

MINUTES OF THE HOUSE SELECT COMMITTEE ON KPERS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 8:00 a.m. on March 12, 2010, in Room 142-S of the Capitol.

All members were present except:

Representative Clark Shultz, Excused  
Representative Richard Carlson, Absent  
Representative Robert Olson, Absent

Committee staff present:

Kristen Kellems, Office of the Revisor of Statutes  
Gordon Self, Office of the Revisor of Statutes  
Julian Efird, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Carol Bertram, Committee Assistant

Conferees appearing before the Committee:

Representative Ann Mah, 53<sup>rd</sup> District  
Senior Master Sergeant John Evans, 190<sup>th</sup> Air Refueling Wing Fighters  
Dennis Phillips, Kansas State Council of Fire Fighters  
Roger Werholtz, Secretary, Department of Corrections  
Jane Carter, Executive Director, KOSE  
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)

Others attending:

See attached list.

After opening the meeting, Chair Schwartz recognized Representative Proehl who chaired the Subcommittee along with Representatives Flaharty and Carlson to review **SB 146 - Kansas public employees retirement system** and **HB 2716 - Computation of KPERS benefits for certain state officers and employees placed on furlough (Attachment #1)**. The Subcommittee recommends that **SB 146** be amended and that a House substitute bill be introduced. The House substitute bill would (1) Revive current law and set a new sunset date; (2) Insure that both compensation reductions and furloughs are covered; (3) Limit application of provisions to public employees with 20 or more years of credited service, and who opt for normal retirement, become disabled, or die; (4) Add an 8.0 percent interest provision to pay along with other contributions when required; and (5) Modify language about keeping offices open in order to allow more flexibility rather than mandating certain hours and days to be open.

Gordon Self, Office of the Revisor of Statutes, distributed the copy of a balloon bill reflecting the Subcommittee's proposed amendments and explained those amendments.

Questions and answers followed with the Executive Director of KPERS, Glenn Deck, responding.

It was moved by Representative Proehl and seconded by Representative Lane that the Committee adopt the Subcommittee's report. The motion carried.

Chair Schwartz recognized Gordon Self, Office of the Revisor of Statutes, to explain **HB 2107**. He explained that the bill would provide that on or after July 1, 2009, the Adjutant General's Department would affiliate with the Kansas Police and Firemen's Retirement System (KP&F) to provide participating service coverage for only qualified firefighters service in the 190<sup>th</sup> 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.

Chair Schwartz opened the hearing on **HB 2107 - Affiliation with the Kansas police and firemen's retirement system by adjutant general for membership of certain firefighters serving the 190<sup>th</sup> Kansas air national guard.**

Representative Ann Mah, 53<sup>rd</sup> District, appeared before the Committee to give testimony in support of **HB**

## CONTINUATION SHEET

Minutes of the House Select Committee on KPERS Committee at 8:00 a.m. on March 12, 2010, in Room 142-S of the Capitol.

**2107 (Attachment #2)**. She stated because of training and job requirements the firefighters serving the 190<sup>th</sup> Kansas Air National Guard at Forbes qualify for K&F membership. The enhanced retirement package of KP&F would put these firefighters in a plan that reflects the physical nature of their work and allow them to recruit better qualified employees. Also there would be no cost to the state of Kansas since their salaries are federally funded.

Senior Master Sergeant John Evans, 190<sup>th</sup> Air Refueling Wing Fighters, appeared before the Committee in support of **HB 2107 (Attachment 3)**. He gave 6 reasons as to why he felt the Fire Fighters of the 190<sup>th</sup> Air Refueling Wing of the Kansas Air National Guard should be under the KP&F protection. He went on to note that the conversion from KPERS to KP&F will provide protection for their families, and that it will make it easier to recruit and hire the caliber of people needed to do the job necessary.

Questions and answers followed. The Chair asked Sr. Master Sergeant Evans to introduced his guests which were his sons, David and Daniel, and members of his department, Assistant Chief Patrick Moore, Chief Josh Bowser and Captain Dennis Burdick.

Dennis Phillips, Kansas State Council of Fire Fighters, appeared in support of **HB 2107 (Attachment #4)**. He stated the KP&F pension system was designed so firefighters and police officers could retire at an age that is beneficial to both the employee and their employer. The physical demands and the stress on firefighters and police officers needs to be taken into consideration when determining what pension system that they are allowed to be under. He urged the Committee to support **HB 2107** to allow the fire fighters serving the 190<sup>th</sup> Kansas Air National Guard to affiliate with the KP&F pension system.

Questions and answers followed.

