R. 1 • Box 4  
Independence, KS 67301  
Phone 316-331-7459

March 20, 1991

Members of the House Appropriations  
Committee:

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

We support HB 2095 that increases the  
retirement benefits 3% for retired teachers  
and all members in KPERS.

We appreciate enhancements granted by  
the legislature in the past, but recognize  
that legislation for increases is an ongoing  
process.

The federal government established  
legislation for Social Security recipients  
to receive percentage increases annually.  
The states must assume responsibility for its  
retirants. Adjustments in the cost of living  
must be made to retain purchasing power and not  
diminish the standard of living of retirants.

The 1988 AARP bulletin giving retirement  
programs for teachers in the 50 states is as  
follows: 27 states, or 54%, grant automatic  
COLA increases; 21 states, or 42%, have ad hoc  
increases, and two states, or 4%, grant in-  
frequent increases.

It is standard procedure to consider  
economic conditions in relation to inflation  
in determining the COLA for each particular  
year. Reports from economists state the rate  
of inflation ranges between 7 or 8%.

We urge your Committee to give consider-  
ation for passage of HB 2095.

Sincerely,

*Basil Covey*  
Basil Covey

HA

3-20-91

Attachment 1

## APPOINTEE OFFICERS

**Editing & Publishing  
Committee Chairman**  
Elsie Klemp  
608 E. Price  
Garden City, KS 67846  
Phone 316-275-5322

**Legislative Chairman**  
Dist. Basil Covey #2  
3119 W. 31st St. Ct.  
Topeka, KS 66614  
Phone 913-272-5914

**Community Service Chairman**  
Carl Willis  
2019 South 4th  
Salina, KS 67401  
Phone 913-825-7563

**Informative &  
Protective Services Chairman**  
Floyd Pope  
1133 N. Ridgewood  
Wichita, KS 67208  
316-686-6991

**Retirement Planning Chairman**  
Dale Reihan  
P.O. Box 86  
Chapman, KS 67431  
Phone 913-922-6474

**Membership Chairman**  
Anna Butler  
524 N. Main  
Hoisington, KS 67544  
Phone 316-653-2922

**Historian Chairman**  
Alma Gall  
2206 Sixth Ave.  
Dodge City, KS 67801  
Phone 316-227-7544

**Necrology Chairman**  
Wilda Novotny  
2310 Maple Dr.  
Belleville, KS  
Phone 913-537-2964

**NKTA Coordinator**  
James H. Nickel  
P.O. Box 453  
Colby, KS 67701  
Phone 913-462-2293

**Parliamentarian**  
Helen Wroten  
2152 Meadowlark Rd.  
Manhattan, KS 66502  
Phone 913-537-7279

## LEGISLATIVE COMMITTEE

**District 1**  
Carl Sperry  
422 S. Adams  
St. Francis, KS 66756

**District 3**  
Dr. Ralph Chalender  
7207 Hemlock  
Overland Park, KS 66204

**District 4**  
Laurence Stanton  
406 La Vista  
Dodge City, KS 67801

**District 5**  
A. W. Dirks  
11403 Douglas W.  
Wichita, KS 67209

**District 6**  
James McCollam  
P.O. Box 6  
Weir, KS 66761

Samples from a KRTA survey of retired teachers with some making comments. The following information is presented in this order: City, average service-year benefit, years of service, age of the retiree, and year of retirement.

- Fredonia--\$12.75, 15 years, 76 years, 1978 "I will move across the street from my daughter. She is a 4th generation teacher. Her great-grandmother founded and taught in a prairie school as a homesteader".
- Russell--\$9.76, 37 years, legally blind & 90 years, 1961 "I am her niece writing this. Her pension has not kept up with the inflation rate".
- Topeka--\$10.61, 19 years, 79 years, 1974 "Appreciate any help."
- Minneola--\$9.98, 34 years, 72 years, 1982 "I retired when the participating service benefit was .0125."
- Chanute--\$9.58, 29 years, 84 years, 1972 "Could you work for raising the \$9.58?"
- Hutchinson--\$13.32, 40 $\frac{1}{2}$  years, 86 years, 1970  
9.05, 25 years, 77 years, 1979
- Dodge City--\$7.70, 28 $\frac{1}{2}$  years, 79 years, 1975 "I loved my teaching and I resent getting old."
- Madison--\$9.86, 20 years, 78 years, 1977
- Hays--\$10.22, 29 years, 84 years, 1972
- Salina--\$9.05, 42 years, 76 years, 1980  
7.19, 17 years, 84 years, 1972
- Arkansas City--\$9.17, 26 years, 77 years, 1976 "We need help for we taught when pay was low."
- Belleville--\$13.44, 43 years, 72 years, 1979
- Wichita--\$11.28, 25 years, 85 years, 1971 "Iv'e never known why KRSR hasn't given me the 26 years credit."  
\$9.17, 37 years, 83 years, 1973 "I taught when pay was low."
- Lawrence--\$9.74, 42 years, 85 years, 1968  
9.41, 44 years, 89 years, 1966 "I'm in a retirement home need help."
- KC, Mo.--\$12.13, 24 $\frac{1}{2}$  years, 79 years, 1972 "Hope we can get legislators to take some action."  
10.16, 43 years, 80 years, 1976 "I hope a fair adjustment can be made."
- Medicine Lodge--\$8.58, 26 years, 85 years, 1971 "Help for us is long overdue."
- McPherson--\$8.61, 13 $\frac{1}{2}$  years, 99 years, 1942
- Kansas City--\$8.49, 47 years, 87 years, 1969  
11.23, 24 years, 77 years, 1979
- Howard--\$6.89, 23 years, 82 years, 1974 "Percentage increases doesn't seem fair when I taught in days of low pay."
- Aurora, Mo.--\$12.40, 25 years, 78 years, 1978
- Garden City--\$5.42, 22 $\frac{1}{2}$  years, 80 years, 1976 "The old teachers out here are trying to get \$50 a month more money. They are 80 years old."  
8.50, 21 years, 101 years, 1976
- Larned--\$10.99, 42 years, 77 years, 1969  
8.17, 19 years, 84 years, 1972
- Fort Scott--\$6.62, 40 years, 84 years, 1972 "It surely doesn't seem fair when I taught in the days of low pay."

