

RECEIVED AND FILED  
DATE July 20, 2009

Road Fund Budget Reduction Order 09-02

COMMONWEALTH OF KENTUCKY  
OFFICE OF STATE BUDGET DIRECTOR

TREY GRAYSON  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY R. Allen

**AN ORDER DIRECTING THE REDUCTION OF CERTAIN APPROPRIATIONS  
TO APPROPRIATION UNITS OF THE GOVERNMENT OF THE  
COMMONWEALTH TO PREVENT A DEFICIT IN THE FINANCES OF THE  
COMMONWEALTH OF KENTUCKY**

WHEREAS, funds were budgeted and appropriated for the operation, maintenance, support, and functioning of the Government of the Commonwealth of Kentucky during fiscal year 2008-2009, by the 2008 Regular Session of the General Assembly, based on a Road Fund revenue estimate of \$1,324,806,400 as specified in 2008 Kentucky Acts Chapter 127, Part VIII; and

WHEREAS, on November 26, 2008, the Consensus Forecasting Group at the request of the State Budget Director, per KRS 48.115, revised downward the Road Fund revenue estimate for fiscal year 2008-2009 to \$1,220,100,000, which is \$104,706,400 less than the Road Fund revenue estimate enacted for fiscal year 2008-2009 by the 2008 Regular Session of the General Assembly; and

WHEREAS, the 2009 Regular Session of the General Assembly enacted House Bill 374 that is estimated to result in additional \$8,700,000 in Road Fund revenues in fiscal year 2008-2009, resulting in a revised revenue estimate of \$1,228,800,000; and

WHEREAS, Road Fund Budget Reduction Order 09-01, as issued on April 6, 2009, and House Bill 536 as enacted by the 2009 Regular Session of the General Assembly were predicated upon an estimated revenue shortfall of \$104,706,400, at which time fiscal year 2008-2009 revenue and expenditure data were not yet final and that as of July 17, 2009 that information has now been updated by the final revenue collections and spending actions so that the Commonwealth may effectively close its accounting books for fiscal year 2008-2009; and

WHEREAS, final fiscal year 2008-2009 Road Fund revenues are \$1,191,982,893, which is \$36,817,107 less than the revised estimate; and

WHEREAS, the actual Road Fund revenues result in a \$9,756,036 decrease in the statutorily required appropriation amounts for the Revenue Sharing appropriation unit and result in a \$16,102 increase in statutorily required appropriation amounts for the Vehicle Regulation appropriation unit; and

WHEREAS, the combined effect of the revenue shortfall and expenditures less than appropriated result in a total Road Fund budget shortfall of \$36,833,209; and

WHEREAS, Part VIII, section A., of House Bill 536 as enacted by the 2009 Regular Session of the General Assembly, directs the Governor to implement sufficient reductions as may be required to protect the highest possible level of service and balance fiscal year 2008-2009; and

WHEREFORE, it is necessary to effect a reduction in Road Fund appropriations to the appropriation units of the Commonwealth, and to effect fund transfers to the credit of the Road Fund by sums sufficient to prevent such deficit;

NOW, THEREFORE, it is hereby found by the State Budget Director, with approval of the Governor of the Commonwealth, and pursuant to the authority vested in the Office of State Budget Director and the Secretary of the Finance and Administration Cabinet by 2008 Kentucky Acts Chapter 127, Part VIII, as amended by House Bill 536 enacted by the 2009 Regular Session of the General Assembly, and Chapter 48 of the Kentucky Revised Statutes, that it will be necessary, to prevent a deficit in the finances of the Commonwealth, to reduce the appropriations for fiscal year 2008-2009 to the appropriation units of the Government of the Commonwealth from the amounts appropriated, to the amount hereinafter set forth, and, having so found, it is hereby ordered and directed that the appropriations to the appropriation units of the Government of the Commonwealth be reduced to, and allotments adjusted on the basis of the amounts hereinafter listed, to wit:

<u>Appropriation Unit</u>	<u>FY 2008-2009 Road Fund Current Appropriations</u>	<u>FY 2008-2009 Road Fund Revised Appropriations</u>	<u>FY 2008-2009 Road Fund Appropriation Reductions</u>
Transportation Cabinet Highways	919,474,705	915,088,716	(4,385,989)

## FY 2008-2009 Road Fund Budget Shortfall

<b>Budget Shortfall:</b>	<b><u>Amount</u></b>
Revenue Shortfall	36,817,107
Driver's License Fee Dedicated Appropriation Adjustment	<u>16,102</u>
<b>Total Budget Shortfall</b>	<b>36,833,209</b>

### **The Solution:**

Motor Fuels Dedicated Appropriation Adjustment	9,756,036
Unbudgeted Fund Transfers	172,648
Road Fund Expenditure Lapse	22,518,536
Road Fund Appropriation Reductions	<u>4,385,989</u>
<b>Total Solutions</b>	<b>36,833,209</b>

Road Fund Budget Reduction Order 09-02

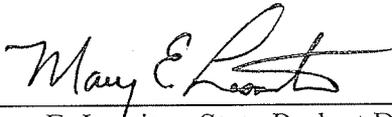
APPROVED AS TO FORM AND LEGALITY:



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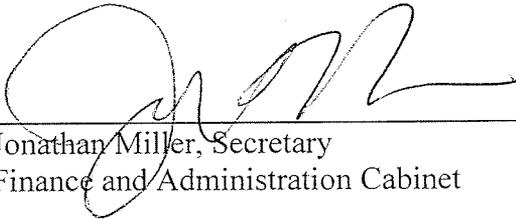
E. Jeffrey Mosley, General Counsel  
Finance and Administration Cabinet

DONE AT FRANKFORT, KENTUCKY THIS 17th DAY OF JULY, 2009



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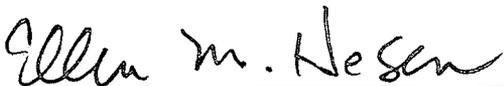
Mary E. Lassiter, State Budget Director  
Office of State Budget Director



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Jonathan Miller, Secretary  
Finance and Administration Cabinet

EXAMINED:



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Ellen M. Heslen, General Counsel  
Office of the Governor

APPROVED:



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Steven L. Beshear  
Governor