



Prichard Committee
for Academic Excellence

**Statement of the Coalition for Sustainable Benefits
May 12, 2008**

The Coalition for Sustainable Benefits is renewing its call for a special session to enact reforms in Kentucky's public employee pension programs in light of information about the long-term negative impact that failing to act could have on the debt service for state-supported bonds.

The Coalition urges legislative leaders and Gov. Steve Beshear to act as soon as possible to reach agreement on and enact legislation that addresses the threat posed by rising retirement and health costs to state and local services and programs.

The Coalition statement follows a release by the governor's office of information from two national financial ratings services that they had revised the outlook for Kentucky-supported bonds from "stable" to "negative." The state's bond ratings remain unchanged, but if they were to be downgraded the state would be required to pay millions more in debt service on bonds.

According to the release, Moody's Investor Service and Fitch cited "failure to pass meaningful pension reform" as a contributing factor in their decision.

The Coalition, made up of the Kentucky Chamber of Commerce, the Kentucky League of Cities and the Prichard Committee for Academic Excellence, initially issued a call for a special session on pensions following the adjournment of the 2008 General Assembly.

The magnitude of the problem makes it critical that action be taken quickly instead of waiting until the 2009 legislative session. To ensure that the matter receives priority attention, the pension issue should be the only item included on the governor's call for the special session.

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