Chanute--\$3.05, 11 years, 80 years, 1976 "I would appreciate dollars per year service increases, percentage increases do not help me very much."  
Nickerson--\$11.08, 45 years, 93 years, 1963 "I would appreciate any help given."  
Syracuse--\$10.71, 42 years, 71 years, 1980  
Greensburg--\$8.69, 26 years, 81 years, 1975  
Wichita--\$9.66, 23 years, 81 years, 1975  
Hoisington--\$13.33, 30 years, 84 years, 1975 "I feel I have been unfairly treated by some action taken in changes."  
Fort Scott--\$10.43, 39 years, 87 years, 1969  
Syracuse--\$12.96, 28 years, 85 years, 1977  
Deerfield--\$5.94, 27 years, 81 years, 1965  
Marysville--\$11.30, 39½ years, 88 years, 1968 "We older retired teachers are in need of increased pensions."  
Effingham--\$9.31, 35 years, 83 years, 1973 "I was upset with legislature for what they did for themselves."  
Coffeyville--\$10.40, 47 years, 79 years, 1977  
Copeland--\$7.03, 25 years, 76 years, 1972  
Ashland--\$10.62, 30 years, 72 years, 1978  
Kinsley--\$8.98, 34 years, 78 years, 1976  
Ford--\$9.69, 34 years, 80 years, 1976  
Great Bend--\$11.06, 36 years, 79 years, 1977  
Frankfort--\$10.37, 23½ years, 81 years, 1975  
Ada--\$11.48, 30 years, 83 years, 1973  
Moundridge--\$10.91, 17 years, 90 years, 1942  
Leavenworth--\$9.62, 43 years, 83 years, 1973

These figures and quotations were taken from among 300 reports from retired teachers.

Basil Covey  
Chairman, KRTA  
Legislative Committee

February 18, 1991





# Kansas Retired Teachers Association

School is never out for Retired Teachers

1990 - 1991



## ELECTIVE OFFICERS

### President

Mary Douglas  
2121 Meadowlark Road, Apt. 302  
Manhattan, KS 66502  
Phone 913-776-0773

### President Elect

Ralph Ruhlén  
P.O. Box 269  
Baldwin City, KS 66006  
Phone 913-594-3413

### Vice President

Floyd Pope  
1133 N. Ridgewood  
Wichita, KS 67208  
Phone 316-686-6991

### Secretary

Dorothy Pounds  
511 S. Chestnut  
McPherson, KS 67460  
Phone 316-241-3336

### Treasurer

Fred Jarvis  
1122 N. Cedar  
Abilene, KS 67410  
Phone 913-263-1533

### Assistant Treasurer

Doris Setterquist  
1925 Kenmar  
Manhattan, KS 66502  
Phone: 913-539-4968

### Past President

R. H. Turner  
516 Welton  
Pratt, KS 67124  
Phone 316-672-7890

## DISTRICT DIRECTORS

### District 1

Selma Maronde  
235 W. 7th  
Russell, KS 67665  
Phone 913-483-2457

### District 2

Charles Setterquist  
1925 Kenmar  
Manhattan, KS 66502  
Phone 913-539-4968

### District 3

Virginia Kelso  
306 South 18th  
Leavenworth, KS 66048  
Phone 913-682-5302

### District 4

Mildred Griffith  
P.O. Box 178  
Meade, KS 67864  
Phone 316-873-2673

### District 5

Lawrence Bechtold  
1106 S. Gouverneur Rd.  
Wichita, KS 67207  
Phone 316-684-2350

### District 6

Leon Foster  
R.R. 1 • Box 4  
Independence, KS 67301  
Phone 316-331-7459

March 20, 1991

Members of the House Appropriations Committee:

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

We support HB 2103 that calls for an increase of \$15 to the monthly benefit for those retired teachers who retired prior to 1977.

These retired teachers are in late 70's, eighties and early nineties. These teachers served their school districts, never receiving much, nor asking for more. Most never heard of "reimbursed expense" as they furnished many school supplies and made visual aids for their students. In essence they subsidized the school district. Many have never received credit for all their service years. Some school board records were lost or destroyed.

When teachers came into KPERS in 1971 from the old KSRS their service records used .01 times their average low salaries.

Members of KPERS are School and Non-school. School members include cooks, bus drivers, secretaries, custodians and teachers.

