

MINUTES
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES

January 16, 2026

The meeting of the Board of Trustees was called to order by Chairperson Brad Stratton at 9:48 a.m., on January 16, 2026, in the Retirement System Board Room, Topeka, Kansas.

Board members present: Brad Stratton, Chairperson
 Emily Hill, Vice-Chairperson
 Chris Huntsman
 Steven Johnson
 Rich Proehl
 Ryan Trader
 Sam Williams
 Jo Yun
 James Zakoura

Board members absent: None

Chairperson Brad Stratton welcomed Eileen Ma, Office of Revisor of Statutes (via Zoom), Steven Wu, Kansas Legislative Research (via Zoom). Chairperson Stratton also welcomed Jason Alatidd, *Topeka-Capital Journal* Statehouse Reporter, and all other participants.

Public Comments

There were no public comments.

Overview of KPERS Issues in the 2026 Session of the Legislature

Chairperson Stratton recognized Senator Brenda Dietrich, Chairperson of the Senate Financial Institutions and Insurance Committee, and Representative Nick Hoheisel, House Majority Whip and Chairperson of the House Financial Institutions and Pensions Committee. Senator Dietrich and Representative Hoheisel gave an overview of the legislative process for KPERS issues during the 2026 Legislative Session and responded to questions.

Consent Agenda

The consent agenda included the Board of Trustee meeting minutes for November 21, 2025; the New Affiliations for 2026; and the Power of Attorney for Investment Transactions Certificates.

Trustee Johnson moved the Board of Trustees adopt the consent agenda. Trustee Huntsman seconded the motion. The motion carried.

Executive Director's Report

Chairperson Stratton recognized Alan Conroy, Executive Director. Mr. Conroy reported on some of the recent key activities at KPERS and responded to questions. Highlights of some of the activities included:

Benefits and Member Services staff processed enrollments for 2,449 KPERS, KP&F or Judges members. In addition, 719 inactive members returned to active employment and 641 transferred from one affiliated employer to another. InfoLine staff answered 90% of 16,453 incoming calls from members, employers and interested parties. Staff successfully processed retirement applications for 414 new retirees, bringing the total to 119,599 retirees and survivors. The new monthly benefit payment total is \$181 million as of December 31, 2025. All retirement applications were processed within 30 days of receiving the application and supporting documents. Benefits and Member Services responded to 2,091 member emails and 421 employer emails. The InfoLine staff hosted 497 counseling sessions. Staff also provided affiliation and membership information for several individual employers and made a presentation at the Kansas Association of School Business Officers Conference in Wichita.

Fiscal Services staff produced the 2025 Annual Comprehensive Financial Report (ACFR) and published it on the KPERS website on December 22, 2025. Staff is in the process of reviewing the Fiscal Year 2025 KPERS GASB 68 report information with outside auditor Baker Tilly. Once completed, this report will be published on kspers.gov for employers' use in recording their portion of the net pension liability. The Employer Auditing Unit has completed 17 employer audits since the November Board meeting, which brings the total to 45 audits completed this Fiscal Year. The Employer Reporting Unit handled over 3,300 calls and emails from employers since November and distributed nearly 8,700 correspondences.

Investments staff have started working on the agenda and related analysis for the February 2026 offsite meeting with the System's three investment consultants. The focus of this meeting will be the continued implementation of the System's asset allocation strategy. Staff also completed the divestiture of the remaining timberland assets in the System's separately managed timber account.

Staff conducted private market due diligence meetings and worked with Mercer and The Townsend Group to prepare two investment recommendations for the January Investment Committee meeting. Staff have held review meetings and attended quarterly meetings with several of the private market investment managers. The team completed a legal review and closed six previously approved commitments.

The Information Technology staff is working with vendors to support data cleansing, image migration and faxing capabilities for Modernization. Staff completed the proof of concept for data reporting for items that will not be migrated to KAPS. Staff are supporting the implementation of additional security-related tools for the Member Web Portal. American for Disabilities Act (ADA) testing of the Employer and Member Web Portals began in December and will run for 19 weeks. This will ensure our portals and website meet federal and State ADA compliance criteria. Staff completed the governance and policy documentation related to Artificial Intelligence (AI). Staff are finalizing the AI Use Case templates and annual policy acknowledgement documents.

KPERS' information security and cybersecurity protocols continue to prove successful. No viruses were detected on KPERS' devices in November or December. Staff patched 5,886

software vulnerabilities. KPERS' systems blocked 28,691 suspicious emails and prevented access to more than 1.3 million dangerous websites. In addition, security measures prevented 23,820 attacks on the Member Web Portal and 7,120 attacks on the Employer Web Portal.

The KPERS 457 team has added two local government plans. The most recent additions are Ellsworth County Conservation District and Douglas County Rural Water District #1. This brings the total number of joinders added to 27 for Calendar Year 2025. There are now 500 local government plans opened since the introduction of the KPERS 457 Deferred Compensation Plan. Empower will work with new plan members to enroll participants and posting their deferrals.

