



KANSAS STATE TROOPERS ASSOCIATION

February 20, 2015

To: House Pensions and Benefits Committee

From: Steve Kearney, Executive Vice President
Kansas State Troopers Association

Re: HB2288

Chairman Johnson and members of the Committee, thank you for the opportunity to testify this morning in support of House Bill 2288. I am appearing here today on behalf of the Kansas State Troopers Association. This proposal would establish a Deferred Retirement Option Program, typically referred to as DROP. This measure is intended to be revenue neutral to the state of Kansas.

DROP programs create a mechanism through which certain employees, in this instance members of KP&F, are incented to voluntarily remain on the job for a specific period of time following their eligibility to retire. As many of you are aware, in the case of the Kansas Highway Patrol, many experienced troopers and law enforcement officers are now, or will be very soon, eligible to retire. These retirements come at a time when manpower is dangerously low and recruiting qualified candidates is proving difficult.

House Bill 2288 would provide one tool for the state to help stem the flow of experienced troopers and law enforcement officers into retirement, while at the same time the Kansas Highway Patrol aggressively pursues recruitment efforts. This is a measure that is supported by the Kansas Highway Patrol as part of their Trooper Shortage initiative.

Here is how it would work:

1. KP&F members once reaching retirement eligibility could elect to participate in the DROP program.
2. For the purposes of KP&F, the member would make their elections regarding spousal distribution etc. and for KP&F purposes their retirement benefit would be established.
3. Members electing to participate in the DROP program would make an irrevocable election to participate in the DROP program for a minimum of three years and a maximum of five years.
4. During the DROP election period an amount equal to the retirement benefit the electing member would have received if he had retired the day before electing to participate in DROP will be credited to their DROP account, and accumulate interest between zero and 7% as determined by the KPERS board.
5. During the time the member is participating in the DROP program they will continue in all other aspects as a full-time employee of the Kansas Highway Patrol.
6. Both the member and the Kansas Highway Patrol will continue to make their contributions into KP&F during the time the member is participating in DROP. None of these contributions are credited to the DROP account.
7. Upon actual retirement at the end of the DROP election period, the member receives the DROP account balance and begins receiving their monthly retirement benefit.

House Bill 2288 applies only to state employee members of the Kansas Police and Fire (KP&F) retirement administered by KPERS. As you are aware, municipalities may elect to participate in KP&F and this bill is drafted in a similar manner that would allow them to make a similar election to participate in DROP at their own expense.

Thank you for this opportunity to provide information on DROP. I would also like to extend my thanks to the KPERS team and the Revisor's office for the many hours we have spent together in an attempt to bring you the best possible option for this type of program for the state of Kansas. I would be happy to answer any questions for the committee, and I encourage you to pass this measure out of Committee favorably.