

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:00 a.m. on March 23, 2009, in Room 545-N of the Capitol.

All members were present except:
Senator Ty Masterson - excused

Committee staff present:
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)
Ed Klumpp, representing Kansas Association of Chiefs of Police and Kansas Peace Officers' Association
Dennis Phillips, Kansas State Council of Firefighters

Others attending:
See attached list.

Distribution of requested information

Information, as requested by the Committee, from Tracy Streeter, Kansas Water Office, was distributed to the Committee (Attachment 1).

Subcommittee report on KPERS Issues - SB 319 - Affiliation with the Kansas police and firemen's retirement system by adjutant general for membership of certain firefighters serving the 190th Kansas air national guard.

Senator Wysong, Chair of the Subcommittee, presented the Subcommittee report on **SB 319** (Attachment 2). **SB 319** would provide that on or after July 1, 2009, the Adjutant General's Department would affiliate with the Kansas Police and Firemen's (KP&F) Retirement system to provide participating service coverage for only qualified firefighters serving in the 190th Kansas Air National Guard.

Discussion and Action on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.

Senator Vratil presented an amendment to **SB 196** (Attachment 3):

1. Increases the break in service days from 30 to 60 days for all KPERS retirees.
2. Eliminates the current statutory \$20,000 earnings limitation for all licensed public school retirees.
3. Requires all public school employers who employ a licensed KPERS school group retiree, to pay a employer's contribution rate as follows:
 - Age 62 or over, employer contribution rate of 11.95 percent plus 4.0 percent statutory employee rate.
 - Under 62 years of age, the rate would be 11.95 percent employer contribution rate plus 4.0 percent statutory employee rate plus an additional 4.0 percent contribution rate.
4. The employer contribution rate would apply to a retiree returning to work for the same school district previously employed by or a different school district, except those retirees who were first employed by a different school district prior to July 1, 2006.
5. Provide that school employers cannot hire a licensed KPERS school group retiree who takes early retirement until they reach the age of 62. These provisions apply to contracts entered into after July 1, 2009. New provisions, except the 60 days service break, would sunset on July 1, 2012.

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The Committee expressed concern that excluding those who retired before July 1, 2006, creates “an unlevel playing field” in the KPERS retirement system.

Glenn Deck, Executive Director, KPERS, stated that there are approximately 400 retirees, who retired prior to July 1, 2006 and are “grandfathered” in by current statute.

Senator Vratil moved to adopt the first balloon amendment to **SB 196** as presented (Attachment 3) . The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Vratil presented a second amendment to **SB 196** pertaining to third-party vendors who employ licensed school district retirees and enter into a contract with a school district, changing the date pertaining to contracts from July 1, 2009 to March 1, 2009 (Attachment 4).

Senator Vratil moved to adopt the second balloon amendment to **SB 196** as presented (Attachment 4). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Lee moved to adopt an amendment to **SB 196** that would strike the grandfather clause for those retired prior to July 1, 2006 (Attachment 5). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to amend **SB 196** to raise the cap on what a retiree can earn from \$20,000 to \$25,000 for all non-licensed school district retirees and allow for technical adjustments to the bill as needed to incorporate the amendments. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Glenn Deck stated that there would be no apparent fiscal effect to KPERS with the amendment.

Senator Schmidt moved to adopt the Subcommittee report on **SB 319** and amend the contents of **SB 319** into **SB 196** as amended. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Hearing on HB 2072 - Less reduction in disability benefits based on income for certain members of the Kansas police and firemen’s retirement system.

Gordon Self, Revisor, explained that **HB 2072** would remove the current statutory earnings limitation of \$10,000 for members of the Kansas Police and Firemen’s (KP&F) Retirement System who are assigned to Tier II and qualify for disability benefits, but who are able to work part-time at a nonpublic safety job while drawing KP&F disability payments.

Ed Klumpp, representing Kansas Association of Chiefs of Police and Kansas Peace Officers Association, presented testimony in support of **HB 2072** (Attachment 6). Mr. Klumpp stated that the current provision has been in place since the inception of the Tier II KP&F retirement program in 1989. Mr. Klumpp noted that there are many “checks and balances” before an employee can be determined disabled and receive benefits under the KP&F program.

Dennis Phillips, Kansas State Council of Fire Fighters, presented testimony in support of **HB 2072** (Attachment 7). Mr. Phillips noted that removing the earnings cap would allow disabled fire and policy officers under Tier II of KP&F to continue working to support their families.

Responding to questions from the Committee, Glenn Deck indicated that there are approximately 45 disabled fire and policy officers who receive benefits under Tier II of KP&F.

There were no other conferees to come before the Committee.

The hearing on **HB 2072** was closed.

Senator Vratil moved to amend **HB 2072** by returning to the original language when introduced in the House

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and recommended by the Joint Committee on Pensions, Investments and Benefits. The motion was seconded by Senator Wysong.

Senator Lee made a substitute motion to return to the original language of **HB 2072**; however, place the cap on earnings at \$25,000. The motion was seconded by Senator Teichman. Motion carried on a voice vote. Senator Kelly, Senator Kultala and Senator Umbarger requested to be recorded as voting "no".

Senator Vratil moved to amend **SB 196** as amended into **HB 2072** for **Senate Substitute for HB 2072** and allow for technical adjustments as needed. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to recommend **S Sub for HB 2072** favorable for passage. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Adjournment

The next meeting is scheduled for March 24, 2009.

The meeting was adjourned at 10:00 a.m.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: March 23, 2009

NAME	REPRESENTING
Mark Boranyak	Capitol Strategies
Dennis Phillips	KSCFF
Ed Redmon	KSCFF
Jean Bolinc	KSBTP
Sharon Wenger	KLRD
Tom Ruth	KASB
RONALD RICHEY	NARFE
Joe Mosimann	Hein Law
MATT VEATCH	Kansas Historical Society
Pat Michaelis	Ks. Historical Society
Ed Kump	KACP + AOA
Glenn Deck	K PERS
Julie Thomas	DOB

March 20, 2009

To: The members of the Senate Ways and Means Committee
From: Tracy Streater, Director, Kansas Water Office

Re: State Water Plan Fund: 5 Year Expenditure Report

Attached please find a 5 year expenditure report for the State Water Plan Fund (SWPF). This analysis was requested during the Senate Ways and Means Committee's hearing on Senate Bill 165. That bill proposes increasing the fees that contribute to the State Water Plan Fund.

Thank you for your interest in the SWPF. I hope this information assists you in your review of SB 165. Please feel free to contact me if you have any questions, or need further information.

ATTACH: State Water Plan Fund 5 Year Expenditure Report.

