GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2016 REGULAR SESSION

HOUSE BILL NO. 238

AS ENACTED

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to public pension plan reporting.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 6.350 is amended to read as follows:

4 (1) A bill which would increase or decrease the benefits or increase or decrease
5 participation in the benefits or change the actuarial accrued liability of any state-
6 administered retirement system shall not be reported from a legislative committee of
7 either house of the General Assembly for consideration by the full membership of
8 that house unless the bill is accompanied by an actuarial analysis.

9 (2) (a) An actuarial analysis required by this section must show the economic effect
10 of the bill on the state-administered retirement system ***over a twenty (20) year***
11 ***period***, including:

12 1. An estimate of the effect on the ***unfunded*** actuarial accrued liabilities
13 ***and funding levels*** of the affected systems; and

14 2. A projection of the annual ***employer costs***~~[cost]~~ to the systems of
15 implementing the legislation ***over the***~~[for at least]~~ twenty (20) ***year***
16 ***period***~~[years]~~. The annual ***employer*** cost projection shall include the
17 effect on the contributions of participating employers as a percentage of
18 total payroll and in total dollars of contributions.

19 (b) If a bill affects more than one (1) state-administered retirement system, the
20 actuarial analysis shall project costs for each affected state-administered
21 retirement system.

22 (c) An actuarial analysis shall state the actuarial assumptions and methods of
23 computation used in the analysis and shall state whether or not the bill or
24 resolution, if enacted, would, in the opinion of the actuary, make the affected
25 state-administered retirement system actuarially unsound or, in the case of a
26 system already actuarially unsound, more unsound. Actuarial cost methods
27 and assumptions that meet actuarial standards of practice established by the

1 Actuarial Standards Board shall be used in all cost projections.
2 (d) An actuarial analysis required by this section shall be prepared by an actuary
3 who is a fellow of the ***Conference of Consulting Actuaries or***[~~Society of~~
4 ~~Actuaries,~~] a member of the American Academy of Actuaries[~~, or an enrolled~~
5 ~~actuary under the Employees' Retirement Income Security Act of 1974~~].
6 (3) (a) An actuary commissioned to make an actuarial analysis that is required by this
7 section, or for the purpose of seeking appropriations for a state-administered
8 retirement system, shall include in the analysis a complete definition of each
9 actuarial term used in the analysis and, either in the analysis or in a separate
10 actuarial valuation report made available as a public record, an enumeration
11 and explanation of each actuarial assumption used to complete the actuarial
12 analysis.
13 (b) If the actuary commissioned to complete the actuarial analysis is relying upon
14 assumptions that have not been previously established by the actuary in an
15 actuarial valuation of the affected state-administered retirement system, the
16 actuary shall clearly note and describe the new assumption and the basis for
17 selecting the assumption.
18 (4) The actuarial analysis required by this section shall be completed by the actuary
19 retained by the affected state-administered retirement system. The state-
20 administered retirement systems shall provide the analysis without cost to the
21 General Assembly.
22 (5) For purposes of this section, the ***terms***[~~term~~]***:***
23 ***(a)*** "State-administered retirement system" shall include:
24 ***1.***[~~(a)~~] The Kentucky Employees Retirement System, the County
25 Employees Retirement System, and the State Police Retirement System
26 administered by the Kentucky Retirement Systems and established under
27 the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510

1 to 78.852;

2 ***2.***[~~(b)~~] The Kentucky Teachers' Retirement System established under

3 KRS 161.220 to 161.716;

4 ***3.***[~~(c)~~] The Judicial Retirement Plan established under KRS 21.345 to

5 21.580; and

6 ***4.***[~~(d)~~] The Legislators' Retirement Plan established under KRS 6.500 to

7 6.577***; and***

8 ***(b) "Funding level" means the actuarial value of assets divided by the***

9 ***actuarially accrued liability expressed as a percentage.***

10 ➔Section 2. KRS 7A.240 is amended to read as follows:

11 The Public Pension Oversight Board shall have the authority to:

12 (1) Except for information protected under KRS 61.661 or 161.585 or information

13 specific to the account of a current or former employee or retiree, require the state-

14 administered retirement systems, or any other state agency, to provide any and all

15 information necessary to carry out the duties of the board, including any actuarial

