



For Immediate Release

May 29, 2009

Contact:

Terry Brooks

502-895-8167 x113

**Statement by Terry Brooks, Executive Director, Kentucky Youth Advocates,
on the Revenue Revision of the Consensus Forecasting Group**

Today's disturbing revenue revision from the Consensus Forecasting Group shows that Kentucky's budget gap is too deep to close with budget cuts alone. Kentucky's policy makers need to consider every option in order to eliminate the deficit through a balanced package of solutions.

Today's estimate shows that we have a budget gap of \$996 million -- or 10.3 percent of the general fund. Kentucky has already cut its budget by 5 percent during each of the past two years. The budget is so lean now that any additional cuts will cause significant pain, and many of the cuts currently under consideration would have lasting effects on our state's economic vitality long after the recession is over.

By law, Governor Steve Beshear must now call for a special legislative session. We hope he will issue a broad call authorizing the legislature to consider a variety of approaches to raising revenues in addition to making further budget cuts. A comprehensive look at tax reform is best left to January, but that does not preclude targeted revenue measures balanced with proportional cuts to address the immediate shortfall.

While it seems likely that the governor will include video gaming as one possible revenue source, the revenues it produces would not make a significant dent in the FY 2010 budget gap, especially if a large portion of the funds are invested in the state's horse industry. Governor Beshear should give legislators the authority to look at a wider range of solutions.

###

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