

Serving individuals with intellectual and developmental disabilities in Riley, Geary, Pottawatomie, and Clay Counties

Lori B. Feldkamp
President and
Chief Executive
Officer



big lakes
developmental center, inc.

1416 Hayes Drive, Manhattan, KS 66502 Phone: 785/776-9201
Fax: 776-9830

TO: Senate Ways and Means Committee
FROM: Lori B. Feldkamp, President & CEO
DATE: March 5, 2019
Re: **SB210**

Thank you for the opportunity to offer testimony today in support of SB210. Big Lakes is a not for profit organization that has provided services and supports for people with intellectual and developmental disabilities in Riley, Geary, Pottawatomie and Clay counties for over 45 years. Those services include employment services and day activities, residential services, transportation, health and wellness services and case management. Services are provided in both the small urban settings of Manhattan and Junction City as well as rural communities such as Clay Center, Wamego, and St. Marys.

Like a handful of similar organizations around the state, Big Lakes became a KPERS organization in the 1990s when it was determined we were a quasi-governmental entity providing services on behalf of the state. At that time, the KPERS retirement plan was a great benefit for employees and assisted us in attracting applicants to our field. Over the next 23 years, Big Lakes' pool of applicants, the resources we have available, and the needs of the people we serve and the staff who serve them have changed significantly. KPERS eligibility requirements also changed from a one-year delay following employment to immediately upon hire. Both the employee and employer contribution rates have increased significantly as well. **The majority of employees we hire for direct support positions find membership in KPERS to be more of a challenge than a benefit.**

Big Lakes' home office is located in Manhattan and we provide 24-7 service for 115 people in residential services. Kansas State University, Manhattan Christian College and Manhattan Area Technical College students provide the bulk of employees for our residential department. Their school schedules align well with evenings, nights and weekend shifts that must be covered. Students can be good employees but most are working on degrees to allow them to pursue a different profession and they do not plan to make Big Lakes or this field their career. **For students looking for temporary work, KPERS is not a benefit at all.**

Employees who are scheduled to work more than 1,000 hours in a year are required to contribute to KPERS from day one; even though they have no intention of working for a KPERS organization when their college days are over. The vast majority of these students work less than two years, as evidenced by our **turnover rate which was 51% and 61% in 2018 and 2017**, respectively. When they graduate, or leave us for some other

reason, employees can request their KPERS contributions be returned to them. However, the amount that Big Lakes contributed remains with KPERS.

This may have a small positive effect on the bottom line for KPERS but it adds no value at all for those short-term employees or for our organization as the employer. It actually has a negative effect, because dollars that we spend to fund an unwanted retirement option could have instead been utilized to increase wages. This would make us a more competitive employer in Manhattan where starting wages at fast food restaurants are approaching \$12 per hour. Big Lakes starting wage, minus the required 6% KPERS contribution, is \$10.34 per hour. With unemployment at or below 3% in our area for many years, we need to be responsive to the demands of the applicant pool available and KPERS is not a priority for them.

High turnover as a KPERS employer also increases our administrative overhead for processing the paperwork for enrollment and withdrawal from KPERS. Big Lakes has approximately 200 individuals on payroll each pay period. In 2018, we hired 101 and lost 118 employees. The paperwork is a burden for us as well as KPERS.

SB210 was written, in cooperation with KPERS staff, to change the eligibility requirements for I/DD providers, like Big Lakes, to take into account the high turnover in this field. **Mr. Conroy and his team at KPERS were instrumental in the drafting of SB 210 and Big Lakes appreciates their willingness to help us address a significant problem in a positive and constructive manner.**

How SB210 would benefit Big Lakes:

- 1) KPERS eligibility requirement would change from immediate eligibility to a “two year trainee period” for direct support staff. During that time, trainees would not enroll in KPERS and would keep 6% of pay that had been previously deducted.
- 2) Those who choose to make Big Lakes a career would then be enrolled after the two year requirement is fulfilled.
- 3) KPERS and Big Lakes would no longer be required to process hundreds of enrollment and benefit termination paperwork each year.
- 4) Savings in employer contributions would help Big Lakes to increase our wages and benefits to be responsive to the demands of the workforce we are recruiting.
- 5) Big Lakes would continue to be a KPERS employer and employees choosing to make Big Lakes a career will have a retirement benefit.

Summary

Thank you for your careful consideration of this bill. **Your support of SB210 will help community service providers like Big Lakes** in addressing shortfalls in resources and workforce challenges while protecting retirement benefits for those who have demonstrated a commitment to serving individuals with intellectual and developmental disabilities.