



Quasi-Governmental Entities In The Kentucky Retirement Systems

Research Report No. 419

Prepared By

Chris Riley, Ashleigh Hayes, and Carolyn Purcell

Quasi-Governmental Entities In The Kentucky Retirement Systems

Program Review and Investigations Committee

Sen. Danny Carroll, Co-chair
Rep. Martha Jane King, Co-chair

Sen. Tom Buford	Rep. Leslie Combs
Sen. Perry B. Clark	Rep. Tim Couch
Sen. Christian McDaniel	Rep. David Meade
Sen. Dorsey Ridley	Rep. Terry Mills
Sen. Dan “Malano” Seum	Rep. Ruth Ann Palumbo
Sen. Stephen West	Rep. Rick Rand
Sen. Whitney Westerfield	Rep. Arnold Simpson

Greg Hager, PhD
Committee Staff Administrator

Project Staff

Chris Riley
Ashleigh Hayes
Carolyn Purcell

Research Report No. 419

Legislative Research Commission
Frankfort, Kentucky
lrc.ky.gov

Adopted November 12, 2015

Abstract

Quasi-governmental entities (QGEs), which are not defined in statute, are defined for this report as entities that are created by governments to serve public interests but that maintain a legally separate status. Almost all employees and retirees of QGEs participating in the Kentucky Retirement Systems (KRS) are in the Kentucky Employees Retirement System Nonhazardous or County Employees Retirement System Nonhazardous or Hazardous plans. As of FY 2014, there were more than 26,000 active members of 602 QGEs participating in KRS, accounting for nearly 20 percent of the active membership of the three plans. There were more than 12,000 QGE retirees, accounting for nearly 13 percent of total retirees of the three plans. More than \$238 million in retirement benefits was paid to QGE retirees in FY 2014. QGEs had nearly \$2.8 billion in actuarially determined net pension liabilities for FY 2014, accounting for nearly 21 percent of the total for the three plans in which QGE members participate. Less than 40 percent of QGEs are community action agencies, health departments, regional mental health units, utility boards, or QGEs providing other services. These agencies accounted for more than 70 percent of QGE members, retirees, benefits, and net pension liability in KRS in FY 2014, however.

Foreword

Many individuals provided valuable information for this report. Staff express appreciation to those from state agencies, especially the Kentucky Retirement Systems and the Office of the Auditor of Public Accounts, who provided assistance during this study. Within the Legislative Research Commission, Program Review staff would like to thank staff of the Local Government and State Government Committees, Economists Office, and the LRC Library. Staff of many associations, especially those of the Kentucky League of Cities, were helpful.

David A. Byerman
Director

Legislative Research Commission
Frankfort, Kentucky
November 12, 2015

Contents

Summary	v
Quasi-Governmental Entities In The Kentucky Retirement Systems.....	1
Major Conclusions.....	1
Quasi-Governmental Entities.....	2
Types.....	3
Kentucky Retirement Systems.....	3
Eligibility To Participate.....	4
Governmental Pension Plans	5
QGEs In Kentucky Retirement Systems.....	7
Active And Retired QGE Members.....	8
Ratio Of Active Employees Per Retiree	8
Ratio Of QGE Active Employees Per QGE Retiree.....	9
QGEs With The Most Active Employees And Retirees.....	10
Ratio Of QGE Active Employees Per QGE Retiree.....	11
Age Of Active QGE Employees And Retirees.....	12
Retirement Benefits Paid To QGE Retirees.....	14
Net Pension Liabilities Of QGEs.....	15
Implementation Of GASB 68	17
Legal Issues.....	18
Board Of KRS v. KRCC And Go Hire Employment And Development.....	18
Seven Counties Services.....	19
Appendix A: Classifications Of Quasi-Governmental Entities.....	21
Appendix B: Quasi-Governmental Entities In Kentucky Retirement Systems By Classification.....	27
Appendix C: Kentucky Retirement Systems Benefit Tiers.....	43
Endnotes.....	45

Tables

1	Active Employees And Retirees Of Quasi-Governmental Entities By Type Of Retirement Plan, Fiscal Year 2014	8
2	Active Employees Per Retiree By Retirement Plan, Fiscal Year 2014	9
3	Active Employees By Size Of QGE, Fiscal Year 2014.....	10
4	Retirees By Size Of QGE, Fiscal Year 2014	11
5	Active Employees And Retirees By QGE Classification, Fiscal Year 2014.....	12
6	Retirement Benefits By QGE Classification, Fiscal Year 2014	14
7	Total Net Pension Liabilities By Retirement Plan, Fiscal Year 2014.....	15
8	Net Pension Liabilities Of QGE Classifications By Retirement Plan, Fiscal Year 2014	16
9	Active Employees, Retirees, Benefits, And Net Pension Liabilities Of QGE Classifications, Fiscal Year 2014.....	17

Figures

A Active Employees Per Retiree, Fiscal Year 2007 To Fiscal Year 20149
B Average Age Of Active Employees And Retirees By QGE Classification,
Fiscal Year 201413

Summary

Quasi-governmental entities (QGEs) are not defined in Kentucky statute. They are defined for this report as entities that are created by governments to serve public interests but that maintain a legally separate status. Board members often are appointed by government officials, and government officials may serve on a governing board.

Almost all QGE employees who participate in the Kentucky Retirement Systems (KRS) are in the Kentucky Employees Retirement System (KERS)-Nonhazardous or County Employees Retirement System (CERS)-Nonhazardous or -Hazardous plans.

KERS requires that an entity be deemed eligible to participate by the KRS board and executive order. CERS requires KRS board approval and an order for participation from a school board or fiscal court. Some agencies received an Internal Revenue Service letter of exception in order to participate in KRS.

The 602 QGEs identified as participating in KRS were grouped into 18 classifications:

- Airport boards (5 entities)
- Ambulance services (20)
- Area development districts (15)
- Community action agencies (21)
- Conservation districts (48)
- Development authorities (6)
- Fire departments (38)
- Health departments (61)
- Housing authorities (41)
- Libraries (86)
- Other services (23)
- Regional mental health units (12)
- Riverport authorities (5)
- Sanitation districts (9)
- Services for victims of abuse (24)
- Special districts and boards (46)
- Tourist commissions (23)
- Utility boards (119)

As of fiscal year 2014, there were more than 26,000 active QGE employees participating in KRS pension plans. Employees from QGEs accounted for nearly 20 percent of the employees in KERS-Nonhazardous, CERS-Hazardous, and CERS-Nonhazardous plans. The average age of QGE employees was 44.5 years. There were more than 12,000 QGE retirees, who accounted for nearly 13 percent of total retirees of the three retirement plans. The average age of QGE retirees was 65.9 years. There were 2.1 QGE employees for every 1 QGE retiree.

More than \$238 million in retirement benefits was paid to QGE retirees in FY 2014. The average benefit per QGE retiree was \$19,000. According to a KRS report, QGEs had a total of nearly \$2.8 billion in actuarially determined net pension liabilities for FY 2014. QGE net pension liabilities accounted for nearly 21 percent of the combined net pension liabilities for KERS-Nonhazardous, CERS-Hazardous, and CERS-Nonhazardous in FY 2014.

Five classifications of QGEs accounted for large shares of QGE employees, retirees, benefits, and net pension liability in KRS in FY 2014.

Classification	Percentage Of			
	QGE Employees	QGE Retirees	Total QGE Retirement Benefits	QGE Net Pension Liability
Community action agencies	12.5%	9.0%	4.0%	3.4%
Health departments	14.5	20.2	19.3	23.9
Other services	8.7	8.0	9.2	17.1
Regional mental health units	19.0	18.6	15.0	28.0
Utility boards	16.2	21.5	30.7	10.8
Total	70.9%	77.3%	78.2%	83.2%

In recent years, KRS has faced challenges that resulted in litigation relating to continued agency participation in the state retirement systems from two QGE mental health centers: Kentucky River Community Care and Seven Counties Services.

Quasi-Governmental Entities In The Kentucky Retirement Systems

At its December 11, 2013, meeting, the Program Review and Investigations Committee voted to initiate a study of quasi-governmental entities participating in the Kentucky Retirement Systems.

This report does not cover entities whose leadership is popularly elected or state universities.

Major Conclusions

This report has six major conclusions.

This report has six major conclusions.

- Quasi-governmental entities are not defined in Kentucky statute. They are defined for this report as entities that are created by governments to serve public interests but that maintain a legally separate status. Board members often are appointed by government officials, and government officials may serve on a governing board.
- More than 600 quasi-governmental entities are participating employers within the Kentucky Retirement Systems, with employees in the Kentucky Employees Retirement System Nonhazardous plan and the County Employees Retirement System Nonhazardous and Hazardous plans.
- More than 26,000 employees from quasi-governmental entities participated in the three Kentucky Retirement Systems plans in fiscal year 2014, representing nearly 20 percent of total active membership in these plans. There were more than 12,000 retired members from quasi-governmental entities, representing nearly 13 percent of the total number of retirees of the three plans. There were 2.1 active quasi-governmental employees for every 1 retired member.
- Approximately two-thirds of the more than \$238 million in benefits paid to retirees of quasi-governmental entities in FY 2014 went to entities that were utility boards (31 percent), health departments (19 percent), or regional mental health units (15 percent). The average benefit for a retiree of a quasi-governmental entity was approximately \$19,000.
- The total net pension liability for quasi-governmental entities across the three Kentucky Retirement Systems plans is nearly

\$2.8 billion, which is nearly 21 percent of the \$13.4 billion total net pension liability for the three plans as of FY 2014.

- Kentucky Retirement Systems has faced two notable challenges from community mental health centers over the past 5 years that resulted in litigation.

Quasi-Governmental Entities

Quasi-governmental entities (QGEs) are not defined in Kentucky statute. For this report, QGEs are entities created by governments to serve public interests but that maintain a legally separate status. Board members often are appointed by government officials, and government officials may serve on a governing board.

Quasi-governmental entities (QGEs) are not defined in Kentucky statute, nor is there an agreed-upon definition from the relevant literature. This report adopts a 2011 Program Review definition that states quasi-governmental entities

are created by governments to serve public interests but maintain a legally separate status. Board members often are appointed by government officials, and government officials may serve on a governing board. The board usually hires an executive officer who serves at the pleasure of the board.¹

QGEs usually have a common vested interest with the state or local governments, such as local health departments' concern for the general health of the local population.

Special districts are considered QGEs for the previous Program Review report and this one because of their quasi-independent status and the typical characteristics of their boards. The US Census classifies special districts as special-purpose governments that “are established to provide only one or a limited number of designated functions” and that have “sufficient administrative and fiscal autonomy to qualify as independent governments.”²

Many QGEs are participating employers within the Kentucky Retirement Systems (KRS), with employees in the Kentucky Employees Retirement System Nonhazardous plan (KERS-NH) and the County Employees Retirement System Nonhazardous (CERS-NH) and Hazardous (CERS-H) plans.

Many QGEs are participating employers within the Kentucky Retirement Systems (KRS), with employees in the Kentucky Employees Retirement System (KERS) Nonhazardous plan and the County Employees Retirement System (CERS) Nonhazardous and Hazardous plans.^a With exceptions, entities are deemed eligible to participate in the state retirement plans by the KRS Board of Trustees and by executive order or an order authorizing the entity's participation by the fiscal court or school board.

^a The Kentucky Horse Park has most of its employees and retirees in the KERS Nonhazardous plan but has a few in the KERS Hazardous plan. It is the only QGE in this report that participates in KERS Hazardous. For simplicity, all Horse Park employees and retirees are counted as KERS Nonhazardous.

Program Review staff cross-referenced identified QGEs from the committee's 2011 study with the list of active participating employers provided by KRS to create a list of 602 QGEs in Kentucky Retirement Systems. Each QGE was assigned to one of 18 classifications.

Types. Program Review staff cross-referenced identified quasi-governmental entities from the committee's 2011 study with the list of active participating employers by classification provided by Kentucky Retirement Systems to create a list of quasi-governmental entities participating in Kentucky Retirement Systems.³ The 602 entities are divided into 18 classifications:

- Airport boards
- Ambulance services
- Area development districts
- Community action agencies
- Conservation districts
- Development authorities
- Fire departments
- Health departments
- Housing authorities
- Libraries
- Other services
- Regional mental health units
- Riverport authorities
- Sanitation districts
- Services for victims of abuse
- Special districts and boards
- Tourist commissions
- Utility boards

Appendix A provides descriptions of the classifications. Appendix B provides summary information on each of the entities within the classifications.

Kentucky Retirement Systems

KRS administers retirement benefits for state and local government employees and employees of participating entities that provide public services. Its 13-member Board of Trustees oversees the administration of the pension and insurance plans.⁴ KRS administers three tax-qualified defined benefit pension plans and three health insurance plans. As of January 1, 2014, the plans administered by KRS contained three tiers of pension benefits. Tiers I and II are traditional defined benefit plans that use the member's service, average compensation, and a benefit factor to determine a lifetime benefit. Tier III is a hybrid plan that uses the member's accumulated account balance to establish a lifetime annuity. Appendix C provides information on the three tiers. KRS serves more than 348,000 active, inactive, and retired employees and beneficiaries.⁵

Two divisions within KRS are relevant for this report. The Kentucky Employees Retirement System, created in 1956 through KRS 61.510-61.515, includes state employees, nonteaching staff at regional state-supported universities, and employees of local health departments, regional mental health centers, and other quasi-governmental entities. This plan has nonhazardous and hazardous duty benefit and contribution structures. The County Employees Retirement System, established in 1958 by KRS 78.515, provides benefits to employees of city and county governments, police and

firefighters, nonteaching staff of local boards of education, circuit clerks, local library employees, other local government agencies, and employees of quasi-governmental entities. This plan also has nonhazardous and hazardous duty benefit and contribution structures.

The General Assembly sets employer contribution rates for each plan. The employer contribution rate covers the employer's normal cost rate, administrative expenses associated with managing the funds in the system, and the rate to amortize the actuarially determined unfunded liability present within a specific retirement plan. For FY 2014, the rates were set at 26.79 percent of salary for KERS Nonhazardous, 18.89 percent for CERS Nonhazardous, and 35.7 percent for CERS Hazardous.⁶

Eligibility To Participate

Entities become eligible for KERS by way of executive order and approval from the KRS board. Approval from the KRS board and an order from the county's fiscal court or school board is needed for participation in CERS.

