Approved March 5, 1992
Date

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS.

The meeting was called to order by Representative Don Rezac at
Chairperson

12:07 a.m./p.m. on February 26, 1992 in room 521-S of the Capitol.

All members were present except:
Representative Barbara Allen (excused)
Representative Aldie Ensminger (excused)

Committee staff present:
Alan Conroy - Legislative Research
Richard Ryan - Legislative Research
Gordon Self - Revisor's Office
Juanita Blasdel - Committee Secretary

Conferees appearing before the committee:
Representative Anthony Hensley
Richard Price - State employee
Charles Dodson - Kansas Assoc. of Public Employees
Meredith Williams - Executive Director KPERS
Craig Grant - Kansas National Education Association

Others attending: See attached sheet

Meeting was called to order at 12:07 p.m. by Chairman Rezac. Hearings were then opened on HB 2167.

HB 2167 - Longevity pay for state executive agency employees in unclassified service

Representative Hensley, who sponsored this bill, was called on to testify first. The purpose of this bill is to pick up individuals under the longevity pay plan who were not included as part of HB 2556. The argument against these employees receiving this is that they are paid at a higher salary, which is not true in quite a number of instances. His main concern was the employees of Kansas Corporation Commission.

The next person to speak was Richard Price, a state employee. He felt that unclassified employees are looked on as second-rate employees and their years of experience, expertise and public service of no great value. The Budget Division said in 1991 there were 1,741 employees in this forgotten position. The effected employees have been denied longevity for 2 years now and have lost this incentive plus dollars (Attachment #1).

The chairman then called on Charles Dodson of KAPE to testify. He spoke from material previously handed out (Attachment #2). This bill would recognize that in the structure of state government there are unclassified employees who work just as long and just as diligently in service to the people of Kansas, and they should be included in the longevity pay plan.

Hearings then closed on HB 2167.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS,

room 521-S, Statehouse, at 12:07 a.m./p.m. on February 26, 1992.

Hearings were opened on HB 2323.

HB 2323 - KPERS, relating to vesting of benefits

Meredith Williams of KPERS spoke on this bill just to say he was available to answer any questions and explained the cost of the bill to change from ten years to eight years.

Craig Grant of KNEA then spoke as an opponent of the bill. He felt that the eight year vesting helps the short time employees, and that the retirement system should be for the benefit of the career employee (Attachment #3).

Hearings were closed on HB 2323.

HB 2096 - KPERS, normal retirement date of 60 years with 30 years of credit service

The chairman opened discussion on HB 2096 on which hearings were held in 1991 (minutes, Attachment #4). He told of receiving numerous requests this year for this to be changed to 90 points, which would be a combination of years of age and service to equal 90, with a one-year window. Discussion followed.

The committee was told by Meredith Williams that the cost of a one-year window would be minimal.

Representative Wisdom made a motion to make a substitute bill for HB 2096 using the 90-point system with a one-year window; seconded by Representative Sader. Discussion followed. Motion carried.

Representative Wells moved to pass this substitute bill for HB 2096 favorable as amended; Representative Hendrix seconded; motion carried.

Representative Amos moved that the minutes of the last three meetings be approved as read; seconded by Representative Watson; motion carried.

Representative Wisdom requested that the committee have hearings on HB 2598 and take some action. This was a bill concerning KP&F, relating to death or disability benefits. He also mentioned HB 2961 which has to do with KPERS, relating to benefits for spouse of deceased member. He would like to have hearings on this also.

The chairman mentioned the new bill concerning KAPE early retirement which is HB 3162 and needs to be heard. He told the committee to see him by noon tomorrow if anyone wants to have a bill heard.

Meeting adjourned at 12:45 p.m.

GUEST LIST

COMMITTEE: Pensions, Investments & Benefits Date: Feb. 26, 1992

Name (Please Print)	COMPANY ORGANIZATION	ADDRESS
James A Todd	KSFFA	Wichita
Craig Grant	KNEA	Topeka
Charles Dodson	KAPE	TOPEKA
Richard Price		Topeka
Keith Tate		DOA
Anne Brunt	KBI	Topeka

2-24-92 HB-2167 12:00 pm Room 521-S

I am Richard Price, and I am speaking for myself, not any agency. The public conception of unclassified employees is we are all Directors or the head of an agency - and are well compensated. This is not true - we include accountants, auditors, engineers, research analysts, etc. Pay is not on the state pay scale and raises are sometimes less - to save funds.

Within my agency, there are two divisions that do about the same work, but for different type of businesses. One has classified positions, the other does not. Due to, what I believe was a misunderstanding, the original bill left out some of the work force of the state. It says that because you are a classified employee, with 10 years of service, you should have the longevity pay and the unclassified employee at the next desk should not. Or, in at least 3 cases that I know, there are employees with 20 years of classified service - but are now unclassified (doing the same job) and so they can not receive the longevity pay. I feel like a second rate employee and the years of experience, expertise and public service, - classified and/or unclassified are of no great value. Are we not worth the bonus given a clerk, or secretary that has been with the same desk for 10 to 20 years?

