



# Update

Dear Friends,

April 12, 2023

*Since my election to the KPERS Board of Trustees, I have a new disclaimer that I must include in these updates from now on: "The views expressed in this update represent my views and/or the views of the Coalition. They do not in any way represent the views of KPERS Board of Trustees nor do I speak for them." (Ernie Claudel)*

## KCPR APRIL UPDATE

As a friend once told me, "The legislature is never really done until the last gavel falls." This activity is referred to as 'Sine Die' which will end the veto session which is scheduled to begin April 26<sup>th</sup>.

Regarding KPERS-related bills that passed:

1. The DROP program has been extended to cover all KP&F personnel.
2. Fish & Game, 'sworn personal' to KP&F (These are the officers who do police work in the field and are armed.)
  - A. This was championed by a respected R who is retired F & G, who is retiring from the House.
  - B. The Cost is \$2.7 million to make up the UAL for these folks.
  - C. Additionally, \$1 million a year increased employer contribution.
  - D. For the first time, this burden has been placed on the department rather than the State General Fund.
3. ESG BILL UPDATE
  - A. If there are no further changes in the ESG Bill (which has been rolled into HB2100), the only additional cost to KPERS would be the proxy vote analysis, as that remains in the bill. The annual cost to KPERS (max) is estimated to be \$915,000. This estimated cost would include one additional KPERS employee and the hiring of a proxy vote service.
  - B. The portions of the bill that posed serious DANGER were removed from the original bill(s) because of the following:
    - a. Factual information provided by KPERS. This was the first time in the history of KPERS that KPERS representatives testified against a bill.
    - b. The Chamber of Commerce and the Bankers Organizations, along with the Savings and Loans Organizations, demanded the remainder of the troublesome language be removed. BTW the word demanded is likely not tooooo strong!

## ERNIE'S OBSERVATIONS

1. I talked to approximately 75 legislators regarding the above-listed KPERS issues: specifically, Tier III and a benefit increase, I found a lot of support. Please note that I spent most of my time with the majority party.
2. I asked repeatedly what was keeping these bills from advancing and I was told repeatedly by both sides of the aisle, and both ends of the building that it was leadership.

3. It should be noted that an example of this was the recommendation for a Tier III review that came out of the Joint Committee on Pensions, Benefits and Investments. This was again suggested in a Senate Committee Hearing. Reading between the lines, this never happened because the President of the Senate didn't want this review to happen.
4. Your cards and letters are working, the pressure and level of concern have not worked their way to majority leadership yet. For reasons unknown to me.

### **What Can You Do?**

1. KEEP those 'cards and letters' flowing.
2. The Governor will be out and about the State. Express to her at every opportunity that we need to have her put a 'Benefit Increase' in her budget.
3. A lot of the legislators will be holding Town Hall meetings during this session break. Attend these sessions and let them know of your demands.
4. We need to start writing to the Governor as well and demanding action on a benefit increase.
5. We know many groups are making legislative contacts. These actions have raised concerns about the present level. The next step is direct action! NOW we need the votes!
6. More ideas and strategies will be forthcoming.

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