

HB 2405 Opponent Testimony - written only
Senate Ways & Means Committee
Pension Obligation Bonds
Dave Trabert, CEO
March 22, 2021



Chairman Billinger and Members of the Committee,

We appreciate this opportunity to submit written testimony in opposition to HB 2405, which would authorize the issuance of \$1 billion in pension obligation bonds.

The KPERS unfunded liability exists because previous legislatures and governors chose to underfund KPERS. Since the early 1990s, less money was contributed to KPERS than the actuarially required amount so more money could be spent on other things.

Issuing \$1 billion in debt is a continuance of that practice. Making additional contributions to compensate for previous underfunding is the appropriate way to pay off the unfunded liability. Issuing debt is another way to continue spending more on other things instead of eliminating some of the unnecessary General Fund spending and putting the savings in KPERS.

We encourage the Committee to reject HB 22405 for this reason, and we thank you for your consideration.

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