There being no further proponents or opponents to testify, Chair Schwartz closed the hearing on **HB 2107**.

The Chair opened the hearing on **HB 2730 - Retirement health care benefit payments for certain retirants**.

Gordon Self, Office of the Revisor of Statute, stated **HB 2730** is the 2010 bill which was introduced by this Committee. He described the benefits and limitations of the bill as well as which state employees it would affect.

Questions and answers followed.

Roger Werholtz, Secretary of the Kansas Department of Corrections, appeared before the Committee in support of **HB 2730** and offered revisions to the bill which would strike the 500 cap for retirants, and also strike the inability of the agencies to replace employees (**Attachment #5**). He concluded that the Department of Corrections believes that the loss of F.T.E. positions provided by **HB 2730** as currently written, is antithetical to systematic management of the needs and work force of state agencies. His department would like to offer a balloon amendment that they believe would resolve their concerns, allow more retirement eligible employees to take advantage of this incentive, and still achieve savings envisioned by the bill.

Questions and answers followed where the Chair requested the Secretary to provide suggested language to replace the deleted sections proposed in their revision to the bill. She emphasized that the time frame is short and suggested language would need to be received by next week.

Written testimony from Michael L. Johnson, Kansas Turnpike Authority, was submitted in support of **HB 2730 (Attachment #6)**. Since Mr. Johnson was not present, the Chair asked Julian Efir, Legislative Research Department, to review the letter for the Committee.

The Chair recognized Jane Carter, Executive Director, Kansas Organization of State Employees, who offered testimony as an opponent to **HB 2730 (Attachment #7)**. She provided three reasons as to why KOSE opposes this bill: (1) the 20 years of service requirement; (2) the reduction of FTE's, and (3) only 500 employees being entitled to the health benefits. She also provided the Committee with statistical information in regard to Actual and Eligible Retirements by Agency.

CONTINUATION SHEET

Minutes of the House Select Committee on KPERS Committee at 8:00 a.m. on March 12, 2010, in Room 142-S of the Capitol.

Questions and answers followed with Glenn Deck, KPERS, responding as to the reduction in calculations if the retirement age was reduced to age 65.

Chair Schwartz closed the hearing **HB 2730**.

There being no further business before the Committee at this time, the Chair adjourned the meeting at 9:00 a.m.

The next meeting of the House Select Committee on KPERS is scheduled for March 15, 2010.

# HOUSE SELECT COMMITTEE ON KPERS

DATE: March 12, 2010

NAME	REPRESENTING
<u>Jeff Apin</u>	<u>Division of Budget</u>
<u>Jane Carter</u>	<u>KOSE</u>
<u>Karen Dutzwiller</u>	<u>SRS</u>
<u>John Evans</u>	<u>190 ARW Fire Dept</u>
<u>David Evans</u>	<u>visitor</u>
<u>Daniel Evans</u>	<u>Visitor</u>
<u>Patrick Moore</u>	<u>190th ARW Fire Department</u>
<u>Josh Bowser</u>	<u>190th ARW Fire department</u>
<u>Dennis Burdick</u>	<u>190th ARW Fire Department</u>
<u>Derry Sloan</u>	<u>Judicial Branch</u>
<u>John Ericks</u>	<u>KDOT</u>
<u>Kim Fowler</u>	<u>Judicial Branch</u>
<u>SUE PETERSON</u>	<u>K STATE</u>
<u>RS Wilson</u>	<u>KOSE</u>

**Please use black ink**

HOUSE SELECT COMMITTEE ON KPERS

SUBCOMMITTEE REPORT

Wednesday, March 10, 2010

The Subcommittee reviewed the following bills:

**SB 146** - Kansas public employees retirement system; computation of benefits when rate of computation is reduced or placed on furlough; removing sunset provision.

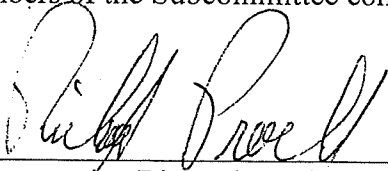
**HB 2716** - Computation of KPERS benefits for certain state officers and employees placed on furlough.

**Recommendations**

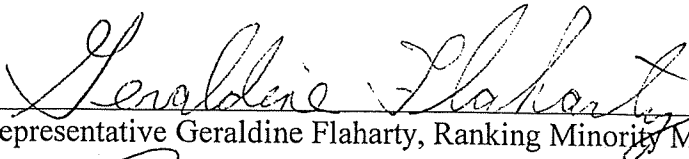
Amend SB 146 in the following manner and recommend a House substitute bill that would:

1. Revive current law (KSA 74-49,115) and set a new sunset date to June 30, 2013.
2. Insure that both compensation reductions and furloughs are covered, and set January 1, 2010 as the effective date.
3. Limit application of provisions to public employees with 20 or more years of credited service, and who opt for normal retirement, become disabled, or die.
4. Add an 8.0 percent interest provision to pay along with other contributions when required.
5. Modify language about keeping offices open in order to allow more flexibility rather than mandating certain hours and days to be open.

