



Office of State Budget Director

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Ernie Fletcher
Governor

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Bradford L. Cowgill
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

January 9, 2007

Dr. Larry Lynch
3997 Terrace Woods Lane
Lexington, KY 40513

Dear Dr. Lynch:

Under the authority of KRS 48.115(2), I am requesting that the Consensus Forecasting Group convene, as soon as reasonably possible, to consider a revision to the official revenue forecast for FY07 and FY08 for the General Fund and Road Fund. At the close of the first fiscal quarter, the Office of State Budget Director estimated that receipts for FY07 would exceed the official revised consensus estimate by a total of \$278.9 million. Although a new report is currently being prepared for the Second Quarter, it appears likely that our interim outlook for the current fiscal year will anticipate significantly larger General Fund revenues than the official estimate based on the December, 2005 consensus estimate including the impacts of legislation enacted by the legislature in 2006.

As we approach the 2007 legislative session, it is important that we have up-to-date and accurate consensus revenue estimates to guide the administration as well as the legislature in its course of action. We need the Consensus Forecasting Group to analyze the current situation and consider a revision to the official estimate. Your timely assistance in completing the review including any revisions to FY07 and FY08 revenues is greatly appreciated. If possible, we are very hopeful that the revised projection can be completed by Friday, January 19, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradford L. Cowgill", followed by a horizontal line.

Bradford L. Cowgill
State Budget Director

c: Governor Ernie Fletcher
The Honorable David Williams
The Honorable Charlie Borders
The Honorable Jody Richards
The Honorable Harry Moberly