



Date: March 6, 2025

To: Senator Brenda Dietrich, Chair  
Senate Committee on Financial Institutions and Insurance

From: Keeping the Kansas Promise Coalition  
Submitted by Troy Findley for:  
Sarah LaFrenz, representative of KOSE  
Ron Hobert, representative of AFT Kansas  
Tim Graham, representative of KNEA

Re: Written only Proponent Testimony for HB 2086

Chair Dietrich and Members of the Committee:

The Keeping the Kansas Promise Coalition appreciates the opportunity to submit written testimony in support of HB 2086, a proposal to improve KPERS Tier 3. Keeping the Kansas Promise 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 its long-term solvency.

The Kansas public sector workforce has been through a lot in the last decade...from enduring COVID to experiencing high staff turnover and wages that have fallen far short of keeping pace with inflation. Like most Kansans, their concerns about the future not only transcends the challenges they face day to day on the job, but also what their lives will look like as their careers end and they head into retirement.

Historically, the Kansas Public Employees Retirement System (KPERS) has been viewed as a "Gold Standard," that provided a reasonable and dignified retirement benefit for public sector workers in Kansas. Knowing a public worker could build a career and retire with an adequate pension that would allow them to retire in dignity rather than poverty was important to attracting and maintaining a high-quality public workforce. However, that once Golden Standard has lost some its luster over the years.

State policymakers were compelled by both financial necessity and ideological factors to establish the KPERS cash balance retirement plan, known as KPERS Tier 3, over a decade ago. Now that KPERS Tier 3 has been in effect for ten years, state policymakers, public workers and retirees alike can clearly see that KPERS Tier 3 does

not measure up to the legacy plans commonly known as KPERS Tiers 1 and 2. According to information provided by KPERS in previous interim committee meetings, Tier 3 will provide a career employee with 30 years of service a benefit that yields a retirement income replacement ratio in the range of 27-35%. That compares with a 51% replacement ratio for the same career employee with the same years of service under KPERS Tier 2. We feel that any plan to meaningfully improve KPERS must strive to substantially enhance the retirement income replacement ratio.

While our preferred approach for improving KPERS 3 would be for all KPERS 3 members to be moved to KPERS 2, after considerable reflection and study of HB 2086, our Coalition has determined that we should not let perfect be the enemy of the good. HB 2086 is a positive step in the right direction by allowing for a modest improvement in the important retirement income replacement ratio. HB 2086 is a step that the legislature can afford to take now, while still protecting taxpayers, maintaining the long-term stability of KPERS, and better positioning our public workers to retire with dignity.

We appreciate this opportunity to provide testimony in support of HB 2086 and encourage the committee to take favorable action on this issue of vital importance to our members.

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