

Approved: 2/16/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on February 14, 1995 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Kathy Porter, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Brian Moline, General Counsel, State Insurance Department
Leo Vogel, Acting Director of Purchases, Division of Purchases
Mike Rees, Chief Counsel, Kansas Department of Transportation
Ron Smith, Kansas Bar Association

Others attending: See attached list

Chairperson Jennison opened the hearing on **HB 2375**.

HB 2375 - State agencies must procure legal services subject to competitive bids.

Brian Moline, General Counsel, State Insurance Department, provided information on **HB 2375** and said he is appearing at the request of Commissioner Kathleen Sebelius to explain how the Insurance Department procures outside legal services and how this bill would impact on how they procure outside legal services. Mr. Moline said there are certain types of legal activity in which the Department would get outside legal services. Mr. Moline said the Department's problem is in the area where they utilize outside counsel in the Second Injury Fund in Worker's Compensation. He said he believes there is already a mechanism in place, used by the Appropriation Commission, that has a cost-control feature and is very inclusive - a process for getting proposals for cases such as the Second Injury Fund. This mechanism uses a statutory technique for the purchase of consulting services which includes legal services.

Leo Vogel, Acting Director of Purchases, Division of Purchases, testified in support of **HB 2375**, and said he is a proponent of procuring legal services by competitive bids. Mr. Vogel requested a substitute for **HB 2375** be drafted which would use a method of negotiated procurements as shown in (Attachment 1).

Mike Rees, Chief Counsel, Kansas Department of Transportation (KDOT), testified that he opposes **HB 2375**. Mr. Rees said there is simply no reason to select outside counsel on any basis other than that of reputation, knowledge and skill (Attachment 2).

Ron Smith, Kansas Bar Association, presented information on **HB 2375** and suggested the Committee look at a negotiated bid process.

Chairperson Jennison closed the hearing on **HB 2375**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 14, 1995.

The Chair directed the Committee turn to the subcommittee reports for **HB 2077**.

HB 2077 - KPERS: independent actuarial audit and evaluation of system's actuary.

Representative Lowther presented the subcommittee report on **HB 2077** (Attachment 3)

Staff distributed a balloon amendment for **HB 2077** (Attachment 4), which includes detail on the scope required for the audit.

A motion was made by Representative Lowther, seconded by Representative Dean, to adopt the subcommittee report and the balloon amendment for **HB 2077**. The motion carried.

A motion was made by Representative Gatlin, seconded by Representative Nichols, to pass as amended **HB 2077**. The motion carried.

The meeting adjourned at 2:25 p.m.

The next meeting is scheduled for February 15, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/14/95

NAME	REPRESENTING
Rosalee Mellus	18838 SE Cole Creek Rd Atlanta Ks 67808
Mary Heide, Augusta, Ks	CPAA
Mildred Maclean	CPAA
Art Griggs	Dept of Adm.
Leo Vogel	Dept. of Adm.

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION
Division of Purchases

BILL GRAVES,
Governor
LEO E. VOGEL,
Acting Director of Purchases

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House Appropriations Committee
1:30 p.m. Tuesday, February 14, 1995
Testimony on HB No. 2375 - Procurement of Legal Services
Leo E. Vogel, Acting Director of Purchases

Mr. Chairman, members of the committee, ladies and gentlemen. I am Leo Vogel, Acting Director of Purchases.

I am a proponent of procuring legal services by competitive bids. Although the acquisition of legal services could be accomplished either through the competitive sealed bid process established in K.S.A. 75-3739 (as required by HB 2375) or through the negotiated procurement process established in K.S.A. 75-37,102, the preferred method is through the negotiated procurement process.

Competitive bidding under K.S.A. 75-3739 (this bill) would require an award to the lowest responsible bidder meeting specifications. Specifications can be drafted with criteria regarding required licensure, experience and expertise. However, a low bid method is not, in my judgment the preferred method to use in obtaining professional services. For example, if the lowest bidder meets the specifications, but another slightly higher firm substantially offers better experience, depth, expertise, etc., it is possible the state could receive a better value by selecting one of these other firms.