Senate Ways & Means Cmte

Date 3-23-2009

Attachment 1

STATE WATER PLAN FUND EXPENDITURES FY 2004-2008

AGENCY	PROGRAM/PROJECT	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	TOTAL	DESCRIPTION
KCC	ABANDONED OIL & GAS WELL PLUGGING	\$ -	\$ 667,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,867,000	Funds were utilized to plug 494 abandoned oil and gas wells. Ninety-seven percent of those well were located in southeast Kansas.
KCC Total		\$ -	\$ 667,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,867,000	
KDHE	CONTAMINATION REMEDIATION	\$ 1,060,434	\$ 983,867	\$ 1,183,818	\$ 904,574	\$ 1,031,295	\$ 5,163,988	Sites referred to this program are those for which no principal responsible party (PRP) has been identified to clean up contamination. Program efforts are focused on characterizing contamination problems, evaluating the risk to human health and the environment associated with the contamination, and remediation through cleanup or institutional controls. Majority of sites concern ground water impacts which have affected or threaten public and/or private drinking water wells. There are currently 89 sites in the program. With anticipated 2010 budget reductions, no new remediation projects are anticipated to be initiated. Monitoring activities will continue.
KDHE	LOCAL ENIRONMENTAL PROTECTION PROGRAM (LEPP)	\$ 1,674,856	\$ 1,502,737	\$ 1,502,850	\$ 1,502,737	\$ 1,502,737	\$ 7,686,917	Through this grant program, financial and technical assistance is provided to counties to assist in establishing and operating programs for environmental and public health protection. This is accomplished by both the prevention of environmental pollution and the abatement of existing sources of pollution. During SFY 2008, 102 counties received grants.
KDHE	NON-POINT SOURCE POLLUTION	\$ 387,939	\$ 385,975	\$ 370,214	\$ 246,803	\$ 320,939	\$ 1,711,870	Program activities include Total Maximum Daily Load (TMDL) implementation, Source Water Assessment and Planning, Achievement of Kansas Water Plan 2010 Objectives, promoting and demonstrating use of Best Management Practices to achieve TMDLs, monitoring of the US Army Corps of Engineers 404 permitting program through Water Quality Certifications, Technical Assistance to Watershed Restoration and Protection groups and management of EPA 319 and SWP fund grants, technical and legal review of county Sanitary codes, and providing information and education to the public.
KDHE	TMDL INITIATIVES	\$ 346,224	\$ 320,088	\$ 323,338	\$ 257,172	\$ 342,087	\$ 1,588,909	TMDLs have been established statewide. Five year reviews are ongoing with three basins reviewed during FY08. Reviews evaluate changes in water quality and priority status of TMDLs and help to direct resources to the highest priority water quality impairments.
KDHE	WATERSHED RESTORATION & PROTECTION STRATEGIES (WRAPS)	\$ -	\$ -	\$ 800,000	\$ 799,796	\$ 770,580	\$ 2,370,376	These funds are directed to WRAPS groups that have developed a watershed restoration and protection plan for ready for implementation, and that are above federal public water supply reservoirs. Stabilization of streambanks to reduce sedimentation is a priority.
KDHE	SOIL TREATMENT STUDY	\$ -	\$ -	\$ -	\$ -	\$ 120,361	\$ 120,361	This is a three year pilot project to determine the feasibility of using compost to remediate mine waste sites by providing a substrate for vegetation. The project is in its second year and no additional funding will be needed.
KDHE	USE ATTAINABILITY ANALYSIS	\$ -	\$ -	\$ 300,000	\$ 169,040	\$ -	\$ 469,040	Provides funding to evaluate the ability of a stream segment to attain designated uses as specified in Kansas Water Quality Standards.
KDHE Total		\$ 3,469,453	\$ 3,192,667	\$ 4,480,220	\$ 3,880,122	\$ 4,087,999	\$ 19,110,461	
KDA	FLOODPLAIN MANAGEMENT	\$ 63,240	\$ 65,953	\$ 68,244	\$ -	\$ -	\$ 197,437	SWPF funded one position in Water Structures which is responsible for overseeing new flood insurance rate map production, distributing maps to communities, and providing technical assistance to communities regarding flood maps. The funding for conducting engineering studies to produce the maps is provided by FEMA. This position monitors the engineering firms contracted to do the studies to insure that FEMA's minimum requirements and deadlines are met, as well as physically producing some of the map products. The position is also used to provide the state's share of a Community Assistance Program grant from FEMA which provides more assistance to communities regarding the National Flood Insurance Program. The position was converted to SGF funding in FY 2007.
KDA	WATER APPROPRIATIONS SUB-PROGRAM	\$ 62,857	\$ 181,749	\$ 187,925	\$ -	\$ -	\$ 432,531	Funding for an ES III and two ES II's in the new application unit of the Water Appropriation Program. At the time we could not fill positions with SGF. Therefore, Senator Morris helped us with special water plan funding to fill these positions. When SGF reductions were met and vacant positions could be filled with SGF money, the staff were transferred into SGF positions and the SWP positions were eliminated.
KDA	INTERSTATE WATER ISSUES	\$ 234,884	\$ 246,397	\$ 251,058	\$ -	\$ 334,517	\$ 1,066,856	Currently funds three positions that perform compliance inspections, run and maintain hydrologic models, and participate in river compact administration for the KS-CO-NE Republican River Compact and KS-CO Arkansas River Compact. Resources are generally split equally between the two Compacts. The expenditure of SWP funds was split about 60-40 in FY 2008 due to the Republican River Compact enforcement activities ramping up and work on the Ark River Compact final decree and hydrologic model winding down.
KDA	SUBBASIN WATER RESOURCE MANAGEMENT	\$ 464,548	\$ 486,934	\$ 548,051	\$ 667,776	\$ 643,295	\$ 2,810,604	Currently funds five positions and associated expenses including contracts for development of hydrologic models. The Subbasin Water Resource Management Program analyzes aquifers and stream systems in areas identified by the State Water Plan as experiencing streamflow depletions and groundwater declines. The program works with stakeholders to develop and assess strategies for protecting water rights and improve hydrologic sustainability. Project areas are: Middle and Upper Arkansas River, Solomon River, Rattlesnake Creek, Pawnee-Buckner Creeks, Ogallala-High Plains aquifer and Ozark Plateau aquifer/southeast Kansas. In FY 2007 and FY 2008 the program gained 5.5 positions (including the Ozark/SE KS position listed above) for Enhanced Water Management tasks. In FY 2009 the EWM positions (and the Ozark/SE KS position), still funded by the State Water Plan fund, were moved to the Water Appropriation Program since their primary roles of water right compliance and public assistance are more compatible with the Water Appropriation Program responsibilities.