The KRS board determines the eligibility and qualifications for participation of each entity, including QGEs, admitted into the system. For KERS, after the employer is deemed eligible by the board, the governor issues an executive order granting it eligibility to participate. The effective date of participation in the system is determined by the KRS board and fixed by executive order. For CERS, participation may begin after the board deems the entity eligible and an order is received from the county's fiscal court or a school board (KRS 61.520, 78.510).

If the KRS Board of Trustees initially rejects an entity for participation in the retirement system, it may seek a private letter ruling from the US Internal Revenue Service deciding whether the entity qualifies to participate in a retirement plan. Examples of agencies receiving this exception are the Kentucky League of Cities and Kentucky Association of Counties.

If the KRS Board of Trustees initially rejects an entity for participation in the retirement system, it can seek a determination letter from the US Internal Revenue Service deciding whether the entity qualifies to participate in a retirement plan. Examples of agencies receiving this exception are the Kentucky League of Cities (KLC) and Kentucky Association of Counties (KACo).^{7,8} KLC and KACo are nonprofit organizations with boards of directors and affiliated boards that comprise mostly elected or appointed officials of counties and cities. With the revision of KRS 65.312 in 2010, agencies similar to KLC and KACo are classified as public entities, requiring open records and meetings.

Once an entity begins participation in KRS, all regular, full-time employees are required to participate. KRS is not permitted to allow membership of a person deemed ineligible by KRS 61.522 or employees concurrently participating in another state-administered defined benefit plan within Kentucky. Each participating entity in CERS must have its governing board adopt an order authorizing its participation, which must be submitted to KRS for approval (KRS 61.525).

Previously, statute required agencies to continue participation unless otherwise terminated by the KRS Board of Trustees. House Bill 62, enacted in 2015, allows for involuntary and voluntary cessation of participation by an employer in KRS.

Previously, agencies were required to continue participation unless otherwise terminated by the Kentucky Retirement Systems Board of Trustees under KRS 78.535. House Bill 62, enacted in 2015, allows for involuntary and voluntary cessation of participation by an employer in KRS. An employer may voluntarily cease participation if it is able to pay its portion of the unfunded liability by requesting that its participation cease. Involuntary cessation of participation in KRS may be induced by the KRS board if it determines that the employer no longer qualifies or has failed to comply with provisions expressed by law. KRS is in the process of developing administrative regulations to control the voluntary and involuntary cessation process.

Once an employer ceases participation in KERS or CERS, the employer's employees will no longer be active members of the system. The employer will be required to pay for the cost of an actuarial study and any other administrative costs for discontinuing participation in the system. Once a cost is determined, the employer will be required to pay KRS the full actuarial cost of the benefits accrued by its current and former employees in the system as it pertains to the pension fund and insurance fund. Any employee hired after the cessation date will not be eligible to participate in KRS (KRS 61.522). Finally, an employer who has ceased participation must provide an alternative retirement program for employees no longer covered by KRS.

Governmental Pension Plans

Governmental pension plans, like those in KRS, are not subject to some of the requirements of the US Employee Retirement Income Security Act of 1974.

Governmental pension plans, like those in Kentucky Retirement Systems, are regulated by federal, state, and local law but are not subject to the requirements of Titles I and IV of the Employee Retirement Income Security Act of 1974 (ERISA) that are imposed on private sector pension plans. Title I pertains to requirements on financial reporting, disclosure, and funding. Title IV establishes the Pension Benefit Guaranty Corporation, which protects those in private sector plans.⁹

Governmental plans are subject to Titles II and III of ERISA. Title II covers limits on contributions and benefits, coverage and nondiscrimination, distributions, and integration with Social Security. Title III deals with enforcement of the law.¹⁰ Governmental plans are subject to rules and regulations on financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Internal Revenue Service Code Section 414(d) does not define the term *governmental plan* beyond saying it is a plan established by a government agency. The IRS and US Treasury have released a proposal that would formally define governmental plans and the agencies that can participate in the plans.

No current regulations define the term *governmental plan* within Section 414(d) of the Internal Revenue Service (IRS) Code beyond saying that it is a plan established by a government agency. The IRS and US Treasury have a public proposal designed to promote discussion on how to define key terms and relevant factors for deciding how pension plans can be defined as “governmental.”¹¹ The proposal also includes criteria that would determine whether an entity can be defined as an agency or instrumentality of a governmental entity.

According to the proposal, these potential changes to Section 414(d) stem from the increasing number of requests from pension plan sponsors concerning the validity of including agencies that exhibit a “remote” relationship to governmental entities within the plans.

Section 414(d) of the proposed IRS Code defines the term *governmental plan* as

A plan established and maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of the foregoing.^b

The following criteria, which are relevant to quasi-governmental entities, are included in the proposal to determine whether an entity can be defined as an instrumentality of a state, or an instrumentality of a political subdivision of a state.

- The entity’s governing board or body is controlled by a State or political subdivision.
- The members of the governing board or body are publicly nominated and elected.
- The entity’s employees are treated in the same manner as employees of the State (or political subdivision thereof) for purposes other than providing employee benefits
- A State (or political subdivision thereof) has fiscal responsibility for the general debts and other liabilities of the entity (including funding responsibility for the employee benefits under the entity’s plans).
- In the case [of] an entity that is not a political subdivision, the entity is delegated, pursuant to a statute

^b Other pension plans that are defined as governmental by section 414(d) are any pension plan that is covered by the Railroad Retirement Act of 1935 or 1937, and certain pension plans of Indian tribal governments and related entities (Section 906(a)(1)).

of a State or political subdivision, the authority to exercise sovereign powers of the state or political subdivision

- The entity is created by a State government or political subdivision pursuant to a specific enabling statute that prescribes the purposes and powers of the entity, and the manner in which the entity is to be established and operated.
- The entity is directly funded through tax revenues or other public sources.
- The entity is treated as a governmental entity for Federal employment tax purposes
- The entity's operations are controlled by a State or political subdivision.
- The entity is determined to be an agency or instrumentality of a State or political subdivision thereof for purposes of State law. For example, the entity is subject to open meetings laws or is required to maintain public records that apply only to governmental entities¹³

QGEs In Kentucky Retirement Systems

The analyses of employees and retirees of QGEs in this report are for those who are direct employees of the entities. The term *employee* used within this report applies to full-time employees who provide contributions to a KRS retirement plan. Retirees are defined as those who are receiving retirement benefits. Individuals who have service credit earned within KRS but are not currently working full time or receiving retirement benefits are not counted in this report. In some cases, someone who is an employee of a government agency may devote a portion of work time to a QGE.¹⁴ The identities and numbers of state and local government employees who work for QGEs are unknown.

Active And Retired QGE Members

More than 26,000 active employees from QGEs participated in a KRS plan in FY 2014, representing nearly 20 percent of total active membership of KERS-NH, CERS-NH, and CERS-H. There were more than 12,000 retired members from QGEs, representing nearly 13 percent of the total number of retirees within the three plans.

Table 1 shows the total active employees and retirees of quasi-governmental entities in the KERS Nonhazardous and CERS Nonhazardous and Hazardous retirement plans. As of FY 2014, there were more than 26,000 QGE employees, which represents nearly 20 percent of the total active membership of the three plans. There were more than 12,000 retired members from QGEs, representing nearly 13 percent of the total number of retirees within the plans. As of FY 2014, there were 2.1 active QGE employees for every 1 retired QGE member.

Table 1
Active Employees And Retirees Of Quasi-Governmental
Entities By Type Of Retirement Plan
Fiscal Year 2014

Plan	Employees			Retirees		
	QGEs	Total	QGE As % Of Total	QGEs	Total	QGE As % Of Total
KERS Nonhazardous*	10,869	40,365	27.0%	5,812	41,223	14.1%
CERS Nonhazardous	13,866	81,115	17.1	6,373	49,935	12.8
CERS Hazardous	1,327	9,194	14.4	347	7,646	4.5
	26,062	130,674	19.9%	12,532	98,804	12.7%

*The Kentucky Horse Park is the only QGE in this report that participates in KERS Hazardous. Almost all its employees and retirees are in the KERS Nonhazardous plan, however. For simplicity, all Horse Park employees and retirees are counted as KERS Nonhazardous.

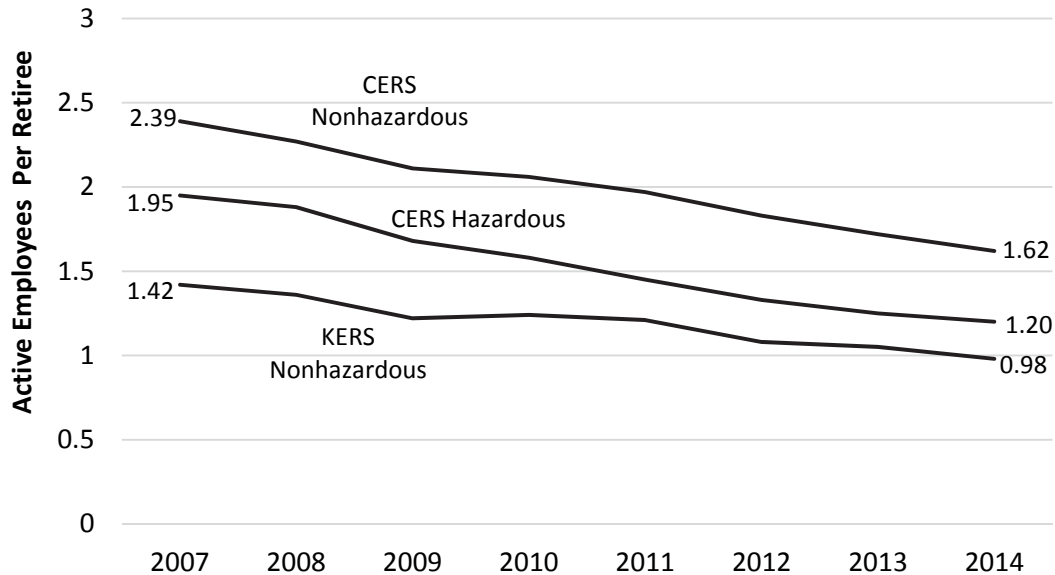
Source: Kentucky Retirement Systems.

Ratio Of Active Employees Per Retiree

Since FY 2007, the ratio of active employees per retired member decreased from 2.39 to 1.62 for CERS-NH, from 1.95 to 1.20 for CERS-H, and from 1.42 to 0.98 for KERS-NH.

The ratio of active employees to retired members is a strong determinant of overall pension fund health.¹⁵ Figure A shows the ratio of active employees per retired member for the three retirement plans. This is for all active employees and retirees, not just those of QGEs.

Figure A
Active Employees Per Retiree
Fiscal Year 2007 To Fiscal Year 2014



Source: Kentucky Retirement Systems. *2014 Actuarial Valuation Results*.

Ratio Of QGE Active Employees Per QGE Retiree. Historic data of active employees per retiree for QGEs were unavailable. Ratios were computed for FY 2014 for QGEs by retirement plan. Table 2 shows that the combined ratios per retirement plan for QGE participants were all higher than the ratios for the plans as a whole. The active-to-retiree ratios for QGE participants in the retirement plans for FY 2014 were 3.8 to 1 for CERS Hazardous, 2.2 to 1 for CERS Nonhazardous, and 1.9 to 1 for KERS Nonhazardous.

Table 2
Active Employees Per Retiree By Retirement Plan
Fiscal Year 2014

Plan	Overall	QGEs
KERS Nonhazardous*	0.98	1.87
CERS Nonhazardous	1.62	2.17
CERS Hazardous	1.20	3.82

*The Kentucky Horse Park is the only QGE in this report that participates in KERS Hazardous. Almost all its employees and retirees are in the KERS Nonhazardous plan. For simplicity, all Horse Park employees and retirees are counted as KERS Nonhazardous in this report.

Source: Kentucky Retirement Systems.

QGEs With The Most Active Employees And Retirees

Five QGEs had more than 16 percent of total active QGE employees in KRS as of FY 2014: Bluegrass.org (1,745 active members), Cumberland River Mental Health and Mental Retardation Board (724), Transit Authority of River City (669), Jefferson County Metro Sewer District (624), and Audubon Area Community Services Inc. (507). Nearly 300 QGEs each had fewer than 10 active employees in KRS.

As shown in Table 3, five quasi-governmental entities had more than 16 percent of total active QGE employees in FY 2014. The five QGEs with 500 or more employees each were Bluegrass.org (1,745 employees), Cumberland River Mental Health and Mental Retardation Board (724), Transit Authority of River City (669), Jefferson County Metro Sewer District (624), and Audubon Area Community Services Inc. (507). Nearly 300 QGEs each had fewer than 10 employees.

**Table 3
Active Employees By Size Of QGE
Fiscal Year 2014**

Active Employees Per Entity	Agencies	Employees	Percentage Of Employees	Cumulative Percentage
500 or more	5	4,269	16.4%	16.4%
300-499	8	2,904	11.1	27.5
200-299	18	4,531	17.4	44.9
100-199	28	3,952	15.2	60.1
50-99	49	3,363	12.9	73.0
40-49	27	1,210	4.6	77.6
30-39	43	1,478	5.7	83.3
20-29	65	1,596	6.1	89.4
10 to 19	114	1,606	6.2	95.6
Fewer than 10	279	1,153	4.4	100.0%
Total	636*	26,062	100.0%	

*Total agencies take into account the 33 agencies that participate in both CERS Hazardous and Nonhazardous plans and the Kentucky Horse Park.

Source: Kentucky Retirement Systems.

Five QGEs represented nearly 21 percent of total QGE retired members: Bluegrass.org (666 retired members), Jefferson County Metro Sewer District (643), Transit Authority of River City (452), Louisville Water Company (420), and Seven Counties Services (399). More than two-thirds of QGEs each had fewer than 10 KRS retirees, which includes 17 percent with none.