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Competitive negotiations differ from competitive sealed bids in at least two important aspects. First, when the competitive negotiation method is used, the state holds discussions, and bargains with, the offerors whose proposals are acceptable or potentially acceptable. Second, unlike the competitive sealed bid method that compares the prices of responsive bidders to determine award, the negotiated method evaluates proposal against proposal on a cost and qualitative basis to determine award.

A negotiated procurement process would allow the Director of Purchases, upon the request of the chief administrative officer of a state agency, to convene a procurement negotiating committee to obtain legal services. The committee would consist of the chief administrative officer of the state agency desiring to make the procurement, or a person designated by the officer; the Attorney General, or a person designated by the Attorney General, and the Director of Purchases, or a person designated by the Director of Purchases. Prior to negotiating for legal services, bids would be solicited. Upon receipt of bids, the committee would negotiate with one or more of the firms and select a party to provide the services. At the end of each calendar quarter, the Director of Purchases would submit a report to the legislative coordinating council and the chairpersons of the Senate Committee on Ways and Means and the House of Representatives Committee on Appropriations of all contracts entered into pursuant to this section.

I have attached a proposed substitute for House Bill No. 2375, and stand for any questions.

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SUBSTITUTE FOR HOUSE BILL NO. 2375

(a) Upon request of the chief administrative officer of a state agency, the director of purchases may convene a legal services selection committee to obtain legal services for the state agency.

(b) Each committee shall be composed of: (1) the director of purchases, or a person designated by the director; (2) the chief administrative officer of the state agency desiring to make the procurement, or a person designated by the officer; and (3) the attorney general, or a person designated by the attorney general.

(c) The committee is authorized to negotiate a contract for legal services with qualified firms and attorneys to provide services needed by the state agency.

(d) Prior to negotiating the contract, proposals shall first be solicited from interested firms and attorneys. Upon receipt of proposals, the committee may negotiate with one or more of the firms and attorneys submitting bids or proposals and select from among those submitting such bids or proposals the party to contract with to provide the services.

(e) Contracts entered into pursuant to this section shall not be subject to the provisions of K.S.A. 75-3738 through 75-3740a and amendments thereto. Meetings to conduct negotiations pursuant to this section shall not be subject to the provisions of K.S.A. 75-4317 through 75-4320a and amendments thereto. The director of purchases shall submit a report at least once in each calendar quarter to the legislative coordinating council and the chairpersons of the senate committee on ways and means and the house of representatives committee on appropriations of all contracts entered into pursuant to this section.



KANSAS DEPARTMENT OF TRANSPORTATION

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Bill Graves
Governor of Kansas

**TESTIMONY BEFORE
HOUSE APPROPRIATIONS COMMITTEE**

**REGARDING HOUSE BILL 2375
February 14, 1995**

Mr. Chairman and Committee Members:

I appear on behalf of the Kansas Department of Transportation to provide testimony in opposition to House Bill 2375.

House Bill 2375 requires that legal services be acquired through the use of competitive bidding. While such method has a long history and much to recommend it as a procurement practice it has inherent limitations that render it undesirable for the acquisition of this type of service. The basis for this statement follows.

The Department of Transportation is not a large user of outside legal services. As a percentage of the total legal work of the Department nearly all is performed in-house. Several circumstances, however, do justify the hiring of outside counsel. One is when a particular specialty is involved. Examples of this are the issuance of bonds, copyright issues and particular expertise in specific constitutional questions. In certain of these cases the work may be largely performed by outside counsel while in others only consultation is procured. A second area arises when the Office of Chief Counsel has a conflict that either in whole, or in part, precludes representation of the agency. The third situation occurs when staffing cannot meet all demands. Historically, this has not occurred frequently but is a factor today as the Department's Highway Program reaches its peak.

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Attachment 2*

Competitive bidding is not seen as a viable tool for obtaining legal services of the type used by the Department. Under competitive bidding the work would be awarded to the lowest bidder. While the drafting of specifications would arguably guarantee some minimum acceptability in bidders it is believed that it would tend to remove from consideration those most highly qualified in a given area. This is not a comment without a basis. When the first series highway program bonds were to be issued a Request for Proposal was issued, notwithstanding the lack of any legal requirement for it. While more than one firm was considered capable this was not true at the low end of the quotes even though all technically met the specification requirements. More recently, it was deemed to be in the Department's interest to seek advice and consultation on complex constitutional issues in a highly significant case now in litigation. Of the experts considered it is unlikely that any would have bid competitively.

