



**AMERICANS FOR
PROSPERITY**
KANSAS

Chairman Billinger and Members of the Committee:

Thank you for the opportunity to testify today. My name is Elizabeth Patton, and I am the State Director of Americans for Prosperity-Kansas. On behalf of the thousands of AFP activists in our state, I would like to take the time to discuss Senate Bill 523 and the broader issue of pensions in our state.

The purpose for Americans for Prosperity is to break down barriers that stand in the way of people creating their own success. At our very essence we exist to change policies that keep people from realizing their potential.

You cannot create a better state for everyone by saddling future generations with out-of-control pension debt. Our pension system is in dire need of reform. Increased funds to pay down pension debt is one part of this equation, but it's not the only part. Unfortunately, there have been more hurtful than helpful proposals discussed in regard to our pension system recently. Governor Kelly has proposed to re-amortize the debt, essentially stretching out the payments for years to come to direct the funding to other projects. The rate of return is still 7.75 percent, which is much higher than nearly every other state, and every time the return is not realized, it adds more debt. Every man, woman, and child owe nearly \$15,000 to pay off the unfunded liabilities that are currently owed. While well meaning, this legislation does help pay down the debt faster, but does nothing to address the risk that taxpayers bear.

Kansas does have substantial reserves and ARPA funds. While ARPA funding cannot be used for tax reform or to refill stabilization funds, state general fund surpluses can. Entering the COVID economic downturn, we had no reserves. There are proposals to increase funding, but we will need more than the current four days of funding to adequately weather the next economic downturn.

I thank you again for the opportunity to testify before this committee today and for the desire to fix the large issues that we are currently facing. I look forward to continuing to work with this committee to make Kansas the best state to live, work, and pursue dreams.

Sincerely,

Elizabeth Patton
State Director
Americans for Prosperity-Kansas