KL	WATER USE	\$ 59,456	\$ 59,781	\$ 60,000	\$ 60,000	\$ 60,000	\$ 299,237	Contract for 50/50 cost share with the USGS for quality control and publication of our annual water use data, then a 5-year annual report is published by the USGS. This project is statewide. We gain population data from every public water supply system in Kansas. Technical assistance is provided to public water supply systems with more than 30% unaccounted for water. The data for that assistance is from this program. This program also provides an annual summary of where public water supply systems obtain their water and their relationships to one another.
KDA	KANSAS VS COLORADO COMPLIANCE	\$ -	\$ -	\$ -	\$ 1,150,847	\$ -	\$ 1,150,847	Additional positions were created and additional contract expenditures occurred in FY 2007 due to extensive data collection and analysis, modeling, and expert consulting required to complete the Final Decree in the KS v CO lawsuit before a Special Master of the U.S. Supreme Court, and the Hydrologic-Institutional Model to be used henceforth as the test of Colorado's compliance with the KS-CO Arkansas River Compact.
KDA	OZARK AQUIFER/SPRING RIVER INITIATIVE	\$ -	\$ -	\$ -	\$ -	\$ 92,340	\$ 92,340	This funding was used to create a position and a satellite office in Parsons to conduct compliance checks and public assistance for water rights in southeast Kansas, in addition to monitoring conditions in the Ozark aquifer and addressing other water resource issues in the region.
KDA Total		\$ 884,986	\$ 1,040,814	\$ 1,115,278	\$ 1,878,623	\$ 1,130,162	\$ 6,049,862	
SCC	WATER RESOURCES COST-SHARE PROGRAM	\$ 4,228,478	\$ 3,495,218	\$ 4,238,308	\$ 3,323,365	\$ 3,315,580	\$ 18,600,949	Funding is allocated to conservation districts for the establishment of enduring conservation practices on public and private lands. The funds are provided directly to landowners for projects addressing erosion and sediment control, pasture and rangeland management, irrigation water conservation, riparian area protection, livestock waste management and technical assistance. A total of 8,880 contracts were completed over the 5 year period.
SCC	NON-POINT SOURCE POLLUTION PROGRAM	\$ 2,987,793	\$ 2,799,520	\$ 3,081,317	\$ 2,388,592	\$ 3,698,827	\$ 14,956,049	The funds are provided directly to landowners for Best Management Practices to address bacteria loading, nutrients and low dissolved oxygen in streams and sedimentation above federal public water supply reservoirs. Funds are also provided for technical assistance to conservation districts for program implementation, information and education to conservation districts. Also funds are targeted to No-till education for No-till field days and registration costs for landowners that are first time attendees to the No-till on the Plains Conference.
SCC	AID TO CONSERVATION DISTRICTS	\$ 1,043,000	\$ 1,043,000	\$ 1,044,000	\$ 1,048,000	\$ 2,127,242	\$ 6,305,242	The K.S.A. 2-1907c authorizes the state to match up to \$25,000 per district of the annual amount allocated to conservation districts by the board of county commissioners. This match provides an incentive for the county commission to double county funding up to the state maximum amount. These funds assist the 105 county conservation districts to effectively deliver local, state, and federal natural resource programs as prescribed under the Conservation District Law (K.S.A. 2-1901 et seq.). Financial assistance enables conservation districts to: Hire administrative and technical staff; Acquire office supplies and equipment; Coordinate various conservation programs; Implement state financial assistance programs at the local level; Carry out information and education campaigns promoting conservation; and, Provide clerical assistance to NRCS.
SCC	WATERSHED DAM CONSTRUCTION PROGRAM	\$ 362,212	\$ 352,499	\$ 1,102,499	\$ 1,265,970	\$ 1,022,413	\$ 4,105,593	Funding provided to watershed districts for the construction of 28 new flood control structures, the rehabilitation of 10 existing structures and 206 breach inundation maps.
SCC	WATER QUALITY BUFFER INITIATIVE	\$ 278,031	\$ 307,157	\$ 307,157	\$ 265,437	\$ 287,709	\$ 1,445,491	State incentives supplement federal incentives to encourage the establishment of riparian forest buffers and vegetative filter strips. The SCC will enter into 10-15 year contracts, subject to annual appropriation, to compensate landowners for acres enrolled in the initiative. Supplemental payments offered under the initiative will match 30-50 percent of the federal payment, based on the type of vegetation planted. At the end of State Fiscal Year 2008 there were 1,753 contracts in place for a total of 11,261 acres of grass filter strips and riparian forest buffers.
SCC	RIPARIAN AND WETLAND PROTECTION PROGRAM	\$ 250,480	\$ 249,782	\$ 258,236	\$ 88,013	\$ 313,012	\$ 1,169,623	Funding is used to protect, enhance, and restore riparian areas, wetlands, and associated habitats by providing technical, educational, and financial assistance to landowners. The program funding is currently used to leverage federal EQIP funding for streambank stabilization projects by providing technical resources and covering a portion of the landowner's cost-share obligation. A total of 146 contracts were
SCC	MULTIPURPOSE SMALL LAKES PROGRAM	\$ -	\$ -	\$ 236,333	\$ 1,100,000	\$ 1,250,000	\$ 2,686,333	Funding provided to the Pawnee Watershed District for the construction of Horsethief Reservoir.
SCC	SALT CEDAR DEMONSTRATION PROJECTS	\$ -	\$ -	\$ -	\$ 33,750	\$ 43,889	\$ 77,639	Funding provided to Sky Copters and Finney County Noxious Weed Department for the chemical treatment of Salt Cedar on the Arkansas River and tributaries.
SCC	WATER SUPPLY RESTORATION PROGRAM	\$ -	\$ -	\$ -	\$ -	\$ 2,483,603	\$ 2,483,603	Funding under contract with the city of Horton for the restoration of Mission Lake.
SCC	WATER TRANSITION ASSISTANCE PROGRAM	\$ -	\$ -	\$ -	\$ 64,856	\$ 167,894	\$ 232,750	Funds were utilized to provide staff support for the program.
SCC	CONSERVATION RESERVE ENHANCEMENT PROGRAM	\$ -	\$ -	\$ -	\$ -	\$ 462,866	\$ 462,866	Funds are provided as a state incentive payment for irrigators enroll into CREP. 8,198 acres have been enrolled, retiring 16,479 acre-feet of annual water right authorization.
SCC Total		\$ 9,149,994	\$ 8,247,176	\$ 10,267,860	\$ 9,677,983	\$ 16,173,036	\$ 62,416,038	
KWO	ASSESSMENT AND EVALUATION	\$ 96,335	\$ 163,976	\$ 545,055	\$ 989,772	\$ 910,753	\$ 2,705,891	All funding covered in the Assessment and Evaluation funding line are studies targeted to implement priority water projects either identified as basin priority issues or in support of policy developed within the Kansas Water Plan process. These expenditures include contracts for technical assessment of issues related to projects are the following: Non-Native Phreatophyte Demonstration Project, Index Monitoring Wells Installation and Measurements, Master Well Index, Lower Arkansas Ground Water Availability, High Plains Practical Saturated Thickness and Rural Water, Ogallala Ground Water Modeling Support, Reservoir Bathymetric Surveys, Reservoir Sedimentation Research, Corps of Engineers Planning Studies, Kansas River Degradation Monitoring, Sunflower H2O Public Water Supply Study, and Upper Republican Reconnaissance Study. The Kansas Water Office has a mandate to collect and compile information pertaining to a wide range of water issues and, in so doing, collect and compile information obtainable from other agencies and political subdivisions of the State and the federal government (K.S.A. 74-2608).

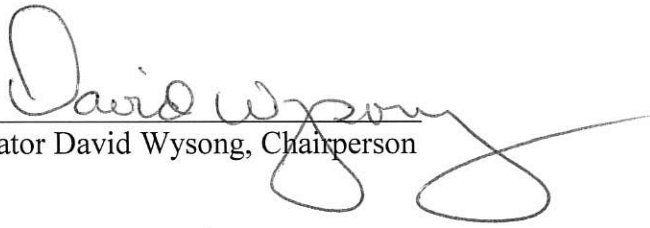
	FEDERAL COST-SHARE PROGRAM	\$ 16,000	\$ 72,094	\$ -	\$ -	\$ -	\$ 88,094	Funds were used as a match for federal funds received from the Corps of Engineers for studies under the Planning Assistance to States Program. The funding was rolled into the agency's Assessment and Evaluation Program after FY 2004.
KWO	STREAM GAGING PROGRAM	\$ 367,830	\$ 392,296	\$ 412,668	\$ -	\$ -	\$ 1,172,794	Funds allocated in this program are for the development and monitoring of future and current streamgages. The Kansas Water Office maintains a cooperative agreement with the U.S. Geological Survey (USGS) to collect and analyze surface water data from gaging stations located on Kansas streams and lakes. The Kansas Water Office uses the data to develop, implement and monitor water management programs including water resource assessment, reservoir operations, water marketing and assurance programs, minimum desirable streamflow protection and drought monitoring. Program funding was transferred to the SGF in FY 2007.
KWO	PMIB LOAN PAYMENT FOR STORAGE	\$ 237,477	\$ 235,159	\$ 234,150	\$ 237,352	\$ -	\$ 944,138	Funds were used to repay a loan for storage payments in federal reservoirs. The final payment was made in FY 2007.
KWO	GIS DATABASE DEVELOPMENT	\$ 250,000	\$ 247,405	\$ 247,405	\$ 247,405	\$ 250,000	\$ 1,242,215	These funds are used by the Kansas Water Office who is charged in K.S.A. 74-2608 with the collection and compilation of information pertaining to climate, water and soil as related to the usage of water. K.S.A. 74-2610 further requires water related state agencies to cooperate and provide information as requested. The GIS Policy Board reviews requests for database development and determines the areas which will be funded. In recent years, database development has included aquifer location, public lands survey and identification of vulnerable natural resources, including wetland and riparian areas. As a general rule, DISC contracts with database developers for this information.
KWO	FEDERAL RESERVOIR OPERATIONS & MAINTENANCE	\$ 431,289	\$ 427,199	\$ 364,954	\$ 388,639	\$ 732,404	\$ 2,344,485	The Kansas Water Office is charged by statute to provide technical assistance for water users required to adopt and implement conservation plans and practices (K.S.A. 82a-733 et seq.). This program, which began in 1992, provides needed technical assistance to public water suppliers, municipalities and irrigators to help them identify water losses, inefficient practices, as well as resolve conflicts that develop. Technical assistance to municipalities through a contract with the Kansas Rural Water Association and technical assistance to irrigators through contracts with Kansas State University.
KWO	TECHNICAL ASSISTANCE TO WATER USERS	\$ 310,423	\$ 180,131	\$ 210,004	\$ 299,858	\$ 438,348	\$ 1,438,764	The Kansas Water Office is charged by statute to provide technical assistance for water users required to adopt and implement conservation plans and practices (K.S.A. 82a-733 et seq.). This program, which began in 1992, provides technical assistance through a contract with the Kansas Rural Water Association for technical assistance and technical assistance to irrigators through contracts with Kansas State University for operation of the Mobile Irrigation Lab, and for alternative dispute resolution. The Technical Assistance to Water Users Program provides needed technical assistance to public water suppliers, municipalities and irrigators to help them identify water losses, inefficient practices, as well as resolve conflicts that develop.
KWO	WEATHER STATIONS	\$ -	\$ -	\$ -	\$ 60,000	\$ 100,000	\$ 160,000	Funds are currently allocated for Kansas mesonet/weather stations. These were created for the availability of near real-time local weather information from throughout the state. Funds were used by several groundwater management districts for the purchase of automated weather stations, starting in FY 1994. These stations provide information for determining evapotranspiration rates, an important component in irrigation water management. State Water Plan Fund monies have been used previously for the purchase of automated weather stations dedicated to providing weather information useful for irrigation water management in southwest and south central Kansas. Eventual development of a statewide automated station network with broader application of observed data is desired.
KWO	WATER RESOURCE EDUCATION	\$ 55,000	\$ 36,500	\$ 54,000	\$ 76,500	\$ 54,000	\$ 276,000	Funds are contracted to support Project WET, a K-12 curriculum provided to Kansas teachers through the Kansas Association for Conservation and Environmental Education (KACEE). Funding has also been utilized for scholarships for the Kansas Environmental Leadership Program (KELP) and Ag in the Classroom.
KWO	WEATHER MODIFICATION	\$ 3,311	\$ 120,000	\$ 120,000	\$ 120,000	\$ 240,000	\$ 603,311	Currently funds are allocated for the Western Kansas Weather Modification Program. The program is based on the premise that if seeding clouds could induce additional rainfall, it would reduce the stress being imposed on the groundwater resources such as irrigation and public water use and protect the health and economic welfare of Kansas citizens. Not only is additional rainfall a main focus, but also the suppression of hail. Studies have shown that hail suppression successfully reduces crop losses and property damage, especially in Western Kansas.
KWO	OGALLALA AQUIFER INSTITUTE	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000	Funds used in FY 2004 where for the Ogallala Aquifer Institute as a public information distribution point. The Institute, is physically located in Garden City, Kansas, and coordinates with development of the Ogallala Aquifer website, and develops outreach programs to provide current, timely information to the public. The Kansas Water Office contracted with the Ogallala Aquifer Institute to help its development; continued support to help the Institute become more established and transition to greater independence with augmentation of state funds with private and federal support.
KWO	NEOSHO RIVER ISSUES	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	These funds were allocated for the riparian area inventory of the areas below Marion and Council Grove Reservoirs to the upper reaches of John Redmond Reservoir. This project is a state component of the John Redmond Feasibility Study.
KWO	PUBLIC INFORMATION	\$ 34,916	\$ -	\$ -	\$ -	\$ -	\$ 34,916	Funds were used for publications and other outreach materials including the Hydrogram. Since FY 2004, the Hydrogram was converted to an online publication.
KWO	WATER PLANNING PROCESS	\$ 179,687	\$ 267,215	\$ 279,471	\$ -	\$ -	\$ 726,373	These funds are allocated for the water planning process is for the production of the water plan within KWO. The Kansas Water Office is responsible for developing a state plan for the management, conservation and development of water resources for the State of Kansas (K.S.A. 74-2608). The policies to meet this statutory charge are embodied in the Kansas Water Plan, a comprehensive planning tool for managing water resources in Kansas. The Kansas Water Plan is updated on an on-going basis by the Kansas Water Office with input from the public, stakeholder groups, and basin advisory committees. The Kansas Water Authority reviews and approves the Kansas Water Plan and submits policy recommendations to the Governor and the Legislature for consideration in the next legislative session. Program funding was transferred to the SGF in FY 2007.