As shown in Table 4, five entities with at least 300 retirees each represented nearly 21 percent of total QGE retired members: Bluegrass.org (666 retired members), Jefferson County Metro Sewer District (643), Transit Authority of River City (452), Louisville Water Company (420), and Seven Counties Services (399). More than two-thirds of QGEs each had fewer than 10 retirees, including 17 percent with none.

Table 4
Retirees By Size Of QGE
Fiscal Year 2014

Retirees Per Entity	Agencies	Retirees	Percentage Of Retirees	Cumulative Percentage
300 or more	5	2,580	20.6%	20.6%
100-299	25	3,742	29.9	50.5
50-99	27	1,893	15.1	65.6
40-49	12	519	4.1	69.7
30-39	25	857	6.8	76.5
20-29	39	905	7.2	83.7
10 to 19	68	941	7.5	91.2
1 to 9	330	1,095	8.7	100.0
0	105	0	0.0	100.0%
Total	636*	12,532	100.0%	

Note: Percentages do not add to 100.0% due to rounding.

*Total agencies take into account the 33 agencies that participate in both CERS Hazardous and Nonhazardous plans and the Kentucky Horse Park.

Source: Kentucky Retirement Systems.

Ratio Of QGE Active Employees Per QGE Retiree

As of FY 2014, there were 2.1 QGE active employees per 1 QGE retired member. By classification, the lowest ratios were for health departments (3,788 employees, ratio of 1.5) and utility boards (4,230 employees, ratio of 1.6).

Lower ratios of active employees per retired members shift more of the burden onto current workers paying into the system, participating employers, and retirement fund managers to generate enough revenue to pay out the benefits promised to retired members.¹⁶ Table 5 shows the active employee to retiree ratio per QGE classification. Overall there were 2.1 QGE employees per 1 QGE retired member as of FY 2014.

Twelve classifications have ratios of more than 2.1, but many of them have relatively few members. The lowest ratios were for two classifications with relatively high numbers of employees: health departments (3,788 employees, ratio of 1.5) and utility boards (4,230 employees, ratio of 1.6).

Table 5
Active Employees And Retirees By QGE Classification
Fiscal Year 2014

Entity Classification	Entities	Employees	% Of QGE Employees	Retirees	% Of QGE Retirees	Active Employees Per Retiree
Airport boards	5	576	2.2%	336	2.7%	1.7
Ambulance services	20	604	2.3	137	1.1	4.4
Area development districts	15	927	3.6	308	2.5	3.0
Community action agencies	21	3,262	12.5	1,124	9.0	2.9
Conservation districts	48	65	0.2	28	0.2	2.4
Development authorities	6	13	0.0	5	0.0	2.6
Fire departments	38	1,039	4.0	168	1.3	6.2
Health departments	61	3,788	14.5	2,535	20.2	1.5
Housing authorities	41	486	1.9	230	1.8	2.1
Libraries	86	1,339	5.1	552	4.4	2.4
Other services	23	2,265	8.7	1,004	8.0	2.3
Regional mental health units	12	4,942	19.0	2,336	18.6	2.1
Riverport authorities	5	74	0.3	27	0.2	2.7
Sanitation districts	9	385	1.5	95	0.8	4.2
Services for victims of abuse	24	228	0.9	37	0.3	6.1
Special districts and boards	46	1,636	6.3	853	6.8	1.9
Tourist commissions	23	203	0.8	64	0.5	3.2
Utility boards	119	4,230	16.2	2,693	21.5	1.6
Total	602	26,062	100.0%	12,532	100.0%	2.1

Note: Percentages may not add to 100.0% due to rounding.

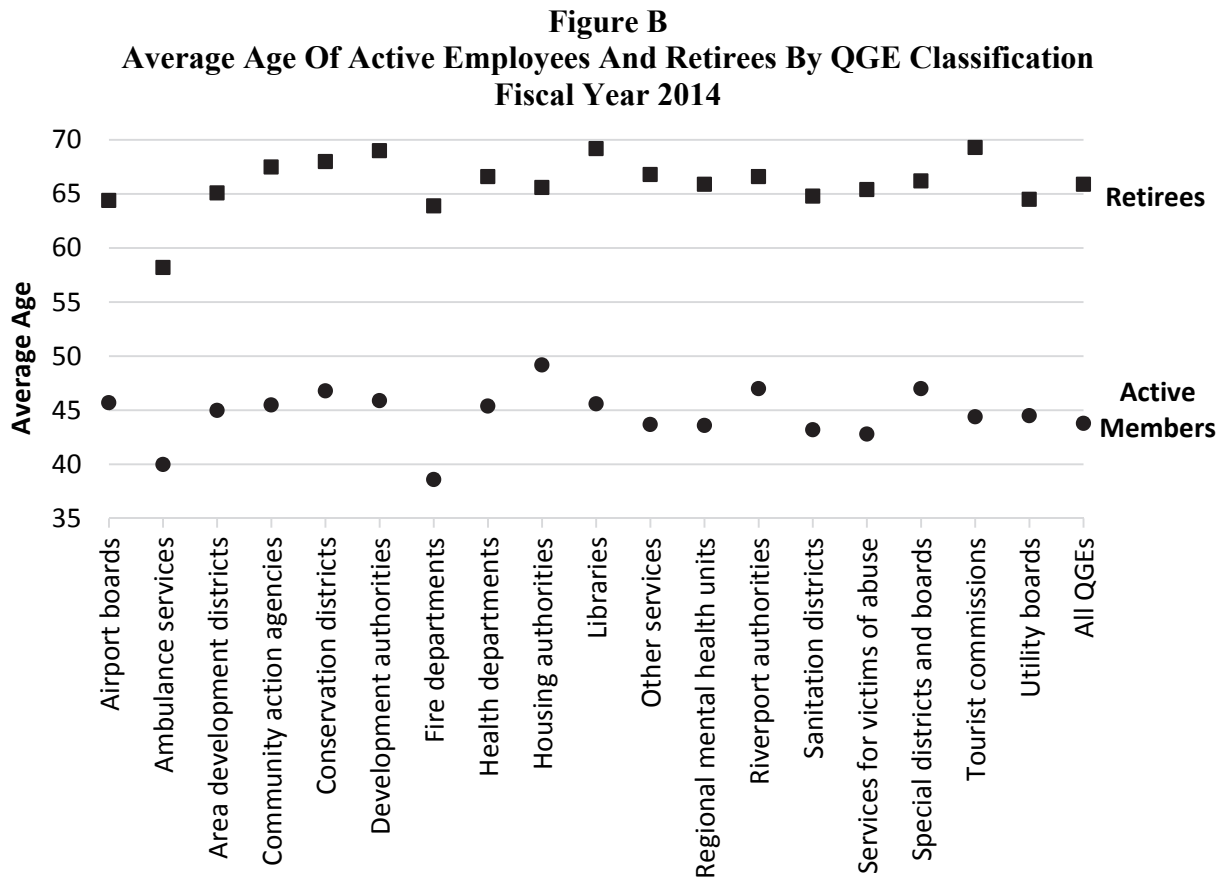
Source: Kentucky Retirement Systems.

Age Of Active QGE Employees And Retirees

The average age of active QGE employees was 44.5 years in FY 2014, and the average QGE retiree age was 65.9 years.

Other factors that can affect the solvency of a retirement plan are the ages of the employees and retirees.¹⁷ All else equal, entity classifications with active workers that have a lower average age paying into the retirement systems, accompanied with a high ratio of active workers to retired workers, enhance sustainability for a retirement plan. As shown in Figure B, the average age of active QGE employees paying into the retirement plans is 44.5 years; the average age of QGE retirees is 65.9 years.

Average ages are similar for most classifications. The lowest average employee ages are of fire departments (38.6) and ambulance services (40.0). The average age of housing authority employees is 49.2 years, more than 5 years older than the overall average active age. The average age for ambulance services retirees is 58.2 years, the only classification with an average age below 60.



Note: The average age of active and retired members was computed by taking the average of the age categories from the KRS data, and then multiplying that mean by the total active/retired members in each category. These figures were summed and then divided by the total active/retired members from each entity.
 Source: Kentucky Retirement Systems.

Retirement Benefits Paid To QGE Retirees

The average benefit for a QGE retiree in FY 2014 was just more than \$19,000. The average for airport board retirees was more than \$30,000; the average for utility boards was more than \$27,000. For three classifications, the average benefit was less than \$19,000: community action agencies, conservation districts, and services for victims of abuse.

Table 6 presents the total retirement benefits paid to retired QGE members per entity classification for FY 2014 and the average benefit per retiree. Approximately two-thirds of the more than \$238 million in benefits paid to retirees of QGEs went to those in three classifications: utility boards (31 percent); health departments (19 percent); and regional mental health units (15 percent). The average benefit for a QGE retiree was just more than \$9,000. The average for airport board retirees was more than \$30,000; the average for utility boards was more than \$27,000. For three classifications, the average benefit was less than \$9,000: community action agencies, conservation districts, and services for victims of abuse.

Table 6
Retirement Benefits By QGE Classification
Fiscal Year 2014

Classification	Retirement System	Benefits	% of Total	Average Benefits
Airport boards	CERS*	\$10,134,038	4.2%	\$30,161
Ambulance services	CERS*	2,208,926	0.9	16,063
Area development districts	CERS	5,511,914	2.3	17,896
Community action agencies	CERS	9,652,836	4.0	8,588
Conservation districts	CERS	182,523	0.1	6,123
Development authorities	CERS	99,726	0.0	19,945
Fire departments	CERS*	3,955,545	1.7	23,545
Health departments	KERS/CERS**	46,102,968	19.3	18,187
Housing authorities	CERS	3,743,624	1.6	16,277
Libraries	CERS	6,787,445	2.8	12,296
Other services	KERS***	22,027,273	9.2	21,940
Regional mental health units	KERS	35,792,005	15.0	15,322
Riverport authorities	CERS	453,743	0.2	16,805
Sanitation districts	CERS	2,054,783	0.9	21,629
Services for victims of abuse	KERS	309,461	0.1	8,364
Special districts and boards	CERS	15,303,921	6.4	17,912
Tourist commissions	CERS	972,826	0.4	15,200
Utility boards	CERS	73,278,835	30.7	27,211
		\$238,572,392	100.0%	\$19,040

Note: Numbers have been rounded to the nearest dollar.

*Includes entities that participate in CERS Hazardous and CERS Nonhazardous.

**One department participates in CERS; the others participate in KERS.

***One entity participates in both KERS Hazardous and KERS Nonhazardous.

Source: Kentucky Retirement Systems.

Net Pension Liabilities Of QGEs

A Kentucky Retirement Systems report provides the net pension liabilities of participating agencies within KERS and CERS for FY 2014.¹⁸ Net pension liabilities are computed by taking the total actuarially determined pension liability and subtracting the fiduciary net position assets in accordance with GASB Statement 67.^c Bluegrass.org, a regional mental health services provider participating in KERS, has a net pension liability of more than \$300 million. Bluegrass.org accounts for more than 17 percent of the total net pension liabilities of QGE participants within KERS.

The total net pension liability for QGEs in KERS-NH, CERS-NH, and CERS-H is nearly \$2.8 billion, which is nearly 21 percent of the \$13.4 billion in total net pension liabilities for the three plans as of FY 2014.

The total net pension liability for QGEs across the three plans is nearly \$2.8 billion, which is nearly 20 percent of the \$13.4 billion total net pension liability for the three plans as of FY 2014.^d Table 7 illustrates the net pension liabilities of QGEs relative to the net pension liabilities of the retirement plan in which they participate.

Table 7
Total Net Pension Liabilities By Retirement Plan (In \$1,000)
Fiscal Year 2014

Retirement Plan	Net Pension Liability Of QGEs	Net Pension Liability Of Plan	QGE % Of Plan Net Pension Liability
KERS Nonhazardous*	\$1,929,941**	\$8,971,819	21.5%
CERS Nonhazardous	714,997	3,244,377	22.0
CERS Hazardous	126,491	1,201,825	10.5
	\$2,771,429	\$13,418,021	20.7%

*The Kentucky Horse Park also participates in KERS Hazardous.

**Does not include Seven Counties Services net pension liabilities.

Source: Kentucky Retirement Systems. "Schedules of Employer Allocations and Pension Amounts by Employer. Fiscal Year ended June 30, 2014."

Table 8 shows net pension liability by classifications of QGEs within KERS and CERS plans. Four classifications of QGEs have liabilities of at least \$300 million: regional mental health units (\$776 million), health departments (\$645 million), other services (\$473 million), and utility boards (\$300 million).

^c GASB 67 measures assets at market value rather than smoothing gains and losses over multiple years.

^d The net pension liabilities for Seven Counties Services were not reported in the *Schedules of Employer Allocations and Pension Accounts by Employer* report. An estimate of net pension liabilities for Seven Counties Services of \$90,700,549 was included in a financial impact analysis prepared for KERS.

Table 8
Net Pension Liabilities Of QGE Classifications By Retirement Plan
Fiscal Year 2014

Retirement Plan	Classification	Agencies	Net Pension Liability (\$1,000)	Percentage
KERS Nonhazardous*	Health departments	60	\$644,748	33.4%
	Other services*	23	473,511	24.5
	Regional mental health units**	12	776,284	40.2
	Services for victims of abuse	24	35,398	1.8
	Total	119	\$1,929,941	100.0%
CERS Nonhazardous	Airport boards***	5	31,342	4.4
	Ambulance services***	19	11,174	1.6
	Area development districts	15	42,947	6.0
	Community action agencies	21	93,299	13.0
	Conservation districts	48	2,433	0.3
	Development authorities	6	904	0.1
	Fire departments***	27	4,587	0.6
	Health departments	1	17,444	2.4
	Housing authorities	41	24,034	3.4
	Libraries	86	56,768	7.9
	Riverport authorities	5	4,832	0.7
	Sanitation districts	9	23,203	3.3
	Special districts and boards	46	88,208	12.3
	Tourist commissions	23	13,973	2.0
	Utility boards	119	300,179	42.0
Total	471	\$715,327	100.0%	
CERS- Hazardous	Airport boards***	2	21,250	16.8
	Ambulance services***	9	17,754	14.0
	Fire departments***	37	87,487	69.2
	Total	48	\$126,491	100.0%

*One entity also participates in KERS Hazardous.

