



April 1, 2020

One-year Budget Agreement

KYR recently received an update from our lobby firm, McCarthy Strategic Solutions, on this ever-changing legislative session. House Appropriations & Revenue Chairman Steven Rudy and Senate Appropriations & Revenue Chairman Chris McDaniel announced yesterday the agreement between chambers on the Executive Branch Budget.

Due to not knowing how much tax revenue would be lost in the current fiscal year (due to COVID-19) and the uncertainty of projecting revenues for the next two years, **Legislative Leadership agreed to pass a one-year budget with limited spending using the pessimistic forecast.** This is \$130 million less than the original forecast and the Rainy-Day Fund is anticipated to be depleted. It's been reported that revenues could fall short anywhere between \$300 million to \$1 billion from what was expected to come in by July 1st.

Due to these pressures, the majority of line-item appropriations included in any previous version, pay raises, increases to SEEK, higher education, etc. were removed. The one-year budget will fully fund the actuarial required contributions for pensions while freezing the rates for quasi-educational institutions and universities for another year.

The General Assembly plans to return in January to consider any adjustments to the FY21 budget (one-year passed this session) and adopt the second year of the budget, FY22. In addition, any tax related item they considered new was also postponed for consideration until the next legislative session.

The General Assembly will reconvene today to pass the various budget related bills: Executive, Transportation, Judicial & Legislative. Little action on other pieces of legislation is anticipated. The current plan is for legislators to return either April 14th or April 15th to consider any overrides to Governor vetoes and any other remaining bills they deem important. However, things continue to be very fluid so calendar could change. April 15th is the last day constitutionally they can conduct business.

Helpful Links

[2020 Regular Session Calendar](#)

[2020 Daily Legislative Calendar](#)

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[House and Senate Bill Status Information](#)

Please be sure to look for KYR's Legislative Update sent weekly during this legislative session for the latest updates and information in Frankfort and how it affects your business.

KYR and the Quick Response Team will keep you up to date on issues during the 2020 Legislative Session. Please contact Richard Wilson, KYR Government Affairs Director, at rwilson@kyrealtors.com if you have questions or comments regarding KYR's legislative activity.