KWO	KANSAS WATER AUTHORITY	\$ 25,000	\$ 27,530	\$ 37,367	\$ -	\$ -	\$ 89,897	The primary expenditures of the funds are for travel reimbursement for the 13 private citizen members of the Kansas Water Authority (KWA) and the 12 Basin Advisory Committee (BAC) chairpersons who are typically invited to two KWA meetings per year. KWA's appointments are made by the Governor and Legislative leadership as well as agency directors who serve because of their positions and is within and a part of the Kansas Water Office. The KWA is responsible for advising the Governor, the Legislature, and the Director of the Kansas Water Office on water policy issues and for approving the Kansas Water Plan and revisions thereto, federal contracts, administration regulations, and legislation proposed by the Kansas Water Office. Program funding was transferred to the SGF in FY 2007.
KWO Total		\$ 2,047,268	\$ 2,169,505	\$ 2,505,074	\$ 2,419,526	\$ 2,765,505	\$ 11,906,878	
KDWP	KEITH SEBELIUS MINIMUM POOL AGREEMENT	\$ -	\$ -	\$ -	\$ 60,000	\$ 1,000,000	\$ 1,060,000	Funding was provided to the Almena Irrigation District to implement a minimum pool agreement for Keith Sebelius Reservoir. Under the agreement, the District agreed to forego releases from the reservoir for irrigation purposes and maintain a higher lake elevation for improved recreation and economic development at the Reservoir.
KDWP	BIOLOGICAL MONITORING	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 160,000	The purpose of the KDWP Stream Assessment and Monitoring Program is to assess and monitor the health of the state's lotic systems by determining the status of the fish and aquatic macroinvertebrate communities. In addition, the program also collects physical habitat data pertinent of surveyed sites, including flow, water chemistry, in-stream cover, substrate, basic stream channel features, depth profiles, and assessment of the riparian habitat.
KDWP Total		\$ 40,000	\$ -	\$ 40,000	\$ 100,000	\$ 1,040,000	\$ 1,220,000	
KU/KGS	WATER RESOURCE STUDIES	\$ 40,000	\$ 40,000	\$ 40,856	\$ 40,000	\$ 40,000	\$ 200,856	Funds are utilize to provide state agencies and groundwater management districts with technical support for Ogallala Aquifer studies, including maps, well calibrations and groundwater models.
KU/KGS Total		\$ 40,000	\$ 40,000	\$ 40,856	\$ 40,000	\$ 40,000	\$ 200,856	
Grand Total		\$ 15,631,700	\$ 15,357,162	\$ 18,849,278	\$ 18,296,254	\$ 24,636,691	\$ 92,771,085	

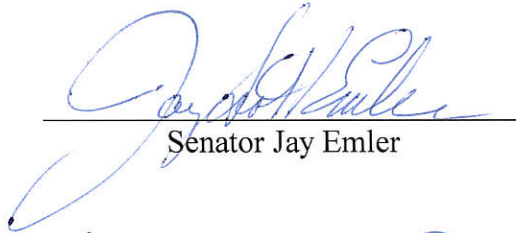
SENATE WAYS AND MEANS SUBCOMMITTEE REPORT ON KPERS ISSUES

(including SB 319)

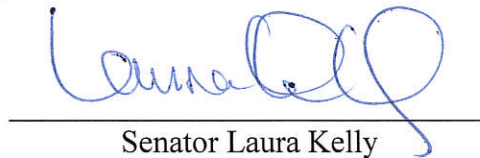
March 23, 2009



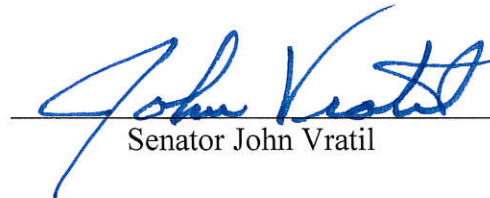
Senator David Wysong, Chairperson



Senator Jay Emler



Senator Laura Kelly



Senator John Vratil

SENATE WAYS AND MEANS SUBCOMMITTEE REPORT ON KPERS ISSUES
March 23, 2009

The Senate Ways and Means Subcommittee on KPERS issues held a hearing on March 16, 2009 to review SB 319. The following item is recommended to the full committee:

SB 319 would provide that on or after July 1, 2009, the Adjutant General's Department would affiliate with the Kansas Police and Firemen's (KP&F) Retirement System to provide participating service coverage for only qualified firefighters serving in the 190th Kansas Air National Guard. Qualified firefighters employed by the Adjutant General's Department could individually elect to join KP&F, or remain KPERS members. All qualified firefighters hired on or after the affiliation date would automatically become KP&F members.

Background

Senator Vicki Schmidt and Representative Ann Mah, along with members of the firefighters from the 190th Kansas Air National Guard, spoke in support of the bill.