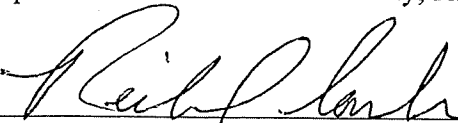
Members of the Subcommittee concurring with the recommendations for SB 146:



Representative Richard Proehl, Chairperson



Representative Geraldine Flaherty, Ranking Minority Member



Representative Richard Carlson

HOUSE SELECT COMMITTEE  
ON KPERS

DATE: 3-12-10

ATTACHMENT: 1

**ANN E. MAH**  
 REPRESENTATIVE, 53RD DISTRICT  
 3351 SE MEADOWVIEW DR.  
 TOPEKA, KANSAS 66605  
 (785) 266-9434



EDUCATION  
 HIGHER EDUCATION  
 LOCAL GOVERNMENT

CAPITOL BUILDING  
 TOPEKA, KANSAS 66612  
 (785) 296-7668

TOPEKA

HOUSE OF  
 REPRESENTATIVES

HOUSE SELECT COMMITTEE ON KPERS  
 Chairman Schwartz  
 Testimony – HB 2107

Madam Chair and Committee, thank you for the hearing today. My testimony is to support the firefighters serving the 190<sup>th</sup> Kansas Air National Guard at Forbes Field becoming members of the Kansas police and firemen's retirement system. Today, the firefighters are members of KPERS. However, it is clear because of training and job requirements, the firefighters qualify for KP&F membership. The enhanced retirement package of KP&F would put these firefighters in a plan that reflects the physical nature of their work and allow the 190<sup>th</sup> to recruit better qualified employees. It is clear that firefighting is not a job that fits a "90 and out" retirement plan.

HB 2107 allows current employees to opt into KP&F and requires future employees to be members of KP&F. There are about 16 firefighters eligible and not all are expected to apply. The estimated cost of bringing these employees into KP&F was \$36,758 for FY 2010 and \$27,401 for 2011. However, there would actually be no cost to the state of Kansas, as their salaries are federally funded.

We recognize there are unique issues related to moving from KPERS to KP&F and hope that we can find a resolution perhaps through another tier in KP&F. If a third tier is developed, a "blended" plan if you will between KPERS and KP&F, I would also recommend that members of the second tier be moved to this blended plan.

I hope the committee will recognize the worthiness of this request and the unique qualifications of the 190<sup>th</sup> firefighters. I appreciate your willingness to consider options.

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 ON KPERS  
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 ATTACHMENT: 2



DEPARTMENT OF THE AIR FORCE  
190TH AIR REFUELING WING  
5920 SE COYOTE DRIVE  
TOPEKA, KANSAS 66619-5370

March 10, 2010

MEMORANDUM FOR: Kansas House of Representatives

FROM: Senior Master Sergeant John Evans

SUBJECT: Inclusion of 190<sup>th</sup> Air Refueling Wing Fire Fighters into the Kansas Police and Fire retirement system.

My testimony today is regarding the importance of bringing our Fire Fighters under KP&F protection.

Our Fire Department is a 100% federally funded department staffed by unclassified employees of the Adjutant Generals Department. They are currently under KPERS, and have been since the inception of the department in 1983. Following are the reasons it is vital to allow conversion to KP&F for these 16 employees.

1. Fire fighting is truly a young person's occupation. By the age of about 50 for most people, it becomes much more difficult for Fire Fighters to continue to meet the stringent medical requirements of the National Fire Protection Association standards.
2. KP&F provides a disability retirement for an employee who can no longer meet the medical requirements. Historically, under KPERS a person must be 100% disabled to qualify for a disability retirement.
3. KP&F provides the opportunity for Fire Fighters to retire at age 50 with 25 years of service. KPERS require 85 points (age + years of service).
4. KP&F provides an increased percentage factor (2.5 vs. 1.75) over KPERS to enhance the retirement of those willing to do what most think is unsettling or crazy!
5. KP&F benefits are a significant recruitment tool over KPERS when filling vacancies on our department. The certification requirements are high and the people that hold those certifications can be very selective as to where they go to work. Our wage scale is relatively low, \$34,500 to start for a person assigned responsibility for protecting hundreds of millions of dollars of State and Federal assets and hundreds of people on a daily basis. The enhancement of the retirement plan will help us compete with other emergency services organizations for quality candidates.

