

MINUTES OF THE SENATE KPERS SELECT COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 8:00 a.m. on February 23, 2011, in Room 152-S of the Capitol.

All members were present except:

Senator Vicki Schmidt - excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department

Julian Efird, Kansas Legislative Research Department

Michael Steiner, Kansas Legislative Research Department

Gordon Self, Office of the Revisor of Statutes

Daniel Yoza, Office of the Revisor of Statutes

Linda Reed, Committee Assistant

Conferees appearing before the Committee:

Glenn Deck – Executive Director of KPERS

Tom Krebs – Kansas Association of School Boards

Terry Forsyth – Keeping the Kansas Promise

Beccy Yocham – Deputy City Attorney

Gary George - Olathe Public Schools

Jane Carter – Kansas Organization of State Employees

Others attending:

See attached list.

The hearing was opened on **SB 49--Increased employee and employer contribution rates and benefit formula multiplier.**

Chairman Morris welcomed Mr. Glenn Deck – Executive Director of KPERS (Attachment 1), to the Committee. Mr. Deck spoke to the Committee on the three components of the bill, consisting of increased employer contributions, increased employee contributions, and increased multiplier for future service. Mr. Deck concluded that legislative action to begin establishing a more sound foundation for KPERS' long-term financial health is needed as quickly as possible. By raising the statutory cap on employer contribution increases to 1.0% and increasing employee contribution by 2% over a four-year period, **SB 49** provides a meaningful first step. Mr. Deck urged the Committee to work toward enactment of legislation such as **SB 49**.

Mr. Deck took questions from the Committee, regarding State, School and Local Group Projections. The Executive Director also presented to the Committee an analysis of additional employer contributions under **SB 49**.

Mr. Tom Krebs, Governmental Relations Specialist for the Kansas Association of School Boards (Attachment 2) spoke in support of **SB 49**. Mr. Krebs stated that by raising the contributory cap and increasing the employees' contributions, the state is taking the first step in the right direction, which, in the long run, protects our members' employees' interests. Mr. Krebs went on to say that it may be a difficult choice to make, but the group feels it to be the correct choice.

Mr. Terry Forsyth from the Coalition for Keeping the Kansas Promise, presented testimony in opposition of **SB 49**. Mr. Forsyth stated that they support certain provisions of **SB 49**, though, as a whole, the Coalition opposes the legislation. (Attachment 3)

Beccy Yocham, Deputy City Attorney of Lenexa, Kansas provided written testimony in support of the bill. (Attachment 4).

Gary George, Ed. D., Assistant Superintendent of Olathe Public Schools, also provided written testimony in support of the bill. (Attachment 5)

CONTINUATION SHEET

The minutes of the KPERS Select Committee at 8:00 a.m. on February 23, 2011, in Room 152-S of the Capitol.

Written testimony was presented in opposition of the bill (Attachment 6) by Jane Carter, Executive Director of the Kansas Organization of State Employees.

Mr. Deck provided information requested during the initial meeting requested by Senator King. (Attachment 7). Mr. Deck spoke on the impact of lowering KPERS investment return assumption and the relative cost of of the components of **SB 49**.

The meeting was adjourned at 9:00 a.m.