For FY 2010, the KPERS employer contribution rate is 7.57 percent and the KP&F rate is 13.38 percent. According to KPERS, the fiscal effect of HB 2107 would be the difference between these two rates. The Adjutant General's Department estimates that approximately 16 firefighters would be eligible for KP&F membership and would require additional FY 2010 employer contributions of \$37,304 for these employees, all from federal funds. As members of KP&F, individuals would pay an additional 3.0 percent for coverage, with the individual KPERS contribution rate rising from 4.0 percent to 7.0 percent for KP&F membership.

Recommendation. The KPERS Subcommittee recommends SB 316 favorable for passage.

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

10 AN ACT concerning retirement and pensions; relating to employment
11 after retirement; retirants employed by third-party entities; amending
12 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.

school employment;
K.S.A. 74-4937 and
sections

14 Be it enacted by the Legislature of the State of Kansas:

15 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
16 follows: 74-4914. (1) The normal retirement date for a member of the
17 system shall be the first day of the month coinciding with or following
18 termination of employment with any participating employer not followed
19 by employment with any participating employer within 30 days and the
20 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
21 pletion of 10 years of credited service or the first day of the month co-
22 inciding with or following the date that the total of the number of years
23 of credited service and the number of years of attained age of the member
24 is equal to or more than 85. In no event shall a normal retirement date
25 for a member be before six months after the entry date of the participating
26 employer by whom such member is employed. A member may retire on
27 the normal retirement date or on the first day of any month thereafter
28 upon the filing with the office of the retirement system of an application
29 in such form and manner as the board shall prescribe. Nothing herein
30 shall prevent any person, member or retirant from being employed, ap-
31 pointed or elected as an employee, appointee, officer or member of the
32 legislature. Elected officers may retire from the system on any date on
33 or after the attainment of the normal retirement date, but no retirement
34 benefits payable under this act shall be paid until the member has ter-
35 minated such member's office.

60

36 (2) No retirant shall make contributions to the system or receive serv-
37 ice credit for any service after the date of retirement.

38 (3) Any member who is an employee of an affiliating employer pur-
39 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
40 such member's accumulated contributions from the Kansas police and
41 firemen's retirement system may retire before such member's normal
42 retirement date on the first day of any month coinciding with or following
43 the attainment of age 55.

Proposed Amendment to SB No. 196
Balloon #2
Prepared by: Gordon Self
Office of Revisor of Statutes
March 23, 2009

Senate Ways & Means Cmte
Date 3-23-2009
Attachment 3

3-2

1 (4) Any member may retire before such member's normal retirement
 2 date on the first day of any month coinciding with or following termination
 3 of employment with any participating employer not followed by employ-
 4 ment with any participating employer within ~~30~~ days and the attainment
 5 of age 55 with the completion of 10 years of credited service, but in no
 6 event before six months after the entry date, upon the filing with the
 7 office of the retirement system of an application for retirement in such
 8 form and manner as the board shall prescribe.

9 (5) On or after July 1, 2006, for any retirant who is first employed or
 10 appointed in or to any position or office by a participating employer other
 11 than a participating employer for which such retirant was employed or
 12 appointed during the final two years of such retirant's participation, *and,*
 13 *on or after July 1, 2009, for any retirant who is employed by a third-*
 14 *party entity who contracts services with a participating employer other*
 15 *than a participating employer for which such retirant was employed or*
 16 *appointed during the final two years of such retirant's participation to fill*
 17 *a position covered under subsection (a) of K.S.A. 72-5410, and amend-*
 18 *ments thereto, with such retirant, such participating employer shall pay*
 19 *to the system the actuarially determined employer contribution and the*
 20 *statutorily prescribed employee contribution based on the retirant's com-*
 21 *ensation during any such period of employment or appointment. If a*
 22 *retirant who retired on or after July 1, 1988, is employed or appointed in*
 23 *or to any position or office for which compensation for service is paid in*
 24 *an amount equal to \$15,000 or more, or commencing in calendar year*
 25 *2006, and all calendar years thereafter, \$20,000 or more in any one such*
 26 *calendar year, by any participating employer for which such retirant was*
 27 *employed or appointed during the final two years of such retirant's par-*
 28 *ticipation. and, on or after July 1, 2009, by any third-party entity who*
 29 *contracts services to fill a position covered under subsection (a) of K.S.A.*
 30 *72-5410, and amendments thereto, with such retirant with a participating*
 31 *employer for which such retirant was employed or appointed during the*
 32 *final two years of such retirant's participation, such retirant shall not*
 33 *receive any retirement benefit for any month for which such retirant*
 34 *serves in such position or office. The participating employer who employs*
 35 *such retirant whether by contract directly with the retirant or through*
 36 *an arrangement with a third-party entity shall report to the system within*
 37 *30 days of when the compensation paid to the retirant is equal to or*
 38 *exceeds any limitation provided by this section. **Any participating em-***
 39 ***ployer who contracts services with any such third-party entity to***
 40 ***fill a position covered under subsection (a) of K.S.A. 72-5410, and***
 41 ***amendments thereto, shall include in such contract a provision or***
 42 ***condition which requires the third-party entity to provide the par-***
 43 ***ticipating employer with the necessary compensation paid infor-***

3-3

1 **mation related to any such position filled by the third-party entity**
2 **with a retirant to enable the participating employer to comply with**
3 **provisions of this subsection relating to the payment of contribu-**
4 **tions and reporting requirements.** Any retirant employed by a partic-
5 ipating employer or a third-party entity as provided in this subsection
6 shall not make contributions nor receive additional credit under such
7 system for such service except as provided by this section. Upon request
8 of the executive director of the system, the secretary of revenue shall
9 provide such information as may be needed by the executive director to
10 carry out the provisions of this act. The provisions of this subsection shall
11 not apply to retirants employed as substitute teachers or officers, em-
12 ployees or appointees of the legislature. The provisions of this subsection
13 shall not apply to members of the legislature prior to January 8, 2000.
14 The provisions of this subsection shall not apply to any other elected
15 officials prior to the term of office of such elected official which com-
16 mences on or after July 1, 2000. The provisions of this subsection shall
17 apply to any other elected official on and after the term of office of such
18 other elected official which commences on or after July 1, 2000. Except
19 as otherwise provided, commencing January 8, 2001, the provisions of
20 this subsection shall apply to members of the legislature. For determi-
21 nation of the amount of compensation paid pursuant to this subsection,
22 for members of the legislature, compensation shall include any amount
23 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
24 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
25 amendments thereto. Notwithstanding any provision of law to the con-
26 trary, when a member of the legislature is paid an amount of compen-
27 sation of \$15,000 or more, or commencing in calendar year 2006, and all
28 calendar years thereafter, \$20,000 or more in any one calendar year, the
29 member may continue to receive any amount provided in subsections (b)
30 and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled
31 to receive such member's retirement benefit. Commencing July 1, 2005,
32 the provisions of this subsection shall not apply to retirants who either
33 retired under the provisions of subsection (1), or, if they retired under
34 the provisions of subsection (4), were retired more than ~~30~~ days prior to
35 the effective date of this act and are licensed professional nurses or li-
36 censed practical nurses employed by the state of Kansas in an institution
37 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
38 38-2302, and amendments thereto, the Kansas soldiers' home or the Kan-
39 sas veterans' home. Nothing in this subsection shall be construed to create
40 any right, or to authorize the creation of any right, which is not subject
41 to amendment or nullification by act of the legislature. The participating
42 employer of such retirant shall pay to the system the actuarially deter-
43 mined employer contribution based on the retirant's compensation dur-

1 ing any such period of employment.
2 (6) For purposes of this section, any employee of a local governmental
3 unit which has its own pension plan who becomes an employee of a
4 participating employer as a result of a merger or consolidation of services
5 provided by local governmental units, which occurred on January 1, 1994,
6 may count service with such local governmental unit in determining
7 whether such employee has met the years of credited service require-
8 ments contained in this section.

9 ~~Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.~~

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the ~~statute book.~~

Kansas register

Insert Attachment z196t4 (Sec. 2. K.S.A. 74-4937)

Sec. 3. K.S.A. 74-4937 and K.S.A. 2008 Supp. 74-4914 are hereby repealed.