*190th Air Refueling Wing's Vision:  
A World-Class Organization recognized as "The Standard of Excellence"  
by those we serve.*

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6. Our Fire Department budget is between \$900,000 and \$1,000,000; additional cost of this conversion is approximately \$45,000 per year. Every penny of it is federal funds and there is no state funds of any type involved. Historically the National Guard Bureau has been supportive of Fire Fighter retirement enhancements, and based on verbal and electronic correspondence with the program manager at that level, I believe the additional funds are available and will be provided for this conversion.

As the Fire Fighters of the 190<sup>th</sup> Air Refueling Wing of the Kansas Air National Guard go about protecting Kansas assets and the lives of the citizens of Kansas at Forbes Field, it is my belief that we must provide them every protection. Conversion from KPERS to KP&F for these 16 employees will provide some of that protection for their families. It will make it easier for us to recruit and hire the caliber of people we need protecting us, and all of this can be done at no cost to the State of Kansas. I urge you to support this conversion.

Thank you,

JOHN EVANS, SMSGT, KSANG  
Chief, Fire and Emergency Service





# KANSAS STATE COUNCIL OF FIRE FIGHTERS



Affiliated With

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

March 12, 2010

## Testimony of Dennis Phillips

I, appear here today on behalf of the Kansas State Council of Fire Fighters in support of HB 2107 that would allow the firefighters serving the 190<sup>th</sup> Kansas Air National Guard to affiliate with the KP&F pension system.

The KP&F pension system was designed so firefighters and police officers could retire at an age that is beneficial to both the employee and their employer. The physical demands and the stress on firefighters and police officers needs to be taken into consideration when determining what pension system that they are allowed to be under.

The Kansas State Council of Fire Fighters feels that all fire fighters and police officers within the State of Kansas should be under the KP&F pension system. Therefore I, would ask you to support HB 2107 to allow the firefighters serving the 190<sup>th</sup> Kansas Air National Guard to affiliate with the KP&F pension system.

Again thank you for your time and consideration on this issue.

A handwritten signature in cursive script that reads "Dennis Phillips".

Dennis Phillips  
Lobbyist, Kansas State Council  
of Fire Fighters

HOUSE SELECT COMMITTEE  
ON KPERS

DATE: 3-12-10

ATTACHMENT: 4

Testimony on HB 2730  
to  
The House Select Committee on KPERS

By Roger Werholtz  
Secretary  
Kansas Department of Corrections  
March 12, 2010

HB 2730 poses the potential for allocating the personnel resources of the Department of Corrections in a manner that would be exceedingly difficult to manage. Over recent years, staff have told me that, but for the cost of health insurance during retirement, they would retire. Therefore, the provisions in HB 2730 which provide for the state to pay the total cost of member only health insurance is a strong retirement incentive. However, HB 2730 also provides that for each employee receiving the health care benefit payment, the employing agency loses one F.T.E. position and the appropriation for the amount of unused salary and employer paid benefits attributable to the retirant's job position. The loss of an F.T.E. for each retirant would severely compromise the operations of the Department and its public safety mission.

While HB 2730 places a 500 person limit on the number of employees that could receive the health care benefit payment, it does not provide the state or its agencies with the ability to strategically manage its work force and the impact of the loss of F.T.E. positions. The loss of an F.T.E. position pursuant to HB 2730 would be dictated solely by the decision of an employee to retire and would have no relationship to a managed evaluation of an agency's needs, operations, or ability to systematically reorganize to reduce its work force.

In 1999, the Legislative Division of Post Audit issued its report assessing staff safety of the Department of Corrections. Performance Audit Report 99-15. That report concluded that staffing levels had not kept pace with the increase of the inmate population and that severe staff shortages have increased the risks to staff. The loss of positions due to retirement would only increase the risk faced by the remaining staff, inmates and the public.

HB 2730 would exacerbate staffing shortages through the loss of F.T.E. positions. The Department has approximately 100 staff members who would be eligible for the retirement incentive provided by HB 2370, approximately 80 immediately and approximately 20 during the balance of the eligibility period. The loss of these positions would be devastating to the Department's operations. To illustrate some examples of the

DEPARTMENT OF CORRECTIONS

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potential impact, in addition to the loss of F.T.E. positions in correctional facilities and parole services, half of the Department's positions for the maintenance of the Department's Offender Management Information System (OMIS) and 1/3 of its positions for the sentence computation unit could be lost. The sole position responsible for reviewing and formulating the Department's operational policies and procedures could be lost. These positions are critical to the Department's operations. Ironically, the creation of the sentence computation unit was the result of the Department's systematic consolidation of those functions which allowed the Department to reduce F.T.E. positions.