To determine the benefit status of retired teachers a survey was undertaken. They were to report their 1989 benefit, year of retirement, and years of service without their name. The average service-year benefit is determined for comparison with other member groups in KPERS. KPERS furnished information for both School and Non-school groups.

These earlier public retirees are deserving of help to retain their dignity for serving in the teaching profession.

We ask that you consider HB 2103 for passage.

Sincerely,

*Basil Covey*  
Basil Covey

HA

3-20-91

Attachment 2

## APPOINTIVE OFFICE

Editing & Publishing  
Committee Chairman  
Elsie Klemp  
608 E. Price  
Garden City, KS 67846  
Phone 316-275-5322

Legislative Chair:  
Dist. Basil Covey  
3119 W. 31st St.  
Topeka, KS 666  
Phone 913-272-51

Community Service C  
Carl Wills  
2019 South 4th  
Salina, KS 6740  
Phone 913-825-71

Informative &  
Protective Services C  
Floyd Pope  
1133 N. Ridgewood  
Wichita, KS 6721  
316-686-6991

Retirement Planning C  
Dale Relihan  
P.O. Box 86  
Chapman, KS 67  
Phone 913-922-64

Membership Chair  
Anna Butler  
524 N. Main  
Hoisington, KS 67  
Phone 316-653-29

Historian Chairm  
Alma Gall  
2206 Sixth Ave.  
Dodge City, KS 67  
Phone 316-227-75

Necrology Chairm  
Wilda Novotny  
2310 Maple Dr.  
Belleville, KS  
Phone 913-527-291

NRTA Coordinat  
James H. Nickel  
P.O. Box 453  
Colby, KS 67701  
Phone 913-462-221

Parliamentarian  
Helen Wroten  
2152 Meadowlark I  
Manhattan, KS 665  
Phone 913-537-72

## LEGISLATIVE COMA

District 1  
Carl Sperry  
422 S. Adams  
St. Francis, KS 667

District 3  
Dr. Ralph Chalender  
7997 Hemlock  
Overland Park, KS 661

District 4  
Laurence Stanton  
406 La Vista  
Dodge City, KS 678

District 5  
A. W. Dirks  
11403 Douglas  
Wichita, KS 67205

District 6  
James McCollam  
P.O. Box 6  
Weir, KS 66761



This is a sample list of 35 retired teachers who retired before 1977 from the KRTA survey of 300 retired teachers.

<u>Monthly Benefit</u>	<u>Years of Service</u>	<u>Average Service Year Benefit</u>
\$384.78	34	\$ 11.32
399.23	47	8.49
423.00	41	10.30
274.00	24	11.23
158.48	23	6.89
343.30	42	8.17
466.49	42	10.99
597.68	46	12.99
360.95	37	9.76
175.75	17	10.34
201.67	19	10.61
539.40	40½	13.32
303.88	29	9.58
121.94	22½	5.42
296.45	29	10.22
437.00	43	10.16
447.01	43	10.40
297.17	24½	12.13
339.19	37	9.17
414.17	44	9.41
129.49	18	7.19
217.25	21	10.82
121.94	28½	3.96
273.38	27	10.12
179.58	21	8.55
438.99	40	10.97
387.32	35	11.06
236.56	25	9.46
493.07	40	12.33
473.22	44½	10.63
401.79	39	10.30
456.78	45	10.15
298.13	25	11.92
241.50	30	8.05
200.42	22	9.11
		(Aver. SYB \$ 9.87)

Basil Covey  
 Chairman, KRTA  
 Legislative Committee

February 25, 1991

This is a look at the average service-year benefit of member groups in KPERS. Judges not included.

Information from KPERS--

<u>School Retirees</u>	<u>Average Mo. benefit</u>	<u>Aver. Service</u>	<u>Aver. Ser.Yr.</u>
		<u>Years</u>	<u>Benefit</u>
Before 1977	\$221.09	24	\$9.21
1977--1982	246.27	22	11.04
<u>State Retirees</u>			
Before 1977	148.01	19	7.83
1977--1982	234.77	19	12.55
<u>State Elected</u>	1300.99	19	68.12
<u>KRTA Survey</u>			
<u>340 Retired Teachers--</u>			
Before 1977	402.19	30	10.81
1977--1982	505.85	29	13.66
1983--1990	672.00	29	20.82

Basil Covey  
 Chairman, KRTA  
 Legislative Committee

February 25, 1991

Samples from a KRTA survey of retired teachers with some making comments. The following information is presented in this order: City, average service-year benefit, years of service, age of the retiree, and year of retirement.

Fredonia--\$12.75, 15 years, 76 years, 1978 "I will move across the street from my daughter. She is a 4th generation teacher. Her great-grandmother founded and taught in a prairie school as a homesteader".

Russell--\$9.76, 37 years, legally blind & 90 years, 1961 "I am her niece writing this. Her pension has not kept up with the inflation rate".

Topeka--\$10.61, 19 years, 79 years, 1974 "Appreciate any help."

Minneola--\$9.98, 34 years, 72 years, 1982 "I retired when the participating service benefit was .0125."

Chanute--\$9.58, 29 years, 84 years, 1972 "Could you work for raising the \$9.58?"

Hutchinson--\$13.32, 40½ years, 86 years, 1970  
9.05, 25 years, 77 years, 1979

Dodge City--\$7.70, 28½ years, 79 years, 1975 "I loved my teaching and I resent getting old."