16 analysis. The cost of providing the information to the board, including any actuarial

17 analysis, shall be included in the administrative budget of the state-administered

18 retirement systems or the state agency;

19 (2) Conduct public hearings in furtherance of its general duties, at which it may request

20 the appearance of officials of any state agency and solicit the testimony of interested

21 groups and the general public;

22 (3) Establish a uniform format for reports and data submitted to the board by the state-

23 administered retirement systems and the frequency and due dates for the reports and

24 data;

25 (4) Request the Auditor of Public Accounts to perform a financial or special audit of

26 the state-administered retirement systems; and

27 (5) Subject to selection and approval by the Legislative Research Commission, utilize

1 the services of consultants, actuaries, managers, legal counsel, and auditors to
2 render professional, managerial, and technical assistance, as needed. ***The cost for***
3 ***actuarial services required by subsections (8) and (9) of Section 3 of this Act shall***
4 ***be paid by the state-administered retirement systems to the Legislative Research***
5 ***Commission and shall be included in the administrative budget of the state-***
6 ***administered retirement systems.***
7 ➔Section 3. KRS 7A.250 is amended to read as follows:
8 The Public Pension Oversight Board:
9 (1) Shall, from time to time, conduct an impartial review of all the laws governing the
10 state-administered retirement systems and recommend any changes it may find
11 desirable with respect to benefits and administration, funding of benefits,
12 investments of funds, and the improvement of language, structure, and organization
13 of the statutes;
14 (2) Shall, once every five (5) years, review the benefits provided to employees who
15 begin participating in the systems administered by Kentucky Retirement Systems on
16 or after January 1, 2014, and recommend any changes to the provisions affecting
17 these employees that are necessary to maintain the actuarial soundness of the
18 systems;
19 (3) Shall review semiannually the investment programs of the state-administered
20 retirement systems, including a review of asset allocation targets and ranges, risk
21 factors, asset class benchmarks, total return objectives, relative volatility,
22 performance evaluation guidelines, investment policies, and securities litigation
23 policies and recoveries from fraud or other corporate malfeasance. The board may
24 establish an advisory committee, as provided by KRS 7A.260, which may include
25 investment professionals to assist in complying with the provisions of this
26 subsection;
27 (4) May review any benefits, bylaws, policies, or charters established by the state-

1 administered retirement systems;
2 (5) Shall, at the request of the Speaker of the House of Representatives or the President
3 of the Senate, evaluate proposed changes to laws affecting the state-administered
4 retirement systems and report to the Speaker or the President on the probable costs,
5 actuarial implications, and desirability as a matter of public policy;
6 (6) May review all new or amended administrative regulations of the state-administered
7 retirement systems and provide comments to the Administrative Regulation Review
8 Subcommittee established by KRS 13A.020;
9 (7) Shall research issues related to the state-administered retirement systems as directed
10 by the Legislative Research Commission;[~~and~~]
11 (8) ***Shall at least once every five (5) years have an actuarial audit performed for the***
12 ***state-administered retirement systems to evaluate the reliability of each system's***
13 ***actuarial assumptions and methods. The actuarial audit shall be performed by an***
14 ***actuary retained by the Public Pension Oversight Board;***
15 ***(9) Shall prior to each budget biennium have an actuarial review of the funding***
16 ***requests and needs submitted by the state-administered retirement systems. The***
17 ***review shall be performed by an actuary retained by the Public Pension Oversight***
18 ***Board; and***
19 ***(10)*** Shall publish an annual report covering the board's evaluation and recommendations
20 with respect to the operations of the state-administered retirement systems. The
21 report shall be submitted to the Legislative Research Commission no later than
22 December 31 of each year and shall include at a minimum any legislative
23 recommendations made by the board, a summary of the financial and actuarial
24 condition of the state-administered retirement systems, and an analysis of the
25 adequacy of the current levels of funding.
26 ➔Section 4. KRS 21.440 is amended to read as follows:
27 (1) ***(a)*** The investment committee for the judicial retirement fund shall at least once

in every two (2) year period procure an actuarial valuation of the judicial retirement fund. The valuation shall, ***at a minimum,*** include:

1. A description of the actuarial assumptions used ***in the actuarial valuation***, ***which***[~~and such assumptions~~] shall be reasonably related to the experience of the fund and represent the actuary's best estimate of anticipated experience;

