



Office of State Budget Director

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State Budget Director

Governor's Office for Policy and Management
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July 22, 2024

The Honorable Christian McDaniel, Co-Chairman
The Honorable Jason Petrie, Co-Chairman
Interim Joint Committee on Appropriations and Revenue
Legislative Research Commission
Capitol Annex
Frankfort, Kentucky 40601

Dear Senator McDaniel, Representative Petrie and Members of the Committee:

This is a report to communicate to the Committee the results of closing the books on fiscal year 2023-24 for the General Fund and the Road Fund.

The General Fund surplus is \$31,209,551. Pursuant to the General Fund Surplus Expenditure Plan in the 2024-26 Executive Branch budget bill, all of the surplus will be deposited into the Budget Reserve Trust Fund, bringing its balance up to \$4,576,294,417, which equates to 29 percent of the FY 2024-25 official revenue estimate.

Compared to the fiscal year 2024 budget that was enacted in the 2022 legislative session, fiscal year 2024 ended with the largest General Fund surplus ever, about \$2 billion. The \$2 billion is comprised of General Fund revenues \$1.42 billion more than budgeted, an unobligated budget balance of \$248 million, and over \$300 million in unspent appropriations. In the 2024-26 biennial budget process, the General Assembly relied on that estimated \$2 billion surplus and appropriated it to the Budget Reserve Trust Fund. The \$31.2 million General Fund surplus reported here is in addition to those budget actions.

This is the fourth consecutive year that the General Fund surplus has exceeded \$1 billion. Based on the fiscal year 2023 data released by the National Association of State Budget Officers this past spring, Kentucky ranked 6th of the 50 states in the balance of the Budget Reserve Trust Fund balance as a percentage of General Fund spending. Four of the highest five ranked states are oil states.

The Road Fund Surplus is \$9,795,482, all of which is appropriated to the State Construction Account within the Highways appropriation unit to support the 2024-2026 Biennial Highway Construction Program. The Road Fund surplus is primarily comprised from unspent appropriations.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink that reads "John T. Hicks".

John T. Hicks
State Budget Director