Madison--\$9.86, 20 years, 78 years, 1977

Hays--\$10.22, 29 years, 84 years, 1972

Salina--\$9.05, 42 years, 76 years, 1980  
7.19, 17 years, 84 years, 1972

Arkansas City--\$9.17, 26 years, 77 years, 1976 "We need help for we taught when pay was low."

Belleville--\$13.44, 43 years, 72 years, 1979

Wichita--\$11.28, 25 years, 85 years, 1971 "Iv'e never known why KSRS hasn't given me the 26 years credit."  
\$9.17, 37 years, 83 years, 1973 "I taught when pay was low."

Lawrence--\$9.74, 42 years, 85 years, 1968  
9.41, 44 years, 89 years, 1966 "I'm in a retirement home need help."

KC, Mo.--\$12.13, 24½ years, 79 years, 1972 "Hope we can get legislators to take some action."  
10.16, 43 years, 80 years, 1976 "I hope a fair adjustment can be made."

Medicine Lodge--\$8.58, 26 years, 85 years, 1971 "Help for us is long overdue."

McPherson--\$8.61, 13½ years, 99 years, 1942

Kansas City--\$8.49, 47 years, 87 years, 1969  
11.23, 24 years, 77 years, 1979

Howard--\$6.89, 23 years, 82 years, 1974 "Percentage increases doesn't seem fair when I taught in days of low pay."

Aurora, Mo.--\$12.40, 25 years, 78 years, 1978

Garden City--\$5.42, 22½ years, 80 years, 1976 "The old teachers out here are trying to get \$50 a month more money. They are 80 years old."  
8.50, 21 years, 101 years, 1976

Larned--\$10.99, 42 years, 77 years, 1969  
8.17, 19 years, 84 years, 1972

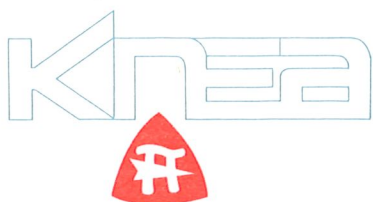
Fort Scott--\$6.62, 40 years, 84 years, 1972 "It surely doesn't seem fair when I taught in the days of low pay."

Chanute--\$3.05, 11 years, 80 years, 1976 "I would appreciate dollars per year service increases, percentage increases do not help me very much."  
Nickerson--\$11.08, 45 years, 93 years, 1963 "I would appreciate any help given."  
Syracuse--\$10.71, 42 years, 71 years, 1980  
Greensburg--\$8.69, 26 years, 81 years, 1975  
Wichita--\$9.66, 23 years, 81 years, 1975  
Hoisington--\$13.33, 30 years, 84 years, 1975 "I feel I have been unfairly treated by some action taken in changes."  
Fort Scott--\$10.43, 39 years, 87 years, 1969  
Syracuse--\$12.96, 28 years, 85 years, 1977  
Deerfield--\$5.94, 27 years, 81 years, 1965  
Marysville--\$11.30, 39½ years, 88 years, 1968 "We older retired teachers are in need of increased pensions."  
Effingham--\$9.31, 35 years, 83 years, 1973 "I was upset with legislature for what they did for themselves."  
Coffeyville--\$10.40, 47 years, 79 years, 1977  
Copeland--\$7.03, 25 years, 76 years, 1972  
Ashland--\$10.62, 30 years, 72 years, 1978  
Kinsley--\$8.98, 34 years, 78 years, 1976  
Ford--\$9.69, 34 years, 80 years, 1976  
Great Bend--\$11.06, 36 years, 79 years, 1977  
Frankfort--\$10.37, 23½ years, 81 years, 1975  
Ada--\$11.48, 30 years, 83 years, 1973  
Moundridge--\$10.91, 17 years, 90 years, 1942  
Leavenworth--\$9.62, 43 years, 83 years, 1973

These figures and quotations were taken from among 300 reports from retired teachers.

Basil Covey  
Chairman, KRTA  
Legislative Committee

February 18, 1991



Craig Grant Testimony Before The  
House Appropriations Committee  
Wednesday, March 20, 1991

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2095.

Kansas-NEA supports HB 2095 as we have all cost of living increases for retirees. This testimony is consistent with our philosophy (which has been shared by the legislature) that retirees should be able to keep their same standard of living with retirement payments as they had when they initially retired. A cost of living increase is the only way that this can be accomplished.

This cost of living adjustment is preferable to the "ad hoc" increases, such as those proposed in HB 2103, although we are not opposed per se to that bill. A much higher priority, we believe, should be given to the cost of living approach. If our retirees are to keep the relative buying power which they planned on in preparation for retirement, we need to pass HB 2095.

Because of the above reasons, Kansas-NEA supports HB 2095.  
Thank you for listening to our concerns.





# League of Kansas Municipalities

# Municipal Legislative Testimony

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 112 W. 7TH TOPEKA, KS 66603 (913) 354-9565 FAX (913) 354-4186

**TO:** House Committee on Appropriations  
**FROM:** E.A. Mosher, Executive Director, League of Kansas Municipalities  
**RE:** HB 2170--Public Employee Retirement Study Commission  
**DATE:** March 20, 1991

On behalf of the League and its member cities, I appear in support of HB 2170, to establish a permanent Kansas Public Employee Retirement Study Commission.

