

2026 - 2028 BUDGET PREPARATION & SUBMISSION

Minutes

May 22, 2025

Call to Order and Roll Call

The meeting of the LRC Subcommittee on 2026-2028 Budget Preparation and Submission was held on May 22, 2025, at 10:00 AM in Room 154 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel Co-Chair; Representative Jason Petrie Co-Chair; Senator Matt Nunn; Representatives Shawn McPherson, and Timmy Truett.

Guests: Janice Tones, Deputy State Budget Director, Office of State Budget Director; and, Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director.

LRC Staff: Jenny Bannister, Seth Dawson, and Spring Emerson.

Fiscal Biennium 2026-2028 Branch Budget Instructions

Ms. Tones and Mr. Cardwell provided an overview of the recommended changes to the Draft Budget Instructions for the 2026-2028 Branch Budget Submission. Three changes were recommended, including restructuring the narrative on form B-4; adding page numbers to the priority ranking of Additional Budget Requests (ABRs); and, amending the budget calendar to include the reporting of the Consensus Forecasting Group (CFG), which meets on December 20.

In response to questions from Chair McDaniel, Mr. Cardwell said the employer contribution rate for the Kentucky Employees Retirement System Non-Hazardous Plan was 42.76 percent in fiscal year 2026. The contribution rates for fiscal years 2027 and 2028 are not yet available. The contribution rate for fiscal year 2025 will be provided, as well as the debt service template rate. The Office of State Budget Director (OSBD) has just begun to communicate with the Personnel Cabinet on employee health rates, and no estimate is available at this time.

In response to a question from Co-Chair Petrie regarding an agency requesting to terminate or significantly reduce a program that has become irrelevant, Ms. Tones said the agency request is based on what is required in statute and at the federal level. The information in the uniform instructions is used by decision-makers, and the OSBD is monitoring what is happening on the federal level to keep decision-makers informed.

In response to a question from Senator Nunn regarding Form B-4, Mr. Cardwell said descriptive responses would include more information. Chair McDaniel explained that staff can provide information as things progress.

Senator Nunn moved to direct the Co-Chairs to work with LRC Staff to finalize the 2026-2028 Budget Instructions and formally present them to LRC for adoption. The motion was seconded by Representative McPherson, and the motion was passed without objection by roll call vote.

Adjournment

There being no further business before the subcommittee, the meeting was adjourned at 10:16 AM.