



# Update

Dear Friends,

February 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)

The monthly KCPR meeting was held on February 13<sup>th</sup>. As you are likely aware, between the Governor's proposed re-amortization plan and the Senate push for a "windfall" tax cut measure, there was much to discuss. Since our meeting, the House has rejected the Governor's re-amortization proposal and the House Tax Committee is preparing to hold hearings next week on the Senate tax cut bill. As a reminder, the tax reduction bill relates to the so called "windfall" coming from the Federal Government which was caused by the 2017 Federal tax reform bill. With the high probability of a balance once again in the State budget and because if we don't ask for a COLA, we are never going to get one, we submitted a COLA Bill. The Chairman of the House Committee on Financial Institutions and Pensions, Rep. Kelly, further chose to have a hearing on the bill this past Monday. A synopsis of that meeting is detailed below.

As you could wisely guess, we had a wide ranging discussion about the COLA Bill Status and how we should proceed. We have detailed some of our suggestions below. The years of under-funding, which now stand at 25, impact the outcome because of that action impacting the Unfunded Actuarial Liability (UAL). The so called 'normal cost', i.e., the State contribution would amount to about \$100 Million a year for all state and school employees. With the UAL added into the financing, the actuarial recommended contribution stands at over \$620 Million.

## COLA Costs

There has been some misinterpretation of COLA costs because of articles appearing in some newspapers across the state. I have been questioned by retirees as well as legislators regarding the numbers. On our original, identical, COLA bills, HB2100 & SB74, the projected costs are as follows:

1. If the cost was amortized over 15 years, the cost would be \$12.64 Million annually for that period of time.
2. If the legislature chose to fund with a one time, up-front payment, the cost would be \$135.7 Million for a onetime contribution to fund the Cola.
3. The \$185 Million number, you may have read, is the cost to the UAL if the COLA was in-acted with neither of the above contributions. Number 3 is NOT likely to be the way the legislature would choose to fund such a plan.

## Review of the Testimony Regarding HB2100

The following people or organizations testified in behalf of the COLA Bill:  
(w = testimony in writing)

Rep. Virgil Weigel, KPERS Retired. He also introduced the bill in the House for us. Also KARSP (w), KCPR, Kansas FOP (w), Ed Klumpp testified in behalf of: Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and the Kansas Peace Officers Association. Finally, the Kansas Council of Fire Fighters, and Bill Layes (w). The next challenge will be to convince the Chairman to "work the bill" which will end in a yes or no recommendation to send it to the floor of the House for consideration. We will indicate how you can help us with that below.

We have attached a copy of the KCPR Testimony. This should provide you with needed information regarding the need for a COLA.

The other notable outcome of the committee meeting was to recommend the passage of HB2099 to the floor of the House. This would move what you and I knew as Kansas Game Wardens, to KP&F from regular KPERS.

There are some 110 Certified Law Enforcement Officers that work for Wildlife and Parks, who have never been covered under KP&F.

**Please contact your State Senator and Representative.**

We hope you will not pass on this request!! We would encourage you to ask **your** Representative and Senator to support a COLA, unless you have already done so. But what we really need is for you to contact members of the House Committee on Financial Institutions and Pensions, whose addresses are again attached, then urge them to "work" our COLA Bill. What this means is to discuss it and determine whether to send it to the floor of the House or not. (This is a separate action from having a "hearing" on the bill which we described above.) Action on the identical bill SB74 is stalled in committee, so contacting your Senator and urging action can only help on this side of the Capitol. The Senate Bill is presently in the Senate Ways and Means Committee. Addresses also attached. (Note: The next step in each committee is at the discretion of the Chair. The Chair of the House Committee listed above is Rep. Kelly. The Chair of the Senate Committee is Sen. McGinn.)

If you do not know who your Kansas legislators are, go to [openstates.org](http://openstates.org). Scroll down and find the link "Find Your Legislator" and click on it. An option will appear, which indicates "Find by Address". Fill in your complete address and click "Search by Address".

