

State of Kansas  
House of Representatives

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Ron Highland, DVM, PhD  
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Committee Assignments

Chair: Water  
Member: Commerce, Labor and Economic  
Development  
Member: Taxation  
Member: Rules and Journal

February 12, 2021

House Insurance and Pensions Committee

HB 2044 Proponent Testimony

Mr. Chairman and Committee members:

Thank you for giving me this opportunity to appear before you as a proponent of HB 2044. This bill in its simplest terms increases the contribution rate for employees of the Kansas Department of Education. The bill also increases the employee's salaries by an identical amount to meet obligations stated within the Kansas Constitution.

The reasoning for offering such a mandate is directly related to the school employee's portion of the unfunded liability within the KPERS system. Every year I study the KPERS annual report to keep up on the health of the system. That, plus listening to Mr. Conroy whenever I have the opportunity keeps me up to date. I recently asked Mr. Conroy for an update on the unfunded liability by group. The following table was provided by Mr. Conroy.

Here is a table summarizing the unfunded actuarial liability by coverage group:

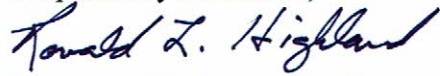
KPERS Unfunded Actuarial Liability			Percent of Total
Group	Unfunded Actuarial Liability		Unfunded Actuarial Liability
KPERS State	\$ 962,330,160		10.7%
<b>KPERS School</b>	<b>\$ 5,582,744,095</b>		<b>62.0%</b>
KPERS Local	\$ 1,502,085,750		16.7%
Kansas Police and Fire	\$ 949,371,737		10.5%
Judges	\$ 10,269,527		0.1%
System Total	\$ 9,006,801,269		100.0%

The information clearly shows that the KPERS School group is the least funded of the five groups. This needs to be addressed to ensure the future solvency of the retirement system. I have visited with many teachers across the state the last few years and they agree that something must be done as well.

My preference would be for those contributions by both the employee and employer be paid quarterly to the KPERS fund by mandate. This would mean that the state contributions would no longer be available for legislative or executive manipulation that allows either partial payments, no payment, or delayed payments.

Thank you again for this opportunity.

Respectively submitted,

A handwritten signature in cursive script that reads "Ronald L. Highland".

Ronald L. Highland, Dist. 51  
Kansas House of Representatives