3-4

Sec. 2. K.S.A. 74-4937 is hereby amended to read as follows:
74-4937. (1) The normal retirement date of a member of the system who is in school employment and who is subject to K.S.A. 74-4940 and amendments thereto shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 30 60 days and the end of the school fiscal year in which the member attains age 65 or, commencing July 1, 1986, age 65 or age 60 with the completion of 35 years of credited service or at any age with the completion of 40 years of credited service, or commencing July 1, 1993, any alternative normal retirement date already prescribed by law or age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85. Each member upon giving prior notice to the appointing authority and the retirement system may retire on the normal retirement date or the first day of any month thereafter.

(2) Any member who is in school employment and who is subject to K.S.A. 74-4940 and amendments thereto may retire before such member's normal retirement date on the first day of the month coinciding with or following termination of employment

not followed by employment with any participating employer within 30 60 days and the completion of the school fiscal year in which such member attained age 55 with the completion of 10 years of credited service, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

~~(3) No member who begins a year of school employment and who is subject to K.S.A. 74-4940 and amendments thereto may retire until the first day of the month coinciding with or following the end of the current school fiscal year unless good cause is shown and such retirement is agreed to by the participating employer and the board.~~

~~(4) As used in this section "school fiscal year" means the twelve month period beginning July 1 and ending June 30.~~
Commencing July 1, 2009, the provisions of subsection (5) of K.S.A. 74-4914, and amendments thereto, which relate to an earnings limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein shall not apply to retirants who either retired under the provisions of subsection (1) related to normal retirement, or, if they retired under the provisions of subsection (4) related to early retirement, were retired more than 60 days prior to the effective date of this act, and are subsequently hired in a position that requires a license under K.S.A. 72-1388 and K.A.R. 91-1-203, and amendments thereto. The provisions of this subsection do not

apply to retirants who retired under subsection (4) which relates to early retirement prior to age 62. Except as otherwise provided, when a retirant is employed by the same school district or a different school district with which such retirant was employed during the final two years of such retirant's participation, the participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment plus 4% if the retiree is age 62 or over at the time of employment, or plus 8% if the retiree is under age 62. On the January 1 following the retirant's attainment of age 62, the employer shall begin paying the employer's actuarial rate plus 4%. Licensed school employees who were retired and subsequently hired by a school district other than the school district the employee retired from prior to July 1, 2006, are not covered under this subsection. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The provisions of this subsection shall expire on July 1, 2012. After such date the Kansas public employees retirement system and its actuary shall report the experience to the joint committee on pensions, investments and benefits.

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

10 AN ACT concerning retirement and pensions; relating to employment
11 after retirement; retirants employed by third-party entities; amending
12 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
16 follows: 74-4914. (1) The normal retirement date for a member of the
17 system shall be the first day of the month coinciding with or following
18 termination of employment with any participating employer not followed
19 by employment with any participating employer within 30 days and the
20 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
21 pletion of 10 years of credited service or the first day of the month co-
22 inciding with or following the date that the total of the number of years
23 of credited service and the number of years of attained age of the member
24 is equal to or more than 85. In no event shall a normal retirement date
25 for a member be before six months after the entry date of the participating
26 employer by whom such member is employed. A member may retire on
27 the normal retirement date or on the first day of any month thereafter
28 upon the filing with the office of the retirement system of an application
29 in such form and manner as the board shall prescribe. Nothing herein
30 shall prevent any person, member or retirant from being employed, ap-
31 pointed or elected as an employee, appointee, officer or member of the
32 legislature. Elected officers may retire from the system on any date on
33 or after the attainment of the normal retirement date, but no retirement
34 benefits payable under this act shall be paid until the member has ter-
35 minated such member's office.

36 (2) No retirant shall make contributions to the system or receive serv-
37 ice credit for any service after the date of retirement.

38 (3) Any member who is an employee of an affiliating employer pur-
39 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
40 such member's accumulated contributions from the Kansas police and
41 firemen's retirement system may retire before such member's normal
42 retirement date on the first day of any month coinciding with or following
43 the attainment of age 55.

Prepared by: Gordon Self
Office of Revisor of Statutes

Senate Ways & Means Cmte
Date 3-23-2009
Attachment 4

4-2

1 (4) Any member may retire before such member's normal retirement
2 date on the first day of any month coinciding with or following termination
3 of employment with any participating employer not followed by employ-
4 ment with any participating employer within 30 days and the attainment
5 of age 55 with the completion of 10 years of credited service, but in no
6 event before six months after the entry date, upon the filing with the
7 office of the retirement system of an application for retirement in such
8 form and manner as the board shall prescribe.

9 (5) On or after July 1, ~~2006~~, for any retirant who is ~~first~~ employed or
10 appointed in or to any position or office by a participating employer other
11 than a participating employer for which such retirant was employed or
12 appointed during the final two years of such retirant's participation, *and*,
13 ~~on or after July 1, 2009, for any retirant who is employed by a third-~~
14 ~~party entity who contracts services with a participating employer other~~
15 ~~than a participating employer for which such retirant was employed or~~
16 ~~appointed during the final two years of such retirant's participation to fill~~
17 ~~a position covered under subsection (a) of K.S.A. 72-5410, and amend-~~
18 ~~ments thereto, with such retirant, such participating employer shall pay~~
19 ~~to the system the actuarially determined employer contribution and the~~
20 ~~statutorily prescribed employee contribution based on the retirant's com-~~
21 ~~ensation during any such period of employment or appointment. If a~~
22 ~~retirant who retired on or after July 1, 1988, is employed or appointed in~~
23 ~~or to any position or office for which compensation for service is paid in~~
24 ~~an amount equal to \$15,000 or more, or commencing in calendar year~~
25 ~~2006, and all calendar years thereafter, \$20,000 or more in any one such~~
26 ~~calendar year, by any participating employer for which such retirant was~~
27 ~~employed or appointed during the final two years of such retirant's par-~~
28 ~~ticipation, and, on or after July 1, 2009, by any third-party entity who~~
29 ~~contracts services to fill a position covered under subsection (a) of K.S.A.~~
30 ~~72-5410, and amendments thereto, with such retirant with a participating~~
31 ~~employer for which such retirant was employed or appointed during the~~
32 ~~final two years of such retirant's participation, such retirant shall not~~
33 ~~receive any retirement benefit for any month for which such retirant~~
34 ~~serves in such position or office. The participating employer who employs~~
35 ~~such retirant whether by contract directly with the retirant or through~~
36 ~~an arrangement with a third-party entity shall report to the system within~~
37 ~~30 days of when the compensation paid to the retirant is equal to or~~
38 ~~exceeds any limitation provided by this section. **Any participating em-**~~
39 ~~**ployer who contracts services with any such third-party entity to**~~
40 ~~**fill a position covered under subsection (a) of K.S.A. 72-5410, and**~~
41 ~~**amendments thereto, shall include in such contract a provision or**~~
42 ~~**condition which requires the third-party entity to provide the par-**~~
43 ~~**ticipating employer with the necessary compensation paid infor-**~~