In most other cases if outside counsel is obtained it is on the basis of reputation, knowledge and skill. There is simply no reason to select on any other basis. If outside counsel is selected it is because the interests of the Department are best served. Given the range of commonly utilized fees the economy lies in hiring the best, not the most inexpensive counsel.

SUBCOMMITTEE REPORT**Brief**

H.B. 2077, as introduced, requires a periodic, independent, actuarial audit and evaluation of the Kansas Public Retirement System (KPERS) annual actuarial valuation which is prescribed by statute. The bill was recommended by the Joint Committee on Pensions, Investments and Benefits as part of its 1994 interim study.

Background

Milliman and Robertson, Inc., was selected by the KPERS Board of Trustees at its June 10, 1994, meeting as the System's new actuary. KPERS will be served primarily out of that firm's Washington, D.C. and Omaha, Nebraska offices. Fees over the three-year contract period will total \$475,000. In addition to services which were provided by the previous KPERS actuary, the new actuarial firm, Milliman and Robertson, Inc., will provide computer-generated valuations on demand and are tailoring software, which KPERS will have in about a year, to enable it to provide fiscal estimates and data for such things as retirement legislation being considered in the Legislature.

The KPERS Board at its meeting of September 8, 1994, adopted a change in methodology for determining actuarial valuations which takes into account market value as one factor. The change was recommended by the new actuary after reviewing the past practice of valuing assets exclusively on a cost basis. The new methodology incorporates both cost and market values, and was used in deriving the Milliman and Robertson valuations.

The Joint Committee received information about preliminary calculations by the new KPERS actuary indicating there were significant differences in this year's actuarial valuations of KPERS, as compared to the last year's valuation from the Segal Company. The KPERS Board considered the annual actuarial valuation reports at its December 9, 1994, meeting in which the actuarial findings revealed a decline in the KPERS funded ratio from 85 percent in 1993 to 76 percent in 1994.

The Joint Committee noted that this problem in the KPERS unfunded liability is in part due to an increase in the number of retirements and a shortfall in the KPERS earnings, when compared with the assumed earnings rate for FY 1994. However, other problems also were revealed by the latest actuarial calculations and extensive consultations between the previous actuary and the new actuarial firm were held in an attempt to resolve these other problems.

The Joint Committee recommended that a bill be introduced to require that once every four years, beginning in FY 1996, an independent actuary be paid by the Legislature to give a "second" opinion regarding the actuarial valuations performed by the KPERS actuary. This practice is recommended by the Public Pension Coordinating Council and should be conducted at least once every ten years, according to the Council's recommendation.

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Subcommittee Review

Staff provided a briefing on H.B. 2077 and the Joint Committee's interim review. The Subcommittee considered how often an audit and review should be conducted. At the suggestion of KPERS staff, the Subcommittee recommends that an actuarial audit be conducted at least once every six years. KPERS staff pointed out that, in addition to annual actuarial valuations performed by the KPERS actuary, the firm also reviews actuarial experience once every three years, and that any cycle of audits might be best served by coinciding with this other statutory mandate for three-year performance reviews. The Subcommittee's recommendation would allow an audit to be directed more often, but at least once every six years. The first audit is scheduled for FY 1996 in the bill.

The Subcommittee addressed the question of how thorough (complex) should be the audit and review. After examining the scope required for an audit (as provided in the bill as introduced), the Subcommittee recommends revisions in the current language by incorporating certain principles from the Public Pension Coordinating Council:

"Actuarial review is an evaluation by an independent actuary, other than the actuary who performed the actuarial valuation, for the purpose of expressing an opinion regarding the reasonableness or accuracy of the actuarial assumptions, actuarial cost methods, valuation results, statutory contribution rates, and certifications that the actuarial valuation report was performed by a qualified actuary, that the valuation was prepared in accordance with principles of practices prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures."