In conclusion, the Department believes that the loss of F.T.E. positions provided by HB 2730 is not good public policy. HB 2730, as currently written, is antithetical to systematic management of the needs and work force of state agencies. We would like to offer a balloon amendment that we believe would resolve our concerns, allow more retirement eligible employees to take advantage of this incentive, and still achieve savings envisioned by the bill.

## HOUSE BILL No. 2730

By Select Committee on KPERS

3-4

9 AN ACT concerning retirement and pensions; relating to the Kansas  
10 public employees retirement system; retirement of certain state offi-  
11 cers and employees; health care benefit payments; reduction in F.T.E.  
12 position for certain state agencies.

13  
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. Subject to the provisions of this act, any officer or em-  
16 ployee of the state who is 62 years of age or older and who retires on or  
17 after the normal retirement date of such officer or employee pursuant to  
18 the provisions of K.S.A. 74-4914, and amendments thereto, from the Kan-  
19 sas public employees retirement system shall be entitled to a health care  
20 benefit payment by the state as provided in this section. The state shall  
21 pay to the Kansas state employees health care commission on behalf of  
22 each such retirant the total cost of participation for member only coverage  
23 in the state health care benefits program under K.S.A. 75-6501 et seq.,  
24 and amendments thereto, at the same times during the year as the cost  
25 of participation would be payable by such retirant for a period of three  
26 years from the date of retirement and continuation of coverage of such  
27 retirant in such program. ~~No more than 500 retirants shall be entitled to~~ ✓ Delete  
28 ~~the health care benefits provided by this act, as certified by the executive~~  
29 ~~secretary of the Kansas public employees retirement system. The exec-~~  
30 ~~utive secretary shall provide the governor or legislative coordinating coun-~~  
31 ~~cil notice of the name, employing state agency and retirement date of~~  
32 ~~each retirant who is entitled to health care benefit payments pursuant to~~  
33 ~~this act and such other information that may be prescribed by the gov-~~ ✓ Delete  
34 ~~ernor or legislative coordinating council. Upon receipt of each notice~~  
35 ~~regarding a retirant employed by a state agency in the executive branch,~~  
36 ~~the governor shall direct the secretary of administration to reduce by one~~  
37 ~~the number of F.T.E. positions authorized for the state agency that em-~~  
38 ~~ployed the retirant who is entitled to health care benefit payments pur-~~  
39 ~~suant to this act and reduce the expenditure authority of such state agency~~  
40 ~~in an amount attributable to the amount of unused salary and employer-~~  
41 ~~paid benefits attributable to the retirant's job position. Upon receipt of~~  
42 ~~each notice regarding a retirant employed by a state agency in the legis-~~  
43 ~~lative branch, the legislative coordinating council shall reduce by one the~~

Delete

1 ~~number of F.T.E. positions for the state agency that employed the retirant~~  
2 ~~and reduce the expenditure authority of such state agency in an amount~~  
3 ~~attributable to the retirant's job position.~~ The executive secretary shall  
4 administer the provisions of this act. No retirant shall first qualify for  
5 health care benefits under this act after June 30, 2013.

6 Sec. 2. This act shall take effect and be in force from and after its  
7 publication in the statute book.



# Kansas Turnpike Authority

Telephone: 316 682-4537, ext. 2242  
Fax: 316 682-1201

**DATE:** March 8, 2010  
**TO:** Julian Efir  
Legislative Research Department  
**FROM:** Michael L. Johnston  
**SUBJECT:** Early Retirement

This letter is in response to your request for information about an early retirement plan that was offered to certain Turnpike employees in the Fall of 2008. A few background comments may be helpful in a full understanding of our motives and objectives.

For a variety of reasons, I became quite concerned about our operating environment in 2006. Our traffic in 2005 declined from the previous year. While hurricane Katrina was certainly a factor, the tragedy reminded me how exposed our business is to random world events. What would another terrorist attack do to our country and our economy? What would further tension in the Middle East do to the oil supply that we rely on and its price? At the end of the day, events of this nature do affect travel demand which directly impacts our income statement and balance sheet. As a result, I became convinced that we needed to become more aggressive with respect to managing our operating costs as a hedge against uncertain future events. At the time, little did I know what was just around the corner in the form of the most sharp and sudden contraction in our economic system since the depression years of the 1930's.

