



Update

Dear Friends,

November 14, 2018

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)

TODAY'S MEETING

The November 14, 2018, KCPR meeting was held at the KNEA location. The next meeting will be December 12, 2018 (the second Wednesday as usual).

During this morning's meeting the following discussions/announcements took place:

- A. Election outcomes were discussed. Because of the 'changes' yet to come regarding appointments, reorganization of the House, pending official election outcomes, replacement of vacated positions, etc. there are no final determinations to be made. On a positive side, Governor elect Kelly did not run on more tax cuts. The increased revenue is promising, but caution has prevailed, and the Governor Elect has promised to wait until April before an expanded spending is determined.
- B. If you are interested in election outcomes in more detail:
 1. Go to www.kssos.org
 2. Then click on Unofficial Kansas General Election Results
 3. A Kansas Map will pop up. Click on the County of interest and the Election Results of that County will be available.
- C. The fall fundraiser request letters have been mailed and KCPR has received some promising donations. Thanks to all who donated! We look forward to working with our other partners in calendar year 2019.
- D. We had a lengthy discussion regarding the COLA bill. Final decisions on exactly what should be pursued are still pending. The Governor Elects promise to withhold final budget decisions until April make this an even more interesting decision. We will propose a COLA but exactly what it will look like has not yet been determined.
- E. There were also discussions regarding the rationale to be used to promote the COLA bill once its content is determined.
- F. The KCPR 2019 Report to the legislature was approved. We would like to get the copy to all legislators as soon as possible. While assembling the report, the "History of KPERS Benefit Increases" was retyped and carefully reviewed. The final count indicates that there were 16 benefit increases between 1973 and 1998. There were also 5 bonuses during this time. (A bonus in this case is defined as a onetime increased benefit enhancement, NOT permanently added to the base.) The 16 count also includes benefit increases to the base benefit as well as 13th check authorizations.

INTERESTING POSITIVE PENSION COMMENTS

As you are aware, KCPR receives pension related information from a number of sources. If you read this newsletter regularly, you are also aware that there are organizations that spend a great deal of time "slamming (especially public) pensions"! We are happy to report that we found an Op Ed that supports public pensions. Included below is a summary of the article:

Sherry Chan is the chief actuary of New York City who states the following in an op-ed in *Crain's New York Business* entitled, "Public Pensions Help the Whole City, Not Just Retirees":

1. All citizens benefit from public pensions, not just the retirees.
2. While public pensions may carry debt, they also create revenue.
3. Unfortunately, pension costs, funding levels and their liabilities seem to be the only matters highlighted. In her op-ed, she points out what she calls the 'right reasons' to care about public pensions:
 - A. Pension Money stays home and gets recycled.
 - B. Public pensions are predictable contributors to the economy.
 - C. Both pension costs and economic benefits are shared.

Personal notes on the above:

Regarding A above: Approximately 90% of the Pensions Benefits are delivered to Kansas Addresses.

Regarding B above: This is especially helpful in rural areas during difficult economic times.

Regarding C above: KPERS members contribute to the Kansas pension system as do the taxpayers.

Therefore, both costs and economic benefits are shared.

PRESENT KPERS FUNDING LEVELS

Members of the KCPR Steering Committee attended the Joint Committee on Pensions, Benefits and Investments on October 29, 2018. At that committee meeting emphasis was placed on continued proper funding by the Chair and Vice Chair, as well as several of the committee members. They cautioned against fund backsliding. *The annual actuarial recommended contribution, because of the years of underfunding, is roughly 6 times larger than if the pension system had been properly funded.* The present contribution plan is scheduled to reach the actuarial (\$692 Million) amount in 2021. *If this schedule is maintained, this will be the first time in 27 years that the 'proper' actuarial amount has been scheduled for payment. Further, the recent emphasis on proper funding has reduced the target of 80% funding of KPERS to 2026. This is 6 years earlier than the projections in 2008.*

ON A PERSONAL NOTE

I try very hard to keep up with your address changes. If you have asked me to change your email, from work to home, or just changed providers, and I have not responded, please give me another chance. There is at least one former City of Hutchinson employee that I have lost the new address for that I know of. If there are others, please let me know.

December KCPR Meeting

Some of the topics to be discussed are as follows:

- A. Delivery of the "Recommendations for the 2019 Legislative Session" will be discussed.
- B. Development of the Rationale for a COLA Bill.
- C. Development of the weekly "Email Blasts" to the legislature will be evaluated.
- D. Final Report on Our Fundraising Efforts.
- E. Beginning discussions regarding the February Rally.

Date to Remember

The **KCPR Rally** in support of KPERS will be held Monday, **February 4, 2019**, at 9:30 AM at the State Capitol in Topeka. (This date is Tentative but likely.)

Have a wonderful Weekend! Let me know if you have questions!!

- Remember to send me your updated email address...also if for any reason you should no longer wish to receive this update, let me know at the address listed at the end of this "update," and I will contact you and remove you from the official mailing lists.
- Just a reminder, that this email is an official report of the Kansas Coalition of Public Retirees. If I editorialize, I will indicate that fact.
- Remember that we want you to forward this to other retirees and the "working" who will benefit from this information.
- The KCPR website is www.ksretirees.org

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