

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 9:30 a.m. on January 16, 2002 in Room 514-S of the Capitol.

All members were present except: Representative Bill Light

Committee staff present: Alan Conroy, Legislative Research  
Amy Kramer, Legislative Research  
Becky Krahl, Legislative Research  
Julian Efrid, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Dr. Gary George, Superintendent, Olathe School District  
Craig Grant, KNEA, Topeka  
Mark Tallman, KASB, Topeka  
Mike Taylor, City of Wichita  
Glenn Deck, Executive Director of KPERS  
Bobbi Mariani, Department of Administration

Others attending: See Attached

Julian Efrid, Legislative Research, presented a summary of the bills under review that were considered by the Joint Committee on Pensions, Investments and Benefits during the interim ([Attachment 1](#)).

**Hearing on HB 2619—Employer contributions for tax sheltered annuities for certain school district and community college employees**

Dr. Gary George, Superintendent of the Olathe School District, presented testimony in support of school districts being permitted to contribute to deferred compensation and tax sheltered investment plans on behalf of employees ([Attachment 2](#)). He viewed this as a possible recruitment tool and an incentive for longevity among teachers for his district.

Craig Grant, legislative spokesperson for Kansas National Education Association, explained that the concept indicates that a school board may by choice use some of its compensation for employees to contribute a matching amount to a tax sheltered mechanism on behalf of its employees ([Attachment 3](#)).

Mark Tallman, Assistant Executive Director of the Kansas Association of School Boards, explained that currently schools do not have home rule authority to provide contributions to annuities as a benefit for their employees ([Attachment 4](#)). He urged the passage of this proposed legislation.

As there were no opponents to the bill, Chairman Wilk closed the hearing on **HB 2619**.

**Hearing on HB 2622—Contribution rates for local police and fire pension plans**

Mike Taylor, representing the City of Wichita, explained in his supporting testimony that unfunded actuarial accrued liability does not represent a debt that is payable today ([Attachment 5](#)). What is important is the ability to amortize the unfunded actuarial accrued liability and the trend in its amount. The current statute hurts Wichita as the Police and Fire Retirement System of Wichita is a mature pension system which does not need the currently required contribution rate.

There were no opponents to the bill and Chairman Wilk closed the hearing on **HB 2622**.

**Hearing on HB 2621—Benefits and eligibility of members of KPERS**

Glenn Deck, Executive Director of the Kansas Public Employees Retirement System, explained the four technical amendments proposed in the bill ([Attachment 6](#)).

There being no opponents to the bill, Chairman Wilk closed the hearing on **HB 2621**.

**Hearing on HB 2626–Rollover of certain retirement distributions for the purpose of the purchase of service credit in KPERS**

Glenn Deck, Executive Director of KPERS, explained that the new federal tax and pension law, the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), provides for trustee-to-trustee transfers from 457 deferred compensation plans and 403(b) tax sheltered annuity plans to a defined benefit plan to purchase service credit (Attachment 7). There would be no cost to the employer or KPERS because these purchases would be from employee funds.

Bobbi Mariani, Division of Personnel Services, spoke in support of the bill which would allow state employees who are participating in the state's deferred compensation program to transfer a lump sum out of their deferred compensation account to KPERS to purchase allowable service credit under KPERS (Attachment 8).

There were no opponents to the bill and Chairman Wilk closed the hearing on **HB 2626**.

Representative Neufeld moved to introduce the Governor's Budget Report Recommendations for FY 2002 and FY 2003 into legislation. Motion was seconded by Representative Bethell. Motion carried.

Alan Conroy, Legislative Research, distributed copies of the 2002 House Budget Committee report due dates (Attachment 9).

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for Tuesday, January 22, at 1:30 p.m.