

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 2, 2007, in Room 514-S of the Capitol.

All members were present except:

- Representative Kevin Yoder - excused
- Representative Ty Masterson - excused
- Representative Jason Watkins - excused

Committee staff present:

- J. G. Scott, Legislative Research Department
- Becky Krahl, Legislative Research Department
- Aaron Klaassen, Legislative Research Department
- Amy VanHouse, Legislative Research Department
- Jim Wilson, Revisor of Statutes
- Nikki Feuerborn, Chief of Staff
- Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Amendment to **HB 2303**
- Attachment 2 Response to Committee questions from Glenn Deck, Executive Director, Kansas Public Employees Retirement System

Representative Wolf moved to introduce legislation regarding the use of unopened medications and drugs. The motion was seconded by Representative Bethell. Motion carried.

Representative Ballard moved to introduce legislation regarding tax deferral for senior citizens. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Ballard moved to introduce legislation regarding juvenile obesity. The motion was seconded by Representative Pottorff. Motion carried.

Representative Bethell moved to introduce legislation regarding the Department of Agriculture and creation of a licensure fee fund. The motion was seconded by Representative Wolf. Motion carried.

Discussion and Action on HB 2303 - Creation of the Kansas national bio and agro defense facility interagency working group.

Amy VanHouse, Legislative Research Department, explained that **HB 2303** creates the Kansas national bio and agro defense facility interagency working group to support and assist the United States department of homeland security in the process of conducting an environmental impact statement on any site in Kansas selected for a national bio and agro defense facility.

Representative Carlin moved to recommend **HB 2303** favorable for passage. The motion was seconded by Representative Lane.

Representative Tapanelli moved for a substitute motion to amend Section 2 of **HB 2303** by adding the State Adjutant General or designee and the State Livestock Commissioner or designee to the members of the working group (Attachment 1). The motion was seconded by Representative Holmes. Motion carried.

Representative Carlin moved to recommend **HB 2303** as amended favorable for passage. The motion was seconded by Representative McLeland. Motion carried.

J. G. Scott, Legislative Research Department, distributed and explained a response from Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs), concerning

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 2, 2007 in Room 514-S of the Capitol.

questions raised by the Committee with regard to a KPERS funding amendment added to **SB 30** when worked by the full House (Attachment 2). At this time, **SB 30** is waiting to be worked by a conference committee.

The meeting was adjourned at 9:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 6, 2007.


Sharon Schwartz, Chair

HOUSE BILL No. 2303

By Committee on Taxation

1-31

9 AN ACT creating the Kansas national bio and agro defense facility in-
10 teragency working group act.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. This act shall be known and may be cited as the Kansas
14 national bio and agro defense facility interagency working group act. The
15 purpose of this act is to create an interagency working group to support
16 and assist the United States department of homeland security in the na-
17 tional environmental policy act process to conduct an environmental im-
18 pact statement on any site in Kansas selected by the department of home-
19 land security for the location of a national bio and agro defense facility
20 and to coordinate efforts among all affected state, county and local agen-
21 cies to further the state's interest in the siting of a national bio and agro
22 defense facility in Kansas.

23 Sec. 2. (a) There is hereby established the Kansas national bio and
24 agro defense facility interagency working group.

25 (b) The working group shall consist of the following members ex of-
26 ficio: The secretary of health and environment, the secretary of commerce
27 or designee, the secretary of administration or designee, the secretary of
28 agriculture or designee, the secretary of revenue or designee, the attorney
29 general or designee, the state board of regents or designee, the mayor of
30 the city of Manhattan or designee, the chairperson of the Leavenworth
31 county board of commissioners or designee and the superintendent of
32 the Kansas highway patrol or designee.

, the adjutant general (the state director of homeland security) or designee

33 (c) The secretary of health and environment shall serve as chairper-
34 son of the working group, and the working group may elect a vice-chair-
35 person from among the members of the working group.

