

PUBLIC PENSIONS WORKING GROUP

Minutes of the 4th Meeting of the 2019 Interim

January 24, 2019

Call to Order and Roll Call

The 4th meeting of the Public Pensions Working Group was held on Thursday, January 24, 2019, at 9:30 AM, in Room 154 of the Capitol Annex. Representative Jerry T. Miller, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Jerry T. Miller, Co-Chair; Senators Jimmy Higdon, Christian McDaniel, Morgan McGarvey, Robert Stivers II, Damon Thayer, and Johnny Ray Turner; Representatives R. Travis Brenda, Derrick Graham, Scott Lewis, Diane St. Onge, and Buddy Wheatley.

Guests: Stephanie Winkler, President, Kentucky Educational Association; Tim Abrams, Executive Director, Kentucky Retired Teacher Association; Eric Kennedy, Government Relations Director, Kentucky School Boards Association; Dr. Tom Shelton, Executive Director, Kentucky Association of School Superintendents; Wayne Young, Executive Director/General Counsel, Kentucky Association of School Administrators; and Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement Systems.

LRC Staff: Brad Gross, Bo Cracraft, and Angela Rhodes.

Approval of Minutes

Senator Thayer moved that the minutes of the January 22, 2019 meeting be approved. The motion was seconded, and the minutes were approved without objection.

Comments by Education Related Organizations and Teachers' Retirement System

Stephanie Winkler spoke on behalf of Kentucky Education Association, Kentucky Retired Teacher Association, Kentucky School Boards Association, Kentucky Association of School Superintendents, and Kentucky Association of School Administrators collectively. Her testimony focused on six core beliefs of the group, which included: (1) a belief that the Teachers' Retirement System (TRS) should continue to provide defined benefit pensions for all current and future employees; (2) a belief the legislature should continue to provide full funding of requests made by TRS and calculated by actuaries; (3) a belief in the shared responsibility plan of 2010, and the process that help achieve it, which

addressed the costs of post 65 retiree health care; (4) a belief in the intent and purpose of the inviolable contract; (5) a belief that health insurance costs for public employee retirees should be a priority; and (6) a belief that the County Employees Retirement System should be separated from Kentucky Retirement Systems and become a standalone system. Ms. Winkler added that the groups were also not willing to negotiate on a defined benefit plan, noting that teachers do not receive social security. Each of the remaining employee or employer groups added comments and recommendations, which included the topics of social security, the current shortage of teachers and the need to better attract and retain teachers, along with the shared responsibility plan. In addition, several additional questions were asked and discussed.

Beau Barnes returned to discuss and provide additional comments addressing questions received during the January 22, 2019 meeting with regards to the historical sources of the unfunded liability.

With no further business, the meeting was adjourned. The next regularly scheduled meeting is Tuesday, January 29, 2019.

NOTE: Materials from each meeting will be made available shortly after adjournment at the following link:

<http://www.lrc.ky.gov/committee/special/PPWG/home.htm>