



House Financial Institutions and Pensions Representative Kelly, Chairman

Monday February 13, 2017
Diane Gjerstad
Wichita Public Schools

Chairman Kelly, members of the Committee:

Thank you for reviewing the working after retirement provisions. We very much agree with the subcommittee's goal to simplify the rules for substitutes and making the provisions easier to understand. We joined the United School Administrators and KPERS staff for extensive conversations on this topic. For Wichita Public Schools the substitute issue is the most complex, time consuming provision. Our goal is to have the best substitute in the classroom while the regular teacher is absent. The teacher shortage results in unfilled vacancies which also need to be filled by a qualified substitute.

We have reviewed the memo provided by United School Administrators and would encourage the committee to adopt the following adjustments:

- Certified and classified substitutes are exempt from surcharge until earnings exceed \$25,000.
- Collapse the matrix (grandfathered, great grandfathered) into one category.
- Extend the waiting period for a KPERS retiree to be employed by a school district to six months.
- New retirees after May 1, 2017 would be subject to six month wait and if they return to a full time position would not have an earning limitation and a 30% contribution rate.
- Current retirees in full-time positions who quit again would have another 60 day wait.

Mr. Chairman, we would also provide comments on the third party contractor language. We agree with the no pre-arrangement provisions which are parallel to regular KPERS retirement provision.

We would strongly request the committee remove language: “ (ii) the activities performed by the independent contractor or third-party entity are not normally performed by employees of that participating employer;”. This language would eliminate any contractor who has a KPERS retiree in their employee. School districts have maintenance departments, may be hundreds or simply one or two employees, who perform regular maintenance on electrical, plumbing, cabinetry, roofing, glass, locks, doors and much more. However, when the work required exceeds the capacity of the employees, a district needs to contract out. This provision would exclude any contractor or business with a KPERS retiree on staff. This provision is simply unworkable and we believe is not needed with the other provisions. We request (ii) be deleted.

Thank you, Mr. Chairman and members of the Committee, for your work on these important issues.