Empower personnel moved into the two newly designated offices on the third floor of the KPERS Building on November 24, 2025. This move will allow participants to meet directly with Empower staff about KPERS 457 matters. The Empower State Director, Scott Taylor, and Senior Field Administration Support member, Susan McCartney, will occupy the offices.

The KPERS 457 staff worked with the Department of Administration to create the SECURE 2.0 required list of State employees with FICA wages over \$145,000 during Calendar Year 2025. Those identified will be required to make any payroll deferrals in the form of Roth after-tax contributions in 2026. After the final pay cycle of 2025, the production file will be delivered to Empower for contribution monitoring.

The Planning and Research staff have been preparing for the 2026 Legislative Session by updating actuarial and administrative considerations for common topics like COLAs, defined contribution plan design and KPERS 3 changes. The Special Committee on the State Budget met and received an overview of KPERS' FY 2026 and FY 2027 budget requests.

The Modernization Team has been working with Tegrity and Segal on requirements, design and correspondence for various modules related to Employer Pay Period Reporting, Optional Life Insurance and Member Refunds. Along with our vendors, the team has been focused on data mapping and transformation, including resolving data quality issues, as well as plans for imaging records, capturing and indexing documents, and implementing optical character recognition (OCR). Staff members assigned to User Acceptance Testing are currently testing Employer Registration, Employer Pay Cycle Maintenance, Member Enrollment and Beneficiary Changes.

Communications staff have focused on the KAPS Project, 2025 Employer Conference and numerous operational projects. Staff members assisted Fiscal Services with development of the FY 2025 Annual Comprehensive Financial Report and posted it on kspers.gov. As part of two cross-division teams, staff reviewed templates and proofs for about 60,000 tax withholding letters and more than 140,000 1099-R tax statements. The electronic 1099-R statements were made available in the Member Web Portal on January 8. Staff anticipates printed copies arriving by U.S. Mail the last week of January. Staff continued work on kspers.gov accessibility to ensure compliance with the federal deadline for WCAG 2.1 AA by April 2026. Planning is underway for a website refresh beginning in FY 2027. For KPERS 457, the team distributed monthly financial webinar promo emails and published the December issue of the employer e-newsletter, *NewsBytes*, which informed them about Empower's move to KPERS' building. The Communication team is in the process of researching locations and discussing presentation topics for the 2026 Employer Conference. Staff also distributed several emails about employer contribution rates, optional life insurance age

bracket changes, service quarters, bank holidays and *Subject Spotlight* webinars. Work on the KAPS Project entailed revising or creating forms, letters and emails related to the new Employer Web Portal, member refunds and unclaimed accounts. Staff are also assisting with the KAPS Employer Reporting Panel, which included surveying employers about their payroll processing vendors. As part of 2026 planning, staff completed the annual active member communications survey and is reviewing the results to identify opportunities for informing and engaging members about their benefits. Staff are also assisting with the KAPS Employer Reporting Panel, which included surveying employers about their payroll processing vendors.

As part of 2026 planning, staff completed the annual active member communications survey and is reviewing the results to identify opportunities for informing and engaging members about their benefits. Staff are also partnering with Benefits and Members Services on additional survey mechanisms to help improve the overall customer experience.

Alan Conroy, Executive Director, made an outside presentation since the November Board meeting. He provided a general KPERs overview to the Senate Republican Caucus on Monday, January 12, 2026.

The National Council on Teacher Retirement (NCTR) Annual Trustee Workshop will be on July 12-15, 2026, in Berkeley, CA. The Workshop will be held in conjunction with the University of California, Berkeley, HAAS Business School.

Chairperson Stratton recognized Laurie McKinnon, General Counsel. Ms. McKinnon led the agency-supported holiday outreach to Sheldon Head Start School and the Pine Ridge Prep Head Start school in Topeka. Ms. McKinnon stated that staff adopted fifteen families and provided holiday gifts to these families in need. In addition, staff provided toys for 272 children at the schools. KPERs staff shopped, wrapped and delivered the presents in a vehicle caravan to both schools. The Sheldon and Pine Ridge families and children were very appreciative of the gifts from the KPERs staff.

Investment Operations

The Chairperson recognized Bruce Fink, Chief Investment Officer. Mr. Fink reviewed the November 30, 2025, Investment Performance Report. Mr. Fink reported that, for the one year ending November 30, 2025, the System's investment portfolio achieved an 11.1% total return, trailing the policy index return of 12.9%. He reported an 8.1% average annualized total return for the trailing five years and 8.5% average annualized total return for the trailing ten years ending November 30, 2025.

Mr. Fink noted that the return on the total portfolio outperformed the return of the policy index for the 10-, 20- and 25-year periods.

The Chairperson recognized Steve Voss, Meketa Investment Group. Mr. Voss reviewed Meketa's Economic Metrics Report and Risk Metrics Report and responded to questions.