**Does not include Seven Counties Services net pension liabilities.

***Classification includes entities with employees in CERS Nonhazardous and CERS Hazardous.

Source: Kentucky Retirement Systems. "Schedules of Employer Allocations and Pension Amounts by Employer. Fiscal Year ended June 30, 2014."

Summarizing the statistics on QGEs in Kentucky Retirement Systems, five classifications of QGEs account for large majorities of QGE active members, retirees, benefits, and net pension liability. As shown in Table 9, community action agencies, health departments, other services, regional health units, and utility boards have more than

- 70 percent of active QGE employees,
- 77 percent of retirees,
- 78 percent of retirement benefits, and
- 83 percent of net pension liabilities.

One-half of QGE retirement benefits in FY 2014 went to retirees of health departments and utility boards. Health departments and regional mental health units have more than one-half of QGEs' net pension liabilities.

Table 9
Active Employees, Retirees, Benefits, And Net Pension Liabilities Of QGE Classifications
Fiscal Year 2014

Entity Classification (entities)	Percentage Of			
	Active QGE Employees	Retired QGE Members	Total QGE Retirement Benefits	QGE Net Pension Liability
Community action agencies (21)	12.5%	9.0%	4.0%	3.4%
Health departments (61)	14.5	20.2	19.3	23.9
Other services (23)	8.7	8.0	9.2	17.1
Regional mental health units (12)	19.0	18.6	15.0	28.0*
Utility boards (119)	16.2	21.5	30.7	10.8
Total	70.9%	77.3%	78.2%	83.2%

* Does not include Seven Counties Services net pension liabilities.
 Source: Kentucky Retirement Systems.

Implementation Of GASB 68

Participating agencies within KRS will be subject to a new set of accounting standards assigned by the Governmental Accounting Standards Board (GASB). GASB Statement 68 will require agencies to report their overall net pension liability relative to the projected total pension liability for a particular retirement plan.

Agencies that participate in the Kentucky Retirement Systems will be implementing new requirements adopted by the Governmental Accounting Standards Board effective for fiscal years beginning after June 15, 2014. GASB Statement No. 68 is one of the new requirements. According to GASB, the objective of Statement No. 68 is to improve the accounting and financial reporting of state and local government pensions.

GASB 68 requires agencies to report their overall net pension liability relative to the projected total pension liability for a particular retirement plan.¹⁹ This level of reporting should provide

the General Assembly with more detailed information concerning the standing of individual agencies within a pension system.

Legal Issues

Kentucky Retirement Systems has faced legal challenges from two community mental health centers that resulted in litigation over the past 5 years.

Over the past 5 years, KRS has faced challenges resulting in litigation from two community mental health centers relating to continued participation in the state retirement systems: Kentucky River Community Care/Go Hire and Seven Counties Services.^{e, 20}

Board Of KRS v. KRCC And Go Hire Employment And Development

Kentucky River Community Care (KRCC) terminated more than 400 employees in March 2011 and rehired the majority of them through an employment agency it created called Go Hire.

In March 2011, Kentucky River Community Care (KRCC) terminated more than 400 employees and rehired most of them through Go Hire, which KRCC created as an employment agency.²¹ According to KRCC, rehired employees were considered new employees of an agency that would have no obligation to participate in KRS. Go Hire would instead offer a defined contribution plan for its employees.

In May 2011, KRS filed a declaratory judgment action against KRCC and Go Hire, arguing that Go Hire was created in order for KRCC to cease participation in KRS.

In May 2011, KRS filed a declaratory judgment action against KRCC and Go Hire, presenting the argument that Go Hire was created in order for KRCC to cease participation in KRS. According to KRS, employees of Go Hire should still be subject to contribution requirements of the participating KRS retirement plan, and Go Hire should continue to provide the required employer contribution for its employees. KRCC/Go Hire was served with discovery requests by the Franklin Circuit Court.

KRCC/Go Hire filed motions to dismiss the action based on its arguments that

- Go Hire should not be considered a participating employer in KRS,
- the KRS board does not have the authority to force participation in KRS without an executive order, and

^e There was a third legal challenge, but an agreed order of dismissal issued February 4, 2015, by the Franklin Circuit Court vacated previous orders and judgments in the case. In 2006, Bluegrass.org created Bluegrass Oakwood, whose employees participate in KERS, to perform services at the Somerset Intermediate Care Facility. In 2011, Bluegrass Oakwood created the subsidiary Oakwood Community Services, which also provides services at the Somerset facility. In the dismissed case, Oakwood Community Services had petitioned that new employees and transfers from Bluegrass Oakwood be enrolled in a defined contribution plan, not KERS.

- no statutory provision exists to support the argument that employees of Go Hire should still be considered employees of KRCC.

KRCC/Go Hire's motions to dismiss were denied by the Franklin Circuit Court. The parties are currently conducting discovery. The merits of whether Go Hire employees must participate in KERS as de facto employees of KRCC have yet to be determined.

Approximately 139 KRCC retirees with service credit earned remain in KRS as of FY 2014. Legal proceedings in the case are ongoing.

KRCC has not reported any employees or paid contributions to KRS since FY 2014.²² Approximately 139 KRCC retirees with service credit earned remain in KRS.²³ They are entitled to pension and health benefits for the remainder of their lives.

Seven Counties Services

Seven Counties Services is a nonprofit provider of mental health services for a seven-county region in and around Louisville. Seven Counties was formed in 1978 and began participation in KERS that year by executive order. As of 2013, Seven Counties had more than 1,000 employees and an operating budget of more than \$100 million.

Seven Counties Services filed for Chapter 11 bankruptcy in 2013, listing KERS as its primary creditor.

In April 2013, Seven Counties filed for protection under Chapter 11 of the federal bankruptcy code, US Bankruptcy Court, Western District of Kentucky, listing KERS as its primary creditor.²⁴ Seven Counties claimed this action was prompted by the rising costs of supplying the employer contributions to KERS. The employer contributions are set by the General Assembly according to KRS 61.565 and have increased from 5.89 percent in FY 2001 to 38.77 percent in FY 2015.

After filing for Chapter 11 bankruptcy, Seven Counties stopped making payments to KERS for all but approximately 300 employees. Seven Counties terminated the employment status of more than 900 employees who were paying into KERS.

After filing for Chapter 11 bankruptcy, Seven Counties ceased reporting and contributing pension contributions on more than 900 employees who were participating in KERS.²⁵ Although Seven Counties stopped making contributions to KERS for the majority of its employees, it continued to make contributions for approximately 300 employees at Central State Hospital.

Seven Counties argued that its statutory obligations to KERS should be discharged because its relationship with KERS represented an "executory contract" eligible for discharge under Chapter 11. Seven Counties asserted that it was not a governmental unit eligible to participate in KERS and thus its participation in KERS must cease. Finally, Seven Counties asserted that it could cease participation because KERS was not a governmental plan,

and thus it could cease participation pursuant to provisions of ERISA.

KERS countered, asserting that Seven Counties' relationship with KERS was statutory and not an "executory contract" and that Seven Counties must continue making the required contributions into KERS. KERS further argued that Seven Counties was a governmental unit eligible for bankruptcy protection only under Chapter 9, and thus ineligible for Chapter 11 bankruptcy. Finally, KERS argued that it is a governmental plan as defined by 414(d), and thus exempt from Chapters I and IV of ERISA.

A bankruptcy court permitted Seven Counties to file Chapter 11 bankruptcy. KERS has appealed.

The Bankruptcy Court ruled that Seven Counties was eligible to file Chapter 11 bankruptcy as a "person" because it is not a "governmental unit." The Bankruptcy Court further ruled that the relationship between Seven Counties was an "executory contract" eligible for rejection under Chapter 11 of the Bankruptcy Code. Seven Counties thereafter rejected the alleged executory contract, completely ceasing its participation in KERS. KERS has appealed.

According to a financial impact analysis, the remaining employers in KERS may have to increase contributions by nearly \$1 billion over a 20-year period to account for the shortfall if Seven Counties leaves KERS.

According to a financial impact analysis prepared for KERS, the remaining employers in the plan would be required to increase employer contribution rates if Seven Counties ends its participation.^{f, 26} The report estimates that this increase would amount to nearly \$1 billion over a 20-year time period beginning in 2013.

^f The estimated employer contribution rates were calculated assuming all actuarial assumptions were realized for each year. Thus, an increase in employer contribution rates is in addition to 100 percent of the estimated annual required contribution for KERS for the 20-year time period beginning in 2013. The estimates also assume that no cost of living adjustments would be provided to retirees for the 20-year time period.

Appendix A

Classifications Of Quasi-Governmental Entities

Except as noted, classifications used in the report are ones used by Kentucky Retirement Systems.

Airport Boards (KRS 183.132–183.160)

Their purpose is to establish, maintain, operate, and expand airport and navigation facilities. They may be created by urban-county, city, or county governments; city and county governments acting jointly; or any combination of two or more cities, counties, or both. They are governed by 6- to 13-member boards, with most members appointed by the mayor or county judge/executive. Potential funding sources include fees for use of airport facilities, local government revenue, issuing bonds, and federal revenue.

Ambulance Services (KRS 108.080–108.180)

The purpose is to provide emergency service to cities or counties for public service and welfare. Emergency ambulance service districts are created by a fiscal court or city legislative body. Governing boards have 3 to 5 members who are appointed by the county judge/executive or city legislative body. The main revenue sources are an ad valorem tax on the assessed valuation of all property in the district and service fees.

Area Development Districts (KRS 147A.050–147A.120)

Purposes include regional planning, economic development, workforce development, and health care and aging services. Fifteen area development districts, which together serve all counties, were created by statute in 1972. Board membership is specified in 109 KAR 5:010. The number of board members ranges from 25 to 75. Funding sources include local revenue and state and federal government grants.

Community Action Agencies (KRS 273.405–273.453)

Their purpose is to alleviate poverty within a community by developing employment opportunities and bettering the conditions under which people live, learn, and work. A nonprofit corporation may be designated as a community action agency by the chief elected official of the local governing body. If a political subdivision elects not to designate a community action agency, the governor may designate an eligible private nonprofit corporation as the community action agency. The governing board has 15 to 51 members, one-third of whom are public officers and at least one-third of whom are selected so as to be representative of poor people in the area to be served by the agency. Funding includes federal block grants and state and local government revenue.

Conservation Districts

Soil And Water Conservation Districts (KRS 262.010–262.660). The purpose is to conserve and develop all renewable natural resources within the district. Owners of land lying within the limits of the territory proposed to be organized into a district may file a petition with the Kentucky Soil and Water Conservation Commission proposing that a soil conservation district be organized. If the commission agrees that there is a need, the proposed district must be approved via a public referendum. The district is governed by a board of seven supervisors: four locally elected and three appointed by the state commission. Funding sources include fiscal courts; a millage tax; and local, state, and federal revenue.

Watershed Conservancy Districts (KRS 262.700–262.795). They may be formed from subdistricts in a watershed area of a soil conservation district for the purpose of developing and executing plans and programs relating to any phase of conservation of water; water usage; flood prevention; flood control; erosion prevention; and control of erosion, floodwater, and sediment damage. Petitions for a watershed district must be approved by the board of supervisors of the soil conservation district and then by public referendum. Revenue sources listed in statute include taxes and assessments. The district may borrow money and issue bonds.

Development Authorities (KRS 154.50-301–154.50-346)

Their purposes are to aid in the acquisition, retention, and development of land for industrial and commercial purposes; to aid in the development and promotion of industrial sites, parks, and subdivisions for accommodating industrial and commercial needs; and to promote and stimulate the acquisition, retention, and development of land for industrial and commercial purposes by other local development organizations. The nonprofit authorities may be created by the legislative body of any governmental unit. The six to eight members of the board are appointed by a mayor or county judge/executive. An authority may receive general fund appropriations from the unit that created it and may borrow money and issue revenue bonds.

Fire Departments (KRS 75.010–75.270)

Fire protection districts may be created by fiscal courts in response to petitions. The district's board of trustees has seven members: two elected by district firefighters, two elected by district property owners, and three appointed by the county judge/executive. Sources of funds for taxing districts are a property tax and contracts with other fire districts, municipal corporations, and volunteer fire departments to provide services. Fire departments that are nonprofit corporations may charge membership or subscriber fees but may not levy a tax.

Health Departments (KRS 212.020-212.275, 212.720–212.760)

Their purpose is to formulate, promote, establish, and execute policies, plans, and programs to safeguard the health of the people of the county and to establish, maintain, implement, promote, and conduct facilities and services for the purpose of protecting the public health. They are created by the county fiscal court. A department is governed by the 12-member county health board, which is composed of the county judge/executive, a fiscal court appointee, and 10 appointees of the secretary of the Cabinet for Health and Family Services. Revenue sources include local and state appropriations and fees for services. If appropriated funds are insufficient, the board may request that the fiscal court or urban-county government impose by resolution a special ad valorem public health tax.

Housing Authorities (KRS 80.010–80.610)

Their purpose is to provide adequate and sanitary living quarters for low- and moderate-income individuals or families and for individuals or families having income in excess of low or moderate if such housing is acquired, established, and operated in conjunction with, and located within 1 mile of housing for individuals or families with low or moderate income. Sources of funds include appropriations, grants, loans, bonds, sale of projects, and rental income. Any city may create a city housing authority. The housing authority consists of the mayor and four members appointed by the mayor with the approval of the city legislative body. A city-county authority may be created by the governing body of a city and of a contiguous county. The authority has eight members: four appointed by the mayor and four appointed by the county judge/executive. A county may create a county housing authority. The county governing body appoints the five members of the authority.

Libraries (KRS 173.300–173.800)

Districts are created to provide public library services. The governing board has 5 to 12 members depending on whether the library was created by a county or city, and if by city, the size of the city. Board members are appointed by the county judge/executive or mayor. The primary revenue source is an ad valorem tax imposed for the maintenance and operation of the district.

Other Services

This classification is for the 24 entities that did not fit clearly into the other classifications. They are listed on page 35 of Appendix B.

