

MINUTES OF THE HOUSE SELECT COMMITTEE ON KPERS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 8:00 a.m. on March 12, 2010, in Room 142-S of the Capitol.

All members were present except:

Representative Clark Shultz, Excused
Representative Richard Carlson, Absent
Representative Robert Olson, Absent

Committee staff present:

Kristen Kellems, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Carol Bertram, Committee Assistant

Conferees appearing before the Committee:

Representative Ann Mah, 53rd District
Senior Master Sergeant John Evans, 190th Air Refueling Wing Fighters
Dennis Phillips, Kansas State Council of Fire Fighters
Roger Werholtz, Secretary, Department of Corrections
Jane Carter, Executive Director, KOSE
Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)

Others attending:

See attached list.

After opening the meeting, Chair Schwartz recognized Representative Proehl who chaired the Subcommittee along with Representatives Flaharty and Carlson to review **SB 146** and **HB 2716** (Attachment #1). The Subcommittee recommends that **SB 146** be amended and that a House substitute bill be introduced. The House substitute bill would (1) Revive current law and set a new sunset date; (2) Insure that both compensation reductions and furloughs are covered; (3) Limit application of provisions to public employees with 20 or more years of credited service, and who opt for normal retirement, become disabled, or die; (4) Add an 8.0 percent interest provision to pay along with other contributions when required; and (5) Modify language about keeping offices open in order to allow more flexibility rather than mandating certain hours and days to be open.

Gordon Self, Office of the Revisor of Statutes, distributed the copy of a balloon bill reflecting the Subcommittee's proposed amendments and explained those amendments.

Questions and answers followed with the Executive Director of KPERS, Glenn Deck, responding.

It was moved by Representative Proehl and seconded by Representative Lane that the Committee adopt the Subcommittee's report. The motion carried.

Chair Schwartz recognized Gordon Self, Office of the Revisor of Statutes, to explain **HB 2107**. He explained that the bill would provide that on or after July 1, 2009, the Adjutant General's Department would affiliate with the Kansas Police and Firemen's Retirement System (KP&F) to provide participating service coverage for only qualified firefighters service in the 190th Kansas Air National Guard. Qualified firefighters employed by the Adjutant General's Department could individually elect to join KP&F, or remain KPERS members. All qualified firefighters hired on or after the affiliation date would automatically become KP&F members.

Chair Schwartz opened the hearing on **HB 2107 - Affiliation with the Kansas police and firemen's retirement system by adjutant general for membership of certain firefighters serving the 190th Kansas air national guard.**

Representative Ann Mah, 53rd District, appeared before the Committee to give testimony in support of **HB 2107** (Attachment #2). She stated because of training and job requirements the firefighters serving the 190th Kansas Air National Guard at Forbes qualify for K&F membership. The enhanced retirement package of

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KP&F would put these firefighters in a plan that reflects the physical nature of their work and allow them to recruit better qualified employees. Also there would be no cost to the state of Kansas since their salaries are federally funded.

Senior Master Sergeant John Evans, 190th Air Refueling Wing Fighters, appeared before the Committee in support of **HB 2107** (Attachment 3). He gave 6 reasons as to why he felt the Fire Fighters of the 190th Air Refueling Wing of the Kansas Air National Guard should be under the KP&F protection. He went on to note that the conversion from KPERS to KP&F will provide protection for their families, and that it will make it easier to recruit and hire the caliber of people needed to do the job necessary.

Questions and answers followed. The Chair asked Sr. Master Sergeant Evans to introduced his guests which were his sons, David and Daniel, and members of his department, Assistant Chief Patrick Moore, Chief Josh Bowser and Captain Dennis Burdick.

Dennis Phillips, Kansas State Council of Fire Fighters, appeared in support of **HB 2107** (Attachment #4). He stated the KP&F pension system was designed so firefighters and police officers could retire at an age that is beneficial to both the employee and their employer. The physical demands and the stress on firefighters and police officers needs to be taken into consideration when determining what pension system that they are allowed to be under. He urged the Committee to support **HB 2107** to allow the fire fighters serving the 190th Kansas Air National Guard to affiliate with the KP&F pension system.

Questions and answers followed.

There being no further proponents or opponents to testify, Chair Schwartz closed the hearing on **HB 2107**.

The Chair opened the hearing on **HB 2730 - Retirement health care benefit payments for certain retirants**.

Gordon Self, Office of the Revisor of Statute, stated **HB 2730** is the 2010 bill which was introduced by this Committee. He described the benefits and limitations of the bill as well as which state employees it would affect.

Questions and answers followed.

Roger Werholtz, Secretary of the Kansas Department of Corrections, appeared before the Committee in support of **HB 2730** and offered revisions to the bill which would strike the 500 cap for retirants, and also strike the inability of the agencies to replace employees (Attachment #5). He concluded that the Department of Corrections believes that the loss of F.T.E. positions provided by **HB 2730** as currently written, is antithetical to systematic management of the needs and work force of state agencies. His department would like to offer a balloon amendment that they believe would resolve their concerns, allow more retirement eligible employees to take advantage of this incentive, and still achieve savings envisioned by the bill.

Questions and answers followed where the Chair requested the Secretary to provide suggested language to replace the deleted sections proposed in their revision to the bill. She emphasized that the time frame is short and suggested language would need to be received by next week.

Written testimony from Michael L. Johnson, Kansas Turnpike Authority, was submitted in support of **HB 2730** (Attachment #6). Since Mr. Johnson was not present, the Chair asked Julian Efird, Legislative Research Department, to review the letter for the Committee.

The Chair recognized Jane Carter, Executive Director, Kansas Organization of State Employees, who offered testimony as an opponent to **HB 2730** (Attachment #7). She provided three reasons as to why KOSE opposes this bill: (1) the 20 years of service requirement; (2) the reduction of FTE's, and (3) only 500 employees being entitled to the health benefits. She also provided the Committee with statistical information in regard to Actual and Eligible Retirements by Agency.

Questions and answers followed with Glenn Deck, KPERS, responding as to the reduction in calculations if the retirement age was reduced to age 65.

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Chair Schwartz closed the hearing **HB 2730**.

There being no further business before the Committee at this time, the Chair adjourned the meeting at 9:00 a.m.

The next meeting of the House Select Committee on KPERS is scheduled for March 15, 2010.

Representative Sharon Schwartz, Chair