

1 AN ACT amending the 2024-2026 State/Executive Branch biennial budget, making
2 an appropriation therefor, and declaring an emergency.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. 2024 Kentucky Acts Chapter 175, Part III, General Provisions, 2.
5 Expenditure of Excess Restricted Funds or Federal Funds Receipts, at pages 1932 to
6 1933, is amended to read as follows:

7 **2. Expenditure of Excess Restricted Funds ~~for Federal Funds~~ Receipts:** If
8 receipts received or credited to the Restricted Funds accounts ~~for Federal Funds accounts~~
9 of a budget unit during fiscal year 2024-2025 or fiscal year 2025-2026, and any balance
10 forwarded to the credit of these same accounts from the previous fiscal year, exceed the
11 appropriation made by a specific sum for these accounts of the budget unit as provided in
12 Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the
13 excess funds in the accounts of the budget unit shall become available for expenditure for
14 the purpose of the account during the fiscal year only upon compliance with the
15 conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.620,
16 48.630, 48.730, and 48.800, and with the authorization of the State Budget Director and
17 approval of the Secretary of the Finance and Administration Cabinet.

18 Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds
19 pursuant to this section, the State Budget Director and the Secretary of the Finance and
20 Administration Cabinet shall review the adequacy of the General Fund Surplus Account
21 with respect to its availability to support authorized expenditures from the General Fund
22 Surplus Account, known as Necessary Government Expenses. If General Fund Surplus
23 Account moneys are determined by this review to be adequate to meet known or
24 anticipated Necessary Government Expenses during fiscal year 2024-2025 or fiscal year
25 2025-2026, respectively, then the appropriation increase may be approved. If the review
26 indicates that there are insufficient funds available or reasonably estimated to become
27 available to the General Fund Surplus Account to meet known or projected Necessary

1 Government Expenses for the fiscal years enumerated above, the State Budget Director
2 and the Secretary of the Finance and Administration Cabinet may disapprove the request
3 for additional Restricted Funds expenditure authority and may direct the excess
4 Restricted Funds identified to the General Fund Surplus Account in order to meet
5 Necessary Government Expense obligations. The results of any review shall be reported
6 to the Interim Joint Committee on Appropriations and Revenue in accordance with KRS
7 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

8 Any request made by a budget unit pursuant to KRS 48.630 that relates to
9 Restricted Funds ~~for Federal Funds~~ shall include documentation showing a comparative
10 statement of revised estimated receipts by fund source and the proposed expenditures by
11 proposed use, with the appropriated sums specified in the Budget of the Commonwealth,
12 and statements which explain the cause, source, and use for any variances which may
13 exist.

14 Notwithstanding KRS 48.630(2), any request for allotment of unbudgeted
15 appropriations from any fund source shall be made in writing 14 days in advance of any
16 allotment revision by the head of the budget unit and transmitted simultaneously to the
17 State Budget Director and the Interim Joint Committee on Appropriations and Revenue.
18 The State Budget Director shall report all approved revisions of unbudgeted
19 appropriations to the Interim Joint Committee on Appropriations and Revenue within 14
20 days of the revision. This report shall include analysis, including but not limited to the
21 amount, necessity, remaining unbudgeted funds, and anticipated future needs for
22 unbudgeted funds.

23 Each budget unit shall submit its reports in print and electronic format consistent
24 with the Restricted Funds ~~and Federal Funds~~ records contained in the fiscal biennium
25 2024-2026 Branch Budget Request Manual and according to the following schedule in
26 each fiscal year: (a) on or before the beginning of each fiscal year; (b) on or before
27 October 1; (c) on or before January 1; and (d) on or before April 1.

1 *Notwithstanding KRS 48.630, no unbudgeted Federal Funds shall be allotted or*
2 *expended without the express authority of the General Assembly; any unanticipated*
3 *Federal Funds received after January 1, 2025, that were not appropriated in this Act*
4 *shall not be expended or appropriated without the express authority of the General*
5 *Assembly.*

6 ➔Section 2. Whereas the provisions of this Act provide ongoing support for state
7 government agencies and their functions, an emergency is declared to exist, and this Act
8 takes effect upon its passage and approval by the Governor or upon its otherwise
9 becoming a law.