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**LEGISLATIVE RESEARCH COMMISSION**

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August 17, 2015

Jane C. Driskell
State Budget Director
Office of the State Budget Director
Room 284, Capitol Annex
Frankfort, Kentucky 40601

Dear Ms. Driskell:

Pursuant to KRS 48.120, this memo contains the budget planning revenue estimates for the General Fund, Road Fund, and Master Settlement Agreement (MSA) for the FY 2016 – FY 2020 period. The planning estimates were developed by the Consensus Forecasting Group (CFG) in conjunction with the Office of the State Budget Director in accordance with KRS 48.120(1) and were adopted at the CFG meeting held on August 13, 2015.

The budget planning revenue estimates for the current fiscal year (FY 2016) and the next four fiscal years (2017 – 2020) are listed below.

Fiscal Year	General Fund	Road Fund	MSA
FY 2016	\$10,286,400,000	\$1,419,200,000	\$88,300,000
FY 2017	\$10,564,600,000	\$1,443,700,000	\$87,300,000
FY 2018	\$10,865,500,000	\$1,481,000,000	\$85,700,000
FY 2019	\$11,159,400,000	\$1,502,200,000	\$100,200,000
FY 2020	\$11,398,200,000	\$1,531,500,000	\$98,700,000

By October 15, 2015, the Consensus Forecasting Group, in accordance with their statutory responsibilities will develop preliminary revenue estimates for the current fiscal year and the upcoming biennium. On or before the fifteenth legislative day of the upcoming 2016 Regular Session of the General Assembly, the Consensus Forecasting Group will adopt final detailed revenue estimates for the General Fund, the Road Fund, and the MSA for the current and next two fiscal years.

Inherent in any forecast is the risk that actual receipts may differ from their forecasted values. The Kentucky economic and revenue forecasts adopted by the CFG are directly linked to the national forecast provided by Global Insight, and represent an agreement as to the most likely outcome for revenues for the next fiscal year and the next two bienniums, given the information available on August 13, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank O'Connor". The signature is written in a cursive, flowing style.

Frank O'Connor
Chairman, Consensus Forecasting Group
Professor of Economics
Eastern Kentucky University