The League has been in support of creating such a study commission for some years. Our current, convention-adopted Statement of Municipal Policy provides:

"We believe there is need for creating a continuing KPERS legislative advisory commission, representative of state and local employers and employees as well as state legislators, to monitor the benefits and costs of KPERS, to receive and consider proposed changes, and to present to the legislature such recommendations as it deems advisable, including long term policy objectives. Such an advisory commission should be created by law, with staff support provided by KPERS."

Some of our strong support for such a continuing study commission, representative of local governments, results from a growing level of frustration. Each year, numerous bills are introduced to modify the KPERS system in some way, some major and some minor. The 1991 legislative session is no exception, since there are about 40 bills to amend various retirement laws. We find it difficult to influence what happens to local government employers and employees under the present process, and are well aware of the traditional "omnibus" KPERS bill which emerges in the waning days of each session, under sponsorship of the Senate Committee on Ways and Means. We are also aware that there have been many interim legislative studies of specific retirement matters in the past, but know of only one study which dealt with retirement policies.

Perhaps more significantly, we are concerned about the absence of some commonly accepted long-term objectives of KPERS which would provide a policy framework under which the many individual bills could be considered. For example, the League's State Legislative Committee has taken a position against HB 2386, which would significantly increase the benefits under KP&F. This opposition resulted from the belief that KP&F benefits are presently adequate in comparison to the benefits under the general KPERS system, and that the bill

HA  
3-20-91

**President:** Frances J. Garcia, Commissioner, Hutchinson \* **Vice President:** Robert G. Knight, Mayor, Wichita \* **Past President:** Irene B. French, Mayor, Merriam \* **Directors:** Michael A. Conduff, City Manager, Manhattan \* Ed Eilert, Mayor, Overland Park \* Harry L. Felker, Mayor, Topeka \* Greg Ferris, Councilmember, Wichita \* Idella Frickey, Mayor, Oberlin \* William J. Goering, City Clerk/Administrator, McPherson \* Judith C. Hollinsworth, Mayor, Humboldt \* Jesse Jackson, Commissioner, Chanute \* Stan Martin, City Attorney, Abilene \* Mark Mingenback, Councilmember, Great Bend \* Joseph E. Steineger, Jr., Mayor, Kansas City \* Bonnie Talley, Commissioner, Garden City \* **Executive Director:** E. A. Mosher

Attachment 4

would increase local government costs by 6.0% of payroll--an increase alone which would exceed by three times the total contribution now made by local employers for non-KP&F employees. While we can defend our position on this bill, we think that bills like this should be considered in some context as to what we--state and local governments--are trying to achieve in our retirement system.

Similarly, our Public Personnel Committee has taken a position in the past in opposition to any more increase in the benefits of current KPERS retirants, such as provided in HB 2095 and HB 2103. This action was not taken with the belief that the present post-retirement benefits are excessive, although our committee is well aware of the retirant increases that had been granted at nearly every session in recent years, while the benefit level of participating employees has been frozen. We simply think there should be some policy rational guiding the granting of post-retirement benefits, beyond the considerable political pressures which are brought to bear on this issue at each legislative session. We think the matter of participating benefits needs to be addressed, not just post-retirement benefits. We think it is simply unfair that local government employees will contribute 4.0% of their salary for KPERS next year, while the employer will contribute only 0.115% for their participating benefits.

As we read HB 2170, it would be advisory only, to the governor and the legislature. The commission would deal with policy matters only. Under section 4, the study commission is specifically prohibited from intervening in the management and administration of KPERS, including the investment of funds.

We believe the proposed commission is reasonably balanced. In addition to the four legislators, there would be three representatives of employees and three representatives of employers. The employee representatives would include a state employee, a teacher and a local employee. The employer representatives would include a city official, a county official, and the secretary of administration. The remaining eleventh member would be the executive secretary of KPERS, as an ex-officio non-voting member. There are no doubt other groups which could well be represented on the commission. However, we think eleven members is the maximum, optimum size for such a commission.

There are a number of other states which have some kind of a continuing employee retirement study commission. They exist in a variety of forms, with some apparently having certain administrative authority. In our judgment, HB 2170 is well crafted to meet what we think are the needs in Kansas. It leaves the final decision-making in the Kansas legislature, where we think it belongs. It could provide some policy guidance to our state and local retirement systems, without intervening in the administrative operations charged by law to the KPERS board and management. With staffing from KPERS, it should not be an expensive activity, and it would not place a demand on the general fund. But we do think it will make a significant long-term contribution to KPERS, and to state and local government in Kansas. At the very least, it will provide an opportunity for input by local governments--employers and employees--and alleviate some of the frustrations that now exist, and are growing. We urge its favorable recommendation.