Next go to [kslegislature.org](http://kslegislature.org), click on House or Senate Roster. You will find who you are looking for in alpha order with their email address on the roster list. If you desire more information on them, click on their name.

[http://www.kslegislature.org/li/b2019\\_20/chamber/house/roster/](http://www.kslegislature.org/li/b2019_20/chamber/house/roster/)

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

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

- 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](http://www.ksretirees.org)

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# Kansas Coalition of Public Retirees



## TESTIMONY IN SUPPORT OF HB 2100 HOUSE FINANCIAL INSTITUTIONS AND PENSIONS COMMITTEE FEBRUARY 11, 2019

Chairman Kelly and Members of the House Financial Institutions and Pensions Committee:

My name is Ernie Claudel, and I am here today in my capacity as Legislative Chair of KARSP, the Kansas Association of Retired School Personnel, and Co-Chair of the Kansas Coalition of Public Retirees, to support the passage of HB 2100, which seeks to provide a long overdue cost-of-living adjustment (COLA) for KPERS retirees. As an elected member of the KPERS Board of Trustees, the positions expressed in this testimony represent my views and/or the views of the Coalition and KARSP. They do not in any way represent the views of the KPERS Board of Trustees, nor do I speak for them.

I would very much like to thank Chairman Kelly for granting this hearing today and also thank Rep. Weigel for requesting the introduction of this bill.

The last bonafide cost of living adjustment was passed by the Legislature in 1997. For the record, that COLA was authorized by statute in 1998, but the effective date was July 1, 1997, 22 years ago. Prior to that time, between 1971 and 1997, the Legislature and the Governor authorized 16 cost of living adjustments and at least 5 bonus payments for retirees.

In the last 19 years we have seen medical care costs increase by 96% and have experienced the Consumer Price Index increase by over 50%. These cost increases take a toll on retirees with fixed incomes.

As you know, roughly half of KPERS retirees receive less than \$1,000 in monthly benefits. The average monthly benefit provided by KPERS is \$1,296 or \$15,555 annually. While individual monthly benefits are modest in nature, collectively they generate significant economic impact in every Kansas County and from corner to corner of our State.

HB 2100 is intended to provide the greatest benefit for those who have gone the longest without any kind of cost of living increase.

- A. Those retirees who retired on or before July 1, 2004 would receive a 3% COLA.
- B. Retirees who retired on or before July 1, 2009 would receive a 2% COLA.
- C. Retirees who retired on or before July 1, 2014 would receive a 1% COLA.
- D. The bill also seeks to be fiscally prudent and reasonable by capping any monthly benefit increase from exceeding \$150.

We believe the fiscal note on this proposal is reasonable and realistic given the current budget climate.

This COLA is long overdue and would be good, not only for public retirees, but for all of our communities and our entire state.

A sound pension system and responsible pension system will also assist in the recruitment and retention of public employees, especially educators. Unlike many States, Kansas retirees were required to pay 4 or now 6 percent to their retirement. Most financial institutions give a value added increase for the use of the money they receive. Kansas does not. While KPERS provides a consistent retirement benefit, it would be greatly enhanced by adding a COLA. The consistent retirement benefit was never intended to replace the need for an increase in the monthly benefit amount but to compensate for the pay differential between the private and public sectors.

With all of the above in mind, I respectfully request the committee give favorable consideration to HB 2100 and support advancing it to the full House of Representatives. Thank you again for allowing me the opportunity to testify today and for providing a public hearing on HB 2100.