I know your concern to keep costs down. The Budget Division said in 1991 there were 1,741 employees in this forgotten position, and this would cost $185,920 from the general fund. The remaining ($165,402) would be from fee funds. If we were to be classified or move to a classified position this afternoon, we would be worth this longevity pay and it would be paid, without any thought to the budget.

The effected employees have been denied longevity for 2 years now and have lost this incentive plus dollars.

I would ask that you think about this and show that all state employees are valued for their experience and time.

Thank you for this time and I would be happy to answer any questions.

1989 - HB 2553, 1990 - HB 2718

Pensions, Investments & Benefits
Attachment #1
2-26-92

FPE

KANSAS
ASSOCIATION OF
PUBLIC EMPLOYEES

1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-8788

February 26, 1992

Presentation to
House Committee on Pensions, Investments and Benefits
by
Charles Dodson
Kansas Association of Public Employees

Mr. Chairman, members of the Committee, I speak in support of HB 2167.

Unquestionably, the most popular pay program for career classified employees has been the longevity pay plan implemented in fiscal year 1990.

This program has sent a clear message to career employees that the state of Kansas recognizes their experience and dedication.

HB2167 recognizes that message and also recognizes that in the structure of state government there are unclassified employees who work just as long and just as diligently in service to the people of Kansas.

If KSA 75-5541 gave payments to employees after two or three years, then we would oppose this bill for it would not distinguish between unclassified career employees and political appointees.

We do not believe that political appointees should receive longevity pay. However, since eligibility for longevity does not occur until the completion of ten years service, then we must assume that unclassified employees with that tenure are indeed career employees.

The recognition of this distinction by the state of Kansas improves morale and the sense of appreciation that employees have toward their jobs.

We would urge your support of HB2167.

Pensions, Investments & Benefits

Attachment #2
2-26-92

knea

KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before
House Pensions, Investments, and Benefits Committee
Wednesday, February 26, 1992

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this chance to visit with the committee on HB 2323.

Kansas-NEA has spoken in favor of most all benefit enhancements for KPERS which have come through this committee. HB 2323 is one of those that not only do we have a position not in favor, but also we believe that this enhancement should not be provided at this time.

Eight year vesting helps the short time employees. It does absolutely nothing for the employee who works until retirement age or those who are the career employee. What it would do would be to allow those with eight or nine years service to draw a meager pension possibly 30 or 40 years after the service was performed. If the person leaves, it probably would be better to remove the individual's money and invest it elsewhere. If the person returns to state service later, he or she can always buy back previous service.

With eight years service presently, a person would receive 11.2% of his or her final average salary at retirement. The three million dollars or so this benefit costs the employer could be utilized to almost pay for an early retirement benefit for all at 60 years with 30 years of service.

Kansas-NEA urges this committee not to pass HB 2323 but rather to utilize the funds to provide benefit increases for the career employee. Thank you for listening to our concerns.

Pensions, Investments & Benefits
Attachment #3
2-26-92

Telephone: (913) 232-8271 FAX: (913) 232-6012

Approved ______________________
Date

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by Representative Don Rezac
Chairperson

7:35 a.m./~~p.m.~~ on February 13 1991 in room 522-S of the Cap:

All members were present except: Representative Elaine Wells (excused)

Committee staff present: Richard Ryan - Legislative Research
Alan Conroy - Legislative Research
Gordon Self - Revisor's Office
Juanita Blasdel - Committee Secretary

Conferees appearing before the committee:
Representative Carol Sader
Helen Gill of Olathe, Kansas
Chuck Stuart - United School Administrators
Connie Hafenstine - Kansas Department of Transportation
Craig Grant - Kansas National Education Association

The meeting was called to order by Chairman Rezac at 7:35 a.m. at which time he called on staff member, Richard Ryan, to present HB 2096 to the committee.

HB 2096 - relating to normal retirement date of Kansas public employees

The chairman called on the first proponent, Craig Grant of KNEA, to testify from material previously handed out (Attachment #1). The KNEA is in favor of this bill which would change the normal retirement to 60 years of age with 30 years of credited service. This would come at a time when they can enjoy retirement more.

The next proponent to testify was Chuck Stuart of United School Administrators who had a handout (Attachment #2). The USA was in favor of this bill for early retirement due to the stress associated with dealing with an ever increasing number of problems of today's pupils and parents.

Mr. Stuart then responded to questions from the Committee members.

Representative Carol Sader spoke as a proponent of the bill and had a handout (Attachment #3). Her reasons for being in favor of this bill were: it benefits teachers who suffer from burnout; prevents diminished productivity; 39 other states allow retirement at age 60; it is an incen- for young people to consider a career in teaching or public employment.

Representative Sader then responded to questions from other Committee members.

The chairman then called on Marshall Crowther of KPERS for a few comments on HB 2096. He made the point that the bill would only be applicable to those who retire after its effective date, so there would not be an adjustment of benefits for someone who had already retired. He also commented that the employees' contribution is not affected by this additional benefit. Mr. Crowther responded to a few questions from the Committee members.

The chairman told the Committee that the fiscal note for this bill was not available from the Budget Department as yet.

Hearings on HB 2096 were closed.

Pensions, Investments & Benefits
Attachment #4
2-26-92