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### **Kentucky Chamber calls for more accountability with pension investment strategies**

FRANKFORT, Ky. (Oct. 20, 2008) – On Monday, Kentucky Chamber President and CEO Dave Adkisson expressed outrage about the recent report on investments by the Kentucky public pension systems and called for a legislative review of the matter.

Kentucky's public pension systems lost out on \$5 billion in investment earnings over the past 10 years because of a lack of diversification, according to a recent study commissioned by Governor Beshear's pension task force.

"This is outrageous! Taxpayers view this type of analysis and question how effectively their hard-earned money is being managed," said Adkisson. "The \$5 billion in lost earnings equates to nearly \$10 million per week for the last ten years. To put it in perspective, the lost earnings are more than seven times what the General Assembly appropriated for the 'Bucks for Brains' program during the last session. This lost revenue is the equivalent of giving every teacher in the Commonwealth a 13 percent raise!"

Adkisson, a member of the Governor's Pension Task Force, went on to question whether the General Assembly should change the make-up of the investment boards to ensure that financial professionals are in charge of investing the state's money, rather than special interests.

"I think the General Assembly should also investigate whether lack of experience or limited perspective by members of the investment boards have contributed to these dismal returns," said Adkisson during a task force meeting Monday afternoon. "Legislative action may be necessary to ensure that our tax dollars are more effectively managed in the future. Teachers and state employees who rely on these funds and taxpayers who foot the bill, all deserve to know that the state's investment strategies are sound and based on professional advice, rather than being controlled by special interests."

The public pension system was already facing a budget shortfall. The Kentucky Chamber has been advocating solutions to this problem for several years, most recently with a call to pass legislation that addressed additional cost drivers to the system, including the high cost of providing health care benefits. This bill was passed during a special session in June.

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