As a result, I challenged our senior management team to begin a process to reduce our annual operating budget by 5%, or nearly two million dollars. At the end of the day, we knew that any substantial enduring reduction in operating costs had to mean fewer employees.

As part of that overall effort, driven entirely by our desire to reduce operating costs, we designed a program for early retirement for a selected group of our employees. After carefully assessing which employees were likely to take our offer and, more importantly, which of those employees we could successfully operate without replacing, we decided to move forward. In other words, if our analysis suggested that those who would likely take our offer were in positions that required a replacement worker, we would not have moved the process forward. Let me share with you the nature of our reasoning and our offer.

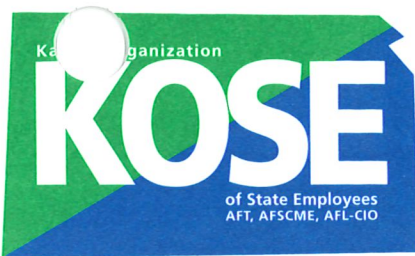
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First, we identified 21 of our full time employees that had or would have 85 points by July 1, 2009, and could retire without actuarial reduction in their earned annuity through KPERS. Of that 21, we believed that 15 would take our offer and, if our estimate was correct, we could realize a net reduction in full time equivalent employees by 11. After that analysis, we tendered the following offer to our employees in October of 2008. **Any employee who had or would have 85 points (age plus years of service) by July 1, 2009, and chose to retire by that time, could remain eligible for our health benefit plan until they were Medicare eligible at age 65.** What were the results?

All 15 employees we thought would take our offer did. From that pool of 15 retirements, we were able to reduce our full time equivalent staffing by 11. We estimate our 2010 net savings (labor savings minus health benefit costs) from this program to be approximately \$630,000.

Finally, I am pleased to report that our efforts to reduce our operating costs, including the program just described, have resulted in reducing our full time employees by over 10% since 2006 (389 to 341). Moreover, through the deployment of "self pay" machines at certain toll plazas in 2010, we believe we will realize further significant reductions in our labor costs as these devices are integrated into our toll collection operations.

I hope this is responsive to your request!



**A NEW DAY... A BETTER WAY... FOR STATE EMPLOYEES**

Testimony before the  
**House Select Committee on KPERs**

On  
**HB 2730**

By  
**Jane Carter, Executive Director**  
Kansas Organization of State Employees  
March 12, 2010

I am here today to speak on behalf of the 11,000 executive branch employees represented by the Kansas Organization of State Employees (KOSE). As the largest certified, State recognized employee organization for state employees in the executive branch, we appreciate this opportunity to address issues that affect our members and to oppose HB 2730.

First of all, I want to thank the Committee for taking on this extremely challenging issue and exploring the early retirement program. During a recent survey of our membership, an early retirement incentive was overwhelmingly supported by our members, particularly our corrections and safety officers as well as our professional law enforcement officers. In fact, KOSE has attempted to negotiate similar language for these positions because an early retirement incentive and program can be beneficial and to both the employees and the State.

More often than not, the State has very valuable, long-term employees who make a wage that is significantly higher than the entry-level position. These employees often are willing to retire and are near retirement age, but cannot afford it due to the loss of health insurance. Therefore, these employees stay with the State in order to meet the retirement criteria and to receive health insurance. An early retirement incentive would allow those higher earning employees a chance to leave state service and still receive their benefits. Conversely, the State is able to fill that newly vacant position with a new employee at a lower rate.

KOSE opposes this legislation only because of three provisions: 1) twenty years of service requirement; 2) reduction of FTEs; and 3) only 500 employees will be entitled to the health benefits. The State's own data reflects that the workforce is much near retirement or early retirement. According to the Kansas Workforce Report for FY09, thirty-six percent of the state workforce will be retirement eligible by the year 2014. This is a slight increase from FY 2008, when 35% of the workforce was retirement eligible by 2013, but it's a significant decrease from FY 2006 when 40% of the workforce was retirement eligible by 2011.

KOSE opposes the 20 year service requirement simply because certain agencies, particularly KBI, have employees who have more than ten years of service but less than twenty, and who are younger than 62. However, these agents are high wage earners and play a critical role. If these agents were

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Kansas Organization of State Employees, AFT/AFSCME

1301 SW Topeka Boulevard • Topeka, KS 66612 • 785-354-1174 • toll free 1-866-





able to retire, the Agency could save a significant amount of money in salaries due to the lower wage for a new Agent.

