

Bond Case Briefs

Municipal Finance Law Since 1971

S&P: Kentucky's Budget Management Tools Offset Near-Term Fiscal Effects Of COVID-19-Induced Recession

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- Standing authority exists to reduce expenditures and issue TRANS, if needed
- Fiscal 2021 budget adopted with uncertain revenue estimates, but contributes full pension contributions

NEW YORK (S&P Global Ratings) April 15, 2020—S&P Global Ratings believes the Commonwealth of Kentucky (A/Stable) is adequately positioned in the near term to manage fiscal and economic pressures induced by the COVID-19 pandemic. Kentucky has adopted a one-year budget, unlike its typical biennial budget, to be in a position to more effectively make adjustments as conditions change. The enacted budget initially reduces fiscal 2021 estimated revenues from earlier baseline forecasts and further reductions are likely as the pandemic and effects of the economic recession become more apparent.

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