



Update

Dear Friends,

February 8, 2017

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)

This Update contains two sections:

- A. Review of the February KCPR Meeting.
- B. Follow up on the KCPR Rally in support of KPERS.
- C. List of House Appropriations Committee Members

The KCPR COLA bill has a number HB2323. I wish we had more information on the progression of this bill but as soon as we get that we will pass it along. As implied later in this Update, you will note that it has NOT been assigned to the 'Pension Committee'. This bill if it gets a hearing will be heard in the House Appropriations Committee. I have not had time to put together a contact list, but a list of who is on the committee can be found at the end of this Update.

The monthly meeting of KCPR was held on February 8, 2017. The Rally was processed and discussions were conducted on how it could be improved. One important thought was the idea that Monday, as opposed to Wednesday, seemed to be a good fit. It was noted that there was either a better PA system or a reduced noise level this year. It was also noted that there were a number of firefighters present at the Rally. Sadly, most in attendance were from out of town. If the percentage of school employees in attendance were matched by other groups under the KPERS Umbrella, we could fill the place! Few retirees from Topeka attended.

It was also noted that 13 of the KARSF Executive Board were in attendance. KCPR wishes to thank them for their never ending support.

KCPR is discussing expanding its communication system past emails. We will keep you up to date on the happening!! With things moving so fast in the legislature and the need may arise for rapid communication. Please keep an eye on all forms of communication by which KCPR normally communicates with you daily! I promise to try to do better with my twitter communication.

It should be noted that Jay Rowh, President of the Silver Haired Legislature was in attendance and took an active part in the discussion.

A rather lengthy discussion was held in regards to the position of the Legislature in as far as KPERS funding and the related taxing issues are concerned. Several points were made and discussed:

1. Just because there is \$17.4 billion dollars in the KPERS Trust Fund, which does not mean the future is secure. As stated at the Rally by Rep. Johnson, "Your benefits are secure, your children's are not!" As mentioned earlier in this newsletter, the plan to underfund must not be allowed. The easiest explanation revolves around cash flow and the payment of benefits.
2. There is still a group of legislators, certainly less than in the past, but a group supported and encouraged by The Kansas Policy Institute, The Kansas Chamber of Commerce and others who continue to try to do away with public pensions. Their initial goal was to change to a 401K type system. This was determined to be even more costly than any present system. Next came the encouragement to underfund and as of late to further tax benefits. Because of legal entanglements, their present target is the 'Regents Retirement System.' We must be ever vigilant.
3. If and when taxes are raised, which seems inevitable because of absolute necessity, in the next election all the moderates will be blamed for the tax increase. The 'spin doctors' will be in full view. Also it should be noted that the next election will set up the next district redistricting. Be ever vigilant!!

We approved the survey of those running for the KPERS Board of Trustees. These surveys will be delivered so that they can be asked to be returned by the first of March. The responses received will be posted on the KCPR website. The candidates for the KPERS School Position are Ernie Claudel, retired educator from Olathe, and Joella Reid-Skyles, retired teacher from Pittsburg. Both were in attendance at the Rally. Ernie introduced Mrs. Reid-Skyles to the crowd. The KPERS position also has two candidates: David Adams from KSU and Ryan Trader from the Olathe Fire Department. Neither was in attendance.

KCPR RALLY REPORT

The Rally this year was a great success! There were an estimated 250 plus in attendance. The weather was wonderful and the atmosphere and background noise in the Capitol was such that we believe everyone was able to hear what was said. The speakers made some very interesting points. In the last Update, you received the list of speakers invited. What follows is a brief review for those of you who were not able to attend, or for some reason were unable to hear the speakers.

Ernie introduced Dennis Phillips, Co-Chair of KCPR, as the Master of Ceremonies. Dennis' position has been that if the Governor feels that if KPERS is in such good shape that it can once again be short funded, then there is surely plenty of money for a COLA. He thanked everyone for attending.

All of the speakers thanked the public retirees in attendance for their service to the State of Kansas and for the effort they put forth to attend the Rally and be politically active.

Senate Minority Leader Anthony Hensley -- has been very direct in his comments relating to the Governor and his tax plan. These continued in his remarks at the Rally. He wants to see the LLC tax loop holes done away with. His analogy, which he said has its origin in the Governor Graves era, was the three legged stool of tax: Sales, Property, and Income Taxes. He asserted that Governor Brownback's tax plan removed the income tax leg of the stool. Reinstatement of due process rights for teachers and reinstatement of state civil service so that raises and promotions are based on merit, not politics, should be pursued. He also stated that the amortization period should not be extended. He stated that the net result of this would be running up debt to billions in the future trying to save millions now.

