

SB 9 Proponent Testimony – written only
House Committee on Appropriations
KPERS Payment of \$115 million
Michael Austin – Director, Center for Entrepreneurial Government
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Chairman Waymaster and Members of the Committee,

My name is Michael Austin, Director of the Center for Entrepreneurial Government, and I present to this committee written proponent testimony to SB 9 in its current form.

Senate Bill 9 authorizing the state to make a transfer from the state general fund of \$115 million to the KPERS fund is a step in the right direction. To assess whether the effort states make to fund their pension plans is worthy, one must observe the actuarial required contribution rate or ARC rate. A government that has paid the ARC in full has covered benefits accrued in the current year while also paying down liabilities that were not funded in prior years. Anything short means unfunded liabilities grow and greater payments in the future will be required. According to the fiscal note for SB 9, making a payment of \$115 million lowers the ARC by 0.23 percent, and saves the state roughly \$200 million in future payments.

SB 9 is a way to ensure the state not only cares about retirement benefits for public workers, but also ensures the state remains on solid financial footing. For this reason, we urge the committee set SB 9 for passage.