

Legislative Update: Rep. Jennifer Henson Decker

BY REP. JENNIFER HENSON DECKER

Making Progress: HB 500, as amended by House Committee Substitute, passed out of the House.

On February 26, 2026, the Kentucky House of Representatives passed HB 500, as amended by the House Committee Substitute, by a vote of 81-18. While the vote was mostly along party lines, two Democrats joined with the Majority Caucus in passing the bill and moving it to the Senate for consideration. This progress marks an important step forward in the biennial budget process.

As I mentioned in a prior legislative update, many constituents from Shelby County and across the Commonwealth have contacted me about HB 500. Questions arose in part because the bill was initially filed as a streamlined “skeletal” framework. The bill’s sponsor explained that this approach resulted from limited executive branch cooperation during the 2025 interim session, when requested budget data from cabinet secretaries was not provided. (See <https://www.youtube.com/watch?v=FRsEYztNjNA>.)

The Beshear administration submitted budget requests totaling \$10 billion in extra two-year funding — nearly a 30% rise in total state outlays. Since supporting data has not been provided to substantiate that level of spending growth, only those requests that could be supported were included in the original draft of HB 500.

The budget bill passed by the House establishes a responsible \$31.56 billion, two-year spending plan that prioritizes education, healthcare, public safety, and community well-being while emphasizing efficiency and fiscal discipline. It reflects Kentucky’s

priorities for allocating taxpayer dollars, drawn from testimony and documentation heard by the House Appropriations and Revenue Committee and its eight budget review subcommittees during this session.

Medicaid spending is projected at approximately \$6 billion over the biennium — second only to K-12 education — underscoring the importance of balancing critical needs with prudent fiscal oversight.

The House plan increases SEEK per-pupil funding, maintains support for Family Resource and Youth Service Centers, and preserves proven education initiatives such as Read to Achieve, extended school services, and Jobs for America’s Graduates. It also maintains the support required for juvenile justice, corrections, and veterans’ programs.

At the same time, the bill promotes responsible government streamlining by phasing out obsolete programs, consolidating redundant grants and incentives, reducing unnecessary administrative expenses and consulting agreements, and discontinuing initiatives that lack clear performance measures. The plan includes a 3% annual

reduction in executive branch spending on most state programs, giving state agencies flexibility in determining how best to achieve those savings.

Regarding employee benefits, the budget bill passed by the House fully funds the Kentucky Employees Health Plan (KEHP) consistent with actuarial recommendations, accounting for projected cost increases of 14% in the first year and 10% in the second year of the biennium. The proposed 5% cap on annual contribution growth included in the original bill draft was removed prior to House passage.

The overall budget plan in HB

500 reflects roughly a 2% increase in state spending while maintaining projected surpluses in both years as a safeguard against economic uncertainty.

Recent audit reports reinforce the importance of careful budgeting and strong legislative oversight — identifying as improper more than \$800 million of Medicaid payments across multiple fiscal years and flagging \$39 million in executive expenditures on advertising and travel.

The budget bill that passed out of the House addresses our state’s spending challenges — not a revenue shortfall — and prioritizes sustainable commitments that protect core services while maintaining long-term fiscal stability.

HB 500 will now move to the Senate Appropriations and Revenue Committee, where amendments may be adopted and a Senate Committee Substitute may be reported to the floor. If the Senate passes a bill that is different from the one passed by the House—which is a near certainty—it will return to the House for concurrence.

If the House does not agree to Senate changes, a conference committee—composed of members from both chambers appointed by the respective chamber’s Committee on Committees—will be appointed to negotiate the differences. If initial conference efforts fail, the chambers will appoint a free conference committee with greater flexibility to resolve issues.

If a conference committee (or free conference committee) is required, any agreed-upon compromises will be reported and filed in both chambers. Under chamber rules, the report may not be amended, and each chamber must vote to adopt it.

Also under chamber rules, if the report is adopted, HB 500, as

amended by the report, must then immediately be placed upon final passage. Final passage requires a majority roll-call vote in each chamber — at least 51 votes in the House and 20 in the Senate. This process is designed to ensure both chambers agree on the final text before the budget becomes law.

If both the House and Senate adopt a conference report and pass HB 500 in identical form, it will be enrolled (prepared in final certified version), signed by the presiding officers of both chambers, and presented to the Governor.

