



Office of State Budget Director

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Andy Beshear
Governor

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John T. Hicks
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

September 4, 2025

Bruce K. Johnson, Chairman
Consensus Forecasting Group

Dear Chairman Johnson:

In accordance with KRS 48.115(2), I have determined that a revision to the official General Fund and Road Fund revenue estimates is needed.

I respectfully request the Consensus Forecasting Group to revise the official General Fund and Road Fund revenue estimates for fiscal year 2025-2026 at your September 16, 2025 meeting.

On July 30, 2025, this Office published a Quarterly Economic and Revenue Report, to carry out the statutory requirement to continuously monitor the financial situation of the Commonwealth. The report included an unofficial projection of revenue receipts for the next three fiscal quarters. In that report General Fund receipts are expected to decline 2.7 percent over the next three quarters and Road Fund receipts are expected to decline by 4.8 percent over that same time period.

Those internal forecasts, in combination with a significant negative difference in fiscal year 2024-2025 between actual individual income and sales tax receipts and the official revenue estimates, are the basis for my request for an official revision of the current year revenue estimates.

The revision by the Consensus Forecasting Group is a requirement to activate the budget reduction plans contained in the 2024-2026 Executive branch budget act. The Commonwealth has a record of being responsive to changing fiscal conditions in a timely way. Your work in revising the current year's revenue estimates are an important step in exercising our fiscal responsibility.

Governor Beshear and I thank you for your service to the Commonwealth as members of the Consensus Forecasting Group. We look forward to your official revised estimates for fiscal year 2025-2026 and your preliminary estimates for fiscal years 2026-2027 and 2027-2028.

Sincerely,

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

John T. Hicks
State Budget Director

TEAM
KENTUCKY