

MINUTES OF THE SENATE SELECT COMMITTEE ON KPERS

The meeting was called to order by Chairperson Jeff King at 1:10pm on Tuesday, March 31, 2015, 118-N of the Capitol.

All members were present except:

Senator Anthony Hensley – Excused

Senator Jeff Longbine – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department

Suzanne Nelson, Kansas Legislative Committee Assistant

Daniel Yoza, Office of Revisor of Statutes

Gordon Self, Office of Revisor of Statutes

Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:

Cheryl Semmel, Executive Director, Unified School Administrators of KS;

Ed Klumpp, Associations of Chiefs of Police, Sheriffs, and KS Peace Officers;

Nicole Proulx Aiken, Legal Counsel, League of KS Municipalities;

Jason Crawford, Superintendent and Principal, Elk Valley Schools, USD 283, Longton, KS;

Debra Kill, Elementary Teacher, Elk Valley Schools, USD 283, Longton, KS;

June Kramer, Family and Consumer Science Teacher and Library Media Specialist, Elk Valley Schools, USD 283, Longton, KS;

Geneva Hare, Teacher, KRR After School Coordinator, Elk Valley Schools, USD 283, Longton, KS;

Others in attendance:

[See Attached List](#)

Pending referral, Hearing on:

SB299--Providing working after retirement requirements for certain KPERS retirants who return to work with covered employers including benefit and contribution provisions while extending current sunset for teachers to July 1, 2016.

Chairperson King opened the hearing on **SB299**.

Daniel Yoza gave an overview summarizing the provisions of the bill which include creating an exception to the current prohibition on working after retirement and extending the sunset to July 1, 2016 for licensed teachers. ([Attachment 1](#)) He answered questions from the members regarding how **SB299** is different from the deferred retirement option plan (DROP) bill and made a clarification regarding who is covered by the bill. Mr. Yoza confirmed that municipal employees are not covered in this bill.

Alan Conroy gave an informational overview and explanation of the bill using various documents,

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graphs, and flowcharts listed below and answered questions from committee members.

- Outline of **SB299** ([Attachment 2](#))
- Working After Retirement Flowchart ([Attachment 3](#))
- Overview of Cavanaugh MacDonald Analysis - Working after Retirement Data ([Attachment 4](#))
- Working after Retirement Overview ([Attachment 5](#))
- Average Age at Retirement Data ([Attachment 6](#))
- 2013 Working After Retirement Usage at Unified School Districts ([Attachment 7](#))
- Internal Revenue Service Ruling on Returning to Work after Retirement ([Attachment 8](#))

Chairperson King asked for further questions or comments; seeing none, he welcomed the conferees appearing today. There was no oral or written-only proponent testimony submitted.

Cheryl Semmel presented opponent oral testimony while accentuating the need to extend the sunset provision for teachers and other licensed professionals to return to work without an earnings cap, and also to retain the sixty (60) day break in service provision. ([Attachment 9](#))

Ed Klumpp presented neutral oral testimony. He spoke of the importance of maintaining the exclusion of KP&F from the more rigorous restrictions and regulations of regular KPERS retirees. Mr. Klumpp also listed several provisions about which his association and membership are unclear and were seeking more clarification. ([Attachment 10](#))

Nicole Proulx Aiken gave neutral oral testimony, supporting the current statutory framework regarding the local KPERS system and should remain separate from the state and school retirement system. She added that changes to the KPERS system for municipalities could affect cities' ability to hire and retain qualified public employees. ([Attachment 11](#))

Jason Crawford presented neutral oral testimony. He related that his school district currently employs 19 certified staff members of which 12 would be directly affected by the change to the current working after retirement exemption. Mr. Crawford listed ten specific positions that would be adversely impacted by changing the current exemption. He also suggested and requested the committee look at creating a "special needs" or "high risk" category exemption for districts like Elk Valley and other such instances around the state. ([Attachment 12](#))

Debra Kill, a 34 year elementary teacher, gave oral neutral testimony presenting the picture of how invested all of the teachers are in Elk Valley's community life and her fear that without schools, their community would not survive. She also urged extending the provisions of the sunset clause for at least a year or longer. ([Attachment 13](#))

June Kramer, gave neutral oral testimony. She is a 43 year teacher, who has taught in the Elk Valley

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school district all of her professional career. She emphasized the number of teachers that would be affected by **SB299**, and how difficult it would be to find qualified replacements who would want to come to live in their small rural district, especially if they have to replace a large number all at one time. ([Attachment 14](#))

Geneva Hare, another 34 year teacher, spoke about the feeling of family and community in the district, as well as the quality, one-on-one education students receive, despite the economic hardships they face on a daily basis. ([Attachment 15](#))

Chair King directed the committee's attention to the opponent and neutral written testimony submitted as follows:

- Terry Forsyth, Kansas National Education Society (KNEA), submitted opponent written-only testimony. ([Attachment 16](#))
- Tom Krebs, Kansas Association of School Boards (KASB), submitted written-only neutral testimony. ([Attachment 17](#))

Mr. Conroy answered questions pertaining to creating a DROP-lite program for teachers, stating that he had received some information from the actuary this morning, but the costs had not yet been quantified. He also pointed the committee to his handout regarding working after retirement usage in the unified school districts, where they have broken down various categories by county and show the number of WAR employees out of the total staff and the percentage of the workforce. He noted that the dark green-colored counties are the ones who have the highest usage overall as a percentage of their employees. ([Attachment 7](#))

Chair King announced that we would not meet tomorrow (4/1/15) as anticipated, but will wait until Wednesday, April 29, 2015, the first day of the veto session and return from the break, to continue working **SB299**. This will give everyone almost a month to examine the bill, come up with suggestions, alternatives, and be prepared to continue the committee's efforts to pass out **SB299** in some form.

The meeting adjourned at 1:45 pm.

The next meeting will be on Wednesday, April 29, 2015. Time will be determined and all members and interested third parties will be notified.