



TO: House Committee on Insurance and Pensions
Rep. Steven Johnson, Chairman

FROM: American Federation of Teachers-Kansas
Sarah LaFrenz, President

RE: WRITTEN ONLY-OPPOSITION Testimony HB 2044

DATE: February 15, 2021

Chairman Johnson and Members of the House Insurance and Pensions
Committee:

The American Federation of Teachers-Kansas (AFT-Kansas) appreciates the opportunity to submit written testimony in opposition to HB 2044 which would increase KPERS School members employee contributions from the current level of 6.0% to 7.15% and dedicate the associated 1.15% increase towards reducing the Unfunded Actuarial Liability (UAL) of the KPERS State-School group. As we understand it, the bill would also provide for funding to be provided to local school districts to provide for a corresponding salary increase in order to offset the higher employee contributions.

While AFT-Kansas has long been in favor of taking responsible steps to reduce the KPERS Unfunded Actuarial Liability, and we have supported past Kansas Legislative efforts to do just that, we have several significant concerns with this bill.

First, we are concerned that this bill, which requires a \$40 million appropriation from the State General Fund, will not provide enough of a meaningful reduction in the UAL to warrant the cost. However, a \$40 million reduction in the State General Fund as proposed by the bill can have a detrimental impact on the ability for state government to address critical priorities ranging from providing funds for

school classrooms, to keeping our communities and neighborhoods safe, to effectively responding to the ongoing Pandemic.

Secondly, we have a major philosophical concern about the Legislature infringing upon the traditional role and responsibility of local school boards to determine salaries for their respective KPERS school employees. If enacted into law, HB 2044 will essentially undercut the authority of locally elected school boards and undermine local control.

Finally, we also have a concern that this bill would not be aligned with the Kansas Supreme Court ruling that requires a corresponding retirement benefit increase be provided when an employee's contribution increases. It is for these main reasons that we stand in strong opposition to HB 2044.

We appreciate the opportunity to submit this written testimony for your consideration.

Keeping the Kansas Promise Coalition is a coalition of public employee organizations including, teachers, public safety workers, state, city and county employees, formed to collectively advocate for fair and affordable reforms to the Kansas Public Employees Retirement System to ensure the long-term solvency of the System.