

Road Fund Budget Reduction Order 10-01

**COMMONWEALTH OF KENTUCKY
OFFICE OF STATE BUDGET DIRECTOR**

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

**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 2009-2010, by the 2008 Regular Session of the General Assembly, based on a Road Fund revenue estimate of \$1,405,103,400 as specified in 2008 Kentucky Acts Chapter 127, Part VIII; and

WHEREAS, on May 29, 2009, the Consensus Forecasting Group, at the request of the State Budget Director pursuant to KRS 48.115, revised downward the Road Fund revenue estimate for fiscal year 2009-2010 to \$1,166,000,000; and

WHEREAS, the 2009 First Extraordinary Session of the General Assembly enacted House Bill 3 that decreased the revised fiscal year 2009-2010 Road Fund revenue estimate to \$1,141,000,000 resulting in a Road Fund revenue shortfall of \$264,103,400; and

WHEREAS, the revised Road Fund revenue estimate results in an estimated \$45,669,400 decrease in the statutorily required appropriation amounts for the Revenue Sharing appropriation unit; and

WHEREAS, the Road Fund Budget Reduction Plan as set forth in Section 20 of House Bill 4, as enacted by the 2009 First Extraordinary 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 2009-2010; and

WHEREFORE, it is necessary to effect a reduction in Road Fund appropriations to the appropriation units of the Commonwealth 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 4 enacted by the 2009 First Extraordinary 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 2009-2010 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:

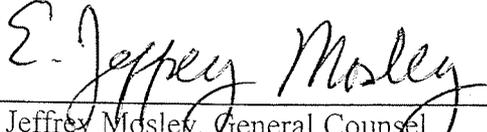
| <u>Appropriation Unit</u> | <u>FY 2009-2010 Road Fund Current Appropriations</u> | <u>FY 2009-2010 Road Fund Revised Appropriations</u> | <u>FY 2009-2010 Road Fund Appropriation Reductions</u> |
|--|--|--|--|
| General Government | | | |
| Homeland Security | 250,000 | 250,000 | 0 |
| Treasury | 250,000 | 250,000 | 0 |
| Total-General Government | 500,000 | 500,000 | 0 |
| Tourism, Arts, and Heritage Cabinet | | | |
| Artisans Center | 350,000 | 350,000 | 0 |
| Total-Tourism, Arts, and Heritage Cabinet | 350,000 | 350,000 | 0 |
| Energy and Environment Cabinet | | | |
| Environmental Protection | 300,000 | 300,000 | 0 |
| Total-Energy and Environment Cabinet | 300,000 | 300,000 | 0 |
| Finance and Administration Cabinet | | | |
| General Administration | 400,000 | 400,000 | 0 |
| Revenue | 2,325,000 | 2,325,000 | 0 |
| Total-Finance and Administration Cabinet | 2,725,000 | 2,725,000 | 0 |
| Justice and Public Safety Cabinet | | | |
| State Police | 73,881,500 | 73,881,500 | 0 |
| Total-Justice and Public Safety Cabinet | 73,881,500 | 73,881,500 | 0 |
| Transportation Cabinet | | | |
| General Administration and Support | 70,214,400 | 69,777,900 | (436,500) |
| Aviation | 16,899,976 | 12,200,976 | (4,699,000) |
| Debt Service | 154,278,000 | 54,278,000 | (100,000,000) |
| Highways | 944,066,846 | 835,290,346 | (108,776,500) |
| Revenue Sharing | 390,633,372 | 390,633,372 | 0 |
| Vehicle Regulation | 27,277,100 | 22,755,100 | (4,522,000) |
| Total-Transportation Cabinet | 1,603,369,694 | 1,384,935,694 | (218,434,000) |
| Capital Projects | 8,215,000 | 8,215,000 | 0 |
| GRAND TOTAL-EXECUTIVE BRANCH | 1,689,341,194 | 1,470,907,194 | (218,434,000) |

FY 2009-2010 Road Fund Budget Shortfall

| | <u>Amount</u> |
|--|----------------------|
| Budget Shortfall: | |
| Revenue Shortfall forecast by Consensus Forecasting Group | \$239,103,400 |
| Motor Vehicle Usage Trade-in Credit enacted by 2009 Special Session HB 3 | <u>\$25,000,000</u> |
| Total Budget Shortfall | \$264,103,400 |
| | |
| The Solution: | |
| Motor Fuels Dedicated Revenues-Appropriation Decrease | \$45,669,400 |
| Appropriation Reductions | <u>\$218,434,000</u> |
| Total Solution | \$264,103,400 |

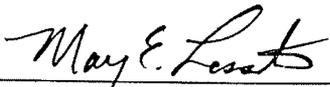
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APPROVED AS TO FORM AND LEGALITY:

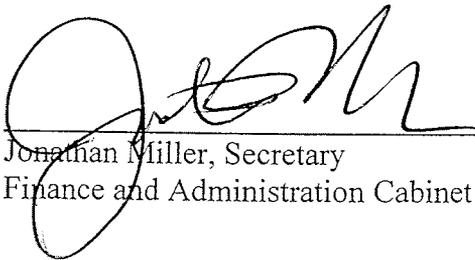


E. Jeffrey Mosley, General Counsel
Finance and Administration Cabinet

DONE AT FRANKFORT, KENTUCKY THIS 18th DAY OF SEPTEMBER, 2009



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



Jonathan Miller, Secretary
Finance and Administration Cabinet

EXAMINED:



Ellen M. Hesem, General Counsel
Office of the Governor

APPROVED:



Steven L. Beshear
Governor