

House Bill 358, commonly known as the higher education pension relief bill, passed the Kentucky House of Representatives on Wednesday, February 27. A few minor changes were made to the bill through a committee substitute and House floor amendment, but the main principles of the bill remained intact and are outlined below. The bill now moves to the Senate for further action. President Caboni and Jennifer Smith spent time in Frankfort this week advocating for passage of the bill in the Senate.

As President Caboni explained in his email to the campus two weeks ago, HB358 gives both vested and non-vested university employees currently in KERS the option to either remain in the system or opt into the university sponsored defined contribution plan. Any current employee wanting to stay in KERS will be able to do so. This bill is about employee choice; it allows employees at the comprehensive universities to determine the type of retirement they want. To be very clear, if employees want to keep their pension, they will be able to do so.

View HB358 with Committee Substitute

here: <https://apps.legislature.ky.gov/recorddocuments/bill/19RS/HB358/HCS1.pdf>

View HB358 Floor Amendment 1

here: <https://apps.legislature.ky.gov/recorddocuments/bill/19RS/HB358/HFA1.pdf>

View the vote history here: https://apps.legislature.ky.gov/record/19rs/hb358/vote_history.pdf

President Caboni testified on performance funding before the Budget Review Subcommittee on Postsecondary Education on Thursday, February 28. His message to the committee is that he fully supports performance funding and feels it is reasonable to expect universities to be accountable for how taxpayer dollars are invested. However, he stated that the formula should be fully funded and that for it to be successful, it must create incentives and running budget reductions through the model will not do that. He also explained that until pension costs are addressed, any gains made by WKU in performance are dwarfed by the bill the University receives from the pension systems. The statute requires a full review of the performance funding model in 2020. WKU's position is to wait until the full review is complete to determine if any changes should be made.

To view all legislation WKU is currently tracking, please view our legislative tracking sheet [here](#).