2009

1 **mation related to any such position filled by the third-party entity**
2 **with a retirant to enable the participating employer to comply with**
3 **provisions of this subsection relating to the payment of contribu-**
4 **tions and reporting requirements.** Any retirant employed by a partic-
5 ipating employer or a third-party entity as provided in this subsection
6 shall not make contributions nor receive additional credit under such
7 system for such service except as provided by this section. Upon request
8 of the executive director of the system, the secretary of revenue shall
9 provide such information as may be needed by the executive director to
10 carry out the provisions of this act. The provisions of this subsection shall
11 not apply to retirants employed as substitute teachers or officers, em-
12 ployees or appointees of the legislature. The provisions of this subsection
13 shall not apply to members of the legislature prior to January 8, 2000.
14 The provisions of this subsection shall not apply to any other elected
15 officials prior to the term of office of such elected official which com-
16 mences on or after July 1, 2000. The provisions of this subsection shall
17 apply to any other elected official on and after the term of office of such
18 other elected official which commences on or after July 1, 2000. Except
19 as otherwise provided, commencing January 8, 2001, the provisions of
20 this subsection shall apply to members of the legislature. For determi-
21 nation of the amount of compensation paid pursuant to this subsection,
22 for members of the legislature, compensation shall include any amount
23 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
24 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
25 amendments thereto. Notwithstanding any provision of law to the con-
26 trary, when a member of the legislature is paid an amount of compen-
27 sation of \$15,000 or more, or commencing in calendar year 2006, and all
28 calendar years thereafter, \$20,000 or more in any one calendar year, the
29 member may continue to receive any amount provided in subsections (b)
30 and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled
31 to receive such member's retirement benefit. Commencing July 1, 2005,
32 the provisions of this subsection shall not apply to retirants who either
33 retired under the provisions of subsection (1), or, if they retired under
34 the provisions of subsection (4), were retired more than 30 days prior to
35 the effective date of this act and are licensed professional nurses or li-
36 censed practical nurses employed by the state of Kansas in an institution
37 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
38 38-2302, and amendments thereto, the Kansas soldiers' home or the Kan-
39 sas veterans' home. Nothing in this subsection shall be construed to create
40 any right, or to authorize the creation of any right, which is not subject
41 to amendment or nullification by act of the legislature. The participating
42 employer of such retirant shall pay to the system the actuarially deter-
43 mined employer contribution based on the retirant's compensation dur-

4-3

1 ing any such period of employment.

2 (6) For purposes of this section, any employee of a local governmental
3 unit which has its own pension plan who becomes an employee of a
4 participating employer as a result of a merger or consolidation of services
5 provided by local governmental units, which occurred on January 1, 1994,
6 may count service with such local governmental unit in determining
7 whether such employee has met the years of credited service require-
8 ments contained in this section.

9 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the statute book.

H-4

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

10 AN ACT concerning retirement and pensions; relating to employment
11 after retirement; retirants employed by third-party entities; amending
12 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
16 follows: 74-4914. (1) The normal retirement date for a member of the
17 system shall be the first day of the month coinciding with or following
18 termination of employment with any participating employer not followed
19 by employment with any participating employer within 30 days and the
20 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
21 pletion of 10 years of credited service or the first day of the month co-
22 inciding with or following the date that the total of the number of years
23 of credited service and the number of years of attained age of the member
24 is equal to or more than 85. In no event shall a normal retirement date
25 for a member be before six months after the entry date of the participating
26 employer by whom such member is employed. A member may retire on
27 the normal retirement date or on the first day of any month thereafter
28 upon the filing with the office of the retirement system of an application
29 in such form and manner as the board shall prescribe. Nothing herein
30 shall prevent any person, member or retirant from being employed, ap-
31 pointed or elected as an employee, appointee, officer or member of the
32 legislature. Elected officers may retire from the system on any date on
33 or after the attainment of the normal retirement date, but no retirement
34 benefits payable under this act shall be paid until the member has ter-
35 minated such member's office.

36 (2) No retirant shall make contributions to the system or receive serv-
37 ice credit for any service after the date of retirement.

38 (3) Any member who is an employee of an affiliating employer pur-
39 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
40 such member's accumulated contributions from the Kansas police and
41 firemen's retirement system may retire before such member's normal
42 retirement date on the first day of any month coinciding with or following
43 the attainment of age 55.

Proposed Amendment

Prepared by: Gordon Self
Revisor of Statutes Office

March 17, 2009

z196

text1

Senate Ways & Means Cmte
Date 3-23-2009
Attachment 5

5-2

1 (4) Any member may retire before such member's normal retirement
 2 date on the first day of any month coinciding with or following termination
 3 of employment with any participating employer not followed by employ-
 4 ment with any participating employer within 30 days and the attainment
 5 of age 55 with the completion of 10 years of credited service, but in no
 6 event before six months after the entry date, upon the filing with the
 7 office of the retirement system of an application for retirement in such
 8 form and manner as the board shall prescribe.

9 (5) On or after July 1, 2006, for any retirant who is first employed or
 10 appointed in or to any position or office by a participating employer other
 11 than a participating employer for which such retirant was employed or
 12 appointed during the final two years of such retirant's participation, *and,*
 13 *on or after ~~July~~ 1, 2009, for any retirant who is employed by a third-*
 14 *party entity who contracts services with a participating employer other*
 15 *than a participating employer for which such retirant was employed or*
 16 *appointed during the final two years of such retirant's participation to fill*
 17 *a position covered under subsection (a) of K.S.A. 72-5410, and amend-*
 18 *ments thereto, with such retirant, such participating employer shall pay*
 19 *to the system the actuarially determined employer contribution and the*
 20 *statutorily prescribed employee contribution based on the retirant's com-*
 21 *ensation during any such period of employment or appointment. If a*
 22 *retirant who retired on or after July 1, 1988, is employed or appointed in*
 23 *or to any position or office for which compensation for service is paid in*
 24 *an amount equal to \$15,000 or more, or commencing in calendar year*
 25 *2006, and all calendar years thereafter, \$20,000 or more in any one such*
 26 *calendar year, by any participating employer for which such retirant was*
 27 *employed or appointed during the final two years of such retirant's par-*
 28 *ticipation, and, on or after ~~July~~ 1, 2009, by any third-party entity who*
 29 *contracts services to fill a position covered under subsection (a) of K.S.A.*
 30 *72-5410, and amendments thereto, with such retirant with a participating*
 31 *employer for which such retirant was employed or appointed during the*
 32 *final two years of such retirant's participation, such retirant shall not*
 33 *receive any retirement benefit for any month for which such retirant*
 34 *serves in such position or office. The participating employer who employs*
 35 *such retirant whether by contract directly with the retirant or through*
 36 *an arrangement with a third-party entity shall report to the system within*
 37 *30 days of when the compensation paid to the retirant is equal to or*
 38 *exceeds any limitation provided by this section. **Any participating em-***
 39 ***ployer who contracts services with any such third-party entity to***
 40 ***fill a position covered under subsection (a) of K.S.A. 72-5410, and***
 41 ***amendments thereto, shall include in such contract a provision or***
 42 ***condition which requires the third-party entity to provide the par-***
 43 ***ticipating employer with the necessary compensation paid infor-***

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March

1 ***mation related to any such position filled by the third-party entity***
 2 ***with a retirant to enable the participating employer to comply with***
 3 ***provisions of this subsection relating to the payment of contribu-***
 4 ***tions and reporting requirements.*** Any retirant employed by a partic-
 5 ipating employer or a third-party entity as provided in this subsection
 6 shall not make contributions nor receive additional credit under such
 7 system for such service except as provided by this section. Upon request
 8 of the executive director of the system, the secretary of revenue shall
 9 provide such information as may be needed by the executive director to
 10 carry out the provisions of this act. The provisions of this subsection shall
 11 not apply to retirants employed as substitute teachers or officers, em-
 12 ployees or appointees of the legislature. The provisions of this subsection
 13 shall not apply to members of the legislature prior to January 8, 2000.
 14 The provisions of this subsection shall not apply to any other elected
 15 officials prior to the term of office of such elected official which com-
 16 mences on or after July 1, 2000. The provisions of this subsection shall
 17 apply to any other elected official on and after the term of office of such
 18 other elected official which commences on or after July 1, 2000. Except
 19 as otherwise provided, commencing January 8, 2001, the provisions of
 20 this subsection shall apply to members of the legislature. For determi-
 21 nation of the amount of compensation paid pursuant to this subsection,
 22 for members of the legislature, compensation shall include any amount
 23 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
 24 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
 25 amendments thereto. Notwithstanding any provision of law to the con-
 26 trary, when a member of the legislature is paid an amount of compen-
 27 sation of \$15,000 or more, or commencing in calendar year 2006, and all
 28 calendar years thereafter, \$20,000 or more in any one calendar year, the
 29 member may continue to receive any amount provided in subsections (b)
 30 and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled
 31 to receive such member's retirement benefit. Commencing July 1, 2005,
 32 the provisions of this subsection shall not apply to retirants who either
 33 retired under the provisions of subsection (1), or, if they retired under
 34 the provisions of subsection (4), were retired more than 30 days prior to
 35 the effective date of this act and are licensed professional nurses or li-
 36 censed practical nurses employed by the state of Kansas in an institution
 37 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
 38 38-2302, and amendments thereto, the Kansas soldiers' home or the Kan-
 39 sas veterans' home. Nothing in this subsection shall be construed to create
 40 any right, or to authorize the creation of any right, which is not subject
 41 to amendment or nullification by act of the legislature. The participating
 42 employer of such retirant shall pay to the system the actuarially deter-
 43 mined employer contribution based on the retirant's compensation dur-

The provisions and requirements provided for in amendments made in this act which relate to positions filled with a retirant or employment of a retirant by a third-party entity shall not apply to any contract for services entered into prior to March 1, 2009, between a participating employer and third-party entity as described in this subsection.