Regional Mental Health Units (KRS 210.370–210.485)

Their purpose is to provide regional community service programs for mental health or individuals with an intellectual disability by a staff of people specifically trained in psychiatry and related fields. They may be created by any combination of cities or counties or may be administered by nonprofit corporation. If created by cities or counties, the governing board has at least nine members. Revenue sources include state appropriations, grants, and local government appropriations, which may include revenue from a special tax.

Riverport Authorities (KRS 65.510–65.650)

Their purpose is to establish, maintain, operate, and expand necessary and proper riverport and river navigation facilities, and to acquire and develop property or rights therein within the economic environs, the home county, or any county adjacent thereto, of the riverport or proposed riverport to attract directly or indirectly river-oriented industry. An authority may be created by a city or county by act of its legislative body and with the approval of the Transportation Cabinet. The six members of the governing board are appointed by the mayor or county judge/executive. The mayor and county judge/executive may choose to serve on the board in addition to the six appointed members. Revenue sources are local government appropriations, a tax levied by the local government, borrowing, and revenue bonds.

Sanitation Districts

Sanitation Districts (KRS 220.010–220.613). Their purpose is to prevent and correct the pollution of streams, regulate flow of streams for sanitary purposes, and collect and dispose of sewage and other liquid wastes produced within a district. The districts are created by the secretary of the Energy and Environment Cabinet after the county board of health demonstrates the need for such a district. The three-member board of directors is appointed by the county judge/executive with approval of the fiscal court. Revenue sources include annual taxes, borrowing money and issuing negotiable bonds, service charges, and user fees.

Solid Waste Management Districts (KRS 109.011–109.310). The purpose is to provide solid waste management services for cities and counties or joint jurisdictions. They may be created by a single county or two or more counties, subject to petition and vote. The board shall have at least three members: the county judge/executive, the mayor of the largest city in the county, and an appointee of the county judge/executive. The number of additional members depends on how many counties are in the district. Revenue sources are an annual tax on real property and service fees.

Services For Victims Of Abuse

This is a term or category specific to this report. It is to classify organizations that specialize in serving populations affected by abuse against themselves, family members, or people they advocate for.

Special Districts And Boards

The entities in this classification are diverse. The largest entity by far is a mass transit authority.

Mass Transit Authorities (KRS 96A.010–96A.230). The purpose is to promote and develop mass transportation in a transit area and adjoining areas, including acquisition, operation, and extension of existing mass transit systems. They are created by a city or a county ordinance or two or more public bodies acting together. They are governed by a board of at least eight members appointed by the appointing authority of the city and/or county. Revenue sources include fees for services and appropriations from the local government, the Transportation Cabinet, or the Kentucky public transportation development fund.

Tourist Commissions (KRS 91A.350–91A.394)

The purpose is to promote and develop convention and tourist activities and facilities. They may be created jointly or separately by fiscal courts or by cities. Two or more counties may, jointly, create a tourism and convention commission. They are governed by a board of at least seven commissioners by the chief executive offices of the local governing bodies. The primary revenue source is a transient room tax. The commissions have authority to issue revenue bonds.

Utility Boards (KRS 96.170-96.184)

The purpose is to provide the city with any combination of water, light, power, or heat by contract or a city-provided system. They are created by the city legislative body. The governing board ranges from three to seven members depending on the type and size of the local government and the type of utility service provided. Except under specific circumstances, members are appointed by the mayor. The primary revenue source is service fees, but the board has authority to issue revenue bonds.

Appendix B

Quasi-Governmental Entities In Kentucky Retirement Systems By Classification

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Classification=Airport Boards					
Bowling Green Warren County Airport Bd.	CERS-NH	7	1	7.0	\$330
Daviess County Airport Bd.	CERS-NH	6	5	1.2	242
Kenton County Airport Bd.	CERS-H	110	81	1.4	16,357
Kenton County Airport Bd.	CERS-NH	287	137	2.1	21,871
Louisville Airport Authority	CERS-H	38	31	1.2	4,893
Louisville Airport Authority	CERS-NH	127	80	1.6	8,841
Murray/Calloway County Airport Bd.	CERS-NH	1	1	1.0	58
Classification=Ambulance Services					
Adair County Ambulance Services	CERS-H	19	5	3.8	1,195
Allen County Ambulance Service	CERS-H	16	6	2.7	1,641
Barren/Metcalf County Ambulance Service	CERS-H	41	17	2.4	2,634
Barren/Metcalf County Ambulance Service	CERS-NH	11	3	3.7	288
Bath County EMS	CERS-NH	29	1	29.0	693
Boyd County Ambulance Service	CERS-H	28	17	1.6	3,869
Boyd County Ambulance Service	CERS-NH	1	2	0.5	73
Butler County Ambulance Services	CERS-NH	20	3	6.7	740
Caldwell County EMS	CERS-NH	24	5	4.8	664
Carter County Emergency Ambulance District	CERS-NH	47	12	3.9	2,154
Casey County Ambulance Services	CERS-NH	33	4	8.3	579
Edmonson County Ambulance District	CERS-H	10	3	3.3	678
Edmonson County Ambulance District	CERS-NH	7	1	7.0	186
Elliott County Ambulance Service	CERS-NH	28	3	9.3	885
Estill County EMS	CERS-H	11	1	11.0	833
Estill County EMS	CERS-NH	14	2	7.0	340
Fleming County EMS	CERS-NH	15	0		491
Green County Ambulance Service	CERS-H	19	5	3.8	797
Green County Ambulance Service	CERS-NH	10	0		198
Hart County Ambulance Services	CERS-NH	21	0		1,054
Knox County EMS	CERS-NH	41	3	13.7	1,085
Lyon County Ambulance Service	CERS-NH	34	2	17.0	686
Madison County EMS	CERS-H	67	17	3.9	5,257
Madison County EMS	CERS-NH	2	6	0.3	123
Morgan County Ambulance Service	CERS-H	14	11	1.3	850
Morgan County Ambulance Service	CERS-NH	18	2	9.0	281
Russell County Ambulance Service	CERS-NH	24	6	4.0	625
Classification=Area Development Districts					
Barren River	CERS-NH	46	16	2.9	2,194
Big Sandy	CERS-NH	98	23	4.3	3,577
Bluegrass	CERS-NH	105	22	4.8	4,975

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Buffalo Trace	CERS-NH	34	10	3.4	1,787
Cumberland Valley	CERS-NH	36	23	1.6	1,411
FIVCO (Five County)	CERS-NH	30	14	2.1	1,007
Gateway	CERS-NH	18	8	2.3	771
Green River	CERS-NH	75	19	3.9	3,529
Kentuckiana Regional Planning & Development Agency (KIPDA)	CERS-NH	92	32	2.9	5,457
Kentucky River	CERS-NH	34	11	3.1	1,652
Lake Cumberland	CERS-NH	99	27	3.7	4,191
Lincoln Trail	CERS-NH	40	15	2.7	2,275
Northern Kentucky	CERS-NH	101	29	3.5	4,458
Pennyrile	CERS-NH	47	21	2.2	2,631
Purchase	CERS-NH	72	38	1.9	3,032
Classification=Community Action Agencies					
Audubon Area Community Services	CERS-NH	507	130	3.9	15,561
Bell-Whitley Community Action Agency	CERS-NH	121	43	2.8	3,460
Big Sandy Area Community Action Program	CERS-NH	69	52	1.3	2,717
Blue Grass Community Action Partnership	CERS-NH	175	104	1.7	5,214
Central Ky. Community Action Agency	CERS-NH	207	90	2.3	5,048
Community Action of Southern Ky.	CERS-NH	243	64	3.8	6,388
Community Action Ky.	CERS-NH	12	12	1.0	937
Daniel Boone Community Action Agency	CERS-NH	111	36	3.1	3,289
Gateway Community Services	CERS-NH	110	43	2.6	2,974
Harlan County Community Action Agency	CERS-NH	36	11	3.3	1,019
Ky. Communities Economic Opportunity Council	CERS-NH	248	32	7.8	6,772
Ky. River Foothills Development Council	CERS-NH	233	34	6.9	8,623
Lake Cumberland Community Action Agency	CERS-NH	188	93	2.0	3,751
Leslie, Knott, Letcher, Perry Community Action Council	CERS-NH	405	86	4.7	11,375
Licking Valley Community Action Program	CERS-NH	80	50	1.6	2,818
Middle Ky. Community Action Partnership	CERS-NH	112	46	2.4	2,555
Multi-Purpose Community Action Agency	CERS-NH	14	24	0.6	596
Northeast Ky. Community Action Agency	CERS-NH	110	52	2.1	2,678
Northern Ky. Community Action Commission	CERS-NH	97	33	2.9	3,233
Pennyrile Allied Community Services	CERS-NH	174	76	2.3	3,912
Tri-County Community Action Agency	CERS-NH	10	13	0.8	379
Classification=Conservation Districts					
Adair County Conservation District	CERS-NH	2	1	2.0	78
Allen County Conservation District	CERS-NH	2	1	2.0	51
Bell County Conservation District	CERS-NH	1	0		35
Boyd County Conservation District	CERS-NH	1	0		46
Breathitt County Soil Conservation	CERS-NH	1	1	1.0	28
Bullitt County Conservation District	CERS-NH	1	1	1.0	42
Christian County Conservation District	CERS-NH	2	1	2.0	78
Clark County Conservation District	CERS-NH	2	0		35
Cumberland County Soil & Water	CERS-NH	1	0		36
Edmonson County Conservation District	CERS-NH	2	1	2.0	17

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Estill County Conservation District	CERS-NH	1	1	1.0	29
Floyd County Conservation District	CERS-NH	2	0		106
Franklin County Conservation District	CERS-NH	2	2	1.0	78
Grayson County Conservation District	CERS-NH	1	0		32
Hardin County Soil Conservation District	CERS-NH	1	2	0.5	34
Harlan County Conservation District	CERS-NH	1	0		53
Harrison County Conservation District	CERS-NH	1	1	1.0	35
Hart County Conservation District	CERS-NH	1	0		52
Jackson County Conservation District	CERS-NH	1	0		50
Jefferson County Soil Conservation District	CERS-NH	1	1	1.0	53
Knott County Soil Conservation District	CERS-NH	1	1	1.0	34
Knox County Soil Conservation District	CERS-NH	2	0		93
Laurel County Conservation District	CERS-NH	2	1	2.0	86
Lee County Soil Conservation District	CERS-NH	1	0		50
Letcher County Conservation District	CERS-NH	1	1	1.0	36
Little Ky. River Water & Soil Conservation District	CERS-NH	2	0		81
Livingston County Conservation District	CERS-NH	1	0		47
Logan County Conservation District	CERS-NH	1	1	1.0	46
Madison County Conservation District	CERS-NH	1	2	0.5	44
Marion County Conservation District	CERS-NH	1	1	1.0	33
Marshall County Soil & Water	CERS-NH	1	1	1.0	33
Martin County Conservation District	CERS-NH	1	1	1.0	31
Metcalf County Conservation District	CERS-NH	1	0		53
Monroe County Conservation District	CERS-NH	2	1	2.0	69
Morgan County Conservation District	CERS-NH	1	1	1.0	33
Pulaski County Soil Conservation District	CERS-NH	3	1	3.0	112
Rockcastle Conservation District	CERS-NH	1	0		30
Russell County Conservation District	CERS-NH	1	1	1.0	39
Scott County Soil Conservation District	CERS-NH	2	0		99
Simpson County Conservation District	CERS-NH	1	0		17
Todd County Conservation District	CERS-NH	1	0		17
Trigg County Conservation District	CERS-NH	1	1	1.0	34
Washington County Conservation District	CERS-NH	1	0		33
Wayne County Conservation District	CERS-NH	2	0		50
Webster County Conservation District	CERS-NH	2	1	2.0	36
Whitley County Conservation District	CERS-NH	2	0		114
Wolfe County Conservation District	CERS-NH	1	0		48
Woodford County Conservation District	CERS-NH	1	0		67
Classification=Development Authorities					
Campbellsville-Taylor County Economic Development Authority	CERS-NH	1	0		113
Capital Community Economic/Industrial Development Authority	CERS-NH	2	2	1.0	150
London-Laurel County Industrial Development Authority	CERS-NH	2	3	0.7	52
Owensboro-Daviess County Industrial Development Authority	CERS-NH	5	0		425

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Springfield-Washington County Ky. Economic Development Authority	CERS-NH	1	0		37
Winchester-Clark County Industrial Development Authority	CERS-NH	2	0		127
Classification=Fire Departments					
Alexandria Fire District	CERS-H	19	1	19.0	1,876
Alexandria Fire District	CERS-NH	1	1	1.0	12
Anchorage Fire Protection	CERS-H	58	10	5.8	2,170
Anchorage Fire Protection	CERS-NH	2	0		72
Bellevue-Dayton Fire Dept.	CERS-H	17	5	3.4	2,262
Bellevue-Dayton Fire Dept.	CERS-NH	1	0		38
Buechel Fire Protection District	CERS-H	14	4	3.5	1,616
Buechel Fire Protection District	CERS-NH	1	1	1.0	42
Burlington Fire Protection District	CERS-H	25	3	8.3	3,031
Burlington Fire Protection District	CERS-NH	2	2	1.0	56
Campbell County Fire District 1	CERS-H	25	0		781
Campbell County Fire District 1	CERS-NH	5	0		72
Camp Taylor Fire Protection District	CERS-H	10	4	2.5	798
Central Campbell County Fire District	CERS-H	27	1	27.0	2,733
Central Campbell County Fire District	CERS-NH	1	0		42
Eastwood Fire Protection District	CERS-H	22	0		2,047
Eastwood Fire Protection District	CERS-NH	1	0		47
Elsmere Fire Protection District	CERS-H	28	1	28.0	1,480
Elsmere Fire Protection District	CERS-NH	1	0		53
Fairdale Fire District	CERS-H	15	0		1,873
Fern Creek Fire Protection District	CERS-H	17	3	5.7	1,984
Fern Creek Fire Protection District	CERS-NH	1	0		73
Harrods Creek Fire District	CERS-H	52	11	4.7	4,530
Harrods Creek Fire District	CERS-NH	1	0		72
Hebron Fire Protection District	CERS-H	35	3	11.7	5,226
Hebron Fire Protection District	CERS-NH	1	0		84
Highview Fire District	CERS-H	14	1	14.0	1,504
Highview Fire District	CERS-NH	1	1	1.0	66
Independence Fire District	CERS-H	53	2	26.5	5,722
Jeffersontown Fire District	CERS-H	46	10	4.6	5,839
Jeffersontown Fire District	CERS-NH	1	0		59
Lake Dreamland Fire District	CERS-H	6	1	6.0	299
Lake Dreamland Fire District	CERS-NH	2	0		43
Lyndon Fire Protection District	CERS-H	29	8	3.6	3,315
Lyndon Fire Protection District	CERS-NH	1	1	1.0	
McMahan Fire Protection District 14	CERS-H	20	1	20.0	888
Middletown Fire Protection District	CERS-H	43	6	7.2	5,794
Middletown Fire Protection District	CERS-NH	1	0		86
Montgomery County Fire District	CERS-NH	49	7	7.0	3,141
Mt. Washington Fire Protection District	CERS-H	27	2	13.5	1,647
Mt. Washington Fire Protection District	CERS-NH	2	0		64
Okolona Fire District	CERS-H	65	33	2.0	4,912
Okolona Fire District	CERS-NH	2	1	2.0	61

