Written Testimony Regarding HB 2725 By Marc Galbraith, State Employee Association of Kansas March 11, 2016

Chairman Ryckman and members of the Committee, thank you for this opportunity.

My name is Marc Galbraith. I represent the State Employee Association of Kansas. We represent working and retired state employees.

We stand in opposition to HB 2725.

Our opposition is based on our understanding that state retirement system creates a contract between the state and its employees who are member of the system. Case law says that this contract is protected by the Contract Clause of the U.S. Constitution.

Based on Kansas case law, it is uncertain as to when this contract is protected by the Contract Clause of the U.S. Constitution, but it is probably sometime after the first day of employment and, one would think, certainly by the date of vesting.

It is also our understanding that if the Legislature makes changes to members benefits that result in disadvantages to the members, it should also give compensating advantages to those members. If the state does not give counterbalancing advantages, it is more likely that such changes constitute violations to the Contract Clause protections granted to employees.

It appears to us that portions of HB 2725 disadvantage employees while no counterbalancing advantages are provided and therefore HB 2725 is likely in violation of the U.S. Constitution.