# 1990 Overview of Pension Commission Characteristics and Activities

	Status					Membership							
	Permanent Retirement Commission	Established Retirement Committee/Board	Current Proposal to Create Permanent Commission	Recent Temporary or Interim Commission Committee	Legislative Committee(s)	Separate Appropriation	Has Legal Enforcement Powers	Includes Legislative Members	(Some) Members Appointed by Legislature	(Some) Members Appointed by Governor	Local and/or State Government Representative(s)	Public Employee Representative(s)	Retirement System(s) Administration Representative(s)
Alabama													
Alaska													
Arizona													
Arkansas													
California													
Colorado													
Connecticut													
Delaware													
Florida													
Georgia													
Hawaii													
Idaho													
Illinois													
Indiana													
Iowa													
Kansas													
Kentucky													
Louisiana													
Maine													
Maryland													
Massachusetts													
Michigan													
Minnesota													
Mississippi													
Missouri													
Montana													
Nebraska													
Nevada													
New Hampshire													
New Jersey													
New Mexico													
New York													
North Carolina													
North Dakota													
Ohio													
Oklahoma													
Oregon													
Pennsylvania													
Rhode Island													
South Carolina													
South Dakota													
Tennessee													
Texas													
Utah													
Vermont													
Virginia													
Washington													
West Virginia													
Wisconsin													
Wyoming													

Excerpt from "1990 Pension Commission Clearinghouse Report on State Pension Commissions", published by the Forster Higgins Corporation.

Activities

	Review Retirement Legislation	Prepare and/or Require Actuarial or Fiscal Notes	Draft Legislation	Conduct Continuing Study of Retirement System	Study State Retirement System(s)	Study County Retirement System(s)	Study Municipal Retirement Systems	Authority to Request and Obtain Necessary Data	Maintain Library of Retirement System Source Material	Hold Hearings	Make Regular Reports to Legislature and/or Governor	Information Bank
Alabama												
Alaska												
Arizona												
Arkansas												
California												
Colorado												
Connecticut												
Delaware												
Florida												
Georgia												
Hawaii												
Idaho												
Illinois												
Indiana												
Iowa												
Kansas												
Kentucky												
Louisiana												
Maine												
Maryland												
Massachusetts												
Michigan												
Minnesota												
Mississippi												
Missouri												
Montana												
Nebraska												
Nevada												
New Hampshire												
New Jersey												
New Mexico												
New York												
North Carolina												
North Dakota												
Ohio												
Oklahoma												
Oregon												
Pennsylvania												
Rhode Island												
South Carolina												
South Dakota												
Tennessee												
Texas												
Utah												
Vermont												
Virginia												
Washington												
West Virginia												
Wisconsin												
Wyoming												



Published monthly by the

## League of Kansas Municipalities

112 West Seventh Street

Topeka, Kansas 66603

(913) 354-9565

FAX (913) 354-4186

### Editor

E. A. Mosher

### Managing Editor

Wendy A. Murray

### Editorial Staff

Bernie Hayen

Jim Kaup

Don Moler

*Nothing appearing herein shall be construed to have the endorsement of the publisher unless expressly stated.*

Vol. LXXVI - No. 12  
DECEMBER 1990

\$18 a year - \$3 this issue

With Certain Priorities to Research  
Subscribers

Second class postage paid at Topeka

POSTMASTER: Send address changes to Kansas  
Government Journal, 112 W. 7th, Topeka, KS  
66603

## KPERS and Fairness

Kansas local governments got some good news and some bad news in November. The good news was that the regular employer contribution rate for membership in the Kansas Public Employees Retirement System (KPERS) in 1992 will be only 1.8% of the gross compensation of local employees. The bad news was more subtle. The continuing drop in the employer contribution rate, with the employee contribution rate fixed at 4.0%, means that the KPERS system is becoming increasingly unfair to employees.

A KPERS memorandum sent to the designated agents of 105 counties, 299 cities and 376 other local governments that are members, reported that the regular contribution rate in 1992 would be 1.2%, with the employer's contribution for the group life and long-term disability insurance program fixed at 0.6%, for a total of 1.8%. Not reported was that within the regular employer rate of 1.2%, is the actuarial requirement that employers need contribute only 0.115% for the future benefits paid to current, participating employees, with the amount of 1.059% needed to fund prior service—the costs of benefits for past, non-contributing service.

The effect of all this is that in 1992 the employee will contribute 4.0% of salary while the employer will contribute 1.8%, of which only .115% is for the participating service benefits of contributing employees. Put another way, for every \$1 the employee pays for retirement benefits from participating, contributing service, the employer will pay less than three cents. Considering only current service benefits (excluding the group life and disability special program), KPERS is gradually becoming a non-contributory plan, but with the costs paid by the employee, not by the employer!

The original concept of KPERS was that the employer and employee contribution rate for participating service benefits should be approximately equal, with the employer picking up the cost of administration and prior service benefits. When the group life and long-term disability insurance program was added in 1966, it was clearly understood that this was to be paid by the employer—it is separately identified as an employer contribution. The "matching concept" of equal contributions for participating service benefits has become only an expectation of the past.

Continued on page 313.



## PERS and Fairness

Continued from page 303.

The League of Kansas Municipalities, which served as the secretariat and principal lobbying group for the formation of KPERS in 1961, has attempted to respond to this concern about fairness. The League's convention-adopted *Statement of Municipal Policy* on this issue, which was adopted in October 1990 and cites available 1991 rates, provides as follows: "We support improvements to the Kansas Public Employees Retirement System (KPERS) retirement benefits schedule, including an increase in the participating service benefit from 1.4% to 1.5% of final average salary. As a matter of fairness and equity, an increase in current, participating service benefits is merited since the employee contribution rate of 4.0% substantially exceeds the actual as well as the actuarially-required employer contribution rate for such benefits; the 1991 total local employer contribution rate of 2.4% includes only .87% for participating benefits. This disparity is in conflict with the basic principle that both the employer and employee contribution rates to finance normal, participating service benefits should be approximately equal. While equity, under this matching contribution principle, may justify a substantial reduction in employee contributions under the current level of benefits, we believe benefits should be increased before employee contributions are decreased."

