

**COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE SECRETARY**

**AN ORDER DIRECTING THE IMPLEMENTATION OF
THE EXECUTIVE SPENDING PLAN
AUTHORIZED AND APPROVED BY
EXECUTIVE ORDER 2002-727**

WHEREAS, under KRS 48.300, KRS 48.950, and Sections 171 and 230 of the Kentucky Constitution, the General Assembly is empowered to raise and appropriate revenue and approve and adopt a balanced budget for the operation, maintenance, support and functioning of the Government of the Commonwealth of Kentucky; and

WHEREAS, during the 2002 Regular and Special Sessions, the General Assembly enacted a budget for the Legislative Branch, but did not enact a budget for either the Executive Branch or the Court of Justice, and thus did not fulfill its constitutional and statutory duty to enact a comprehensive balanced budget for the fiscal year beginning July 1, 2002; and

WHEREAS, because of the General Assembly's failure to act, the Governor of the Commonwealth has declared that a state of emergency exists that requires action of the Executive Branch to continue the operation of government; and

WHEREAS, to address this situation, the Governor has exercised his constitutional authority, including specifically the powers and mandates of Sections 69 and 81 of the Kentucky Constitution, and the further authority vested in him as the Chief Magistrate by the laws of the Commonwealth, to issue Executive Order 2002-727; and

WHEREAS, as provided in Executive Order 2002-727, the General Assembly has made appropriations for the use of the Legislative Branch during the fiscal year beginning July 1, 2002 totaling \$36,515,900, leaving \$18,187,941,616 in previously estimated revenues identified for use by the Executive Branch and the Court of Justice for the operation and function of their respective branches of government; and

WHEREAS, Exhibit A to Executive Order 2002-727 having identified \$212,906,400 for the use of the Court of Justice, a total of \$17,975,035,216 remains for the use of the Executive Branch to comply with the previously estimated revenues and reflect a balanced spending plan for government expenditures; and

WHEREAS, the Governor has directed the implementation of a spending plan and authorized the Secretary of the Finance and Administration Cabinet to issue warrants for the payment of all claims as may be made by the Executive Branch of government in accordance therewith;

NOW, THEREFORE, I, T. Kevin Flanery, in accordance with the authority vested in me pursuant to KRS Chapter 42 as the state's chief financial officer, and as further vested in me by the laws of the Commonwealth, do hereby FIND, DECLARE, ORDER AND DIRECT the following:

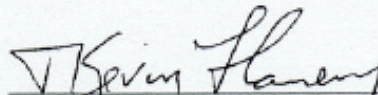
1. Executive Branch agencies are hereby directed to operate during the fiscal year beginning July 1, 2002 within the monetary parameters set forth in the Executive Spending Plan, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, this Order, and Executive Order 2002-727.

2. Personnel within the Finance and Administration Cabinet shall cause warrants to issue on the State Treasury, as is customary, for the payment of all claims as may be made by the Executive Branch of government in accordance with Executive Spending Plan, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, this Order, and Executive Order 2002-727.

3. The provisions of this Order shall remain in full force and effect until July 1, 2003, unless sooner rescinded or superseded by subsequent Secretary's Order, Governor's Executive Order or by legislative enactment of a budget.

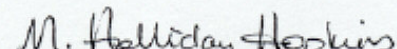
4. This Order shall become effective immediately upon its signing.

Signed this 26 day of June, 2002.



T. Kevin Flanery, Secretary
Finance and Administration Cabinet

Approved as to form and legality:



M. Holliday Hopkins, General Counsel
Finance and Administration Cabinet