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Pleasure Ridge Park Fire District	CERS-H	44	3	14.7	4,670
Pleasure Ridge Park Fire District	CERS-NH	3	0		182
Point Pleasant Fire District	CERS-H	28	0		1,265
Point Pleasant Fire District	CERS-NH	2	0		4
Shelby County Suburban Fire District	CERS-H	1	0		156
Shelby County Suburban Fire District	CERS-NH	1	0		52
Simpsonville Rural Fire Protection District	CERS-H	14	2	7.0	371
Southern Campbell Fire District	CERS-H	15	0		747
South Oldham Fire Dept.	CERS-H	27	1	27.0	1,360
Spencer County Fire District	CERS-H	3	0		307
St. Matthews Fire District	CERS-H	32	20	1.6	4,369
St. Matthews Fire District	CERS-NH	1	1	1.0	59
Union Emergency Services	CERS-H	31	2	15.5	3,093
Walton Fire District/EMS	CERS-H	38	5	7.6	2,809
Walton Fire District/EMS	CERS-NH	2	0		12
Woodford County Fire District	CERS-H	3	2	1.5	435
Worthington Fire Dept.	CERS-H	36	8	4.5	3,973
Zoneton Fire Protection District	CERS-H	11	0		1,325
Classification=Health Departments					
Allen County Health Dept.	KERS-NH	22	11	2.0	4,924
Anderson County Health Dept.	KERS-NH	15	10	1.5	2,677
Ashland Boyd County Health Dept.	KERS-NH	39	47	0.8	7,295
Barren River District Health Dept.	KERS-NH	213	146	1.5	35,813
Bell County Health Dept.	KERS-NH	42	3	14.0	7,443
Bourbon County Health Center	KERS-NH	17	15	1.1	3,427
Boyle County Health Dept.	KERS-NH	14	9	1.6	3,294
Bracken County Health Dept.	KERS-NH	8	2	4.0	1,784
Breathitt County Health Dept.	KERS-NH	44	24	1.8	9,665
Breckinridge County Health Bd.	KERS-NH	14	9	1.6	2,753
Buffalo Trace Health Dept.	KERS-NH	26	24	1.1	4,366
Bullitt County Health Dept.	KERS-NH	30	21	1.4	6,563
Calloway County Health Dept.	KERS-NH	16	0		3,301
Christian County Health Dept.	KERS-NH	44	23	1.9	8,724
Clark County Health Dept.	KERS-NH	58	38	1.5	10,176
Cumberland Valley District Health Dept.	KERS-NH	156	190	0.8	26,469
Estill County Health Dept.	KERS-NH	15	9	1.7	2,796
Family Health Center	CERS-NH	354	100	3.5	17,444
Fleming County Health Dept.	KERS-NH	11	5	2.2	2,131
Floyd County Health Center	KERS-NH	39	28	1.4	7,101
Franklin County Health Dept.	KERS-NH	62	25	2.5	14,926
Garrard County Health Dept.	KERS-NH	11	4	2.8	2,444
Gateway District Health Dept.	KERS-NH	95	42	2.3	15,782
Graves County Health Center	KERS-NH	32	4	8.0	4,175
Grayson County Health Dept.	KERS-NH	16	1	16.0	2,644
Green River District Health Dept.	KERS-NH	211	200	1.1	32,227
Greenup County Health Dept.	KERS-NH	27	20	1.4	5,595
Harlan County Health Dept.	KERS-NH	22	0		4,316
Hopkins County Health Dept.	KERS-NH	45	32	1.4	7,772

Entity	Plan	Active			Net Pension
		Employees	Retirees	Ratio	Liabilities (x 1,000)
Jessamine County Health Dept.	KERS-NH	26	11	2.4	4,957
Johnson County Health Dept.	KERS-NH	46	36	1.3	10,162
Knox County Health Dept.	KERS-NH	63	35	1.8	13,793
Ky. River District Health Dept.	KERS-NH	166	153	1.1	26,081
Lake Cumberland District Health Dept.	KERS-NH	243	129	1.9	43,306
Laurel County Health Dept.	KERS-NH	30	19	1.6	7,322
Lawrence County Health Dept.	KERS-NH	22	1	22.0	3,500
Lewis County Health Dept.	KERS-NH	13	7	1.9	2,426
Lexington Fayette County Health Dept.	KERS-NH	307	221	1.4	61,259
Lincoln County Health Dept.	KERS-NH	16	5	3.2	3,028
Lincoln Trail District Health Dept.	KERS-NH	154	156	1.0	24,552
Little Sandy District Health Dept.	KERS-NH	24	25	1.0	4,027
Madison County Health Dept.	KERS-NH	119	81	1.5	24,613
Magoffin County Health Dept.	KERS-NH	20	11	1.8	3,887
Marshall County Health Dept.	KERS-NH	38	21	1.8	8,106
Martin County Health Dept.	KERS-NH	20	16	1.3	4,228
Mercer County Health Dept.	KERS-NH	16	21	0.8	3,798
Monroe County Health Dept.	KERS-NH	12	5	2.4	1,958
Montgomery County Health Dept.	KERS-NH	37	14	2.6	8,460
Muhlenberg County Health Dept.	KERS-NH	20	9	2.2	4,331
North Central District Health Dept.	KERS-NH	57	51	1.1	11,100
Northern Ky. District Health Dept.	KERS-NH	156	102	1.5	33,359
Oldham County Health Dept.	KERS-NH	23	17	1.4	5,497
Pennyrile District Health Dept.	KERS-NH	59	22	2.7	11,373
Pike County Health Dept.	KERS-NH	74	37	2.0	14,451
Powell County Health Dept.	KERS-NH	7	9	0.8	1,368
Purchase District Health Dept.	KERS-NH	68	111	0.6	12,720
Three Rivers District Health Dept.	KERS-NH	69	44	1.6	14,650
Todd County Health Dept.	KERS-NH	9	8	1.1	1,817
Wedco District Health Dept.	KERS-NH	104	72	1.4	16,495
Whitley County Health Dept.	KERS-NH	56	38	1.5	14,220
Woodford County Health Dept.	KERS-NH	16	6	2.7	3,321
Classification=Housing Authorities					
Georgetown Housing Authority	CERS-NH	15	3	5.0	756
Housing Authority of Albany	CERS-NH	3	0		185
Housing Authority of Ashland	CERS-NH	16	2	8.0	756
Housing Authority of Benton	CERS-NH	4	0		235
Housing Authority of Bowling Green	CERS-NH	42	8	5.3	2,137
Housing Authority of Cadiz	CERS-NH	4	2	2.0	214
Housing Authority of Columbia	CERS-NH	3	0		183
Housing Authority of Corbin	CERS-NH	9	0		461
Housing Authority of Covington	CERS-NH	34	14	2.4	1,933
Housing Authority of Cynthiana	CERS-NH	12	4	3.0	780
Housing Authority of Frankfort	CERS-NH	14	7	2.0	831
Housing Authority of Greensburg	CERS-NH	5	4	1.3	146
Housing Authority of Henderson	CERS-NH	27	19	1.4	1,422
Housing Authority of Hickman	CERS-NH	6	4	1.5	227
Housing Authority of Hopkinsville	CERS-NH	28	15	1.9	1,203

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Housing Authority of Lawrence County	CERS-NH	6	2	3.0	268
Housing Authority of Mayfield	CERS-NH	14	7	2.0	686
Housing Authority of Maysville	CERS-NH	10	9	1.1	442
Housing Authority of McCreary County	CERS-NH	4	2	2.0	174
Housing Authority of Morehead	CERS-NH	10	6	1.7	433
Housing Authority of Owensboro	CERS-NH	27	15	1.8	1,270
Housing Authority of Owingsville	CERS-NH	4	0		183
Housing Authority of Paducah	CERS-NH	24	16	1.5	1,395
Housing Authority of Paintsville	CERS-NH	16	10	1.6	621
Housing Authority of Paris	CERS-NH	8	1	8.0	402
Housing Authority of Shelbyville	CERS-NH	5	4	1.3	172
Housing Authority of Somerset	CERS-NH	16	7	2.3	698
Housing Authority of Springfield	CERS-NH	2	5	0.4	63
Housing Authority of Vanceburg	CERS-NH	3	2	1.5	129
Lebanon Housing Authority	CERS-NH	8	2	4.0	339
Lexington-Fayette Urban County Housing Authority	CERS-NH	71	41	1.7	3,550
Lyon County Housing Authority	CERS-NH	5	4	1.3	295
Martin County Housing Authority	CERS-NH	1	0		65
Morganfield Housing Authority	CERS-NH	2	2	1.0	72
Nicholasville Housing Authority	CERS-NH	3	3	1.0	141
Pike County Housing Authority	CERS-NH	5	2	2.5	357
Providence Municipal Housing Authority	CERS-NH	3	2	1.5	176
Salyersville-Magoffin Joint Housing Authority	CERS-NH	5	0		144
Sturgis Housing Authority	CERS-NH	3	2	1.5	90
Classification=Libraries					
Anderson Public Library	CERS-NH	9	6	1.5	417
Ballard-Carlisle-Livingston Public Library	CERS-NH	1	1	1.0	28
Bell County Public Library	CERS-NH	10	5	2.0	363
Boone County Library District	CERS-NH	73	14	5.2	3,796
Boyd County Public Library	CERS-NH	31	15	2.1	1,122
Bracken County Public Library	CERS-NH	4	3	1.3	116
Breathitt County Public Library	CERS-NH	5	5	1.0	194
Breckinridge County Public Library	CERS-NH	7	2	3.5	222
Bullitt County Public Library	CERS-NH	28	9	3.1	1,369
Calloway County Public Library	CERS-NH	11	6	1.8	354
Campbell County Public Library	CERS-NH	48	12	4.0	2,072
Carroll County Public Library	CERS-NH	9	3	3.0	407
Clark County Library Bd.	CERS-NH	26	6	4.3	1,154
Clinton County Public Library	CERS-NH	3	1	3.0	88
Cumberland County Public Library	CERS-NH	3	3	1.0	103
Cynthiana-Harrison County Public Library	CERS-NH	8	5	1.6	336
Daviess County Library District	CERS-NH	34	22	1.5	1,830
Fleming County Library	CERS-NH	6	4	1.5	202
Floyd County Library	CERS-NH	11	6	1.8	358
Fulton County Library	CERS-NH	7	2	3.5	168
Gallatin County Public Library	CERS-NH	7	2	3.5	258
Garrard County Public Library	CERS-NH	5	2	2.5	201

Entity	Plan	Active			Ratio	Net Pension Liabilities (x 1,000)
		Employees	Retirees			
George Coon Public Library	CERS-NH	5	9	0.6	150	
Grant County Public Library	CERS-NH	9	4	2.3	493	
Graves County Library	CERS-NH	6	7	0.9	189	
Grayson County Library	CERS-NH	9	0		295	
Hancock County Public Library	CERS-NH	8	2	4.0	223	
Hardin County Public Library	CERS-NH	17	8	2.1	515	
Henderson Public Library	CERS-NH	27	13	2.1	1,192	
Henry County Library	CERS-NH	7	5	1.4	289	
Hopkinsville-Christian County Library	CERS-NH	7	10	0.7	215	
Jessamine County Public Library	CERS-NH	33	9	3.7	1,320	
John L. Street Library	CERS-NH	5	0		155	
Johnson County Library	CERS-NH	7	4	1.8	293	
Kenton County Public Library	CERS-NH	114	39	2.9	6,064	
LaRue County Public Library	CERS-NH	7	5	1.4	149	
Laurel County Public Library District	CERS-NH	35	12	2.9	1,139	
Lee County Public Library	CERS-NH	2	2	1.0	101	
Leslie County Public Library	CERS-NH	6	3	2.0	334	
Lewis County Public Library	CERS-NH	3	0		112	
Lexington Public Library	CERS-NH	140	59	2.4	7,227	
Lincoln County Public Library	CERS-NH	8	6	1.3	245	
Logan County Public Library	CERS-NH	12	5	2.4	538	
Lyon County Public Library	CERS-NH	4	2	2.0	144	
Madison County Public Library	CERS-NH	31	3	10.3	1,237	
Magoffin County Library	CERS-NH	2	2	1.0	72	
Marion Free Public Library	CERS-NH	9	4	2.3	323	
Marshall County Public Library	CERS-NH	27	4	6.8	1,108	
Martin County Library	CERS-NH	5	4	1.3	189	
Mary W. Weldon Memorial Public Library	CERS-NH	9	3	3.0	272	
Mason County Library	CERS-NH	6	5	1.2	196	
McCracken County Public Library	CERS-NH	32	4	8.0	1,314	
Meade County Public Library	CERS-NH	11	2	5.5	327	
Menifee County Public Library	CERS-NH	3	0		71	
Mercer County Public Library	CERS-NH	12	3	4.0	528	
Metcalfe County Public Library	CERS-NH	4	2	2.0	165	
Morgan County Library	CERS-NH	8	1	8.0	131	
Mount Sterling Montgomery Library	CERS-NH	14	3	4.7	387	
Muhlenberg County Library Bd. District	CERS-NH	21	7	3.0	682	
Nelson County Public Library	CERS-NH	26	6	4.3	1,044	
Nicholas County Library	CERS-NH	2	1	2.0	73	
Ohio County Library	CERS-NH	17	4	4.3	464	
Oldham County Library Bd.	CERS-NH	21	14	1.5	1,023	
Owen County Public Library	CERS-NH	10	5	2.0	366	
Owsley County Public Library	CERS-NH	3	0		118	
Paris Bourbon County Library	CERS-NH	8	6	1.3	404	
Paul Sawyer Library	CERS-NH	24	8	3.0	1,361	
Pendleton County Library	CERS-NH	8	4	2.0	268	
Perry County Public Library	CERS-NH	18	7	2.6	723	
Pike County Library District	CERS-NH	15	11	1.4	666	

