

Legislative Update: Rep. Jennifer Henson Decker

HB 500 – A work in Progress

Over the past few weeks, many constituents from Shelby County and across Kentucky have contacted me about House Bill 500. While I cannot support the bill in its current form, I expect significant changes before it reaches the House floor.

I understand concerns about the provisions of HB 500 that address the Kentucky Employees Health Plan (KEHP), which covers state employees from qualifying public service systems—including legislators and public school district employees—as well as eligible retirees.

The House Majority appreciates and respects all state employees because that is the right thing to do and because a capable, committed workforce is essential to the health and well-being of the people of the Commonwealth. The House Majority recognizes and appreciates the work of state employees; we have prioritized better overall compensation, including addressing salary compression and classification issues. We have also committed more than \$20 billion to strengthen public pension systems.

In addition, we have cut individual income taxes for all Kentuckians by nearly half and funded pay raises for state employees. We have provided additional funding to local school districts to enable pay increases for teachers, who are employed by the districts rather than the state.

We have not made this progress only to reverse course now. The House Majority remains committed to supporting those who serve the Commonwealth, and I am confident that the final KEHP provisions in the budget will reflect that commitment.

HB 500 is an intentionally minimal, bare-bones starting point for the executive branch budget. House Appropriations and Revenue (A&R) Chairman Jason Petrie made this clear when he introduced the bill on the House floor in January. Since then, he has consistently emphasized that the bill will undergo major revisions before it is passed out of the House A&R Committee.

After committee approval, HB 500 will face floor debate in the House, where amendments have already been filed. The Senate will then take up the bill, potentially amending it further in committee and on the Senate floor. If the House and Senate pass versions of the bill that differ—which is almost certain—a conference committee will reconcile them into the final budget.

Much of the current concern about HB 500 stems from the executive branch's refusal to collaborate with the legislature during the 2025 interim session. In November 2025, during an Interim Joint A&R Committee meeting, the Director of the Office of Management and Budget repeatedly declined to provide requested budget data from executive cabinet secretaries (see the hearing: <https://www.youtube.com/watch?v=FRsEYztNjNA>).

In January 2026, after the interim session had concluded and the regular session had begun, the executive branch

released its budget recommendations, seeking more than \$10 billion in new funding over two years—a nearly 30% expansion of state government. None of this new funding was included in HB 500 because no supporting data had been provided during the interim. In fact, that data has yet to be received. Without such collaboration, even amounts to maintain past spending levels could not be justified for inclusion.

Because the executive branch withheld necessary information during the interim, HB 500 was filed as a skeletal framework, allowing House A&R subcommittees to recommend appropriations for projects that have sufficient supporting documentation, justification, and data to confirm their necessity, cost-effectiveness, and alignment with other state priorities. Eight House subcommittees currently meet to hear from agencies and stakeholders, ensuring the final version of HB 500 will present a responsible budget. Every House member can participate in this process.

Given this ongoing work, I expect the KEHP provisions in HB 500 to change significantly. I am advocating for a cost-sharing approach that would accurately reflect the high value the state places on its employees, while better protecting taxpayers from bearing nearly all the increases in premium costs.

Specifically, in 2021 the total premium for KEHP's Living Well Basic Plan (single coverage) was \$704.08/month, with the employee share at \$27.78 (less than 4% of the total) and the taxpayer share at \$676.30 (more than 96%). By 2026, the total premium had risen to \$1,059.88/month, with the employee share at \$28.34 (less than 3% of the total) and the taxpayer share at \$1,031.54 (more than 97%). Over that period, the employee share increased by \$0.56/month (less than one-third of 1% of the total premium increase), while taxpayers absorbed the remaining \$355.24/month (more than 99% of the increased premium cost).

Similarly, in 2021 the total premium for KEHP's Living Well CDHP was \$732.26/month, with the employee share at \$52.42 (slightly over 7% of the total), and the taxpayer share at \$679.84 (slightly

less than 93%). By 2026, the monthly premium had risen to \$1,089.50, with the employee share at \$53.46 (less than 5% of the total monthly premium) and the taxpayer share at \$1,036.04 (more than 95%). Over that period, the employee share increased by \$1.04/month (less than one-third of 1% of the total premium increase), while taxpayers absorbed the remaining \$356.20/month (more than 99% of the increased premium cost).

The executive branch's budget proposal seeks an additional \$227 million in taxpayer funding for KEHP in FY 2026-27 and \$477 million in FY 2027-28, pushing annual state spending on this benefit alone toward \$2 billion. In contrast, the current version of HB 500 includes a 5% annual cap on state employer contribution increases to KEHP, a significant departure from the pattern where taxpayers covered more than 99% of past increases.

The Personnel Cabinet has warned that the 5% annual cap on state employer contribution increases could lead to substantial shortfalls (\$77 million in 2027 and \$202 million in 2028), which would require employees to pay substantially higher contributions to meet rising premium costs or face reduced benefits.

It is clear to me that capping the state's annual contribution growth to KEHP at 5% is included in HB 500 as a placeholder for future discussion. That change would be too abrupt a way to correct the past imbalance, immediately placing too much of the burden on employees and retirees. I will work with my colleagues to plan for future KEHP cost increases in a way that more fairly shares the rising cost of health care insurance while protecting employees, retirees, and taxpayers from undue impact.

Please remember, the current version of HB 500 is only the beginning—not the final product.

As always, I can be reached through the toll-free message line in Frankfort at 1-800-372-7181. You can also contact me via email at Jennifer.Decker@kylegislature.gov and follow along through the Kentucky Legislature's website at legislature.ky.gov.



Jim Cleveland displays his crispy, crunchy meal at the Feb. 20 fish fry.



Customers at the Feb. 20 Fish Fry watch their plates being prepared.

Friday is Fish Fry day!

Shelbyville's Church of the Annunciation has begun its annual Friday fish fries during Lent.

The church at 105 Main Street is serving in its Parish Hall fish meals either dine-in or carry-out on Fridays from Feb. 20 to March 27.

Lunch is served from 11 a.m. to 1 p.m.

and dinner is available from 4:30 p.m. to 7 p.m.

The menu includes fried fish, bread, shrimp and fish tacos, French fries, hush puppies, macaroni and cheese, slaw, desserts and drink. An \$18 meal includes fish, two sides and a drink (tea or lemonade). Desserts are \$2 each.

Savannah Guthrie says her family is offering a \$1 million reward for her mother's return

BY JOHN SEEWER
ASSOCIATED PRESS

"Today" show host Savannah Guthrie said her family is now offering a \$1 million reward for information leading to the recovery of her mother, Nancy Guthrie, who went missing from her Arizona home more than three weeks ago.

Savannah Guthrie said Tuesday that her family is still holding out for a miracle and hopes her mother will be found alive, but she also acknowledged that

they realize it might be too late.

"She may already be gone," Savannah Guthrie said in an Instagram post. "She may already have gone home to the Lord that she loves and is dancing in heaven."

Nancy Guthrie, 84, was last seen at her home just outside Tucson, Arizona, on Jan. 31 and was reported missing the next day. Authorities believe she was kidnapped, and the FBI released surveillance videos of a masked man who was outside Guthrie's front door on the night she vanished.

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