Investment Committee Report

Chairperson Stratton recognized Steven Johnson, Chairperson of the Investment Committee. The Investment Committee met on Thursday, January 15, 2026. Trustee Johnson provided a brief report and responded to questions.

Trustee Johnson moved that the Board of Trustees a commitment of up to \$135 million to Green Equity Investors X, L.P. and authorize staff to proceed with the investment, pending a satisfactory and final legal review of corresponding partnership documents. Trustee Trader seconded the motion. The motion carried.

Trustee Johnson moved that the Board of Trustees make an additional commitment of up to \$150 million to IIF Hedged LP and to authorize staff to proceed with the investment pending a satisfactory and final legal review of corresponding partnership documents. Trustee Proehl seconded the motion. The motion carried.

Audit Committee Report

Chairperson Stratton recognized Jo Yun, Chairperson of the Audit Committee. The Audit Committee met on Thursday, January 15, 2026. Trustee Yun provided a report and responded to questions.

Trustee Yun moved that the Board of Trustees accept the FY 2025 KPERS Annual Comprehensive Financial Report. Trustee Williams seconded the motion. The motion carried.

Personnel Committee Report

Chairperson Stratton recognized Sam Williams, Chairperson, Personnel Committee. The Personnel Committee met on January 16, 2026. Trustee Williams provided a report and responded to questions.

KPERS Death and Disability Actuarial Valuation and Experience Study Results

Chairperson Stratton recognized Dirk Camilletti, Chief Benefits Officer. Mr. Camilletti presented a brief summary of the program, and introduced, Tasha Kahn, FSA, MAAA, Principal, Milliman, Inc. Ms. Kahn presented an overview of the Death and Disability Actuarial Valuation and experience study results as of June 30, 2025. An actuarial valuation of the KPERS Death and Disability Plan is performed annually under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Ms. Kahn responded to questions.

Trustee Johnson moved that the Board of Trustees adopt the June 30, 2025, valuation of the KPERS Death and Disability Plan. Trustee Yun seconded the motion. The motion carried.

Retirement System Operations Report

Chairperson Stratton recognized Dirk Camilletti, Chief Benefits Officer. Mr. Camilletti reviewed member service performance for November and December 2025 and responded to questions.

Retirement System Financial Report

Chairperson Stratton recognized Kris Holm, Chief Fiscal Officer. Mr. Holm reviewed the preliminary December 31, 2025, financial statements and responded to questions.

Review of Governor’s Budget Recommendations for KPERS for Fiscal Year 2027

Chairperson Stratton recognized Kris Holm, Chief Fiscal Officer. Mr. Holm presented a report and reviewed the Governor’s Budget Recommendations for KPERS Fiscal Year 2027. He stated that the Governor’s Budget Report recommendations for FY 2026 and FY 2027 did not propose any changes to the budget requested by the agency. The pension administration modernization project is fully funded in the budget recommendation. Mr. Holm responded to questions.

Presentation of KPERS Summary Overview for Policy Makers

Chairperson Stratton recognized Jarod Waltner, Planning and Research Officer. Mr. Waltner reviewed the sample welcome letter that will be sent to the 2026 Legislature. Mr. Waltner also reviewed the KPERS Fast Facts and responded to questions.

Sample Legislative Activity Report on KPERS-Related Issues

Chairperson Stratton recognized Jarod Waltner, Planning and Research Officer. Mr. Waltner provided a summary of current legislative issues pertaining to KPERS and responded to questions.

Presentation of the KPERS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Chairperson Stratton recognized Kris Holm, Chief Fiscal Officer. Mr. Holm presented the highlights of the KPERS Annual Comprehensive Financial Report for Fiscal Year 2025 and responded to questions.

Update on Requested KPERS Legislation for Consideration by the 2026 Legislature

Chairperson Stratton recognized Jarod Waltner, Planning and Research Officer. Mr. Waltner provided an update on requested KPERS Legislation for consideration by the 2026 Legislature and responded to questions.

Review of Initial Order

Chairperson Stratton recognized Kathleen Billings, Staff Attorney. Ms. Billings reviewed the Initial Order regarding the appeal of Mark Bruce and responded to questions.

Trustee Yun moved the Board inform the Executive Director of its decision to accept the Presiding Officer’s Initial Order of the Mark Bruce appeal and delegate to the Executive Director the authority to draft a Final Order containing the Board’s decision, thereafter, to be approved and signed by the Chairperson and to be served on the parties by the Executive Director in accordance with the provisions of the Kansas Administrative Procedure Act. Trustee Huntsman seconded the motion. The motion carried.

Informational Items

Chairperson Stratton called the Board's attention to the informational items behind Tab Q in the Board book.

Board Self Evaluation

Trustee Trader requested that Board of Trustees review the information presented at the Personnel meeting held on January 16, 2026, and discuss it at the Personnel Committee on March 27, 2026.

Trustee Stratton adjourned the Board of Trustees meeting at 1:05 p.m.