

## **MINUTES**

### **JOINT COMMITTEE ON PENSIONS, INVESTMENTS, AND BENEFITS**

January 22, 2008  
Room 123-S—Statehouse

#### **Members Present**

Senator Stephen Morris, Chairperson  
Representative Robert Carlson, Vice-Chairperson  
Senator Anthony Hensley  
Senator Laura Kelly  
Senator Ruth Teichman  
Senator Dwayne Umbarger  
Representative Geraldine Flaharty  
Representative Margaret Long  
Representative Arlen Siegfroid

#### **Staff**

Alan Conroy, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Gordon Self, Office of the Revisor of Statutes  
Melissa Doeblin, Office of the Revisor of Statutes  
Shirley Jepson, Committee Secretary

#### **Conferees**

David H. Slishinsky, Principal and Consulting Actuary, Buck Consultants  
Douglas J. Fiddler, Senior Consultant, Actuary, Buck Consultants

The Committee met jointly at 10:30 a.m. with the Senate Ways and Means Committee for the purpose of receiving the preliminary report of the Kansas Public Employees Retirement System (KPERS) actuarial audit. Chairperson Morris explained that after significant benefit improvements were made in 1993, it was determined that several key components of the new plan had been found to cost more than originally estimated. The current actuarial audit by Buck Consultants is being performed to provide another actuary's opinion on the actuarial work performed by the KPERS actuary.

Chairperson Morris recognized David H. Slishinsky, Principal and Consulting Actuary, and Douglas J. Fiddler, Senior Consultant Actuary, both from Buck Consultants, who presented an

overview of the Preliminary Report of the KPERS Actuarial Audit (Attachment 1). Mr. Slishinsky indicated that the audit provides:

- A basis for the projection of the long-term cost of benefit obligations;
- Understanding and confidence in the current financial soundness of a pension system;
- Detection of changes from prior year and identification of trends over time; and
- An early warning system for potential funding problems.

Principal findings of the actuarial review to date include:

- Assumptions are generally reasonable and reflect system experience;
- Asset valuation method is appropriate, properly applied, and reasonable;
- Valuation results fairly represent the financial requirements of the systems;
- Funded ratio of 69 percent is below the 85.0 percent average for public plans;
- Market value of assets is 10.0 percent greater than actuarial value; and
- Buck Consultants finds Milliman's actuarial results reasonable based on the limited scope review.

Mr. Slishinsky indicated that, because some information has not been received at this time, the actuarial audit will continue and a final report will be issued later in 2008.

The meeting was adjourned at 12:00 noon.

Submitted by Shirley Jepson  
Edited by Julian Efirid

Approved by Committee on:

February 6, 2008  
(Date)