KENTUCKY ROAD FUND

(CONSENSUS FORECASTING GROUP)

GENE ZAPARANICK-BROWN

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Office of State Budget Director

Summary of Changes to the Forecast

- $30M to $50M increases in Control and Optimistic scenarios across all three years compared to comparable September estimates
  - Majority of the increases are in usage and fuels
- Small increases in the Pessimistic scenario for FY26 and FY27 compared to September Pessimistic estimate but a larger increase in FY28
  - Declines in usage over all three years but increases in fuels

Road Fund Forecasts

Differences From September, Millions $

	Control	Optimistic	Pessimistic
FY26	31.8	43.5	1.0
FY27	35.0	32.4	3.8
FY28	52.6	48.8	23.0

Motor Fuels Forecast

- Tax rate is unchanged for FY26 and FY27 across all three scenarios compared to September
- FY28 tax rate is higher for all scenarios
- Consumption of fuels has increased relative to the September estimate in all scenarios

Retail Price of Gasoline

(Cents, S&P Global, Control Scenario)

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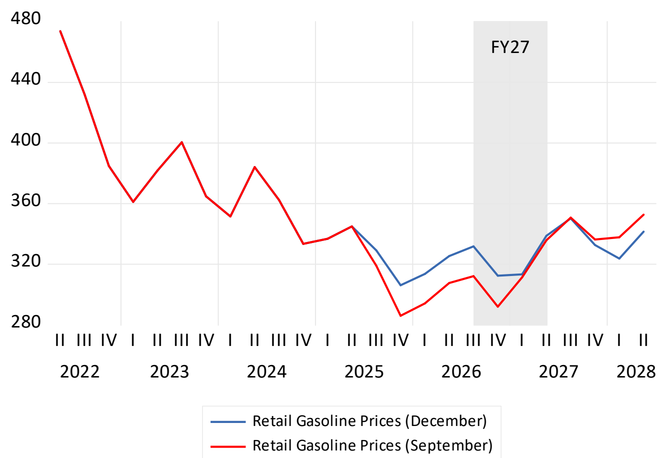

Highway Consumption of Fuels

(Billions of Barrels, S&P Global, Control Scenario)

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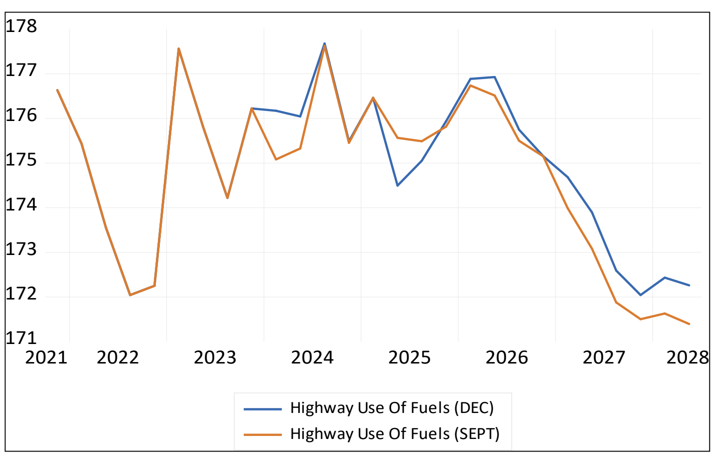

Highway Consumption of Fuels

(Billions of Barrels, S&P Global December, All Scenarios)

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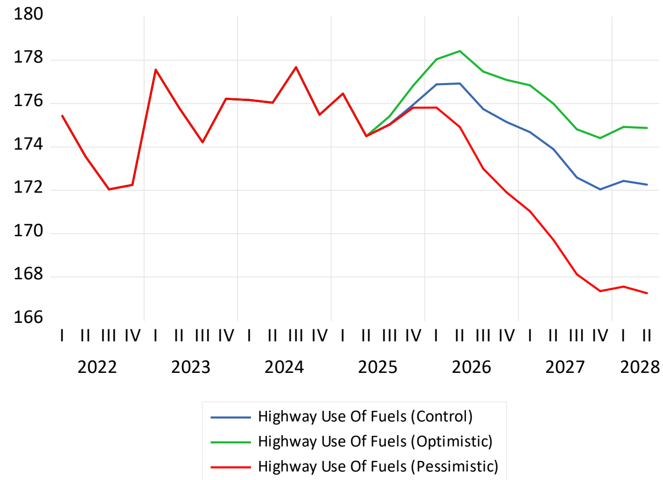

Changes in Motor Fuels Estimates

Millions $

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	Control	Optimistic	Pessimistic
FY26	8.4	11.0	5.6
FY27	10.3	9.7	9.6
FY28	33.2	32.2	30.5

Motor Vehicle Usage Forecast

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- The usage tax forecast has increased compared to the September estimate for all three years in the Control and Optimistic scenarios
- The Pessimistic forecast is lower compared to the September forecast
- The forecast is based on consumer spending on light vehicles

Consumer Spending on Light Vehicles

(Billions of Dollars, S&P Global, Control Scenario)

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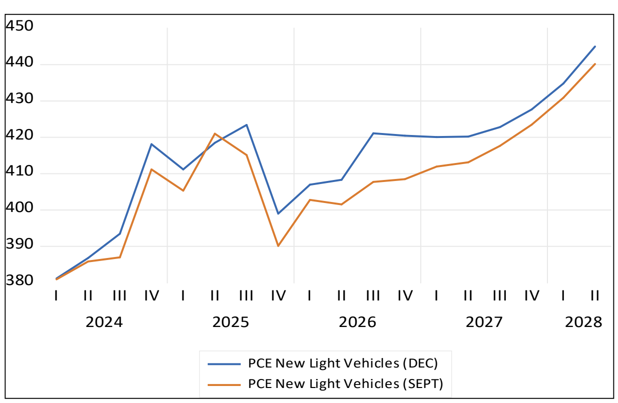

