

RECEIVED AND FILED
DATE April 21, 2009

Road Fund Budget Reduction Order 09-01

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 receipt 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 receipt 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 receipts in fiscal year 2008-2009, and the Transportation Cabinet has identified \$1,450,900 in fund transfers to the Road Fund; 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> |
|--|--|--|--|
| 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 | 70,255,100 | 68,061,900 | (2,193,200) |
| Aviation | 13,768,172 | 11,116,172 | (2,652,000) |
| Debt Service | 148,513,000 | 129,013,000 | (19,500,000) |
| Highways | 981,004,705 | 919,474,705 | (61,530,000) |
| Revenue Sharing | 381,261,172 | 381,261,172 | 0 |
| Vehicle Regulation | 26,417,600 | 23,617,600 | (2,800,000) |
| Total-Transportation Cabinet | 1,621,219,749 | 1,532,544,549 | (88,675,200) |
| Capital Projects | 17,992,000 | 17,992,000 | 0 |
| GRAND TOTAL-EXECUTIVE BRANCH | 1,716,968,249 | 1,628,293,049 | (88,675,200) |

FY 2008-2009 Road Fund Budget Shortfall

Amount

Revenue Shortfall

104,706,400

The Solution:

Motor Fuels Receipts - House Bill 374

8,700,000

Motor Fuels Dedicated Appropriation Adjustment

5,880,300

Road Fund Appropriation Reductions - Budget Reduction Order

88,675,200

Fund Transfers

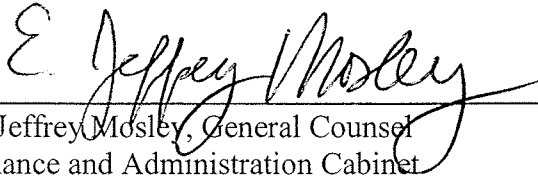
1,450,900

Total Solution

104,706,400

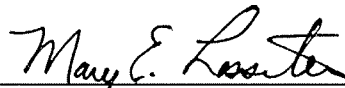
Road Fund Budget Reduction Order 09-01

APPROVED AS TO FORM AND LEGALITY:

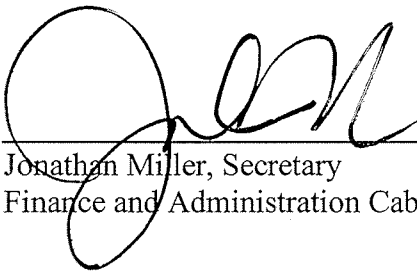


E. Jeffrey Mosley, General Counsel
Finance and Administration Cabinet

DONE AT FRANKFORT, KENTUCKY THIS 6th DAY OF APRIL, 2009

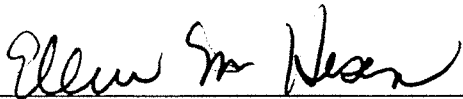


Mary E. Lassiter, State Budget Director
Office of State Budget Director



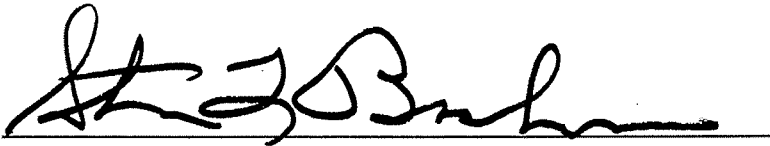
Jonathan Miller, Secretary
Finance and Administration Cabinet

EXAMINED:



Ellen M. Hesen, General Counsel
Office of the Governor

APPROVED:



Steven L. Beshear
Governor