2. A description of any funding methods utilized or required by state law in the development of the actuarial valuation results;

3. A description of any changes in actuarial assumptions and methods from the previous year's actuarial valuation;

4. The actuarially recommended contribution rate for employers for the upcoming budget periods;

5. A twenty (20) year projection of the funding levels, unfunded liabilities, and actuarially recommended contribution rates for employers based upon the actuarial assumptions, funding methods, and experience of the system as of the valuation date; and

6. A sensitivity analysis that evaluates the impact of changes in plan assumptions, including but not limited to the investment return assumption, payroll growth assumption, and medical inflation assumptions, on employer contribution rates, funding levels, and unfunded liabilities.[~~For the period July 15, 1990, to June 30, 1992, the assumed rate of investment return shall be set at one and one-half (1-1/2) percentage points above the assumed rate of salary increase. Thereafter, this spread between investment and salary assumptions shall be reviewed and adjusted annually, based upon the most recent five (5) year experience of the fund.~~]

(b) At least once in each five (5) year period, the Board of Trustees of the

1 *Judicial Form Retirement System shall cause an actuarial investigation to*
2 *be made of all the relevant experience under the retirement plan relative to*
3 *the actuarial assumptions and funding methods previously adopted by the*
4 *board. The actuarial investigation shall include at a minimum a summary*
5 *of the changes in actuarial assumptions and funding methods*
6 *recommended in the investigation and the projected impact of the*
7 *recommended changes on funding levels, unfunded liabilities, and*
8 *actuarially recommended contribution rates for employers over a twenty*
9 *(20) year period.*
10 *(c) Pursuant to the investigation, the board shall from time to time revise the*
11 *actuarial tables previously adopted by the board and shall thereupon revise*
12 *the bases of the rates of contributions required under KRS 21.345 to 21.580.*
13 *(d) For any change in actuarial assumptions, funding methods, retiree health*
14 *insurance premiums and subsidies, or any other decisions made by the*
15 *board that impact system liabilities and actuarially recommended*
16 *contribution rates for employers and that are not made in conjunction with*
17 *the actuarial investigation required by paragraph (b) of this subsection, an*
18 *actuarial analysis shall be completed showing the projected impact of the*
19 *changes on funding levels, unfunded liabilities, and actuarially*
20 *recommended contribution rates for employers over a twenty (20) year*
21 *period.*
22 *(e)* A copy of the valuation*, the five (5) year actuarial investigation, and any*
23 *analysis required by this subsection* shall be forwarded *electronically* to the
24 Legislative Research Commission within ten (10) days of receipt by the
25 committee*, and the Legislative Research Commission shall distribute the*
26 *information received to the committee staff and co-chairs of any committee*
27 *that has jurisdiction over the Judicial Form Retirement System. The*

1 ***actuarial valuation required by paragraph (a) of this subsection shall be***
2 ***submitted no later than November 15 following the close of the fiscal year.***
3 ***(f) All the investigations and valuations shall be certified to the board by an***
4 ***actuary who shall be a fellow of the Conference of Consulting Actuaries or***
5 ***a member of the American Academy of Actuaries.***
6 (2) (a) The board of trustees of the Judicial Form Retirement System shall annually
7 procure an audit of the system and each of the funds therein. The audit shall
8 be conducted in accordance with generally accepted auditing standards.
9 Except as provided by paragraph (b) of this subsection, the board may select
10 an independent certified public accountant or the Auditor of Public Accounts
11 to perform the audit. If the audit is performed by an independent certified
12 public accountant, the Auditor of Public Accounts shall not be required to
13 perform an audit pursuant to KRS 43.050(2)(a), but may perform an audit at
14 his discretion. The board shall make copies of the audit required by this
15 section available for examination by any member or beneficiary in the office
16 of the manager of the system and in such other places as may be necessary to
17 make the audit available to all members and beneficiaries. A copy of the audit
18 shall be sent to the Legislative Research Commission within ten (10) days of
19 receipt by the committee.
20 (b) Once every five (5) years, the Auditor of Public Accounts shall perform the
21 audit described by this subsection, and the system shall reimburse the Auditor
22 of Public Accounts for all costs of the audit. The Auditor of Public Accounts
23 shall determine which fiscal year during the five (5) year period the audit
24 prescribed by this paragraph will be completed.
25 ➔Section 5. KRS 61.670 is amended to read as follows:
26 (1) ***(a)*** As soon as practicable after its organization, the board shall adopt the
27 actuarial tables necessary for the administration of the system and for the

1 annual determination of ***actuarial*** assets and liabilities of the system.