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Pulaski County Library	CERS-NH	25	26	1.0	694
Rowan County Public Library	CERS-NH	11	1	11.0	340
Russell County Public Library	CERS-NH	8	6	1.3	272
Scott County Library	CERS-NH	19	9	2.1	867
Shelby County Library	CERS-NH	8	5	1.6	422
Simpson County Library District	CERS-NH	6	3	2.0	235
Spencer County Public Library	CERS-NH	4	1	4.0	164
Taylor County Public Library	CERS-NH	9	4	2.3	359
Trimble County Library	CERS-NH	5	5	1.0	209
Union County Library Bd.	CERS-NH	8	3	2.7	296
Warren County Public Library	CERS-NH	38	24	1.6	1,464
Washington County Public Library	CERS-NH	4	1	4.0	174
Wayne County Public Library	CERS-NH	7	4	1.8	289
Webster County Public Library	CERS-NH	9	3	3.0	229
Wolfe County Library	CERS-NH	2	3	0.7	58
Woodford County Library	CERS-NH	13	3	4.3	644
Classification=Other Services					
Assistant Office Commonwealth's Attorneys	KERS-NH	24	9	2.7	4,031
Commonwealth Credit Union	KERS-NH	266	51	5.2	68,828
Council of State Governments Headquarters	KERS-NH	87	18	4.8	26,682
Franklin County Council on Aging	KERS-NH	10	42	0.2	930
Ky. Association of Regional Programming	KERS-NH	3	2	1.5	783
Ky. Bar Association	KERS-NH	52	10	5.2	12,951
Ky. Council on Postsecondary Education	KERS-NH	50	30	1.7	15,244
Ky. Dept. of Veteran Affairs	KERS-NH	14	0		3,577
Ky. Educational Television Authority	KERS-NH	126	154	0.8	31,217
Ky. Educational Television Foundation	KERS-NH	47	16	2.9	9,535
Ky. Employers Mutual Insurance	KERS-NH	227	18	12.6	80,657
Ky. Higher Education Assistance Authority	KERS-NH	48	63	0.8	9,093
Division of Financial Affairs					
Ky. Higher Education Student Loan Corporation	KERS-NH	333	68	4.9	71,434
Ky. High School Athletic Association	KERS-NH	6	4	1.5	1,563
Ky. Horse Park	KERS-NH	74	46	1.6	16,287
Ky. Horse Park*	KERS-H	9	2	4.5	535
Ky. Housing Corporation	KERS-NH	279	99	2.8	70,519
Ky. Office of Bar Admissions	KERS-NH	6	5	1.2	1,191
Ky. Retirement Systems	KERS-NH	280	92	3.0	
Ky. State Fair Bd.	KERS-NH	292	218	1.3	49,277
Ky. Teachers' Retirement System	KERS-NH	36	42	0.9	
Municipal Electric Power Association of Ky.	KERS-NH	1	3	0.3	638
Nursing Home Ombudsman	KERS-NH	4	4	1.0	711
School Facilities Construction Commission	KERS-NH	3	3	1.0	1,001
Classification=Regional Mental Health Units					
Adanta Behavioral Health Services	KERS-NH	287	212	1.4	47,816
Bluegrass.org	KERS-NH	1,745	666	2.6	313,230
Communicare	KERS-NH	392	156	2.5	64,323

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Comprehend Regional Mental Health Mental Retardation Bd.	KERS-NH	135	68	2.0	20,765
Cumberland River Mental Health Mental Retardation Bd.	KERS-NH	724	177	4.1	88,177
Green River Regional Mental Health Mental Retardation Bd.	KERS-NH	149	146	1.0	25,796
Lifeskills	KERS-NH	365	121	3.0	53,884
Mountain Comprehensive Care Center	KERS-NH	263	72	3.7	41,578
Northern Ky. Regional Mental Health Mental Retardation Bd.	KERS-NH	192	131	1.5	40,767
Pennyroyal Regional Mental Health Mental Retardation Bd.	KERS-NH	197	113	1.7	51,035
Seven County Services	KERS-NH	334	399	0.8	
Western Ky. Regional Mental Health Mental Retardation Advisory Bd.	KERS-NH	159	75	2.1	28,913
Classification=Riverport Authorities					
Henderson County River Authority	CERS-NH	12	6	2.0	957
Hickman-Fulton Riverport Authority	CERS-NH	10	2	5.0	407
Louisville & Jefferson County Riverport	CERS-NH	5	3	1.7	517
Owensboro Riverport Authority	CERS-NH	33	14	2.4	2
Paducah-McCracken County Riverport	CERS-NH	14	2	7.0	951
Classification=Sanitation Districts					
Bell County Solid Waste Office	CERS-NH	5	0		206
Bullitt County Sanitation District	CERS-NH	6	0		386
Carlisle County Sanitation District 1	CERS-NH	4	1	4.0	84
Hart County Solid Waste Service	CERS-NH	18	2	9.0	631
Hopkinsville Solid Waste Authority	CERS-NH	53	14	3.8	2,286
Marshall County Refuse Disposal District	CERS-NH	17	15	1.1	805
Montgomery County Sanitation District #2	CERS-NH	1	0		73
Sanitation District #4 (Boyd County)	CERS-NH	10	0		470
Sanitation District No. 1 (Northern Ky.)	CERS-NH	271	63	4.3	18,321
Classification=Services For Victims Of Abuse					
Barren River Area Safe Space	KERS-NH	21	2	10.5	3,476
Barren River Child Advocacy	KERS-NH	4	0		692
Bethany House Abuse Shelter	KERS-NH	16	2	8.0	2,199
Bluegrass Rape Crisis Center	KERS-NH	17	2	8.5	2,859
Buffalo Trace Child Advocacy	KERS-NH	2	1	2.0	499
Child Advocacy Center of Green River	KERS-NH	3	0		668
Child Watch Advocacy Center	KERS-NH	5	8	0.6	939
Cumberland Valley Children's Advocacy Center	KERS-NH	3	0		756
Domestic Violence Emergency Services of Gateway	KERS-NH	6	2	3.0	1,214
Gateway Child Advocacy	KERS-NH	2	0		408
Hope Harbor	KERS-NH	9	0		1,250
Judi's Place for Kids	KERS-NH	4	0		790
Ky. Association of Children's Advocacy Centers	KERS-NH	1	0		158

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Ky. Association of Sexual Assault Programs	KERS-NH	6	1	6.0	1,360
Ky. River Child Advocacy	KERS-NH	5	0		656
Lake Cumberland Child Advocacy Center	KERS-NH	2	1	2.0	371
Lincoln Advocacy Support	KERS-NH	10	1	10.0	1,635
Oasis	KERS-NH	25	7	3.6	3,588
Pennyrile Child Advocacy Center	KERS-NH	2	0		479
Purchase Area Sexual Assault Child Advocacy Center	KERS-NH	12	4	3.0	2,149
Safe Harbor	KERS-NH	18	2	9.0	2,482
Sanctuary	KERS-NH	28	3	9.3	2,898
Springhaven	KERS-NH	14	1	14.0	2,045
Women Aware	KERS-NH	13	0		1,827
Classification=Special Districts And Boards					
Access to Justice Foundation	CERS-NH	3	1	3.0	236
Appalachian Research & Defense	CERS-NH	47	35	1.3	2,258
Bowling Green Human Rights Commission	CERS-NH	2	2	1.0	99
Bowling Green Warren Community Education	CERS-NH	25	2	12.5	403
Campbell County Consolidated Dispatching Board	CERS-NH	23	2	11.5	1,505
Central Ky. Education Cooperative	CERS-NH	3	1	3.0	119
Clay County 911 Bd.	CERS-NH	8	2	4.0	303
Eastern Ky. Concentrated Employment Program	CERS-NH	29	43	0.7	1,645
Fleming County Dispatch	CERS-NH	6	0		227
Frontier Housing	CERS-NH	15	2	7.5	870
Green River Education Cooperative	CERS-NH	10	3	3.3	340
Greenup County Environmental Commission	CERS-NH	6	2	3.0	269
Housing Oriented Ministries	CERS-NH	9	2	4.5	467
Jefferson County Medical Center Laundry	CERS-NH	72	26	2.8	2,940
Jefferson County Medical Center Steam & Chill	CERS-NH	20	20	1.0	1,678
Ky. Association of Counties	CERS-NH	44	16	2.8	4,754
Ky. County Judge-Executive Association	CERS-NH	2	1	2.0	240
Ky. Education Development Corporation	CERS-NH	30	17	1.8	1,170
Ky. League of Cities	CERS-NH	61	24	2.5	6,466
Ky. Legal Aid	CERS-NH	34	10	3.4	2,494
Ky. Legal Service Programs	CERS-NH	8	0		354
Ky. Magistrates & Commissioners Association	CERS-NH	3	1	3.0	213
Ky. Valley Education Cooperative	CERS-NH	5	16	0.3	194
Legal Aid Society	CERS-NH	37	21	1.8	2,581
Lexington-Fayette County Human Rights Commission	CERS-NH	5	1	5.0	265
London Laurel County Community Center	CERS-NH	20	4	5.0	677
Louisville Labor Manager Committee	CERS-NH	3	1	3.0	190
Louisville Memorial Commission	CERS-NH	2	2	1.0	193
Marshall County Senior Citizens	CERS-NH	3	1	3.0	98
Metcalfe Health Care Center	CERS-NH	83	35	2.4	2,493

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Monticello - Wayne County 911 Bd.	CERS-NH	6	0		116
Mountain Arts Center	CERS-NH	7	1	7.0	421
Murray - Calloway Transit Authority	CERS-NH	20	3	6.7	388
Northern Ky. Cooperative Education Services	CERS-NH	28	17	1.6	1,060
Northern Ky. Legal Aid Society	CERS-NH	44	18	2.4	2,406
Ohio Valley Education Cooperative	CERS-NH	79	28	2.8	2,508
Pennyrile Emergency Assistance Center	CERS-NH	8	2	4.0	203
Pennyrile Narcotics Task Force	CERS-NH	8	7	1.1	249
Pennyroyal Area Museum	CERS-NH	3	3	1.0	141
Pike County Senior Citizens Program	CERS-NH	28	5	5.6	384
Regional Public Safety	CERS-NH	19	7	2.7	874
Riverpark Center Owensboro	CERS-NH	20	3	6.7	711
Sandy Valley Transportation Services	CERS-NH	62	7	8.9	1,855
Transit Authority of River City	CERS-NH	669	452	1.5	40,406
Valley View Ferry Authority	CERS-NH	2	2	1.0	110
Western Ky. Education Cooperative	CERS-NH	15	5	3.0	576
Classification=Tourist Commissions					
Bardstown-Nelson County Tourist Commission	CERS-NH	3	1	3.0	195
Bowling Green Convention & Visitors Bureau	CERS-NH	8	3	2.7	464
Carrollton-Carroll County Recreation Tourist	CERS-NH	2	0		53
Elizabethtown Tourist Convention Bureau	CERS-NH	5	1	5.0	295
Frankfort-Franklin County Tourism & Convention Commission	CERS-NH	4	2	2.0	179
Georgetown-Scott County Tourism	CERS-NH	3	0		188
Greater Lexington Convention & Visitors Bureau	CERS-NH	17	9	1.9	1,403
Henderson County Tourist Commission	CERS-NH	4	2	2.0	115
Kentucky's Western Waterland	CERS-NH	2	2	1.0	109
Lake Barkley Tourist Commission	CERS-NH	2	0		75
London Laurel Tourist Commission	CERS-NH	4	3	1.3	198
Louisville Convention Bureau	CERS-NH	65	23	2.8	6,009
Marshall County Tourist Commission	CERS-NH	3	0		111
Morehead Tourism Commission	CERS-NH	8	1	8.0	298
Murray Tourism Commission	CERS-NH	2	0		100
Northern Ky. Convention & Visitors Bureau	CERS-NH	17	4	4.3	1,329
Northern Ky. Convention Center Corporation	CERS-NH	27	2	13.5	1,593
Owensboro-Daviess County Convention & Visitors Bureau	CERS-NH	6	3	2.0	240
Paducah Convention & Visitors Bureau	CERS-NH	3	3	1.0	212
Russell County Tourist Commission	CERS-NH	3	1	3.0	57
Shepherdsville-Bullitt County Tourism Office	CERS-NH	10	2	5.0	521
Somerset-Pulaski County Convention & Visitors Bureau	CERS-NH	3	2	1.5	146
Winchester-Clark County Tourism	CERS-NH	2	0		83
Classification=Utility Boards					
Barbourville Utility Commission	CERS-NH	48	21	2.3	2,736
Barkley Lake Water District	CERS-NH	13	5	2.6	800