36 (d) All appointments of designees must be made and submitted to
37 the Kansas bioscience authority no more than 30 days after enactment of
38 this act.

39 Sec. 3. (a) The department of health and environment shall coordi-
40 nate all acts performed by the members of the working group.

41 (b) The working group shall:

42 (1) Establish a support network among the members of the working
43 group to facilitate the efficient and timely completion of all acts to be

HOUSE APPROPRIATIONS

DATE 2-02-2007
ATTACHMENT 1

**Proposed Amendment
For Consideration by Committee on Appropriations
February 2, 2007**

KANSAS

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

KATHLEEN SEBELIUS, GOVERNOR

January 31, 2007

Representative Sharon Schwartz
Chairperson
House Appropriations Committee
300 SW 10th Avenue, Room 517-S
Topeka, KS 66612

Dear Madam Chair:

I appreciated the opportunity to meet with you and Representative Tafari last week to brief you on KPERS funding status and the proposed plan design for future employees.

During our meeting, we briefly discussed SB 30 and the impact of the amendments to this bill that provide for earlier debt payments on the pension obligation bonds. As part of that discussion, you requested that we model two alternatives of one-time State employer contributions to KPERS to assist toward the funding of the KPERS School unfunded liability. These alternatives were a one-time contribution of \$50 million and a one-time contribution of \$80 million in FY 2008.

Attached is a summary of the projected impact of these accelerated employer contribution alternatives. This level of one-time contributions only modestly improves the date at which the School group is projected to reach the actuarially-required-contribution(ARC) rate. However, over the remaining funding period, they both result in substantial projected savings in State employer contributions. The \$50 million contribution is projected to save \$218 million in future employer contributions and the \$80 million alternative is projected to save \$343 million.

If you have any questions or need us to develop other alternatives, please contact me.

Sincerely,



Glenn Deck
Executive Director

cc: Lee Tafari, Vice-Chair, House Appropriations Committee

Attachment

HOUSE APPROPRIATIONS

ATTACHMENT
Additional Employer Contributions – KPERS School Group

Impact of Accelerated Employer Contributions – KPERS School Group
 \$50 Million Additional Employer Contributions in FY 2008^(a)

	<i>Current Projections</i>	<i>Projections with Add'l \$50M in FY 2008</i>
Projected Actuarially-Required Employer Contribution Rate (ARC Rate)	12.82%	12.37%
Projected ARC Date	2019	2018
Estimated Employer Contributions		
FY 2008	\$179.35 million	\$229.35 million
FY 2009	\$201.14 million	\$201.14 million
FY 2010	\$225.21 million	\$225.21 million
FY 2015	\$399.65 million	\$399.65 million
FY 2020	\$585.34 million	\$576.05 million
FY 2025	\$691.03 million	\$677.61 million
Total thru FY 2033	\$14,465.11 million	\$14,247.36 million
Savings versus Current Plan	n/a	\$217.75 million

Impact of Accelerated Employer Contributions – KPERS School Group
 \$80 Million Additional Employer Contributions in FY 2008^(a)

	<i>Current Projections</i>	<i>Projections with Add'l \$80M in FY 2008</i>
Projected Actuarially-Required Employer Contribution Rate (ARC Rate)	12.82%	12.27%
Projected ARC Date	2019	2018
Estimated Employer Contributions		
FY 2008	\$179.35 million	\$259.35 million
FY 2009	\$201.14 million	\$201.14 million
FY 2010	\$225.21 million	\$225.21 million
FY 2015	\$399.65 million	\$399.65 million
FY 2020	\$585.34 million	\$570.37 million
FY 2025	\$691.03 million	\$669.48 million
Total thru FY 2033	\$14,465.11 million	\$14,122.06 million
Savings versus Current Plan	n/a	\$343.05 million

a) Based on results of 12-31-05 actuarial valuation and assume additional FY 2008 employer contributions in listed amounts.