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1 ing any such period of employment.

2 (6) For purposes of this section, any employee of a local governmental
3 unit which has its own pension plan who becomes an employee of a
4 participating employer as a result of a merger or consolidation of services
5 provided by local governmental units, which occurred on January 1, 1994,
6 may count service with such local governmental unit in determining
7 whether such employee has met the years of credited service require-
8 ments contained in this section.

9 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the statute book.

4-5



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March 23, 2009

**Testimony to the Senate Ways and Means Committee
In Support of HB 2072
Salary Caps for Disabled KP&F Retirees**

The Kansas Association of Chiefs of Police and the Kansas Peace Officers Association supports HB 2072 as amended by the House to remove the current \$10,000 earnings cap for disabled KP&F retirees. The current \$10,000 limit has been in place since the inception of the "Tier II" KP&F retirement program in 1989 without any adjustment.

KPERS estimated the cost of removing the cap at about \$300,000. Although the bottom line is the same, this is not really an additional "cost" but rather a reduction in savings. If the retirees all chose to not exceed the cap, in other words if they all chose to sit at home instead of working, KPERS would be required to pay the \$300,000 in benefit payments. As you know, these costs are from the retirement funds and not general fund money.

Another important consideration is that the current benefit reduction does not take place in the year the disabled retiree exceeds the salary cap. Under the current cap, if a disabled law enforcement officer is drawing \$15,000 a year in benefits, and earned employment income of \$20,000 last year; then their benefit payments this year will be reduced by \$5,000 even if they don't have any employment income this year. So once a disabled worker exceeds the cap, they are pretty much forced to continue working. These disabled public safety employees deserve better than to have their disability benefits cut because they choose to be productive and work while disabled from continuing their preferred profession of law enforcement or fire service.

Also understand that once they are disabled they currently receive no COLA, they receive no merit raises, they receive no promotions, and they receive no overtime or holiday pay. These are all events that produce salary increases they would benefit from if they were not disabled and had been able to continue in their profession. But their monthly benefit will never increase while drawing a disability retirement.

At our Joint Law Enforcement Legislative Conference the Kansas Association of Chiefs of Police, the Kansas Peace Officers Association, and the Kansas Sheriffs Association identified this bill as one of our legislative priorities for the 2009 session.

We encourage you to report this bill favorably for passage with the House amendments in place.

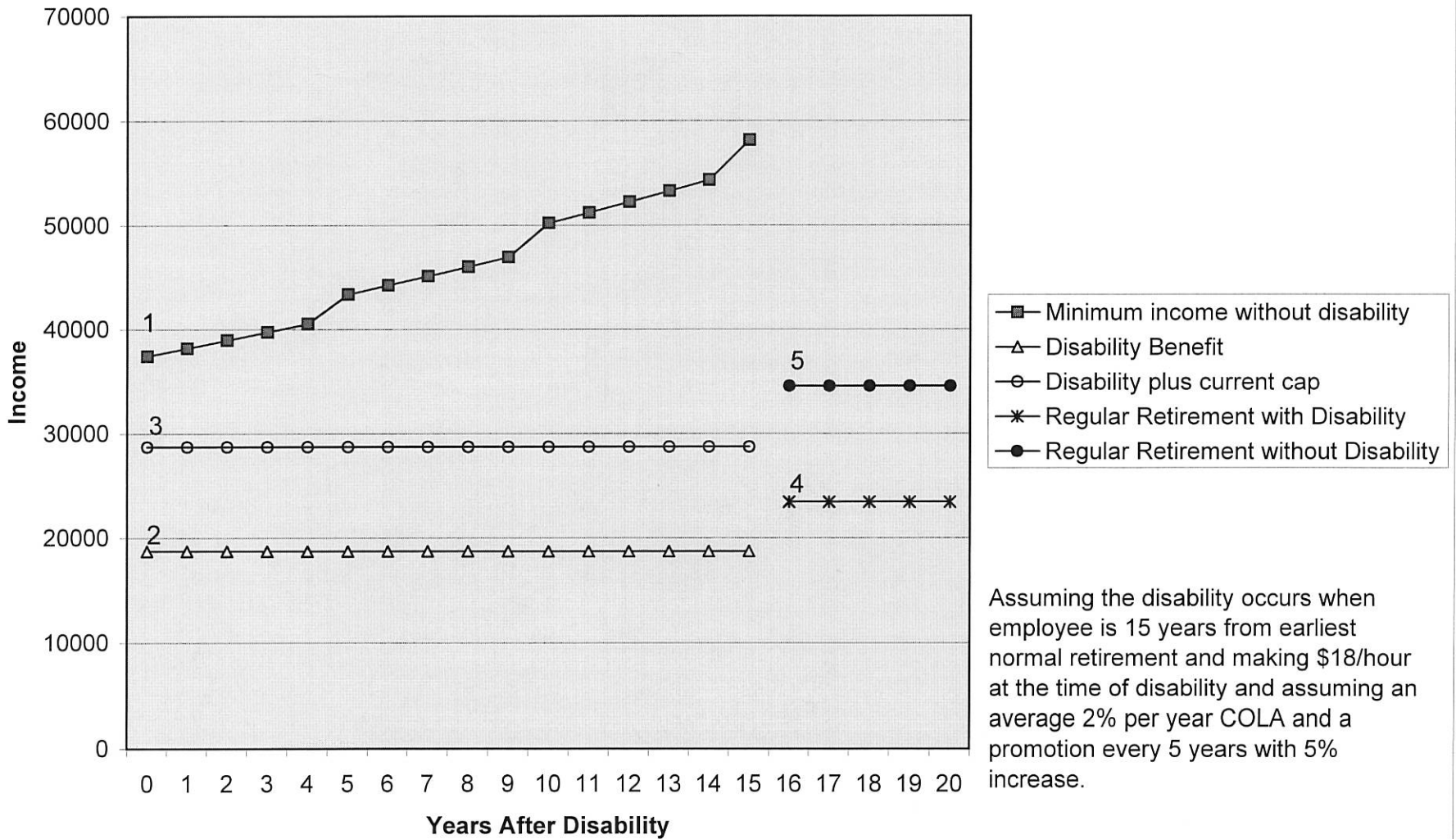
Ed Klumpp
Kansas Association of Chiefs of Police Legislative Committee Chair
Kansas Peace Officers Association Legislative Committee Chair
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Senate Ways & Means Cmte

Date 3-23-2009

Attachment 6

Earnings and Potential Earnings KP&F Disability Retiree



KANSAS STATE COUNCIL OF FIRE FIGHTERS



Affiliated With

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS • KANSAS AFL-CIO • CENTRAL LABOR BODIES

March 23, 2009

Testimony by Dennis Phillips

I, appear here today on behalf of the Kansas State Council of Fire Fighters (KSCFF) in support of H.B. 2072 as amended and passed by the House. H.B. 2072 has passed by the House would remove the earnings cap on KP&F Tier II disability.

This earnings limitation for disabled firefighters and police officers under Tier II of KP&F has not been raised since its inception in July of 1989. Their pensions are reduce by \$1.00 for every \$2.00 they earn over \$10,000.00 the previous year. This limitation hurts the families of these disabled officers as they work to support their families.

The KSCFF would ask the committee to support H.B. 2072 as passed by the House to remove the earnings limitation all together. Disabled fire and police officers under Tier II of KP&F should not have their pension reduced for working to support their families after being injured in the line of duty protecting their communities.

The KSCFF would ask the committee for their support on this issue. Again thank you for your time and consideration.

Dennis Phillips
Lobbyist, KSCFF

Senate Ways & Means Cmte

Date 3-23-2009

Attachment 7