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Bath County Water District	CERS-NH	8	3	2.7	438
Beech Fork Water Commission	CERS-NH	6	2	3.0	342
Benton Electric System	CERS-NH	13	8	1.6	1,002
Big Sandy Water District	CERS-NH	8	1	8.0	459
Boone County Water District	CERS-NH	29	14	2.1	1,629
Bowling Green Municipal Utilities	CERS-NH	185	118	1.6	16,165
Breathitt County Water District	CERS-NH	4	0		200
Bullock Pen Water District	CERS-NH	15	8	1.9	918
Caldwell County Water District	CERS-NH	7	0		281
Campbellsville Municipal Water & Sewer	CERS-NH	34	25	1.4	1,760
Cannonsburg Water District	CERS-NH	9	3	3.0	496
Carroll County Water District	CERS-NH	7	7	1.0	535
Carrollton Utilities Commission	CERS-NH	31	11	2.8	1,979
Central City Municipal Water & Sewer	CERS-NH	20	6	3.3	1,081
Christian County Water District	CERS-NH	14	7	2.0	671
Columbia-Adair Utilities	CERS-NH	27	2	13.5	1,407
Corinth Water District	CERS-NH	2	0		197
Crittenden-Livingston County Water District	CERS-NH	15	5	3.0	559
East Casey County Water District	CERS-NH	10	1	10.0	317
East Clark County Water District	CERS-NH	6	0		339
East Pendleton Water District	CERS-NH	7	1	7.0	420
Electric Plant Bd. of Vanceburg	CERS-NH	18	22	0.8	1,138
Estill County Water District No. 1	CERS-NH	8	2	4.0	423
Farmdale Water District	CERS-NH	4	1	4.0	210
Frankfort Electric Water Bd.	CERS-NH	222	125	1.8	16,041
Franklin Electric Plant Bd.	CERS-NH	13	1	13.0	805
Gallatin County Water District	CERS-NH	6	2	3.0	331
Garrison-Quincy Ky-O-Heights Water District	CERS-NH	6	1	6.0	294
Georgetown Water & Sewer	CERS-NH	55	22	2.5	3,904
Glasgow Electric Plant Bd.	CERS-NH	52	25	2.1	4,787
Glasgow Water Company	CERS-NH	50	33	1.5	2,933
Green-Taylor Water District	CERS-NH	10	1	10.0	574
Greater Fleming County Water Commission	CERS-NH	2	1	2.0	133
Hardin County Water District #1	CERS-NH	52	10	5.2	2,855
Hardin County Water District #2	CERS-NH	52	23	2.3	2,871
Henderson County Water District	CERS-NH	14	6	2.3	564
Henderson Municipal Power & Light	CERS-NH	45	35	1.3	3,996
Henderson Municipal Water & Sewer Dept.	CERS-NH	87	40	2.2	5,018
Henry County Water District #2	CERS-NH	17	7	2.4	1,095
Hickman Electric System	CERS-NH	8	2	4.0	452
Hopkinsville Electric System	CERS-NH	39	34	1.1	4,133
Hopkinsville Water Environmental Authority	CERS-NH	74	52	1.4	3,708
Irvine Municipal Utility	CERS-NH	13	10	1.3	702
Jefferson County Metro Sewer District	CERS-NH	624	643	1.0	51,988
Jonathan Creek Water District	CERS-NH	8	1	8.0	215
Knott County Water & Sewer	CERS-NH	12	2	6.0	534
Knox County Utilities Commission	CERS-NH	8	1	8.0	374
LaGrange Utility Commission	CERS-NH	11	6	1.8	632

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
LaRue County Water District #1	CERS-NH	8	2	4.0	366
Laurel County Water District #2	CERS-NH	18	8	2.3	757
Lebanon Water Works	CERS-NH	13	6	2.2	700
Ledbetter Water District	CERS-NH	6	1	6.0	319
Leitchfield Utility Commission	CERS-NH	36	19	1.9	1,625
Logan-Todd Regional Water Commission	CERS-NH	10	3	3.3	615
London Utility Commission	CERS-NH	33	19	1.7	1,705
Louisa Water & Sewer Commission	CERS-NH	17	5	3.4	799
Louisville Water Company	CERS-NH	414	420	1.0	40,420
Lyon County Water District	CERS-NH	5	1	5.0	181
Madison County Utilities District	CERS-NH	21	6	3.5	643
Magoffin County Water District	CERS-NH	8	3	2.7	397
Marion County Water District	CERS-NH	7	0		376
Martin County Water District	CERS-NH	19	4	4.8	750
Mayfield Electric & Water Systems	CERS-NH	44	32	1.4	4,049
Maysville Utility Commission	CERS-NH	29	21	1.4	1,160
McCreary County Water District	CERS-NH	29	8	3.6	1,377
Meade County Water District	CERS-NH	11	3	3.7	565
Montgomery County Water District	CERS-NH	4	2	2.0	77
Monticello Utility Commission	CERS-NH	34	12	2.8	1,440
Morehead Utility Plant Bd.	CERS-NH	37	28	1.3	1,936
Morgan County Water District	CERS-NH	7	2	3.5	218
Mountain Water District	CERS-NH	2	11	0.2	163
Mt. Sterling Water Works	CERS-NH	35	20	1.8	1,777
Muhlenberg County Water District	CERS-NH	18	13	1.4	1,026
Muhlenberg Water District #3	CERS-NH	7	5	1.4	302
Murray Electric System	CERS-NH	45	13	3.5	3,633
Nicholas County Water District	CERS-NH	3	0		169
Northern Ky. Water Service District	CERS-NH	156	93	1.7	10,823
North Marshall Water District	CERS-NH	8	3	2.7	488
North Mercer Water District	CERS-NH	9	0		550
North Nelson Water District	CERS-NH	5	5	1.0	272
North Shelby Water Commission	CERS-NH	11	2	5.5	579
Ohio County Regional Wastewater District	CERS-NH	4	0		184
Ohio County Water District	CERS-NH	20	19	1.1	958
Oldham County Water District	CERS-NH	19	6	3.2	1,195
Owensboro Municipal Utilities	CERS-NH	259	192	1.3	24,623
Paducah-McCracken County Joint Sewer Agency	CERS-NH	30	9	3.3	2,097
Paducah Power System	CERS-NH	65	56	1.2	6,516
Paducah Water Works	CERS-NH	53	54	1.0	3,794
Paintsville Gas-Water System	CERS-NH	39	21	1.9	1,895
Pendleton County Water	CERS-NH	7	1	7.0	459
Pineville Utility Commission	CERS-NH	23	2	11.5	1,259
Powells Valley Water District	CERS-NH	6	1	6.0	315
Prestonsburg City Utilities	CERS-NH	55	20	2.8	3,064
Princeton Electric Plant Bd.	CERS-NH	17	9	1.9	1,649
Princeton Water-Wastewater	CERS-NH	20	7	2.9	1,224

Entity	Plan	Active Employees	Retirees	Ratio	Net Pension Liabilities (x 1,000)
Rattlesnake Ridge Water	CERS-NH	13	0		575
Regional Water Resource Agency	CERS-NH	82	32	2.6	5,477
Richmond Utilities	CERS-NH	80	36	2.2	4,567
Russellville Electric Plant Bd.	CERS-NH	18	11	1.6	1,209
Sandy Hook Water District	CERS-NH	4	0		219
Shelbyville Municipal Water & Sewer	CERS-NH	25	10	2.5	1,475
South Anderson Water District	CERS-NH	5	1	5.0	291
Southern Madison Water District	CERS-NH	11	1	11.0	525
South Hopkins Water District	CERS-NH	8	3	2.7	435
Springfield Water & Sewer	CERS-NH	18	11	1.6	851
Stanford Water Commission	CERS-NH	18	5	3.6	694
Todd County Water District	CERS-NH	8	2	4.0	376
Union County Water District	CERS-NH	7	2	3.5	301
Webster County Water District	CERS-NH	9	1	9.0	583
Western Fleming Water District	CERS-NH	5	0		238
Western Lewis & Rectorville	CERS-NH	9	1	9.0	244
West McCracken County Water District	CERS-NH	3	2	1.5	176
West Pulaski Water District	CERS-NH	10	0		389
West Shelby Water District	CERS-NH	5	1	5.0	294
Whitley County Water District	CERS-NH	9	1	9.0	261
Winchester Municipal Utilities	CERS-NH	86	31	2.8	3,729
Woodcreek Water District	CERS-NH	43	19	2.3	2,340
Total		26,065	12,523	2.1	\$2,772,410

Note: CERS-H=County Employees Retirement System Hazardous; CERS-NH=County Employees Retirement System Nonhazardous; KERS-H=Kentucky Employees Retirement System Hazardous; KERS-NH=Kentucky Employees Retirement System Nonhazardous.

*The Kentucky Horse Park is the only quasi-governmental entity with employees in KERS-H.

Appendix C

Kentucky Retirement Systems Benefit Tiers

As of January 1, 2014, Kentucky Retirement Systems administers three tiers of retirement service for County Employees Retirement System and Kentucky Employees Retirement System participants. Tiers I and II are defined benefit plans. Those who participated in KRS prior to September 1, 2008, are eligible for Tier I. Tier II is for those whose participation began on or after September 1, 2008, but before Jan. 1, 2014.

Those whose participation began on or after Jan. 1, 2014, are eligible for Tier III, which is a hybrid plan. Contributions are invested by KRS, as with the defined benefit plans. Benefits are based on the member’s accumulated account balance and age at retirement. There is a guaranteed minimum annual return on contributions, but returns may be higher depending on investment performance.

There are other differences in the plans, but the table below summarizes the differences in employee contributions and retirement eligibility.

Employee Contributions And Retirement Eligibility For Tiers I, II, And III

	CERS/KERS Plan	Tier 1	Tiers II And III
Employee contribution	Nonhazardous	5%	5% to pension, 1% for health insurance
	Hazardous	8%	8% to pension, 1% for health insurance
Retirement with unreduced benefits	Nonhazardous	27 or more years of service credit or 65 years or older with at least 4 years of service credit	57 years and older and age plus years of service equals 87 or 65 years old with at least 5 years of service credit
	Hazardous	20 or more years of service credit or 55 years or older with at least 5 years of service credit	25 or more years of service or 60 years or older with at least 5 years of service credit

Source: Kentucky. Kentucky Retirement Systems. “Benefit Tier Comparison Chart.” 2015. Web. July 14, 2015.

Endnotes

- ¹ Upton, Cindy, Lora Littleton, and Jean Ann Myatt. *Transparency and Accountability of Quasi-governmental Entities*. Frankfort: Legislative Research Commission, 2010. P. 3.
- ² United States. Census Bureau. *Federal, State, and Local Governments: Government Finance and Employment Classification Manual*. Dec. 2000. Section 3.11. Web. July 15, 2015.
- ³ Upton, Cindy, Lora Littleton, and Jean Ann Myatt. *Transparency and Accountability of Quasi-governmental Entities*. Frankfort: Legislative Research Commission, 2010.
- ⁴ Kentucky. Kentucky Retirement Systems. Governance. 2015. Web. July 15, 2015
- ⁵ Kentucky. Kentucky Retirement Systems. About Us. 2015. Web. July 15, 2015.
- ⁶ Kentucky. Kentucky Retirement Systems. "2014 Actuarial Valuation Results." Web. July 15, 2015.
- ⁷ Kentucky. Public Pension Oversight Board. *Oversight Board Presentation on KRS Participation*. March 24, 2014. Web. July 15, 2015.
- ⁸ Upton, Cindy, Lora Littleton, and Jean Ann Myatt. *Transparency and Accountability of Quasi-governmental Entities*. Frankfort: Legislative Research Commission, 2010. P. 16.
- ⁹ Purcell, Patrick, and Jennifer Staman. *Summary of the Employee Retirement Income Security Act (ERISA)*. Congressional Research Service. April 10, 2008. Pp. 7, 61. Web. July 15, 2015.
- ¹⁰ *Ibid.*, Pp. 52, 54, 56, 59-60.
- ¹¹ United States. Internal Revenue Service. "IRS and Treasury Propose Possible Approaches to Governmental Plan Guidance." Revised May 28, 2015.
- ¹³ *Ibid.*; "Internal Revenue Bulletin: 2011-51. Announcement 2011-78." Web. July 15, 2015.
- ¹⁴ Littleton, Lora, Colleen Kennedy, Jean Ann Myatt, Jenna Skop, William Spears, and Joel Thomas. *Kentucky's Boards, Commissions, and Similar Entities*. Frankfort: Legislative Research Commission, 2012. P. 12
- ¹⁵ Bloom, D.E., D. Canning, R.K. Mansfield, and M. Moore. "Demographic Change, Social Security Systems, and Savings." *Journal of Monetary Economics* 54.1 (2006): 92-114.
- ¹⁶ Haberman, S., Z. Butt, and C. Megaloudi. (2000). "Contribution and Solvency Risk in a Defined Benefit Pension Scheme." *Insurance Mathematics and Economics* 27.2 (2000): 237-259.
- ¹⁷ Khan, M.R., M.S. Rutledge, and A.Y. Wu. *How Do Subjective Longevity Expectations Influence Retirement Plans?* Boston: Center for Retirement Research at Boston College, 2014.
- ¹⁸ Kentucky. Kentucky Retirement Systems. "Schedules of Employer Allocations and Pension Amounts by Employer." Web. July 15, 2015.
- ¹⁹ Markert, J. "A Humbling Experience: Lessons Learned in Implementing the New GASB Pension Standards." *Government Finance Review* 31.3 (2015): 8-13.
- ²⁰ Kentucky. Public Pension Oversight Board. Minutes of 3rd Meeting of 2014 (March 24). Web. July 15, 2015.
- ²¹ Cheves, J. "Kentucky pension system fights back as regional mental health boards leave." *Lexington Herald-Leader*. July 8, 2012.
- ²² Thomas, Brian. "Participation Inquiry Concerning Regional Mental Health Units." Message to Chris Riley and Ashleigh Hayes. Oct. 27, 2015. Email.
- ²³ *Ibid.*
- ²⁴ Kentucky. Public Pension Oversight Board. Minutes of 3rd Meeting of 2014 (March 24). Web. July 15, 2015.
- ²⁵ Cavanaugh, T.J. *Expert Report - Impact of Termination of Seven Counties Services, Inc. on the Financial Status of the Kentucky Employees Retirement System*. Cavanaugh MacDonald Consulting, LLC. 2014.
- ²⁶ *Ibid.*