As previously noted, the disparity between the employer contribution rate and the employee 4.0% rate for participating service will be even more dramatic in 1992. For every \$4.00 the employee contributes for current benefits in 1992, the employer will be pay 11.5 cents.

To be fair in this analysis of the equity of the employer and employee contribution rate, it must be noted that, in past years, the employer participating service rate was considerably higher. In the 1960s, the employer participating service rate was generally in the 2% range, with the total rate in the 4.0% to 5.0% range. The employer rate for par-

ticipating service peaked in 1976 at 5.55%, with a total employer contribution of 7.30%. However, with a few exceptions, the employer participating service rate has consistently declined since 1976. The rate for 1992 of 0.115% was preceded by the rate of 0.873% in 1991 and 1.280% in 1990. The 1989 rate was fixed by statute at 2.00%.

To be fair about it, we must also note that the combined *total* employer contribution rate, including the contribution for participating service, prior service, administration and group insurance, equaled or exceeded the 4.0% employee contribution for the years 1962 through 1986. And for a few years (1974, 1975 and 1976), the total employer rate exceeded 7.0%. But beginning in 1985, when the employer paid a total of 4.9%, the disparity has grown, both as to the amount for participating service as well as the total employer rate.

Presuming the legitimacy of growing concerns about the fairness and equity of KPERS, there are three basic responses that can be taken by the Kansas Legislature: 1) do nothing; 2) increase participating service benefits; or 3) reduce the employee contribution rate. Given the status of state general fund finances, and recognizing that the state government picks up the employer costs of local teacher retirement benefits, there is a high probability that the 1991 legislature will do nothing about the matter.

The League has supported the second option in the past, and continues to do so, as noted in the policy statement quoted above. Increasing current service benefits while retain-

ing the employee contribution rate at 4.0% would result in the employer rate becoming closer to the employee rate.

The third option, that of reducing the employee contribution if benefit levels are to remain frozen, is a potential action which needs public debate. Since KPERS is a fixed benefit system, the cost of benefits *not* paid by the employee must be paid by the employer, either in the form of contributions or from interest earnings. Thus, if the employee contribution rate was reduced from 4.0% to 3.0%, for example, the employer contribution rate must go up to make up the difference needed to fund the benefits. (Since the employer contribution stays in the KPERS fund in the case of separated employees, the increase in the employer contribution would be less than 1.0% if the employee's contribution was reduced 1.0%.)

There are obviously many factors that must be considered in addressing concerns about fairness and KPERS. Accurate actuarial estimates which reflect realistic future expectations are needed, including future interest earnings. Further, there is no surplus of public moneys available at the state and local levels which would make an increase in the employer costs easily achievable. But with nearly three decades of KPERS experience, it is time for a reappraisal of both benefits and contributions. The public policy objective of achieving fairness ought to receive great consideration.

—EAM

H-6

## ISSUE #8

## KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERS) BENEFITS

SUMMARY

According to Compensation '88, developed by the International City Manager's Association, the state of Kansas ranked 39th out of 44 states in percent benefit for participants in defined retirement plans. The average participating service benefit in Kansas was 1.4% compared to a 1.84% average for all state systems. The League of Kansas Municipalities supports a modest increase to 1.5%. Kansas was one of only ten state retirement systems that required an age of 65 to receive full benefits. Only four states had higher early retirement age requirements. In 1988, Kansas was one of only five states to have a larger percentage for employee contributions than employer contributions. The average number of years to vest in all state retirement systems was 7.18; in Kansas it was 10. (Federal law recently reduced the vesting period for the private sector to five years). In 1988, Kansas was one of 14 states that required a 5-year average of an employee's highest salary to compute a basic benefit formula. That is now a 4-year average. Most require a 3-year average. With a low benefit return of 1.4% coupled with a 4-year salary average, Kansas had one of the worst benefit formulas. Adjustments are needed to correct our poor showing nationally. In addition, participating service benefits should be increased, since the employee contribution rate is more than twice as much as actuarially required.

KPERS has been quite successful in recent years in its investment strategy and it has prospered as a fund. However, the employees in the system have not reaped their share of that success in increased benefits. The members who contribute to the system should be rewarded as well. After all, it is also their money. Perhaps it is time to explore the possibility of "self-directed" KPERS accounts. Also, discussions about "risky venture capital" and "junk bond" endeavors by KPERS still gravely concern us.

We believe the Legislature should establish a permanent pension review commission, composed of state and local employers and employees as well as state legislators to analyze the benefits, costs, and problems of KPERS on an ongoing basis and to make recommendations for state legislative action. Currently 21 states have permanent retirement commissions. Back in 1985 the Committee on Pensions of the National Conference of State Legislatures recommended the establishment of such permanent bodies in all states. We oppose any effort to place a "buy-out" cap on KPERS or KP&F.

