



Press Release:
For Immediate Release
June 24, 2009

Contact:
Brigitte Blom Ramsey
Cell: 859-322-8999

**Statement by Brigitte Blom Ramsey, Director of the Tax and Budget Initiative for
Kentucky Youth Advocates on the Budget Reduction Plan**

Louisville, KY - Today's passage of the revised budget plan marks the third consecutive budget reduction in three years – each increasing in magnitude. Every budget reduction has been marked by significant reductions in spending and the use of one-time money to balance an ever-shrinking budget. While the economy is partly to blame for reduced revenue, it is a matter of fact that Kentucky's budget is structurally imbalanced; we don't bring in enough revenue to cover our expenses. Thankfully the fiscal stimulus money is available to help balance the coming year's budget. Without it, we would surely be facing dire times. The fiscal stimulus money is one-time money and the majority of it is being spent to help balance the FY 2010 budget leaving relatively little to help in FY 2011.

Because the fiscal stimulus is short-term and revenue estimates for the next biennium are expected to be relatively low, it is certain there will be difficult budgetary choices ahead. It is imperative that the legislature takes appropriate action to fix the structural deficit problem. We urge lawmakers to wholeheartedly discuss real tax modernization for Kentucky. The long-term fiscal health of the Commonwealth requires a tax structure that includes a broad and diverse revenue stream and an adequate amount of revenue to meet current needs, while ensuring stable funding for responsible policies that shape a prosperous future for all Kentuckians.

###

Kentucky Youth Advocates is the home of Kentucky's Tax and Budget Initiative, a member of the nationwide State Fiscal Analysis Initiative.