

Committee on Financial Institutions and Pensions

Submitted 2-7-23

Re: HB2195

Testimony by: Chuck Schmidt
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Mr. Chairman:

Thank you for the opportunity to address this committee on a bill that I believe can help with the teacher shortage and also other employee shortages in state government.

This issue is dear to my heart because I spent 33 years in education in Kansas. Having served as a teacher/coach, principal, superintendent and business manager, I have been increasingly concerned about the teacher shortage in our schools.

HB2195 eliminates the KPERS penalty on 30% of earned income over \$25,000 for a one year period. That 30% is a huge deterrent for a KPERS retiree to return to work. The average teacher salary in Kansas is \$53,000. If a retired teacher returns to work, the penalty will take \$8,400 from that average teacher's salary in addition to the statutory KPERS deduction. That is a significant disincentive. At a time when there is a shortage of over 1,600 teachers in Kansas, removing this disincentive can help.

We understand that the purpose of the penalty is to keep from excessively drawing down the KPERS fund balance. However, this bill only removes the disincentive for one year. After that initial year the penalty threshold is then raised to earned income over \$35,000. This minor adjustment will have a relatively small effect on KPERS balances.

Kansas public schools have been under severe stress in recent years. The pandemic disrupted the normal routine and we know that there has been learning loss. The ensuing teacher shortage has made recovering from that loss even more difficult. The largest pool of qualified teachers is in our retirees. If we can incentivize some of those teachers to return for a few years, that could be a huge help in recovering from the pandemic learning loss. This will be something positive for the teaching profession.

Thank you for hearing my testimony and thank you for all you do for the state of Kansas.

Chuck Schmidt
Former State Representative 88th District