Representative Jim Ward -- House Minority Leader -- Representative Ward reminded the group that since the total involved in KPERS numbers 300,000 that they (you) have a powerful voice. In his view, public employees are underpaid, and the one thing they do have to look forward to is a reasonable retirement. KPERS should be properly funded so this will not be taken away. He also made the assertion that time should be used for the purpose of solving the funding problems, not talking about 'Working After Retirement'. He also endorsed repealing the LLC tax exemption.

Representative Jim Kelly -- Financial Institutions and Pension Chair, indicated that the main goal of the present committee is studying WAR [Working After Retirement] and simplifying it. He also indicated that the present payment system needs to be protected. (KCPR note: The COLA discussions and funding discussions have been removed from this committee. This is not necessarily a bad thing; it is just the way procedures were set up this year.)

Representative Ed Trimmer -- Financial Institutions and Pension Member - KPERS is not a Ponzi scheme as some have suggested. It works if we fund it! Besides making up for lessor wage, public pension systems were designed to help keep the economy afloat so that a terrible depression would never happen again, such as in the 1930's. In order to keep an economy up and running, one group would be employed and have money to spend. Paying of the UAL should be our goal, not extending the payoff period from the present 2033 to 2043 as the Governor has suggested.

Representative Stephen Johnson, Chair -- Joint Committee on Pensions, Benefits and Investments and Chair of House Tax Committee -- did much praising. He indicated that the present benefits are secure, but at this point your children's benefits are not secure. In order to secure the benefits for all, the present payment schedule should be maintained.

Finally of those invited to speak -- The Governor, Treasurer Estes, & Speaker Ryckman responded that they were either out of town or had calendar conflicts. Representative Finney deferred to Representative Trimmer.

Senators Wagle and Longbine did not respond or speak. We were disappointed that Senator Longbine did not speak because we understand that he is not in favor of additional short funding of KPERS.

Harvey Ludwick, former KARSP lobbyist and KARSP Executive Director, briefly explained the rationale for the COLA Request. In politics as in life, timing is very important. As always keep an open line to your legislators. Now that we have HB 2323, we will keep you up-to-date as we work for a hearing. Prior to the hearing the House Appropriations Committee needs to hear from every retiree in Kansas. Now is not the time to sit back. Keep vigilant in this issue as well.

Ernie Claudel thanked the group for attending. The push for KPERS solvency for the future public employees and a COLA for the present retirees is tied to the proper funding of KPERS. The gains which have been made to date, that are sometimes hard to see, have been made because of the efforts of all the retirees and KPERS employees who contact their legislators, find candidates who have their beliefs, work in those campaigns and vote. While the men and women of KCPR receive many thanks for being the 'boots on the ground' in Topeka, it is the folks under the KPERS Umbrella that provide us the leverage. When it comes to legislation, it makes no difference how 'right' you are you must have the votes!!

House Appropriations Committee

Chair: Troy Waymaster, R-Luray

Vice Chair: Erin Davis, R-Olathe

Ranking Minority: Kathy Wolfe Moore, D-Kansas City

Members: John Alcalá, D-Topeka, Barbara Ballard, D-Lawrence, Tom Burroughs, D-Kansas City, Larry Campbell, R-Olathe, Sydney Carlin, D-Manhattan, J.R. Claeys, R-Salina, Susan Concannon, R-Beloit, Henry Helgeson, D-Wichita, Kyle Hoffman, R-Coldwater, Steven Johnson, R-Assaria, Kevin Jones, R-Wellsville, Jan Kessinger, R-Overland Park, Greg Lakin, R-Wichita, Brenda Landwehr, R-Wichita, Eber Phelps, D-Hays, Richard Proehl, R-Parsons, Bradley Ralph, R-Dodge City, Don Schroeder, R-Hesston, Bill Sutton, R-Gardner, and Sean Tarwater, R-Stilwell.

Looks like we are in for another glorious week! Enjoy!!

- Remember to send us your updated email address...also if for any reason you should no longer wish to receive this update, let us know at the address(es) listed at the end of this "update," and we 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 Ron and I editorialize, we 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

Ernie Claudel
eclaudel1@comcast.net
913-481-6923