Consumer Spending on Light Vehicles

(Billions of Dollars, S&P Global, Pessimistic Scenario)

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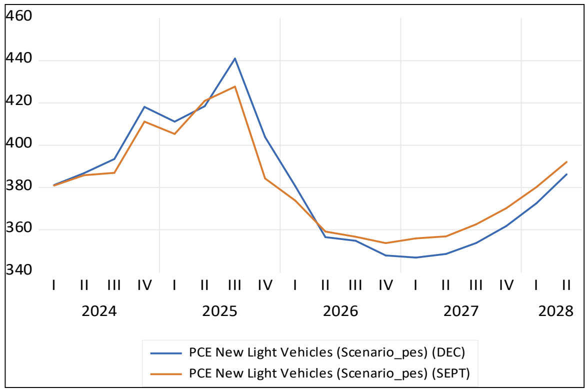

Consumer Spending on Light Vehicles

(Billions of Dollars, S&P Global, December Forecast)

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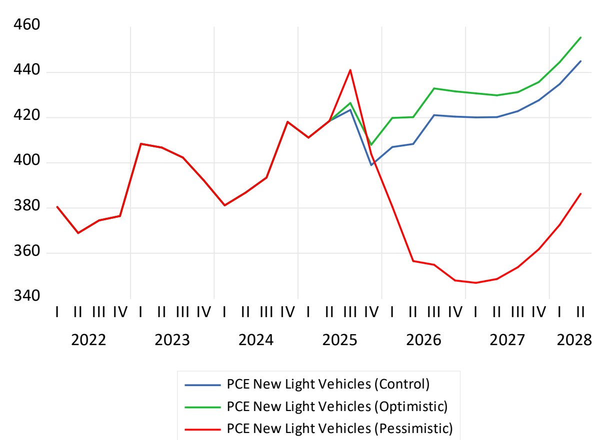


Change in Motor Vehicle Usage Estimates

Millions $

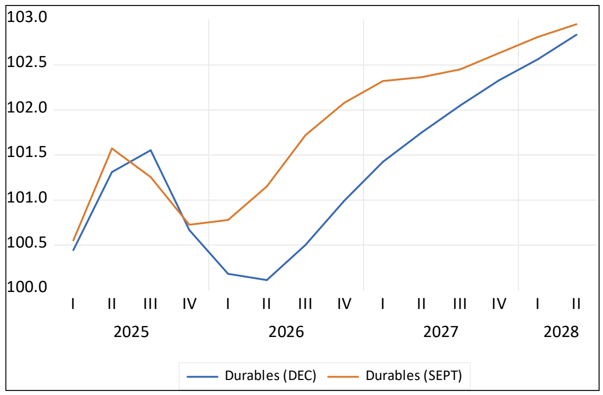
	Control	Optimistic	Pessimistic
FY26	17.7	26.7	(10.1)
FY27	19.1	17.1	(11.5)
FY28	13.7	10.9	(13.0)

Weight Distance Forecast

- Forecasted using an industrial production index of durable goods
- The forecasts for all scenarios are higher across the three years even though the index is lower relative to September
- However, the Q1 receipts exceeded the September estimate by approximately $600,000

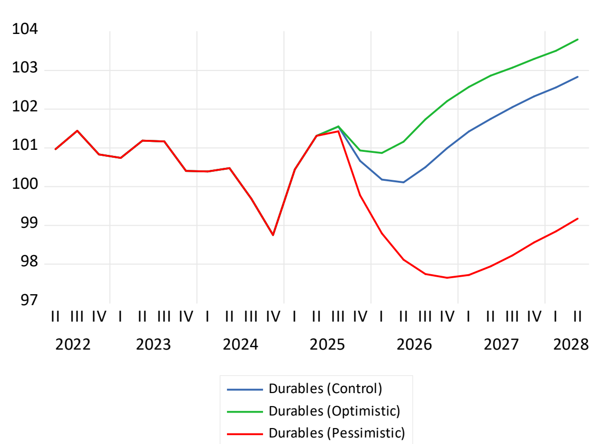
Industrial Production Index, Durables

(2017 = 100, S&P IHS Global, Control Scenario)



Industrial Production Index, Durables

(2017 = 100, S&P Global, December)



Change in Weight Distance Estimates

Millions $

	Control	Optimistic	Pessimistic
FY26	2.4	2.5	2.2
FY27	2.4	2.4	2.5
FY28	2.8	2.8	2.6

Changes to Remaining Road Fund Accounts

No Alternate Scenarios

	MV Operators	MV License	Investment	Other
FY26	0.1	1.0	(0.1)	2.3
FY27	(0.1)	1.5	(0.2)	2.0
FY28	(0.1)	1.6	(0.2)	1.6

Road Fund Forecasts, All Scenarios

FY25 – FY28

Fiscal Year	Control	Optimistic	Pessimistic
FY 2025	$1,863.5 -0.6%	$1,863.5 -0.6%	$1,863.5 -0.6%
FY 2026	$1,844.0 -1.0%	$1,855.7 -0.4%	$1,813.2 -2.7%
FY 2027	$1,836.0 -0.4%	$1,861.5 0.3%	$1,723.5 -4.9%
FY 2028	$1,909.4 4.0%	$1,940.3 4.2%	$1,777.6 3.1%