PUBLIC PENSION OVERSIGHT BOARD

Minutes

June 1, 2026

Call to Order and Roll Call
The third meeting of the Public Pension Oversight Board (PPOB) was held on June 1, 2026, at 1:00 PM ET/12:00 PM CT in Room 154 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

Present were:
Members: Representative Walker Thomas, Co-Chair; Senators Cassie Chambers Armstrong, Greg Elkins, Shelley Funke Frommeyer, Gerald A. Neal, Michael J. Nemes, and Mike Wilson; Representatives Tina Bojanowski, Adrielle Camuel, Robert Duvall, Ken Fleming, Jason Petrie, and James Tipton; Allison Ball (Jeremy Sylvester, by proxy), and Victor Maddox (Steve Humphress, by proxy).

Guests: Brad Gross, LRC; Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System (TRS); Ryan Barrow, Executive Director, Kentucky Public Pensions Authority (KPPA); and Erin Surratt, Deputy Executive Director, KPPA.

LRC Staff: Brad Gross, Michael Clancy, Shawn Sparks, and Angela Rhodes.

Approval of Minutes
A motion was made by Representative Duvall and seconded by Senator Elkins to approve the minutes of the February 13, 2026, meeting. Minutes were approved by voice vote without objection.

Overview of Actuarial Audit Process
Brad Gross, Committee Staff Administrator, LRC, gave an overview of PPOB's actuarial audit process that occurs once every 5 years. He discussed the processes of the actuarial valuations and actuarial experience studies performed by the retirement systems, the purpose of the actuarial audits, and the 3 levels of the actuarial audits. Lastly, Mr. Gross reviewed the recent and potential future audits.

In response to Senator Funke Frommeyer, Mr. Gross stated all 3 levels of an actuarial audit can include a review of sick leave balances.

In response to Senator Wilson, Mr. Gross stated the last time an actuarial audit was conducted, the PPOB sent a letter to LRC requesting which level of audit to perform. He noted that regardless of what the PPOB requested, LRC had final say in the contracting process. In response to a second question, Mr. Gross stated the results of the actuarial audit would not have changed the dynamic of making amortization payments to pay down the systems' unfunded liabilities. Those payments have been, and continue to be, paid according to statute (KPPA, Judicial Form Retirement System) and board funding policy (TRS).

In response to Representative Tipton, Mr. Gross stated there were no substantial issues in the previous actuarial audit. He mentioned one of the main recommendations the reviewing actuary made was to establish more consistency in assumptions across the different systems.

In response to Representative Petrie, Mr. Gross stated there was no predetermined process for deciding the scope of each actuarial audit. The decision is based on whatever the legislature feels is an appropriate review. Mr. Gross will follow-up with the members on the cost of each audit level.

Overview of Reemployment After Retirement Provisions

Beau Barnes, Deputy Executive Secretary and General Counsel, TRS, gave an overview of the statutory framework under which retired TRS members may return to work for a TRS participating employer. He discussed KRS 161.605, retired return to work programs and rules, contributions, return to work changes, retired reemployed participation, critical shortage program, and federal requirements and limitations.

In response to Representative Bojanowski, Mr. Barnes affirmed there is a limit on the number of days a retired reemployed member can work if they are returning part-time to substitute. The limit for a part-time employee, per statutory definition, is 69/100 of a contract year.

In response to Representative Camuel, Mr. Barnes stated the critical shortage program has 71 participants with 5,697 positions available. About 85% of Kentucky school districts are not using the critical shortage program.

In response to Senator Funke Frommeyer, Mr. Barnes stated TRS has conducted outreach with their members and districts on the rules of substitute teaching. He stated a teacher can also apply to a full-time teaching program.

Ryan Barrow, Executive Director, KPPA, and Erin Surratt, Deputy Executive Director, KPPA, gave an overview of KPPA's reemployment after retirement provisions. Ms. Surratt discussed the legal requirements, employer contributions and reimbursements, exemption of employer contributions and reimbursements, and reemployment of retired police officers. There is a wealth of information regarding reemployment provided on the KPPA website.

In response to Senator Nemes, Ms. Surratt agreed the definition of retirement means someone who has ceased employment and is receiving retirement benefits from the system. A member who retires must observe a one-month break of service between their retirement date and reemployment if they come back to work for a participating employer.

Adjournment