In addition, KPERS staff suggested and the Subcommittee incorporates into its recommendation the requirement that the actuarial audit be required to perform test work on the data used by the KPERS actuary for the annual and three-year performance review. The Subcommittee concurs that testing of data should be part of the actuarial audit work.

The Subcommittee also discussed the rationale for the Legislature to pay for an audit rather than making KPERS pay for it. KPERS currently pays for an annual financial audit and the Legislative Division of Post Audit conducts a performance audit at least once every two years. KPERS staff was asked to provide a fiscal note and subsequently reported to the Subcommittee that the estimated costs for the actuarial audit would be between \$10,000 and \$50,000, depending upon the complexity of the audit work. The Subcommittee recommends that funding of \$50,000 be added to the Legislative Coordinating Council's FY 1996 budget to pay for this new audit which should be comprehensive (auditing the annual valuation and three-year review work).

The Subcommittee recommends that the House Committee incorporate the pertinent amendments (see balloon) into H.B. 2077 and that the bill be passed as amended. In addition, the budget recommendation for adding \$50,000 to the LCC's FY 1996 financing should be addressed in the appropriation bill for the Legislature.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

LEGISLATIVE DATA SHEET

House Bill 2077

Sponsored by Joint Committee on Pensions, Investments and Benefits

EFFECTS OF BILL:

This legislation would amend K.S.A. 1994 Supp. 74-4908, 46-1204 and 74-4909 to provide that commencing in calendar year 1995, and once every four years thereafter, there shall be an independent actuarial audit and evaluation of the actuarial services provided to the Board of Trustees of KPERS. The audit and evaluation shall include a review of all assumptions, evaluations and methodology utilized by the actuary employed by the Board. The actuarial firm conducting this audit shall be employed and paid by the Legislative Coordinating Council.

FISCAL IMPACT:

While two such audits have been conducted in the past, there is no law which mandates an audit on a periodic basis. Depending on whether the audit was a simple review or a duplication of a valuation, our actuary estimates the cost could range from \$10,000 to \$50,000.

Date: January 25, 1995

Source: Jack L. Hawn, Deputy Executive Secretary
Milliman & Robertson, Inc. (Actuary)

Jim Lowther

Representative Jim Lowther

Darlene Cornfield

Representative Darlene Cornfield

George R. Dean

Representative George Dean

Fred Gatlin

Representative Fred Gatlin

Rocky Nichols

Representative Rocky Nichols

HOUSE BILL No. 2077

By Joint Committee on Pensions, Investments and Benefits

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9 AN ACT concerning the Kansas public employees retirement system;
10 relating to independent actuarial audit and evaluation of system's actu-
11 ary; employment by legislative coordinating council; amending
12 K.S.A. 46-1204 and 74-4909 and K.S.A. 1994 Supp. 74-4908 and re-
13 pealing the existing sections.

and payment

14
15 Be it enacted by the Legislature of the State of Kansas:
16 New Section 1. Commencing in the fiscal year that commenced in
17 calendar year 1995 and once every four years thereafter, there shall be
18 an independent actuarial audit and evaluation of the actuarial services
19 provided to the board of trustees of the Kansas public employees retire-
20 ment system pursuant to subsection (3) of K.S.A. 74-4908 and amend-
21 ments thereto. Such independent audit and evaluation shall be conducted
22 by an actuary other than the actuary employed or retained by the board
23 pursuant to subsection (3) of K.S.A. 74-4908 and amendments thereto.
24 Such independent audit and evaluation shall include a review of all as-
25 sumptions, evaluations and methodology utilized by the actuary employed
26 or retained by the board as provided in subsection (3) of K.S.A. 74-4908
27 and amendments thereto. The actuary conducting the independent actu-
28 arial audit and evaluation as required by this section shall be employed
29 by the legislative coordinating council as provided in K.S.A. 46-1204 and
30 amendments thereto.