---

# Public Pensions

## A Legislator's Guide

---

NCSL Committee on Pensions  
Minnesota State Senator  
Donald M. Moe  
Chairman, 1983-1984

edited by  
Sharon Bjorkman

National Conference of State Legislatures  
Earl S. Mackey, Executive Director

1125 17th Street, Suite 1500  
Denver, Colorado 80202

444 North Capitol Street, N.W., Suite 203  
Washington, D.C. 20001

June 1985

tures is the  
7,461 state  
ded by the  
utive Com-  
enver, Col-  
Relations

atures has

ss of state

d coopera-

ice in the

Placing the authority in the legislature rather than on the various boards of trustees or local governments makes it possible to pursue a consistent pension policy that can be applied to all public employees. If pension decisions are made by several bodies, the inevitable result is that some public employees receive better benefits than others, and some plans are better financed than others. Such a fragmented system aggravates the whipsaw effect of one group of employees seeking improved benefits on the grounds that another group's benefits were increased. The process results in rapidly escalating costs with scant opportunity to develop a consistent and coherent pension system. Since irresponsible pension programs reflect adversely on the financial soundness of the state as a whole, the legislature should insist on a manageable, understandable, and fair pension system that is consistent throughout the state.

---

## 2. Pension Review Commissions

---

An important step toward responsible and effective supervision of public pension plans is the creation of a knowledgeable, respected, and adequately staffed legislative body with responsibility to review all pension legislation and to recommend legislative changes. (See Table 2.) Such legislative commissions/committees are necessary because pension laws demand continuous supervision and attention. A single, ill-conceived provision in a single act could have significant fiscal consequences that are not fully apparent for many years. Worse still, such action might be irreversible since there are serious constitutional impediments in most states to legislation that would reduce an individual's prospective pension benefits.

Legislative commissions/committees can focus public attention and gain a public consensus on pension matters to a degree unattainable at a local level. To the extent that public exposure produces better results, the legislature is best able to raise the public visibility of pension problems.

Another reason for review bodies is the complexity of pension legislation. It rarely is possible to foresee the ultimate fiscal consequences of a piece of legislation upon first reading. It is important, therefore, that the reviewing body have staff and independent actuarial and economic assistance to make informed analyses and judgments about proposed changes in the pension system.

Because of their expertise and perspective on the total pension system, commissions/committees are in a good position to recommend reform measures that reflect consistent, sound principles of pension policy, rather than isolated responses to pressures and crises.

Many states, including Arkansas, Louisiana, Massachusetts, Minnesota, Nebraska, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, West Virginia, and Wisconsin, have permanent legislative bodies with responsibility for screening retirement bills and recommending reform measures. The authority of the bodies varies, but most groups review pension and retirement bills and prepare fiscal impact notes. Most also conduct comprehensive studies of the retirement systems that lead to recommendations for change and reform.

The appropriate membership of such review bodies is the subject of some debate. Some pension review commissions are composed entirely of legislators, but Massachusetts' commission is comprised of nonlegislators. In Tennessee, representatives of employee groups serve on the commission but do not vote. In still other states, employee representatives and others are voting members. The number of regular members assigned to a commission/committee ranges from six to 18, averaging approximately 10 members.

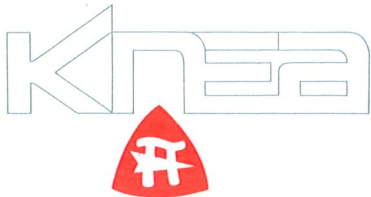
Critics of review commissions made up of legislators contend that it is easier for nonlegislators to resist political pressure from powerful interest groups. They claim a nonlegislative commission/committee can more easily bear the brunt of criticism about failure to liberalize benefits. A group of legislators who become experts in pension matters, however, can more effectively gain and keep the respect of the legislature as a whole than a group of advisers who are less familiar with the legislative process. In either case, continuity of policy and a full appreciation of the complexity of pension system management are improved by infrequent turnover.

---

## 3. Advance Funding

---

No responsible justification exists for the common practice of deferring pension costs to a future generation of taxpayers. Advance funding on a sound actuarial basis should always be required because of the ease with which benefit improvements can be prom-



Craig Grant Testimony Before The  
House Appropriations Committee  
Wednesday, March 20, 1991

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2170.

Kansas-NEA supports HB 2170. We need to look at our retirement program continually so we can keep current with trends in other states. The present KPERS board does not have as its charge the investigation of benefits of retirants. There is no statutory group which really looks into this area and makes recommendations. Either as a coincidence or maybe as a result, it has been a number of years (6-8, if my memory is accurate) since a budget proposal from a Governor has had benefit enhancements built into the document.

We are lagging behind other states in benefits and early retirement options. It is time we looked seriously at providing quality benefits to our employees who have served this state well for a number of years. HB 2170, hopefully, will start us on that process.

Kansas-NEA supports HB 2170 and asks that you pass it favorably. Thank you for listening to our concerns.



Subcommittee Report

Mr. Chairman:

Your subcommittee on House Bill No. 2126 recommends that the bill be amended on page 2, in line 3, after "provision" by inserting "with coverage limits equal to the limits of liability provided by such uninsured motorist coverage"; in line 14, after the period by inserting a new sentence to read as follows: "Nothing in this subsection shall be construed to allow recovery under any underinsured motorist coverage in excess of the policy limits of such coverage."; and that the Committee on Appropriations recommend that the bill be passed as amended.

Respectfully submitted,  
Subcommittee members:

HA  
3-20-91  
Attachment 7