The second reason for opposing this bill is due to the reduction in FTEs. Should an Agent with KBI accept early retirement, that Agent would not be replaced. Other agencies, such as the Board of Mortuary Services would be reduced to zero FTEs. Even worse, larger agencies have a significant number of employees who are close to retirement. For example, forty two percent of the employees at KDOR will be eligible for retirement in 2014. Forty four percent will be eligible at SRS. Although this legislation only allows for 500 employees to be entitled for early retirement, employees who have 'higher qualifications' will be denied due to the size of the Agency. Limiting the number of employees who could be eligible for early retirement is not fair nor will it be impartial because it simply cannot be. Furthermore, not filling those positions could put the safety of the most vulnerable at risk. The State cannot leave an Agent's position unfilled or eliminate it all together. Nor can the State deny one employee who is closer to the requirements for early retirement simply because of the Agency size.

Although KOSE strongly supports an early retirement incentive, we firmly oppose the restrictions placed on the incentive in HB 2730.

**Actual and Eligible Retirements by Agency**  
Fiscal Year 2009

Agency Name	Number of Employees Fiscal Year 2009	Actual Retirements		Retirement Eligible's by December 2014			
		FY 2009		Early	Full	Total	% Eligible
Accountancy, Board of	2	0	0	1	1	1	50%
Adjutant General	174	4	61	80	141	81%	
Administration, Department of	497	15	53	211	264	53%	
Administrative Hearings, Office of	9	0	2	4	6	67%	
Aging, Department on	162	6	29	63	92	57%	
Agriculture, Department of	281	9	31	64	95	34%	
Animal Health Department	27	0	6	14	20	74%	
Arts Commission, Kansas	6	0	0	0	0	0%	
Attorney General	76	1	14	13	27	36%	
Banking Department	91	0	5	15	20	22%	
Barbering Board of	2	0	0	2	2	100%	
Behavioral Sciences Regulatory Board	8	0		2	2	25%	
Beloit Juvenile Correct.Facility	47	2	0	1	1	2%	
Blind, School for the	74	2	8	30	38	51%	
Citizens Utility Ratepayer Board	5	1	1	0	1	20%	
Commerce, Department of	240	16	28	93	121	50%	
Conservation Commission	12	0	3	4	7	58%	
Corporation Commission	197	5	30	79	109	55%	
Corrections, Department of	290	6	28	89	117	40%	
Cosmetology, Board of	11	0	1	5	6	55%	
Credit Unions, Department of	11	1	0	6	6	55%	
Deaf, School for the	130	6	15	40	55	42%	
Dental Board	3	0	0	2	2	67%	
Education, Department of	180	4	30	77	107	59%	
El Dorado Correctional Facility	400	4	7	16	23	6%	
Ellsworth Correctional Facility	207	10	8	12	20	10%	
Emergency Medical Services	13	0	0	7	7	54%	
Emporia State University	N/R	N/R	N/R	N/R	N/R	N/R	
Ethics Commission, Kansas Gov	8	1	0	4	4	50%	
Fair, Kansas State	23	0	2	3	5	22%	
Fire Marshal	47	1	0	17	17	36%	
Fort Hays State University	N/R	N/R	N/R	N/R	N/R	N/R	
Governor, Office of the	35	1	0	6	6	17%	
Healing Arts, State Board of	39	0	3	7	10	26%	
Health & Environment, Department of	710	20	139	241	380	54%	
Health Care Stabilization fund Bd of Gov	15	1	0	8	8	53%	
Health Policy Authority, Kansas	225	0	23	55	78	35%	
Highway Patrol	806	9	31	101	132	16%	
Historical Society, State	96	4	10	40	50	52%	
Housing Resources Corp, Kansas	50	1	5	6	11	22%	
Human Rights Commission, Kansas	28	0	4	10	14	50%	
Hutchinson Correctional Facility	500	12	6	25	31	6%	
Indigents Defense Services Board	163	0	21	23	44	27%	
Insurance Department	118	4	13	46	59	50%	
Investigation, Kansas Bureau of	161	5	10	38	48	30%	
Judicial Branch	1819	41	223	575	798	44%	
Judicial Council	7	0	1	2	3	43%	
Juvenile Correctional Complex	226	4	16	43	59	26%	
Juvenile Justice Authority	29	1	4	13	17	59%	
Kansas Inc	2	0	1	1	2	100%	

