

Approved: March 15, 2012

MINUTES OF THE HOUSE PENSIONS & BENEFITS COMMITTEE

The meeting was called to order by Chairman Mitch Holmes at 9:02 a.m. on January 30, 2012, in Room 142-S of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes  
David Wiese, Office of the Revisor of Statutes  
Julian Efird, Kansas Legislative Research Department  
Darla Conner, Committee Assistant

Conferees:

Ed Klumpp, Kansas Association of Chiefs of Police, the Kansas Sheriff's Association, and the Kansas Peace Officers Association  
Faith Loretto, KPERS  
Elizabeth B.A. Miller, CFA, Acting Executive Director & Chief Investment Officer KPERS

Others attending:

See attached list.

Chairman Holmes called for introduction of bills. He requested to have bills favorably passed if there were no objections to the introduction of the bill. Chairman Holmes moved to introduce a bill that would address working after retirement. No objections. Mr. Ed Klumpp, Kansas Association of Chiefs of Police, the Kansas Sheriffs Association, and the Kansas Peace Officers Association moved to introduce a bill based on **HB 2140**. No objections.

Discussion and action on:

**HB 2263 – Increased employee contributions for KP&F members and removal of maximum retirement benefit provision**

Representative Flaharty made a motion to favorably pass **HB 2263** with revisors technical approval. Seconded by Representative Ruiz.

Faith Loretto, KPERS, (Attachment 1), gave an overview of the Cost Study on Removing the 80% Maximum Benefit for KP&F by Cavanaugh Macdonald consulting, LLC, actuaries for KPERS.

Representative Johnson made a substitute motion to table **HB 2263**. Seconded by Representative Worley. Motion passed.

A request was made to KPERS for clarity on cost of the UAL payment.

**HB 2460 – Removing first year employer contribution rate for KPERS affiliated employers and allowing for KPERS employers to affiliate for either prior and future service or future service only**

## CONTINUATION SHEET

The minutes of the House Pensions & Benefits Committee at 9:02 a.m. on January 30, 2012, in Room 142-S of the Capitol.

Gordon Self gave a brief overview of **HB 2460**.

Representative Flaharty made a motion to adopt **HB 2460** favorably for passage. Seconded by Representative Ruiz. Representative Roth moved to amend **HB 2460** with the technical amendments as proposed by KPERS from testimony by Faith Loretto, KPERS and Lauri McKinnon, counsel for KPERS at the meeting on January 25<sup>th</sup>. Seconded by Representative Hill. Motion passed. Representative Ruiz made a motion to favorably pass as amended **HB 2460**. Seconded by Representative Roth. Motion carried.

### **HB 2461 – Raising the amount of annual alternative investments within the total amount of assets of the KPERS fund**

Representative Johnson moved **HB 2461** favorably for passage. Seconded by Representative Kelly. Representative Johnson, with the approval of Representative Kelly, withdrew the motion.

Representative Johnson moved to amend **HB 2461** by adding language to the bill that the total commitment for alternative investments shall not exceed 25% of the portfolio. Seconded by Representative Worley. Representative Johnson, with the approval of Representative Worley, withdrew the motion.

Representative Worley moved to amend **HB 2461** by adding language to the bill that the total commitment for alternative investments shall not exceed 25% of the portfolio. Seconded by Representative Roth. Representative Worley, with the approval of Representative Roth, withdrew the motion.

Elizabeth B.A. Miller, CFA, Acting Executive Director & Chief Investment Officer KPERS, (Attachment2), was asked about a newer definition for alternative investments than the one in **HB 2461** on page 3 in section 1 (5) (b) (viii).

Representative Worley moved a substitute motion to amend **HB 2461** by adding language to the bill that the total commitment for alternative investments shall not exceed 25% of the portfolio and to add the definition from page 13 for Alternative Investments described in (Attachment 2). Seconded by Representative Kelly. Motion approved.

Representative Hill moved to table **HB 2461** until Wednesday, February 1. Seconded by Representative Roth. Motion failed.

Representative Roth moved to pass **HB 2461** favorable as amended. Seconded by Representative Kelly. Motion passed.

## CONTINUATION SHEET

The minutes of the House Pensions & Benefits Committee at 9:02 a.m. on January 30, 2012, in Room 142-S of the Capitol.

No motions were made on **HB 2411- Investment standards and divestment procedures for KPERS related to Iran**

The next meeting is scheduled for February 1, 2012.

The meeting was adjourned at 10:26 a.m.