

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by Chairperson Dave Kerr at 1:30 p.m. on March 8, 1995 in Room 123-S of the Capitol.

All members were present except: Senator Corbin

Committee staff present: Ben Barrett, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Brenda Dunlap, Committee Secretary

Conferees appearing before the committee: Jack Hahn, KPERS
Gerry Henderson, USA

Others attending: See attached list

SB 322 - Employment after retirement, school employment

Jack Hahn, Deputy Executive Secretary, KPERS, explained how the bill would work. The bill considers the State of Kansas one employer. If a person retires and then goes back to work for the state (the same employer) they would be subject to an earnings limitation just like social security of \$11,160 per year. The amount changes as the social security limitation changes. Currently, school employers such as school districts are considered multiple employers. **SB 322** would change all school employers to a single employer. At this time there are laws which govern all state employees except those employed by schools, firemen and policemen. Firemen and policemen have separately negotiated retirement programs. The bill would bring school district employees into line with all other state employees. **HB 2076**, currently being worked by the House of Representatives, is exactly the same as **SB 322** in its present form.

Senator Downey asked if there would be any exceptions to this law, and Mr. Hahn replied substitute teachers as part-time workers would not be affected.

Chairman Kerr asked when the earning limitation was implemented. It began in 1990 or 1991, and was set up to parallel social security limitations. Chairman Kerr also asked how much money is contributed by the retiree. Mr Hahn stated retirees recoup their investment amount in less than three years.

Chairman Kerr explained that this bill was created to address a situation that was not considered when the 85 point law was put into place. More and more people are retiring earlier. Some very well paid superintendents are retiring from one district with the sole purpose of going to work full time in another district so they can draw their pension and a full time salary. This is a way to make a substantial amount of extra money. When Rod Todd did this, the public considered it an outrage. Other state employees cannot do this, and as substantial amounts of money are involved, the Committee needs to consider if this is the way it should be or not.

Gerry Henderson, United School Administrators of Kansas, testified in opposition to the bill. Although they understand the concern for the potential increase in system liability if a number of people retired seek another position, to this point in time, that has not happened. Of the 87 superintendents who have retired since 1990, when the 85 point early retirement became possible, only eight (8%) have re-entered the work force in Kansas superintendencies. Seven of these people served as interim superintendents in districts which lost their CEO's late in the summer. It is extremely doubtful that these individuals would have been available if they either had to void their retirement or work a full time job at a reduced salary. In a market where school districts are having a difficult time attracting quality applicants for superintendencies in our state, it would appear counterproductive to create a circumstance wherein qualified people were reluctant to serve as interim superintendents. In addition, unlike retirees from other retirement systems such as the federal government or private industry, school people who retire and take a job in another district do not begin a second retirement system. It has been reported otherwise. The state makes no contribution on their behalf to KPERS, nor does the retired employee make contributions to the system. In their judgment, a serious problem does not yet exist. While the potential exists for wide-spread abuse of the intent of the 1990 legislation, real problems would arise if districts were denied the option of employing interim superintendents when needed, simply because no qualified interims were available. (See Attachment 1)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION Room 123-S-Statehouse, at 1:30 p.m. on March 8, 1995.

Senator Lawrence asked Mr Henderson the average length of time needed for a quality search. He replied three to four months. She asked if there were people already in the system that could take over the job duties while the search was being done. He replied that in large districts a deputy or assistant superintendent could sometimes take over the duties, but in small districts where there is only one person, that was not possible.

Senator Downey asked if at this time there were any retirees planning to go to work for another district. Mr. Henderson did not know of any.

HB 2109 - Law enforcement officer allowed to take child into temporary custody if child is supposed to be in school; take child to school or home

A motion was made by Senator Emert and seconded by Senator Lawrence to pass **HB 2109** favorably. The motion was withdrawn.

A motion was made by Senator Emert to amend page 3, line 43 to read *from on either three consecutive school days, five days in one semester, or seven days in any school year* and page 3, line 15 to read *enrolled, any location designated by the school in which the child is enrolled to address truancy.* The motion was seconded by Senator Walker, and the motion carried.

A motion was made by Senator Emert to pass **HB 2109** favorably as amended. The motion was seconded by Senator Walker, and the motion carried. Senator Jones will carry the bill on the floor.

A motion was made by Senator Jones to introduce a concurrent resolution that would encourage the State Board of Education to expand and emphasize within curricular offerings the contributions made to Kansas history by African-Americans. The motion was seconded by Senator Lawrence, and the motion carried.

A motion was made by Senator Emert to approve the minutes of the March 7, 1995 meeting. The motion was seconded by Senator Jones, and the motion carried.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for March 9, 1995.



SB 322

Testimony presented before the Senate Committee on Education
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas
March 8, 1995

Mister Chairman and Members of the Committee:

United School Administrators of Kansas opposes the provisions of **SB 322** which would prevent retirees from one school district from taking a position in another school district. We understand the concern for the potential increase in system liability if a number of people retired who might not have done so had they known they could not seek another job. Our position is that to this point in time, such has not been the case. Of the 87 superintendents who have retired since 1990, when the 85 point early retirement became possible, only eight (9%) have re-entered the work force in Kansas superintendencies. Seven of these people served as interim superintendents in districts which lost their CEO's late in the summer.

These seven people have served in ten interim superintendencies. (One retiree served in three different districts, Manhattan, Westmoreland, and Goodland. Another served interims in Ness City and Coldwater.) In each case the school district was able to hire a highly qualified superintendent at a late date. In two districts, Garden City and Ness City, the interim superintendent was persuaded by the board of education to stay for a total of three years. Both districts had experienced frequent turnover in their superintendency, and were looking for stable leadership in moving the district forward. It is extremely doubtful that these individuals would have been available if they either had to void their retirement or work a full time job at a reduced salary. In a market where school districts are having a difficult time attracting quality applicants for superintendencies in our state, it would appear counterproductive to create a circumstance wherein qualified people were reluctant to serve as interim superintendents.

*Senate Education
3-8-95
Attachment 1*

Another point of misinformation begs to be discussed. Unlike retirees from other retirement systems such as the federal government or private industry, school people who retire and take a job in another district do not begin a second retirement system. It has been reported otherwise. The state makes no contribution on their behalf to KPERS, nor does the retired employee make contributions to the system.

In our judgement, a serious problem does not yet exist. While the potential exists for wide-spread abuse of the intent of the 1990 legislation, we believe real problems would arise if districts were denied the option of employing interim superintendents when needed, simply because no qualified interims were available. We urge the committee to think seriously about allowing **SB 322** to carry over to the 1996 Session and see if the potential wide-spread abuse occurs. This hearing coupled with the distribution of this testimony to my members may well serve to head off future problems.