

Commonwealth of Kentucky

HOUSE OF REPRESENTATIVES

GREGORY D. STUMBO

95th Legislative District
PO Box 1473
108 Cassidy Drive
Prestonsburg, Kentucky 41653



STATE CAPITOL
Room 309
Frankfort, Kentucky 40601
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SPEAKER OF THE HOUSE

January 9, 2015

Dear Kentucky Teacher,

I am writing to inform you that today, Jan. 9th, I filed House Bill 4, which is modeled after the Kentucky Teachers' Retirement System's (KTRS) \$3.3 billion bond proposal presented at the November meeting of the legislature's State Government Committee meeting. I filed this legislation because I believe the time is ripe and we need to start the discussion of how to address the additional funding needed for the KTRS pension fund.

I want to emphasize that the bill does not alter teachers' pension benefits in any shape or form. HB 4 only addresses the additional funding requested by the system and sets out a plan to support those contributions in future years. I was pleased to learn that Kentucky Treasurer Todd Hollenbach, an ex officio member of KTRS, said that he "wholeheartedly support(s)" this approach.

We worked with KTRS staff on preparing the bill to ensure that it mirrored their proposal. The bill uses a combination of bond proceeds and direct state appropriations to pay the additional contributions needed to fund the KTRS pension fund on an actuarially sound basis.

In addition to the bond funds, the bill also expresses intent to build in incremental increases in the direct state appropriation over the next eight years until it reaches the full contribution rate to the pension fund. This will ensure that money will be in place to fully fund the rate as the bond proceeds are exhausted.

Again, I am filing this bill today because I believe this issue deserves to be considered and debated. I understand that this is a significant amount to bond and recognize the risks associated with this proposal, but I think we owe it to our teachers to start the discussion and give this proposal a chance to be heard.

This legislation will be available online, and can be found on the General Assembly's website at www.lrc.ky.gov. If you would like to leave a message for any or all legislators regarding this legislation, that toll-free number is 1-800-372-7181.

Sincerely,

A handwritten signature in cursive script that reads "Gregory D. Stumbo".

Gregory D. Stumbo
Speaker of the House of Representatives
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