



Update

Dear Friends,

March 13, 2019

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)

We will upfront apologize for the length of this Update, but feel you need to know this information and further we need your help!

The monthly KCPR meeting was held on March 13th. This followed the testimony in front of the House Committee on Financial Institutions and Pensions. Ernie & Terry Forysth testified against two bills (HB2217&2329), and Dennis and Ed Klumpp against one of the bills. I would suggest that if you are going to only read one of the Testimonies on HB2217, that you read Ed's. The bills are explained below and a copy of the testimonies are included as part of the attachments to the "Update".

The KCPR meeting time was moved to 11:00 AM because of the Testimony. The discussion was centered on more communication with the Legislature. As you may know, KCPR releases an 'Email Blast' to the Legislature every Tuesday. These are carefully planned to inform the Legislature about KPERS related items, most particularly the COLA. The last release relates to KPERS School actually being underfunded twice. I have also included a copy of that release. One of the reasons this was released was because it became very apparent that many, if not most, of our Legislators had no idea about this.

We also discussed how we might continue to push for a COLA. Just as a reminder, the two COLA Bills KCPR had introduced in the House and the Senate are identical. They just have different numbers for the proper legislative body. They are HB2100 and SB74. The House Bill was heard (testimony given) but was never considered (worked) so as to be voted on. We believe the bill is dead since it did not make it through "Turn Around"! There was also an attempt made to attach it to a bill during a floor debate on the House floor and it was defeated. HOWEVER, my friends point out that no bill is ever dead until the final gavel falls at the end of the session.

Now for the Senate bill. It was introduced in the Senate Ways and Means Committee, which is a committee of higher standing. It is, therefore, considered "blessed" so can be "heard" at any time during the session if the Chair Person decides to have a hearing on the bill. Below you will find the action we suggest you take in regards to this bill.

Please contact your State Senator and the Leaders of the Senate Ways and Means Committee

In fact if you have time and your 'cut and paste' skills are working, contact them all using the address list which is attached. All you should have to do is click on the address and an email properly addressed should pop up. Bill Layes has been kind enough to write up the following example. I would suggest that you put the statement in your own words. What you send to each Senator can be the same!!

The Leaders of this committee are: Chair Senator McGinn, Vice Chair Billinger, and Ranking Minority Member Senator Hawk.

Currently SB74 is before the Kansas Legislature which establishes a small one-year Cost-Of-Living (COLA) for KPERS retirees. It has been 21 years since the last COLA was passed in 1998. Because of the effective date of the previous COLA, as of July 1st it will be 22 years. As an employee, you contributed a minimum (4.0 percent now 6.0%) from each pay period to the KPERS system and it was designed to finance a safe and healthy retirement.

At this time SB 74 remains in the **Senate Ways and Means Committee** and needs to have a formal Legislative hearing to move forward. Without a hearing, the bill will die for this session in committee!

We write you today and urge you to take a few minutes to email your STATE Senator in support of SB74. Simply cut and paste the message above or attach the WORD or pdf. **THIS will only take a few minutes and could be critical to passage!!!**

Be sure you include your name and address on **your** personal Senator and Representative notes so that they know you are their constituent.

Review of the Testimony Regarding HB2329 and HB2217

Regarding the bills testified against on Wednesday. The only testimony in favor of both bills was Rep. Ron Highland, Wamego, who introduced both bills. There was no neutral testimony. The attached testimony illustrates the concern on this bill which basically wanted to increase the school employee contribution to KPERS from 6% to 7.5%, while increasing the teacher's salaries the same amount.

The second bill, HB2217 basically called for options to return to a 401k type retirement. Those testifying against HB2217 were KNEA (Represented by Terry Forsyth) and KARSP & KCPR, (Represented by Ernie Claudel), the Kansas Counsel of Firefighter's (Represented by Dennis Phillips) and The Kansas Association of Chiefs of Police, The Kansas Sheriff's Association, and The Kansas Peace Officers Association (Represented by Ed Klumpp). The attached testimony explains the bill (sort of) and the concern. It would be suffice to say that no one thought much of this bill! Either bill for that matter. We believe there will be no further action on this bill.

The Good News

On Friday, March 8, 2019, a number of the folks representing KARSP & KCPR attended the signing of SB9. We are not in position of a copy of the total group but the following represented our groups directly or indirectly: Sarah LaFrenz of KOSE, Lisa Ochs of AFT, Chris Huntsman of KNEA Retired, KARSP, and KCPR. The following represent KARSP and/or KCPR: Dennis Phillips, Harvey Ludwick, Pricilla Taggart, Janice Bard, Donna Freel, Marc Galbraith, and Ernie Claudel.

The bill completes the repayment of the KPERS contribution skipped in the Brownback era. This was a joint effort of the House, Senate and Governor Kelly. This is the first time in 25 years the actuarial recommended contribution has been made.

According to KPERS with the \$115 million (from SB9), that will bring the total to \$600 million in Fiscal Year 2019. The actuarial required contribution amount is \$597 million, or \$3 million below the \$600 million amount. Plus, KPERS will receive an additional \$56 million if the actual State General Fund receipts are at least \$56 million above the April State General Fund Consensus Revenue Estimate. Should that happen, then we will be at \$657 million or approximately \$60 million above the actuarial required amount. Obviously an historic day for KPERS!!

Have a wonderful Weekend! Let me know if you have questions or need help with the above requested assignment!!

Stay warm AND DRY!!

- 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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