at least

six

and valuations

31 Sec. 2. K.S.A. 46-1204 is hereby amended to read as follows: 46-
32 1204. The legislative coordinating council shall be authorized to contract
33 for purchases of personal property or services, and in the discretion of
34 such council, the same may be made as provided in K.S.A. 75-3739 and
35 amendments thereto. Such council may delegate such authority to make
36 or contract for such purchases or services, except professional services,
37 to the director of legislative administrative services. No member or com-
38 mittee of the legislature, except the legislative coordinating council, shall
39 be authorized to employ or contract for professional services to be paid
40 from appropriations for legislative expense or from appropriations to the
41 legislative coordinating council. The legislative coordinating council may
42 employ by contract and direct one or more attorneys, who are approved
43 by a vote of three quarters (3/4) 3/4 of the members of the legislative co-

and shall express an opinion regarding the reasonableness or accuracy of the actuarial assumptions, actuarial cost methods, valuation results and statutory contribution rates and shall include certifications that the actuarial valuation report was performed by a qualified actuary, that the valuation was prepared in accordance with principles of practices prescribed by the actuarial standards board and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures and that such actuary conducting the independent actuarial audit and evaluation shall perform test work on the data used by the system for the annual and three-year performance review required by K.S.A. 74-4908 and amendments thereto

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1 ordinating council, to represent the legislature, either house thereof, the
 2 legislative coordinating council, any legislator, any officer or employee of
 3 the legislative branch or any combination of the foregoing, and any such
 4 attorney shall be paid from appropriations for legislative expense. No
 5 contract made under authority of this section shall require approval under
 6 any other statute. *Commencing in the fiscal year that commenced in cal-*
 7 *endar year 1995 and once every ~~four~~ years thereafter, the legislative co-*
 8 *ordinating council shall employ by contract and direct an independent*
 9 *actuary, approved by a vote of 3/4 of the members of the legislative coor-*
 10 *ordinating council, to conduct an actuarial audit and evaluation for the*
 11 *purposes enumerated by section 1.*

at least

six

12 Sec. 3. K.S.A. 1994 Supp. 74-4908 is hereby amended to read as
 13 follows: 74-4908. (1) The board shall appoint an executive secretary and
 14 shall establish the compensation therefor. Subject to the direction of the
 15 board, the executive secretary shall be the managing officer of the system
 16 and as such shall have charge of the office, records and supervision and
 17 direction of the employees of the system. The executive secretary shall
 18 be in the unclassified service under the Kansas civil service act.

Such actuarial audit and evaluation shall be paid
 from appropriations for legislative expense or
 from appropriations to the legislative
 coordinating council.

19 (2) The executive secretary shall recommend to the board the ad-
 20 ministrative organization, the number and qualifications of employees
 21 necessary to carry out the intent of this act and the directions of the board.
 22 Upon approval of the board, the executive secretary is authorized to em-
 23 ploy such persons in accordance with the Kansas civil service act.

24 (3) The board of trustees shall select and employ or retain a qualified
 25 actuary who shall serve at its pleasure as its technical advisor on matters
 26 regarding operation of the system. The actuary shall:

27 (a) Make an annual valuation of the liabilities and reserves of the
 28 system, and a determination of the contributions required by the system
 29 to discharge its liabilities and administrative costs under this act, and
 30 recommend to the board rates of employer contributions required to
 31 establish and maintain the system on an actuarial reserve basis. Such
 32 recommended employer contributions shall not be based on any other
 33 purpose outside of the needs of the system as prescribed by this subsec-
 34 tion.

35 (b) As soon after the effective date as practicable and once every
 36 three years thereafter, make a general investigation of the actuarial ex-
 37 perience under the system including mortality, retirement, employment
 38 turnover and interest, and recommend actuarial tables for use in valua-
 39 tions and in calculating actuarial equivalent values based on such inves-
 40 tigation.

(c) *Cooperate with and provide any assistance to the actuary, the
 legislative coordinating council and the joint committee on pensions, in-
 vestments and benefits related to the independent actuarial audit and*

