

1 AN ACT relating to governmental agencies, making an appropriation therefor, and
2 declaring an emergency.

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

4 ➔Section 1. The General Fund appropriation of \$200,000,000 in fiscal year 2023-
5 2024 set out in 2022 Ky. Acts ch. 199, Part I, N., 1. is hereby transferred as follows:

6 (1) \$179,500,000 to the State Salary and Compensation Fund budget unit within
7 the Personnel Cabinet in fiscal year 2023-2024 for a six percent salary increase for state
8 employees, salary increases associated with grade changes resulting from findings of the
9 Personnel Cabinet's classification review process, and salary changes related to the
10 conversion of all state employees currently working a 37.5-hour week to a 40-hour work
11 week, effective July 2, 2023. Notwithstanding KRS 18A.335, relating to anniversary
12 date, and notwithstanding KRS 156.808(6)(e) and 163.032(1), a six percent salary
13 increase is provided, effective July 1, 2023, on the base salary or wages of each eligible
14 state employee. For these purposes, there is hereby appropriated Restricted Funds in the
15 amount of \$60,500,000 in fiscal year 2023-2024 to the State Salary and Compensation
16 Fund budget unit within the Personnel Cabinet. The State Budget Director shall
17 determine the necessary amount of funds from these appropriations, by budget unit. The
18 State Budget Director shall notify the Secretary of the Finance and Administration
19 Cabinet of the respective amounts from the Fund to transfer to each affected budget unit.
20 The State Budget Director shall report to the Interim Joint Committee on Appropriations
21 and Revenue on the implementation of this provision by December 1, 2023;

22 (2) \$20,000,000 to the Kentucky Higher Education Assistance Authority budget
23 unit in fiscal year 2023-2024 for a student loan forgiveness program for state employees.
24 The Personnel Cabinet, in cooperation with the Kentucky Higher Education Assistance
25 Authority, shall establish the terms and conditions for the program. Notwithstanding KRS
26 45.229, these funds shall not lapse and shall carry forward; and

27 (3) \$500,000 in fiscal year 2023-2024 to the General Operations budget unit

1 within the Personnel Cabinet to provide additional contractual resources to complete the
2 job classification reviews.

3 ➔Section 2. In accordance with KRS 61.691(2)(a)2., there is hereby appropriated
4 General Fund moneys in the amount of \$162,000,000 in fiscal year 2023-2024 to the
5 Kentucky Public Pensions Authority to be applied to the Kentucky Employees
6 Retirement Fund of the Kentucky Employees Retirement System established by KRS
7 61.515 to prefund, effective July 1, 2023, a one and one-half percent increase in the
8 monthly retirement allowances paid from the Kentucky Employees Retirement System to
9 each recipient for service in a nonhazardous position who has retired as of July 1, 2022.

10 ➔Section 3. In accordance with KRS 61.691(2)(a)2., there is hereby appropriated
11 General Fund moneys in the amount of \$12,000,000 in fiscal year 2023-2024 to the
12 Kentucky Public Pensions Authority to be applied to the Kentucky Employees
13 Retirement Fund of the Kentucky Employees Retirement System established by KRS
14 61.515 to prefund, effective July 1, 2023, a one and one-half percent increase in the
15 monthly retirement allowances paid from the Kentucky Employees Retirement System to
16 each recipient for service in a hazardous position as provided in KRS 61.592 who has
17 retired as of July 1, 2022.

18 ➔Section 4. In accordance with KRS 61.691(2)(a)2., there is hereby appropriated
19 General Fund moneys in the amount of \$12,000,000 in fiscal year 2023-2024 to the
20 Kentucky Public Pensions Authority to be applied to the State Police Retirement Fund of
21 the State Police Retirement System established by KRS 16.510 to prefund, effective July
22 1, 2023, a one and one-half percent increase in the monthly retirement allowances paid
23 from the State Police Retirement System to each recipient for service as provided in KRS
24 16.510 who has retired as of July 1, 2022.

25 ➔Section 5. There is hereby appropriated General Fund moneys in the amount of
26 \$100,000,000 in fiscal year 2022-2023 to the Kentucky Public Pensions Authority budget
27 unit to be applied to the unfunded pension liability of the Kentucky Employees

1 Retirement System Nonhazardous pension fund.

2 ➔Section 6. There is hereby appropriated General Fund moneys in the amount of
3 \$100,000,000 in fiscal year 2022-2023 to the Kentucky Teachers' Retirement System
4 budget unit to be applied to the unfunded pension liability of the Kentucky Teachers
5 Retirement System.

6 ➔Section 7. There is hereby appropriated Restricted Funds in the amount of
7 \$1,400,000 in fiscal year 2023-2024 to the General Operations budget unit within the
8 Personnel Cabinet to provide adequate staffing for the administration of the
9 Commonwealth's employment application process, management of classification and
10 compensation system, and the administration of the statewide Performance Management
11 Program.

12 ➔Section 8. Whereas the operations of governmental agencies are imperative for
13 the betterment of the Commonwealth, an emergency is declared to exist, and this Act
14 takes effect upon its passage and approval by the Governor or upon its otherwise
15 becoming a law.