

Chris Huntsman - KPERS Testimony

2-15-2013

Thank you for letting me address the House Pensions Committee. I represent the average Kansas teacher. I am the voice and face of 35,000 currently teaching, as well as more retirees. I taught FACS-family and consumer science (home ec) for 36 years from 1970-2008.

At 22, if I were asked if I wanted to start on my retirement funds, I would have said NO. But I had no choice and today I am so thankful for that. I had no choice but to contribute my 4% every paycheck to this retirement. However, “you” as my employer DID NOT. “You” would be all the elected officials -yes, that we the people elected, but we also trusted you to live up to your promises.

I taught in two rural communities for the first 18 years. I got really burnt out (long story) and I quit when a business opportunity presented itself in 1988. I mortgaged myself, did the business, had fun, enjoyed it, and made money. I thought about pulling my KPERS out, but decided it would be good insurance, incase this business didn't succeed. I had a kitchen shop at the new West Ridge Mall here in Topeka. During those two years, I had many former students come into the store. Most were like John. When John came in, he had his wife and two kids in strollers. After introductions, he said “Mrs. Huntsman, I can't believe you quit . . .you were so good . . . I learned so much ...you taught me how to take notes and that sure helped me in college . . . thank goodness you had us write a research paper . . . I still have my Consumer Ed notebook . . .” Hearing from John and all these students made me realize I HAD MADE A DIFFERENCE AND I WANTED TO RETURN!! And I did for 18 more years in Topeka Public Schools.

People like teachers and public service workers are often willing to work for a little less than private sector market wage because of the security of a DB. Do you not want to recruit and retain these kinds of workers in Kansas?

As for the unfunded liability . . .I believe that for at least 18 years, the State of Kansas has not contributed their fair share to KPERS and that is why we have the unfunded liability. I heard over and over last year “pay me now or pay me later” and we have come to that point. As I look at the 1-30-13 handout, the back of page 1, from 1971-1986 it would also appear that the state of Kansas did not fund their part then either. I ask you WHO WAS RESPONSIBLE FOR PAYING THE STATE'S SHARE from 1971-1986?

I attended most of the KPERS Study Commission meetings in 2011 and many committee meetings during the 2012 legislative session. I am disappointed that the state has moved away from the defined benefit. Last year it was mentioned that a retirement income should be a 3 legged stool, with Social Security one leg, KPERS another leg, and personal savings the 3rd leg. I once had a ‘financial products person’ sitting in the teacher's lounge say to me “Chris teachers don't earn enough money to shelter their income from income taxes”. So I guess he thought teachers didn't make enough money.

I believe Rep. Johnson said it well February 4 when he said something like “decisions made in the past have led us to these outcomes.” I agree with his two objectives: as a tax payer I want this

solvent for the state and secondly I want it to benefit employees. Moving away from the DB plan will cause the next generations of retirees to be less financially stable. As teachers, and as state employees covered under KPERs, we have our areas of expertise, and for most of us it is not investments. If we turn to a DC plan, all these people who are not investment professionals could find their retirement security at a great risk. Also, in moving away from a defined benefit has caused our employees to pay more and receive less.

Chris Huntsman

4532 NW Camden Lane

Topeka, KS 66618

785-286-2111