

To: Senate Financial Institutions and Insurance Committee
From: Wendi Stark, Legislative Liaison
Date: March 13, 2025
RE: SB 282 – Kansas Retirement Investment & Savings Plan Act (KRISP)
Opponent – In-Person

We want to thank Chair Dietrich and members of the committee for affording the League of Kansas Municipalities the opportunity to provide opponent testimony regarding SB 282.

The League of Kansas Municipalities involvement in KPERS goes back to its inception with the League participated as one of the stakeholders involved in the creation of KPERS. Our investment in the system has been longstanding, and the funding of KPERS has been discussed yearly during the League's legislative policy process. Our members have consistently held the position that any changes to the KPERS system should consider the impact on cities' ability to hire and retain high quality public employees.

One of the biggest concerns we hear about from our member cities concerns KPERS. Across the entire state, recruitment and retention are vital to operations in our cities. As such, our members have directed us, through our Statement of Municipal Policy, to support programs that encourage a rollback of KPERS. One of our top legislative priority's states, "The state should consider a rollback from KPERS 3 to KPERS 2 for municipal employees."

KPERS 3 does not offer the same important benefits KPERS 2 provides, and that loss has been detrimental to cities' retention and recruitment of good, long-term employees. Currently, local government comprises 24.5% of KPERS membership.

It is the League's position that this plan would severely hinder a city's ability to hire and retain qualified public employees. Cities cannot compete with salaries paid by private entities. Total compensation, including retirement benefits, helps cities hire and retain qualified public employees that are essential to our local governments. A retirement plan that requires employees to put money in a defined contribution plan does not attract the type of essential employees local governments need to operate smoothly and efficiently. The KRISP Act moves the current KPERS Tier 3 into funding pensions entirely through defined benefits and shifts KPERS further from our members requests. Our members have consistently held the position of preferring a deferred benefits pension program.

Further, this bill would create additional administrative burdens for cities. Many cities process up to four pension programs and this bill would increase the administration to up to five pension programs.

City employees are essential to providing citizens with basic services, from public safety operations to infrastructure services. The ability to retain good, long-term employees is crucial to keeping these services running efficiently.

Thank you for your time and consideration of these issues. We are always available to provide additional information and answer any questions you have. The League is concerned SB 282 will have a negative impact on the cities of Kansas and respectfully requests this bill not be passed out of committee.