## Actual and Eligible Retirements by Agency

Fiscal Year 2009

Agency Name	Number of Employees Fiscal Year 2009	Actual Retirements		Retirement Eligible's by December 2014			
		FY 2009		Early	Full	Total	% Eligible
Kansas Public Emp Retirement Sys	85	1		16	22	38	45%
Kansas State University	N/R	N/R		N/R	N/R	N/R	N/R
Labor, Department of	421	11		53	182	235	56%
Lansing Correctional Facility	646	11		10	23	33	5%
Larned Correctional Mental Health Fac	171	4		5	5	10	6%
Larned Juvenile Correctional Facility	120	3		16	22	38	32%
Larned State Hospital	834	19		64	212	276	33%
Legislative Coordinating Council	10	0		3	7	10	100%
Legislative Research Department	40	2		6	14	20	50%
Legislature	34	3		2	14	16	47%
Library, State	20	2		9	10	19	95%
Lieutenant Governor, Office of the	1	0		0	0	0	0%
Lottery, Kansas	78	4		17	26	43	55%
Mortuary Arts, Board of	3	0		0	3	3	100%
Neurological Institute, Kansas	462	5		56	131	187	40%
Norton Correctional Facility	225	10		4	8	12	5%
Nursing, Board of	21	1		5	3	8	38%
Optometry Board of Examiners	1	0		0	1	1	100%
Osawatomie State Hospital	379	8		28	102	130	34%
Parole Board, Kansas	3	0		0	1	1	33%
Parsons State Hospital & Trng Center	460	8		48	125	173	38%
Peace Officers, Std & Trng	3	0		0	1	1	33%
Pharmacy, Board of	6	0		2	2	4	67%
Pittsburg State University	N/R	N/R		N/R	N/R	N/R	N/R
Post Audit, Legislative Division	25	0		1	5	6	24%
Racing & Gaming Commission	44	4		3	10	13	30%
Rainbow Mental Health Facility	107	0		11	29	40	37%
Real Estate Appraisal Board	2	0		1	1	2	100%
Real Estate Commission	11	0		2	5	7	64%
Regents, Board of	54	0		7	15	22	41%
Revenue, Department of	1017	27		95	336	431	42%
Revisor of Statutes	30	1		0	17	17	57%
Secretary of State	48	0		6	7	13	27%
Securities Commissioner, Office of the	30	1		5	10	15	50%
Sentencing Commission, Kansas	7	0		1	3	4	57%
Social & Rehabilitation Services, Dept of	2997	84		337	989	1326	44%
Tax Appeals, Board of	19	0		1	6	7	37%
Technical Professions, State Board of	5	0		0	2	2	40%
Technology Enterprise Corp, Kansas	10	1		0	2	2	20%
Topeka Correctional Facility	219	5		3	14	17	8%
Transportation, Department of	2850	52		395	839	1174	41%
Treasurer, State	43	1		3	12	15	35%
University of Kansas	N/R	N/R		N/R	N/R	N/R	N/R
University of Kansas Medical Center	N/R	N/R		N/R	N/R	N/R	N/R
Veterans Affairs, Commission on	300	8		40	78	118	39%
Veterinary Examiners, Board of	3	0		1	1	2	67%
Water Office, Kansas	20	0		5	5	10	50%
Wichita State University	N/R	N/R		N/R	N/R	N/R	N/R
Wildlife and Parks, Department of	408	7		30	131	161	39%
Winfield Correctional Facility	173	3		2	16	18	10%
<b>Total</b>	<b>20707</b>	<b>483</b>		<b>2105</b>	<b>5641</b>	<b>7430</b>	<b>36%</b>
					<b>Statewide</b>		<b>36%</b>

Source: SHARP (FY2009) Excludes temporary and student employees. "N/R" indicates the information was not reported for Regent institutions. Number of employees includes employees not participating in KPERS.

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**Agencies with 40% or more of their workforce consisting of employees that are retirement eligible by 2013**

Excludes agencies with less than 100 employees for FY 2009

Adjutant General	81%
Administration, Department of	53%
Aging, Department on	57%
Commerce, Department of	50%
Corporation Commission	55%
Corrections, Department of	40%
Deaf, School for the	42%
Education, Department of	59%
Health & Environment, Department of	54%
Insurance Department	50%
Judicial Branch	44%
Labor, Department of	56%
Neurological Institute, Kansas	40%
Revenue, Department of	42%
Social & Rehabilitation Services, Dept of	44%
Transportation, Department of	41%

**Agencies with 15% or less of their workforce consisting of employees that are retirement eligible by 2014**

Excludes agencies with less than 100 employees for FY2009

El Dorado Correctional Facility	6%
Ellsworth Correctional Facility	10%
Hutchinson Correctional Facility	6%
Lansing Correctional Facility	5%
Larned Correctional Mental Health Fac.	6%
Norton Correctional Facility	5%
Topeka Correctional Facility	8%
Winfield Correctional Facility	10%

Source: SHARP FY 2009. Excludes temporary and student employees.