2 ***(b)*** The board shall cause an actuarial valuation to be made annually. The

3 valuation shall ***at a minimum*** include***:***

4 ***1.*** A description of the actuarial assumptions used ***in the actuarial***

5 ***valuation, which***[~~and the assumptions~~] shall be reasonably related to the

6 experience of the system and represent the actuary's best estimate of

7 anticipated experience***;***[~~.~~]

8 ***2. A description of any funding methods utilized or required by state law***

9 ***in the development of the actuarial valuation results;***

10 ***3. A description of any changes in actuarial assumptions and methods***

11 ***from the previous year's actuarial valuation;***

12 ***4. The actuarially recommended contribution rate for employers for the***

13 ***upcoming budget periods;***

14 ***5. A twenty (20) year projection of the funding levels, unfunded***

15 ***liabilities, and actuarially recommended contribution rates for***

16 ***employers based upon the actuarial assumptions, funding methods,***

17 ***and experience of the system as of the valuation date; and***

18 ***6. A sensitivity analysis that evaluates the impact of changes in system***

19 ***assumptions, including but not limited to the investment return***

20 ***assumption, payroll growth assumption, and medical inflation rates,***

21 ***on employer contribution rates, funding levels, and unfunded***

22 ***liabilities.***

23 ***(c)*** At least once in each ***five (5)***[~~ten (10)~~] year period, the board shall cause an

24 actuarial investigation to be made of all the experience under the retirement

25 system ***relative to the actuarial assumptions and funding methods***

26 ***previously adopted by the board. The actuarial investigation shall include at***

27 ***a minimum a summary of the changes in actuarial assumptions and***

1 ***funding methods recommended in the investigation and the projected***
2 ***impact of the recommended changes on funding levels, unfunded liabilities,***
3 ***and actuarially recommended contribution rates for employers over a***
4 ***twenty (20) year period***.
5 ***(d)*** Pursuant to the ***actuarial*** investigation the board shall, from time to time,
6 revise the actuarial tables previously adopted by the board and shall thereupon
7 revise the bases of the rates of contributions required under KRS 61.510 to
8 61.692, KRS 16.505 to 16.652, and KRS 78.510 to 78.852.
9 ***(e) For any change in actuarial assumptions, funding methods, retiree health***
10 ***insurance premiums and subsidies, or any other decisions made by the***
11 ***board that impact system liabilities and actuarially recommended***
12 ***contribution rates for employers and that are not made in conjunction with***
13 ***the actuarial investigation required by paragraph (c) of this subsection, an***
14 ***actuarial analysis shall be completed showing the projected impact of the***
15 ***changes on funding levels, unfunded liabilities, and actuarially***
16 ***recommended contribution rates for employers over a twenty (20) year***
17 ***period.***
18 ***(f)*** All ***actuarial***~~[the]~~ investigations***, analyses,*** and valuations shall be certified to
19 the board by ***an actuary who shall be a fellow of the Conference of***
20 ***Consulting Actuaries or a member of the American Academy of Actuaries***~~[a fellow of the Society of Actuaries]~~.
21
22 (2) A copy of each ***five (5)***~~[ten (10)]~~ year actuarial investigation***, actuarial analysis,***
23 and annual valuation ***required by subsection (1) of this section*** shall be forwarded
24 ***electronically*** to the Legislative Research Commission~~[. The annual valuation shall be forwarded]~~ no later than ten (10) days after receipt by the board***, and the***
25
26 ***Legislative Research Commission shall distribute the information received to the***
27 ***committee staff and co-chairs of any committee that has jurisdiction over the***

