

## LEGISLATIVE HIGHLIGHTS FROM THE 2024 REGULAR SESSION

The 2024 Regular Session of the Kentucky General Assembly adjourned on Monday, April 15, 2024. KPPA tracked a total of 102 bills and resolutions that might have affected the systems we operate, and we submitted more than 70 Actuarial Analysis letters at the request of the Legislative Research Commission.

Highlights from the Session include the following:

### KPPA HOUSEKEEPING BILL PASSES

**House Bill 99** (Rep. DJ Johnson), the KPPA Housekeeping bill, amends various sections of KRS Chapters 16, 61, and 78 to make technical and housekeeping changes relating to KPPA's administration of the systems. "Housekeeping bill" is a slang term for typically noncontroversial legislation that "cleans up" statutes by clarifying their language or otherwise updating their content to align with changes in relevant federal or state law.

### KERS and SPRS RECEIVE ADDITIONAL FUNDS TO HELP PAY DOWN UNFUNDED PENSION LIABILITIES

The Governor and General Assembly continued their recent efforts to help pay down the unfunded pension liabilities of the KERS and SPRS plans. KPPA is extremely grateful to have received an additional \$1.14 billion in allocations during the 2022-2024 and the 2024-2026 budget periods.

**House Bill 1** (Rep. Jason Petrie, et al) allocates money from the Budget Reserve Trust Fund Account, commonly known as the state's "Rainy Day Fund," to be applied to the unfunded liability of the KERS Nonhazardous pension fund and the SPRS pension fund (\$50 million and \$25 million each fiscal year, respectively).

**House Bill 6** (Rep. Jason Petrie, et al) is the State/Executive Branch budget bill for the biennium beginning July 1, 2024, through June 30, 2026. The budget includes the full actuarially determined employer contribution for the KERS and SPRS plans, and it allocates an additional \$250 million in each fiscal year to be paid toward the unfunded liability of the KERS Nonhazardous pension fund.

Neither House Bill 1 nor House Bill 6 contain a cost of living adjustment (COLA) or other form of supplemental payment (such as a "13th check") for retirees. **This means there are no budget bills that contain a COLA or other form of supplemental payment for retirees in any of the systems administered by KPPA.**

### OTHER RETIREMENT-RELATED BILLS THAT PASSED THIS SESSION

**House Bill 277** (Rep. Jason Nemes) transfers employees of the Louisville and Jefferson County Public Defender Corporation to the Department of Public Advocacy in the state personnel system, effective July 1, 2024. This transfer will provide employment and retirement benefits to Corporation employees based on their service with the Corporation.

**Senate Bill 299** (Sen. Damon Thayer) moves the Horse Racing Commission to a quasi-agency called the Kentucky Horse Racing and Gaming Corporation (HRGC), effective July 1, 2024. The following year, on July 1, 2025, the Charitable Gaming Commission will be abolished and merged under the HRGC. All eligible employees of the corporation will participate in the Kentucky Employees Retirement System (KERS) effective July 1, 2024. Current Horse Racing Commission employees will continue to participate in KERS under the new KHRGC, without interruption.

**House Bill 354** (Rep. DJ Johnson) requires that health insurance reimbursements for retirees who participated in a hazardous position prior to July 1, 2003, and are reemployed by a local school board be paid by the Department of Education instead of the local school board.

**House Bill 635** (Rep. David Meade) implements additional reporting requirements for actuarial analyses and expands the required supporting documentation and explanations of findings for fiscal and corrections impact statements.

### **STATE SENATE CONFIRMS GUBERNATORIAL APPOINTMENTS TO KRS BOARD**

State law requires that gubernatorial appointments to the KRS Board of Trustees receive Senate approval. On April 15, three (3) Senate Resolutions confirming Governor Andy Beshear’s recent appointments to the KRS board were unanimously adopted by a vote of 38-0:

**Senate Resolution 309**, sponsored by Senator Julie Raque Adams, confirmed the appointment of Mary G. Eaves to the KRS Board of Trustees for a term expiring June 21, 2027;

**Senate Resolution 310**, sponsored by Senator Julie Raque Adams, confirmed the reappointment of Caswell Prewitt Lane to the KRS Board of Trustees for a term expiring June 17, 2027; and

**Senate Resolution 313**, sponsored by Senator Julie Raque Adams, confirmed the reappointment of Pamela Fettig Thompson to the KRS Board of Trustees for a term expiring June 17, 2027.

The Resolutions only required Senate confirmation and did not need to be adopted in the House.

**Please visit the KPPA website** for a complete summary of bills and resolutions passed in the 2024 Regular Session and their expected impact on KPPA or the Systems administered by KPPA.

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**Kentucky Public  
Pensions Authority**