

**48.130 Budget reduction plan for revenue shortfall of five percent or less to be included in each enacted branch budget bill -- Shortfalls over five percent require legislative action.**

- (1) The General Assembly shall include in each enacted branch budget bill a budget reduction plan for a revenue shortfall in the general fund or road fund of five percent (5%) or less. The budget reduction plan shall direct how budget reductions shall be implemented if there is a revenue shortfall of five percent (5%) or less.
- (2) A layoff of state employees in the executive branch under the budget reduction plan enacted by the General Assembly shall comply with the provisions of KRS 18A.113.
- (3) Any revenue shortfall in the general fund or road fund of greater than five percent (5%) shall require action by the General Assembly.
- (4) Upon the issuance of an official revenue estimate by the consensus forecasting group reflecting a revenue shortfall in the general fund or road fund, or upon the existence of an actual revenue shortfall in the general fund or road fund at the close of a fiscal year as determined by the Office of State Budget Director, the Office of State Budget Director shall notify all branches of government. If the revenue shortfall is five percent (5%) or less, the following actions shall be taken:
  - (a) The unappropriated balance of funds in the surplus accounts of the general fund or road fund shall first be used to meet the shortfalls in those respective funds; and
  - (b) If the amounts described in paragraph (a) of this subsection are insufficient to address the revenue shortfall, the enacted budget reduction plan included in each branch budget bill shall be implemented.
- (5) The budget reduction plan for each branch of government may provide that the annual increment granted state employees under KRS 18A.355 shall be reduced as provided by KRS 18A.355. Any reduction of the annual increment shall be uniform for all employees.
- (6) No budget reduction action shall be taken by any branch head in excess of the actual or projected deficit.
- (7) If general fund or road fund tax receipts increase over the revenues estimated in the official revenue estimate that resulted in reductions, then services may be restored in the reverse order of the reduced services.

**Effective:** June 29, 2023

**History:** Amended 2023 Ky. Acts ch. 35, sec. 8, effective June 29, 2023. -- Amended 2009 Ky. Acts ch. 78, sec. 6, effective June 25, 2009. -- Amended 2000 Ky. Acts ch. 46, sec. 17, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 387, sec. 2, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 507, sec. 9, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 273, sec. 5, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 494, sec. 23, effective July 15, 1986. -- Created 1982 Ky. Acts ch. 450, sec. 13, effective July 1, 1983.

**2022-2024 Budget Reference.** See State/Executive Branch Budget, 2022 Ky. Acts ch. 199, Pt. VI at 1757.

**2022-2024 Budget Reference.** See State/Executive Branch Budget, 2022 Ky. Acts ch. 199, Pt. VII at 1758.

**2022-2024 Budget Reference.** See State/Executive Branch Budget, 2022 Ky. Acts ch. 199, Pt. VIII at 1758.