1 ***Kentucky Retirement Systems***. ***The actuarial valuation required by paragraph***
2 ***(1)(b) of this subsection shall be submitted no later than November 15 following***
3 ***the close of the fiscal year.***
4 (3) The Legislative Research Commission ***may***[~~shall~~] employ an actuary with the same
5 qualifications as the actuary employed by the board, and the board shall, free of
6 charge, provide the actuary employed by the Commission with the same data
7 provided to its own actuary, and any supplementary data he may require. The
8 actuary employed by the Commission shall review the assumptions, determinations
9 and recommendations of the board actuary, and legislative proposals related to the
10 retirement systems, and report his findings to the Commission and to the board. The
11 board shall pay fifty percent (50%) of the cost of the Commission's actuary, and the
12 Commission shall pay the other fifty percent (50%).
13 ➔Section 6. KRS 161.400 is amended to read as follows:
14 (1) ***(a)*** The board of trustees shall designate as actuary a competent person who shall
15 be a fellow of the Conference of Consulting Actuaries or a member of the
16 American Academy of Actuaries. He shall be the technical adviser of the
17 board on matters regarding the operation of the funds of the system and shall
18 perform such other duties as are required in connection therewith.
19 ***(b)*** At least once in each ***five (5)***[~~six (6)~~] year period[~~ after the first year of~~
20 ~~operation of the system~~], the actuary shall make an actuarial investigation into
21 the actuarial assumptions ***and funding methods*** used, including but not
22 limited to mortality, investment rate of return, and service and compensation
23 of the members and beneficiaries of the retirement system***, relative to the***
24 ***actuarial assumptions and funding methods previously adopted by the***
25 ***board. The actuarial investigation shall include at a minimum a summary***
26 ***of the changes in actuarial assumptions and funding methods***
27 ***recommended in the investigation and the projected impact of the***

1 ***recommended changes on funding levels, unfunded liabilities, and***
2 ***actuarially recommended contribution rates for employers over a twenty***
3 ***(20) year period***[~~; and make a valuation of the assets and liabilities of the~~
4 ~~funds of the system~~].
5 ***(c)*** At least annually the actuary shall make an actuarial valuation of the
6 retirement system. The valuation shall include***:***
7 ***1.*** A description of the actuarial assumptions used, and the assumptions
8 shall be reasonably related to the experience of the system and represent
9 the actuary's best estimate of anticipated experience***;***
10 ***2. A description of any funding methods utilized or required by state law***
11 ***in the development of the actuarial valuation results;***
12 ***3. A description of any changes in actuarial assumptions and methods***
13 ***from the previous year's actuarial valuation;***
14 ***4. The actuarially recommended contribution rate for employers for the***
15 ***upcoming budget periods;***
16 ***5. A twenty (20) year projection of the funding levels, unfunded***
17 ***liabilities, and actuarially recommended contribution rates for***
18 ***employers based upon the actuarial assumptions, funding methods,***
19 ***and experience of the system as of the valuation date; and***
20 ***6. A sensitivity analysis that evaluates the impact of changes in system***
21 ***assumptions, including but not limited to the investment return***
22 ***assumption, payroll growth assumption, and medical inflation rates,***
23 ***on employer contribution rates, funding levels, and unfunded***
24 ***liabilities***.
25 ***(d)*** On the basis of the results of the valuations, the board of trustees shall make
26 necessary changes in the retirement system within the provisions of law and
27 shall recommend the contributions payable by the state within the limits

1 specified in KRS 161.550.

2 ***(e) For any change in actuarial assumptions, funding methods, retiree health***
3 ***insurance premiums and subsidies, or any other decisions made by the***
4 ***board that impact system liabilities and actuarially recommended***
5 ***contribution rates for employers and that are not made in conjunction with***
6 ***the actuarial investigation required by paragraph (b) of this subsection, an***
7 ***actuarial analysis shall be completed showing the projected impact of the***
8 ***changes on funding levels, unfunded liabilities, and actuarially***
9 ***recommended contribution rates for employers over a twenty (20) year***
10 ***period.***

11 (2) Actuarial factors and actuarial cost factor tables in use by the retirement system for
12 all purposes shall be determined by the actuary of the retirement system and
13 approved by the board of trustees by resolution and implemented without the
14 necessity of an administrative regulation. The assets of the system shall be valued at
15 market value, or at a modified market value determined by the board to be a prudent
16 measure of asset value.~~[Effective July 1, 1992, the spread between investment and~~
17 ~~salary assumptions shall be reviewed and adjusted at the time of actuarial valuation,~~
18 ~~based upon the most recent five (5) year experience of the system.]~~