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1 *evaluation as provided in section 1 and amendments thereto.*
2 (d) Perform such other duties as may be assigned by the board.
3 (4) The attorney general of the state shall furnish such legal services
4 as may be necessary upon receipt of a request from the board.
5 (5) The board shall employ or retain qualified investment counsel or
6 counselors or may negotiate with a trust company to assist and advise in
7 the judicious investment of funds as herein provided.
8 (6) The board may appoint an investment officer, an investment an-
9 alyst, a real estate manager, a direct placement manager, a chief fiscal
10 officer, a member services officer and an attorney to advise and assist the
11 board in the performance of powers, duties and functions relating to the
12 management and investment of the fund and in such other matters as
13 may be directed by the board. The investment officer, investment analyst,
14 real estate manager, direct placement manager, chief fiscal officer, mem-
15 ber services officer and attorney shall be in the unclassified service under
16 the Kansas civil service act. The compensation of the investment officer,
17 investment analyst, real estate manager, direct placement manager, chief
18 fiscal officer, member services officer and attorney shall be established
19 by the board.
20 Sec. 4. K.S.A. 74-4909 is hereby amended to read as follows: 74-
21 4909. (1) The board of trustees shall be responsible for the general ad-
22 ministration of the system, subject to the provisions of this act.
23 (2) The board shall establish rules and regulations for the adminis-
24 tration of the system and for the transaction of business consistent with
25 law, which rules and regulations shall be filed in the office of the secretary
26 of state.
27 (3) The board shall be responsible for the installation of a complete
28 and adequate system of accounts and records. The board shall contract
29 with the department of administration to provide such accounting services
30 as are necessary to avoid duplication of efforts and promote efficiency.
31 The board shall pay the department of administration an amount not
32 exceeding the actual cost incurred in providing this service, which pay-
33 ments shall be deposited in the state treasury and then credited to the
34 state general fund.
35 (4) All meetings of the board shall be open to the public. The board
36 shall keep a record of all proceedings.
37 (5) The board may prescribe rules and regulations for the determi-
38 nation of the value of maintenance, board, lodging, laundry and other
39 allowances to employees in lieu of money.
40 (6) The board may adopt all necessary actuarial tables to be used in
41 the operation of the system as recommended by the actuary, and may
42 compile such additional data as may be necessary for required actuarial
43 valuations and calculations.

1 (7) The board or the investment committee may invest all cash not
2 required for current payments in securities eligible for investment under
3 this act. All actions of the investment committee shall be reported to the
4 board at the first meeting of the board following the action of the in-
5 vestment committee.

6 (8) The board, as soon after the close of the fiscal year as practical,
7 shall publish for distribution among members a financial statement show-
8 ing the financial status of the system.

9 (9) All decisions of the board as to questions of fact shall be final and
10 conclusive on all persons except for the right of review as provided by
11 law and except for fraud or such gross mistake of fact as to have an effect
equivalent to fraud.

12 (10) Each member's account and records shall be administered in a
13 confidential manner and specific data regarding the member shall not be
14 released unless authorized in writing by the member; however, the board
15 may release information to the employer or to other state and federal
16 agencies as the board deems necessary.

17 (11) The board shall develop and adopt a specific plan which outlines
18 strategies, goals, procedures and related costs, including additional em-
19 ployees necessary to carry out the provisions of this subsection, to provide
20 for the system's internal management of the investment and reinvestment
21 of moneys of the fund as provided in K.S.A. 74-4921 and amendments
22 thereto. Such internal management would replace the management of all
23 or part of the fund by persons the board has contracted with as provided
24 in subsection (7) of K.S.A. 74-4921 and amendments thereto. The board
25 shall report such plan developed pursuant to this subsection to the leg-
26 islation and the governor on or before January 1, 1993.

27 (12) The board shall adopt rules and regulations providing the re-
28 quirements and procedures for the election of members of the board by
29 members and retirants of the system as provided in subsection (a)(2) of
30 K.S.A. 74-4905 and amendments thereto, as such statute is amended in
31 section 1 of 1992 Senate Bill No. 526, effective July 1, 1993, and for the
32 filling of any vacancy involving such elected member of the board.

33 (13) *The board shall cooperate with and provide any assistance to the*
34 *actuary, the legislative coordinating council and the joint committee on*
35 *pensions, investments and benefits related to the independent actuarial*
36 *audit and evaluation as provided in section 1 and amendments thereto.*

37 Sec. 5. K.S.A. 46-1204 and 74-4909 and K.S.A. 1994 Supp. 74-4908
38 are hereby repealed.

39 Sec. 6. This act shall take effect and be in force from and after its
publication in the statute book.

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