

MINUTES OF THE SELECT COMMITTEE ON KPERS

The meeting was called to order by Chairman Richard Carlson at 5:00 P.M. on March 12, 2007, in Room 234-N of the Capitol.

All members were present.

Committee staff present:

Julian Efird, Legislative Research Department
Gordon Self, Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Kristy Stallings, City of Overland Park

Others attending:

See attached list.

- Attachment 1 Amendment to **HB 2558**
- Attachment 2 Fiscal Note on **SB 232**
- Attachment 3 Testimony on **SB 232** by Kristy Stallings
- Attachment 4 Written testimony on **SB 232** by Whitney Damron, on behalf of the City of Topeka
- Attachment 5 Written testimony on **SB 232** by Larry R. Baer, Assistant General Counsel, League of Kansas Municipalities

Discussion and Action on HB 2558 - Enacting the Kansas Public Employees Retirement System Act of 2009.

Representative Yoder made a motion to recommend **HB 2558** favorable for passage. The motion was seconded by Representative Lane. Motion carried on a voice vote.

Representative Flaherty made a motion to amend **HB 2558** to include language amending K.S.A. 2006 Supp. 72-5413 (Attachment 1). The motion was seconded by Representative Lane. Motion failed on a 3-4 vote.

The Committee suggested that the amendment be addressed by the House Appropriations Sub-Committee on KPERS, who is working a number of pieces of legislation directed at changes for retirees as opposed to amending the language into **HB 2558**, legislation that would establish a new plan for KPERS.

Discussion and Action on HB 2557 - Permanent COLA for certain KPERS retirants and increase in employee and employer contributions related thereto.

Representative Yoder made a motion to recommend **HB 2557** for an interim study. The motion was seconded by Representative Schwartz. Motion carried on a voice vote.

Hearing on SB 232 - Municipalities; postemployment benefits other than retirement; authorization.

The fiscal note on **SB 232** was distributed to the Committee (Attachment 2).

Julian Efird, Legislative Research Department, explained that **SB 232**, as amended by the Senate Ways and Means Committee, would allow a taxing subdivision to create a trust fund to hold or invest assets of postemployment benefits bonds. Additionally, the bill would allow the taxing subdivision to participate in a multi-employer trust fund. The bill would expand the definition of "other postemployment benefits" to include postemployment healthcare, life insurance and other benefits.

Responding to a question from the Committee, Dr. Efird stated that the legislation was requested

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by a local entity and would clarify how a taxing subdivision would account for, fund and report post-employment benefits.

Chairman Carlson recognized Kristy Stallings, Deputy City Manager of the City of Overland Park, who presented testimony in support of **SB 232** (Attachment 3). Ms. Stallings stated that the City of Overland Park requested the legislation to allow governmental entities to establish and contribute to a trust in order to fund future liabilities for "other post-employment benefits" such as healthcare, life insurance and other related benefits extended to retirees. The legislation would allow the entity to appropriate funds on an annual basis.

Responding to questions from the Committee, Ms. Stallings indicated that currently the benefits are paid on a "pay-as-you-go" basis. By reserving funds and investing over time, the benefits would be more manageable and assured for the future. Ms. Stallings stated that the legislation allows for a mill levy for allocating funds on an annual basis.

Written testimony in support of **SB 232** was received from:

- Whitney Damron, on behalf of the City of Topeka (Attachment 4).
- Larry R. Baer, Assistant General Counsel, League of Kansas Municipalities (Attachment 5).

There were no opponents or neutral presenters to appear before the Committee.

The hearing on SB 232 was closed.

The meeting was adjourned at 5:20 p.m. The next meeting of the Committee will be held at 5:00 p.m. on March 15, 2007.

Richard Carlson, Chairman