19 (3) A copy of each ***five (5) year*** actuarial investigation***, actuarial analysis,*** and
20 valuation ***required by subsection (1) of this section*** shall be forwarded
21 ***electronically*** to the Legislative Research Commission no later than ten (10) days
22 after receipt by the board***, and the Legislative Research Commission shall***
23 ***distribute the information received to the committee staff and co-chairs of any***
24 ***committee that has jurisdiction over the Kentucky Teachers' Retirement System.***
25 ***The actuarial valuation required by paragraph (1)(c) of this subsection shall be***
26 ***submitted no later than November 15 following the close of the fiscal year.***

27 ➔Section 7. KRS 48.040 is amended to read as follows:

1 (1) On or before April 1 of each odd-numbered year, representatives designated by the
2 Governor, the Chief Justice and the Legislative Research Commission for their
3 respective branches shall propose drafts of uniform forms to be used by all budget
4 units in submitting their budget estimates, requests and recommendations, and shall
5 recommend to the Legislative Research Commission such rules and regulations
6 deemed necessary for the preparation of such budget estimates, requests and
7 recommendations.
8 (2) On or before July 1 of each odd-numbered year, the Legislative Research
9 Commission shall prescribe uniform forms, records, and instructions to be used by
10 branch budget units. Included in such forms shall be a section requiring budget units
11 to identify the amount of funds to be spent on agency publications.
12 (3) ***(a) On or before August 15 of each odd-numbered year, each of the state-***
13 ***administered retirement systems as defined by subsection (5) of Section 1 of***
14 ***this Act shall submit to the state budget director's office and the Legislative***
15 ***Research Commission a preliminary projection of the actuarially required***
16 ***contribution rates payable for the budget biennium that begins in the***
17 ***following fiscal year.***
18 ***(b) On or before November 15 of each odd-numbered year, the state-***
19 ***administered retirement systems as defined by subsection (5) of Section 1 of***
20 ***this Act shall submit revised projections to the state budget director's office***
21 ***and the Legislative Research Commission, based upon the most recently***
22 ***completed actuarial valuation, of the actuarially required contribution rates***
23 ***payable for the budget biennium that begins in the following fiscal year.***
24 ***(c) The Legislative Research Commission shall distribute the information***
25 ***received under this subsection to the committee staff and co-chairs of any***
26 ***committee that has jurisdiction over a state-administered retirement system.***
27 ***(4)*** On or before September 1 of each odd-numbered year, the Finance and

1 Administration Cabinet shall supply each branch of government with at least three
2 (3) complete sets of the prescribed uniform forms and instructions for the
3 preparation of estimates and statements, and one (1) copy of the complete statement
4 of the expenditures of each budget unit of the branch to aid each branch of
5 government in preparing its estimates and statements.
6 ***(5)***[~~(4)~~] Upon request, the Finance and Administration Cabinet shall provide such
7 additional assistance to each branch of government as may be required.
8 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO
9 READ AS FOLLOWS:
10 ***(1) There is hereby established within the Finance and Administration Cabinet the***
11 ***Kentucky permanent pension fund for the purpose of addressing the***
12 ***Commonwealth's unfunded pension liabilities. The proceeds contained in this***
13 ***fund shall be used only for contributions to the Commonwealth's pension funds.***
14 ***(2) The fund may receive:***
15 ***(a) State appropriations;***
16 ***(b) The net proceeds from the sale of real property owned by the***
17 ***Commonwealth or any agency thereof; and***
18 ***(c) Any settlements or judgments resulting from litigation in which the***
19 ***Commonwealth or any of its agencies is a party, after costs of litigation and***
20 ***mandatory deductions or restitution to consumers have been deducted.***
21 ***(3) Any unallotted or unencumbered balances in the fund shall be invested pursuant***
22 ***to KRS 42.500.***
23 ***(4) Income earned from the investments shall be credited to and become part of the***
24 ***fund.***
25 ***(5) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal year***
26 ***shall not lapse but shall be carried forward to the next fiscal year. All amounts in***
27 ***the fund shall remain in the fund and shall not be expended or appropriated***

1 ***without the express authority in an enacted biennial budget bill.***

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 15 APRIL 2016