



Office of State Budget Director

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622

Andy Beshear
Governor

(502) 564-7300
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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

August 26, 2026

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:

The Office of State Budget Director is reporting fiscal year 2027 General Fund appropriation increases to the Medicaid Benefits and the Behavioral Health, Developmental and Intellectual Disabilities appropriation units.

Sincerely,

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

John T. Hicks
State Budget Director

Attachment



Office of State Budget Director

284 Capitol Annex, 702 Capitol Avenue
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TO: Janice Tomes, Deputy State Budget Director
Kevin Cardwell, Deputy State Budget Director
Governor's Office for Policy and Management

FROM: John T. Hicks, State Budget Director
Office of State Budget Director

DATE: July 27, 2026

SUBJECT: Appropriation Changes

At the direction of Governor Andy Beshear and based on public statements of legal intent by leadership of the General Assembly that the legislature gave the Governor the flexibility to use existing state funding to protect priority services like those for vulnerable Kentuckians when making reductions, please process the following fiscal year 2027 General Fund appropriation changes to help ensure that priority services for vulnerable Kentuckians are sustained in the Medicaid program and a key program within the Behavioral Health, Developmental and Intellectual Disabilities appropriation unit. A similar set of statements on flexibility were made earlier last fiscal year by leadership of the General Assembly regarding the senior meals program. The amount of appropriation changes herein is offset by other existing state appropriations.

Appropriation Increases for Health and Family Services Appropriation Units:

Medicaid Benefits \$255,555,100

Behavioral Health, Developmental and Intellectual Disabilities \$ 4,500,000

Appropriation Decrease

Budget Reserve Trust Fund (\$255,555,100)

Finance & Administration-Debt Service (\$4,500,000)

TEAM
KENTUCKY