The Governor will then sign it into law, allow it to become law without signature, veto it (with possible override by a majority in each chamber), or line-item veto specific appropriations (also subject to override).

While this bill will change before it becomes law, here are a few details from HB 500, as amended by House Committee Substitute, that might interest you:

- Overall:
 - \$31.56 Billion Two-Year Budget
 - \$369 Million Increase for K-12 Public Education
 - \$5.99 Billion for Medicaid
 - Public Safety Fully Protected
 - 3% Executive Branch Reduction Each Year, Except:
 - o Per-Pupil/SEEK
 - o Medicaid Benefits
 - o Juvenile Justice & Corrections
 - o Veterans Programs
 - o K-12 Public Education:
 - \$7.1 Billion Two-Year Allocation
 - \$369 Million Increase in Each Year
 - 2% SEEK Increase in Each Year
 - \$398 Million in Transportation Funding*
 - \$134.87 Million Increase Over Two Years for Teacher’s

- Retirement
 - Fully Funds Kentucky Employee Health Plan at Actuarially Recommended Amount
 - Human Services:
 - \$5.99 Billion – Medicaid Funding
 - 125 New Michelle P. Waiver Slots
 - 150 New Community Living Waiver Slots
 - 175 New Home Community Based Services Waiver Slots
 - \$101.5 Million To Cover Additional SNAP Costs
 - \$40 Million Increase to State-Run Psychiatric and ICF/ID Facilities
 - Specifically Identifies Funding for Children’s Advocacy, Rape Crisis, Domestic Violence Shelters
 - Identifies Funding for Child Care Benefits and Relative/Fictive Kin Caregivers
 - Veterans Services:
 - \$10.6 Million for Staffing Support at the Thomson-Hood Veterans Center
 - \$13.2 Million for Staffing Support at the Western Kentucky Veterans Center
 - \$100,000 General Fund in Each Year for the Homeless Veterans Program
 - Public Safety:
 - \$16.7 Million for Kentucky State Police Salary Adjustments
 - \$10 Million Body Armor Grant Program
 - \$6.5 Million for Jefferson County Juvenile Justice Center Support
 - \$13 Million Increase for Corrections Medical Funding
 - Increased Funding for Crime Lab Upgrades

As always, I encourage readers to reach out to me with any comments or concerns via the toll-free line in Frankfort at 1-800-372-7181 or by email at Jennifer.Decker@kylegislature.gov. I also encourage constituents to follow legislative updates at legislature.ky.gov.

Legislative Update- Sen. Aaron Reed

BY SEN. AARON REED

Week seven of the 2026 Legislative Session

Crossover of proposed legislation is in full swing in the Capitol Annex, and more than half the session is complete. The General Assembly is moving into its most consequential stretch. Senate bills are being considered in the House of Representatives, House bills are advancing in the Senate and the policy debates that define this session are sharpening.

This week, the General Assembly advanced one of the session’s most significant education measures, House Bill 1, allowing Kentucky to opt in to the federal Education Freedom Tax Credit program created by Congress in 2025. Beginning in tax year 2027, the program offers a dollar-for-dollar federal tax credit of up to \$1,700 for donations to certified scholarship granting organizations that fund K-12 educa-

tional expenses. States must formally opt in for students to benefit, and more than two dozen have already done so.

Eligible students must come from households earning up to 300 percent of the area median income, making most Kentucky working- and middle-class families eligible. Scholarships, distributed by certified nonprofits that must direct at least 90 percent of contributions to students, may be used for tuition, tutoring, special needs services, instructional materials, technology, transportation and other approved expenses. Public school students are not excluded and may use funds for qualifying educational support.

HB 1 does not create a new state program, raise taxes or reduce SEEK funding. The federal tax credit can be claimed regardless of Kentucky’s decision; the question is whether those contributions support students

here or flow to other states. By opting in, Kentucky keeps those federal dollars in-state and expands educational opportunity without increasing state spending. I can’t imagine anyone would not want this option to expand educational resources for our kids.