## House Committee on Financial Institutions and Pensions 2019 Kansas Legislature

Name	District	Home Town	Office	Phone	Email
<b>Chairman</b>					
Jim Kelly	11	Independence	581-W	785-296-6014	<a href="mailto:jim.kelly@house.ks.gov">jim.kelly@house.ks.gov</a>
<b>Vice Chair</b>					
Boyd Orr	115	Fowler	519-N	785-296-7392	<a href="mailto:body.orr@house.ks.gov">body.orr@house.ks.gov</a>
<b>Ranking Minority</b>					
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<b>Member Committee Members</b>					
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Doug Blex	12	Independence	512-N	785-296-5863	<a href="mailto:doug.blex@house.ks.gov">doug.blex@house.ks.gov</a>
Suzi Carlson	33	Clay Center	166-W	785-296-7654	<a href="mailto:suzi.carlson@house.ks.gov">suzi.carlson@house.ks.gov</a>
Tom Cox	17	Shawnee	352-S	785-296-7331	<a href="mailto:tom.cox@house.ks.gov">tom.cox@house.ks.gov</a>
Leo Delperdang	94	Wichita	187-N	785-296-7663	<a href="mailto:leo.delperdang@house.ks.gov">leo.delperdang@house.ks.gov</a>
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Barbara Wasinger	111	Hays	167-W	785-296-4683	<a href="mailto:barbara.wasinger@house.ks.gov">barbara.wasinger@house.ks.gov</a>
Virgil Weigel	56	Topeka	451-S	785-296-7104	<a href="mailto:virgil.weigel@house.ks.gov">virgil.weigel@house.ks.gov</a>
Rui Xu	25	Westwood	174-W	785-296-7686	<a href="mailto:rui.xu@house.ks.gov">rui.xu@house.ks.gov</a>

To Write the Legislators using the U.S. Mails

*Legislator's Name*  
*Office Number or Office Designation*  
Kansas State Capitol

300 SW 10<sup>th</sup> Ave.  
Topeka, KS 66612-3232

## Senate Ways and Means 2019 Senate Standing Committee

Name	Party	City	Capitol Email	Capitol Office	Capitol Phone
<b>Chair</b>					
Senator Carolyn McGinn	R	Sedgwick	<a href="mailto:Carolyn.McGinn@senate.ks.gov">Carolyn.McGinn@senate.ks.gov</a>	545-S	785-296-7377
<b>Vice Chair</b>					
Senator Rick Billinger	R	Goodland	<a href="mailto:Rick.Billinger@senate.ks.gov">Rick.Billinger@senate.ks.gov</a>	236-E	785-296-7399
<b>Ranking Minority Member</b>					
Senator Tom Hawk	D	Manhattan	<a href="mailto:Tom.Hawk@senate.ks.gov">Tom.Hawk@senate.ks.gov</a>	135-E	785-296-7360
<b>Members</b>					
Senator Larry Alley	R	Winfield	<a href="mailto:Larry.Alley@senate.ks.gov">Larry.Alley@senate.ks.gov</a>	541-E	785-296-7381
Senator Ed Berger	R	Hutchinson	<a href="mailto:Ed.Berger@senate.ks.gov">Ed.Berger@senate.ks.gov</a>	235-E	785-296-6981
Senator Kevin Braun	R	Kansas City	<a href="mailto:Kevin.Braun@senate.ks.gov">Kevin.Braun@senate.ks.gov</a>	124-E	785-296-7357
Senator Jim Denning	R	Overland Park	<a href="mailto:Jim.Denning@senate.ks.gov">Jim.Denning@senate.ks.gov</a>	330-E	785-296-2497
Senator Dan Goddard	R	Parsons	<a href="mailto:Dan.Goddard@senate.ks.gov">Dan.Goddard@senate.ks.gov</a>	541-E	785-296-7742
Senator Anthony Hensley	D	Topeka	<a href="mailto:Anthony.Hensley@senate.ks.gov">Anthony.Hensley@senate.ks.gov</a>	318-E	785-296-3245
Senator Dan Kerschen	R	Garden Plain	<a href="mailto:Dan.Kerschen@senate.ks.gov">Dan.Kerschen@senate.ks.gov</a>	225-E	785-296-7353
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Senator John Skubal	R	Overland Park	<a href="mailto:John.Skubal@senate.ks.gov">John.Skubal@senate.ks.gov</a>	124-E	785-296-7301
Senator Gene Suellentrop	R	Wichita	<a href="mailto:Gene.Suellentrop@senate.ks.gov">Gene.Suellentrop@senate.ks.gov</a>	441-E	785-296-7385