RILEY COUNTY

BOARD OF COMMISSIONERS

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March 10, 2016

The Honorable Ron Ryckman, Chairman
House Committee on Appropriations
Capitol Building, Room 112-N
Topeka, KS 66612

Re: H.B. 2725 - Testimony in Opposition

Dear Chairman Ryckman and Members of the Committee:

The Board of Riley County Commissioners unanimously opposes H.B. 2725.

On page 1, lines 9-12 prohibit local government employers participating in KPERS from allowing their employees to "Accumulate vacation leave in in excess of 240 hours." Certainly the state may, prospectively, determine how KPERS **uses** a local government employee's accumulated "vacation leave" in the retirement system's calculation of a retiree's benefit amount. But the identified language reaches much farther. It tells Riley County, and all Kansas counties and cities in the KPERs system how much "vacation leave" *their employees* may accumulate *for any purpose,* even if that accumulation is unrelated to their KPERS benefit calculations.

For example, by current Riley County personnel policy, our non-elected employees may accumulate a maximum of 768 hours of unused sick leave. But the county will only "pay out" to that employee separating from service a fraction of the accumulated amount. In this example, by written personnel policy, no more than 376 hours would be paid by Riley County. This entirely local "accumulation" of a county employee's sick leave has no fiscal impact upon KPERS, *unless it is used as part of the KPERS benefit calculation.* Any *prospective* legislative changes to that benefit calculation should logically focus upon KPERS, not upon counties. This Board believes that the state has no legitimate basis for regulating a local government employee's accumulation of "vacation leave." That is a matter best left to local control, to our own personnel policies. The state has no more logical basis to regulate leave benefits counties provide their employees than counties would have trying to dictate leave benefits the state grants its employees. The very broad text above must be altered so that it does not place a new state regulatory requirement on county personnel matters.

Troubling new language appears on pages 3-4 at lines 39-43 and lines 1-4. This new text prohibits local government employees from having their "Final Average Salary" increased by vacation or sick leave earned but unpaid "prior to the four years before . . . retirement." The problem this presents is the retiring employee described may not have access to that earned but unpaid leave before retirement.

For example, in Riley County part of every non-elected employee's earned leave each pay period goes into an "Extended Sick Leave" account which the employee has no access to unless they are away from work due to illness for 3 consecutive work days. The employee cannot access it voluntarily, but it has clearly been earned. So it strikes our County Commission as unfair to categorize those hours as anything other than compensation. As true "compensation," that earned leave ought to be taken into account as part of the retiree's benefit calculation. This new text should be deleted, as a matter of simple fairness to those employees covered by KPERS.

A similar problem is presented by language on page 1, lines 18-24. This new text prevents county employees within KPERS from using **earned** sick leave as part of the calculation of their "compensation for retirement." Once again, this Board believes there is no good reason to deny any city or county employee that benefit they have already earned by virtue of their employment. As an earned benefit, it ought to be treated as what it is—compensation.

The 2015 legislative session's predecessor to H.B. 2725 was H.B. 2426. At the time of H.B. 2426's hearing, this Board noted that the fiscal note accompanying the bill pointed out that KPERS did not, at that time, know *how much* vacation and sick leave had been earned by its members, nor *when* that leave had been earned. It appears that KPERS was not involved in drafting H.B. 2725. So presumably that information has not been available for your consideration. Without it, how can you know what impact these changes will have on the viability of the KPERS system itself?

A final defect in H.B. 2725 is that it cannot, on its current schedule, be properly vetted. The significant changes it represents were introduced in committee March 9, 2016. It is scheduled for hearing March 11, 2016. That is insufficient time to allow interested local government employers across the state to appear and offer their input to the committee. Without that opportunity, this committee is operating in a vacuum of information regarding the impact of this bill.

Without data from KPERS estimating what, if any, level of savings will result from its passage, given its unwarranted intrusion to local government personnel policies, and with its unfair restriction on employee access to earned but unpaid leave, H.B. 2725 does not deserve your support at this time.

Thank you for allowing this Board the opportunity to express our County Commission's unanimous opposition to H.B. 2725.

Sincerely,

BOARD OF COMMISSIONERS OF
RILEY COUNTY, KANSAS

Ben Wilson

Ben Wilson, Chair

Ronald E Wells

Ronald E. Wells, Member

Robert Boyd Jr., Member