State budget update As noted in prior updates, the top priority during a 60-day legislative session is our responsibility to enact a new two-year state budget. We’ve heard from many regarding the initial version of the House’s budget proposal, HB 500. HB 500 was a ‘bare bones’ starting point and significant modifications were made this week. With the Senate now officially in receipt of the House’s proposal, next week is when our deliberate and meticulous work really begins.

The Senate passed HB 314, mirror legislation to SB 64, modernizing oversight of KentuckyWired by

transferring operational control to the Commonwealth Office of Technology.

The following bills were approved in the Senate this week and sent to the House for consideration.

Senate Bill (SB) 124, which I co-sponsored, would allow Kentucky school districts to offer teachers and other school employees the option to receive an additional check for a portion of their unused sick leave, providing flexibility for staff and financial planning tools for districts. Educators could choose whether to participate. Those who prefer to save sick leave for emergencies or retirement would retain that option. Others might elect to receive a payout. For instance, a teacher with 28 days could receive a check

for 13 of them, providing added financial flexibility for savings, expenses, or investments, or personal needs. SB 124 will improve classroom instruction by reducing the number of substitutes and may also improve teacher retention.

SB 33 strengthens oversight of recovery residences by closing certification loopholes and requiring the state to notify local officials when a residence seeks certification, is certified, or faces discipline.

SB 37 designates the treeing Walker coonhound as Kentucky’s official state dog in recognition of its historic ties to the commonwealth’s hunting heritage.

SB 52 requires state agencies to clearly define permitting standards in law, act within 30 days or grant automatic approval,

shift the burden of proof to the agency and expand judicial review to ensure fairness and accountability.

SB 56 ensures Medicaid patients have access to non-opioid pain treatments by prohibiting coverage policies that favor opioids and directing necessary program updates and federal approvals.

SB 98 requires contractors on specified public projects to follow American Welding Society standards and have welds inspected by a qualified professional.

SB 101 mandates a minimum 12-month expulsion for grades 6-12 students who physically assault school personnel without provocation and requires school employees to report assaults immediately to

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 **LEGAL NOTICE**

PUBLIC HEARING

Pursuant to KRS 100, the Triple S Planning Commission will hold a public hearing on Tuesday, March 17, 2026 at 6:30 p.m. at the Stratton Center, 215 Washington Street, Shelbyville, Kentucky to consider the following:

Z-497-26 & S-2052-26 An application for a Zone Change and Preliminary Plat request by Harrington Mill Road 2026, LLC for land located at 833 Harrington Mill Road, Shelbyville, KY. The zone change is from Agricultural (A) to Medium Density Residential (R-3) and Multi-family Residential (R-4). The Preliminary Plat proposes 290 single-family lots on 72.28 acres at a density of 4 units per acre.

More information is on file in the Commission office, 419 Washington Street, Shelbyville, KY and may be inspected during regular office hours from 8:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m.

 **LEGAL NOTICE**

CITY OF SIMPSONVILLE

REQUEST FOR QUALIFICATIONS

SOQ #2026-001

The City of Simpsonville will receive Statements of Qualifications (SOQ) responses for professional services in connection with the renovation of a two-story building on the City campus and developing a concept on the best public use of the building. Responses will be received in City Hall by our City Clerk at 108 Old Veechdale Rd, Simpsonville Ky 40067 no later than 2:00 pm EST on April 10, 2026.

SOQ: All responses must be turned into City Hall at 108 Old Veechdale Rd., Simpsonville, KY, no later than 2:00 pm EST on date of RFQ opening. Responses cannot be accepted at any other location. Response must be received by the designated date and time, and none will be considered thereafter.

Respondents are to submit their Response in a sealed envelope; the Respondent is advised to clearly mark the sealed Response with the SOQ number and description listed above. The City of Simpsonville, Kentucky is not responsible for the premature opening of, or the failure to open, a sealed Response not properly addressed or identified.

The City of Simpsonville, Kentucky reserves the right to reject any and all Responses received, and to select that Response which it determines to be in its best interest. The award of this project will be made on the basis of the most qualified Statement of Qualifications, and subject to successful negotiation for scope of work and price.

For full description of the Request for Qualifications, please contact Steve Eden at 502-722-8110 or by email at steve.eden@cityofsimpsonvilleky.com.

FOR THE CITY OF SIMPSONVILLE, KENTUCKY
Steve Eden (City Administrator)