

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 9:00 a.m. on January 20, 2000 in Room 514-S of the Capitol.

All members were present except:     Rep. Allen - excused  
  Rep. Peterson - excused  
  Rep. Spangler - excused

Committee staff present:     Alan Conroy, Kansas Legislative Research Department  
  Stuart Little, Kansas Legislative Research Department  
  Julian Efird, Kansas Legislative Research Department  
  Jim Wilson, Revisor of Statutes Office  
  David Stallings, Assistant to the Chairman  
  Mary Shaw, Committee Secretary

Conferees appearing before the committee:  
    Meredith Williams, Executive Secretary, Kansas Public Employees Retirement System  
    Pat Beckham, KPERs Consulting Actuary, Milliman & Robertson, Inc., Omaha, Nebraska

Others attending:     See attached list.

Chairman Adkins thanked Vice Chairman Neufeld for chairing yesterday's meeting for him as he could not attend the meeting due to a prior commitment in Overland Park. The Chairman mentioned that the Committee will be continuing to look into several of the critical issues that shape the budget.

Chairman Adkins welcomed Meredith Williams, Executive Secretary, Kansas Public Employees Retirement System, Pat Beckham, KPERs Consulting Actuary, Milliman & Robertson, Inc., of Omaha, Nebraska, and Vern Chesbro, Chairman of the Board for KPERs. The Chairman turned the meeting over to Mr. Williams.

Mr. Williams briefed the Committee with an overview of KPERs and mentioned that Ms. Beckham will focus on actuarial issues. Mr. Williams reviewed with the Committee KPERs mission statement, their Board of Trustees, Accomplishments and Initiatives and Monthly Reports ([Attachment 1](#)).

Chairman Adkins welcomed Pat Beckham, KPERs Consulting Actuary, Milliman & Robertson, Inc., of Omaha, Nebraska. Ms. Beckham reviewed with the Committee the actuarial valuations of the retirement system and the death and disability program performance as of June 30, 1999 ([Attachment 2](#)).

Chairman Adkins asked Ms. Beckham to comment on how the convergence of rates would be impacted as a result of the Governor's recommendation to freeze the employer contribution rate in the FY 2001 budget. Ms. Beckham explained that if the one-year freeze is implemented, the convergence date now expected to converge in 2004 at 5.3 percent and would move to 2005 at 5.24 percent. Information from the Kansas Public Employees Retirement System, State/School Contribution Rate Comparison, One Year Freeze was distributed ([Attachment 3](#)). Committee questions and discussion followed for Mr. Williams and Ms. Beckham. Representative Nichols requested information from Mr. Williams regarding Kansas' unfunded liability in comparison with other states. Mr. Williams explained that the information requested is compiled every two years and should be available within a couple of weeks.

Mr. Williams mentioned that they will have a legislative package of proposals for the Committee early next week. He felt there would be some proposed legislation concerning minor technical cleanup issues. Mr. Williams explained that the Board has extensively looked at a plan design issue and the Board will have some significant recommendations for the Legislature's consideration. Chairman Adkins thanked Mr. Williams and Ms. Beckham for the information they presented to the Committee.

The meeting was adjourned at 10:40 a.m. The next meeting is scheduled for January 25, 2000.