

'Starting point' filed in state budget process

For generations, Kentucky's budget was driven by a desire to win votes and curry favor. Taxpayer dollars were delivered where political support was needed, and spending considered sacred. Over the past decade, lawmakers have moved away from those habits and toward a new budget philosophy that focuses on providing for the state's needs and ensuring that every taxpayer dollar serves Kentuckians in the best way possible.

As a result, we have the most fiscally responsible budget and the largest budget reserve fund in state history and have lowered the tax burden for every single Kentuckian, including cutting the individual income tax by almost half since 2018.

Ten years ago, our budget reserve was empty – leaving us completely unprepared for natural disasters, economic recessions,



JAMES ALLEN
TIPTON

sions, or other challenges and with no ability to invest in ways that create opportunity.

To continue this trajectory and to do so we must look at current state spending. On January 27, the document that will evolve into our next state budget was filed. I want to be clear: this bill, HB 500, is a starting point and will change before it becomes law. However, it represents a significant shift in how lawmakers approach the budget process. HB 500 emphasizes transparency, accountability, and fiscal responsibility. It sets a clear framework for state agencies to make their case for funding while carefully evaluating the role and efficiency of existing programs.

Traditionally, state agencies submitted budget requests without detailed information for every proposed allocation. And, funding that was provided in previous budgets

was often carried over into a new budget, with little to no questioning.

HB 500 takes a different approach, requiring agencies to justify their spending requests before specialized subcommittees. This process is designed to encourage efficiency, identify redundancies, and prioritize programs that deliver real results for Kentuckians. By scrutinizing programs with outdated purposes, duplicative functions, or unclear outcomes, lawmakers aim to eliminate waste while ensuring that critical services remain protected.

I continue to hear from constituents that government programs should not exist on autopilot. We also know for a fact that tax dollars are misspent, including \$800 million in benefits paid to ineligible individuals by the state Medicaid program. At the end of the day, unchecked spending drives inflation, higher taxes, and fewer opportunities for Kentucky families. Right-sizing government keeps the

focus on what truly matters - not growing government for growth's sake.

HB 500 protects the state's needs: public safety and law enforcement; K-12 education and workforce readiness; health care access; and infrastructure maintenance. It establishes a baseline of \$14.9 billion in annual spending, including a 4% reduction in the first fiscal year and an additional 3% in the second year for most agencies.

In addition to preserving key services, HB

500 accounts for necessary additional spending. Public pensions are fully funded, employer health insurance costs are controlled, and state employees receive modest, sustainable pay and training increases. Capital funding supports maintenance, leases, and strategic investments in higher education facilities. These allocations demonstrate a commitment to meeting obligations while carefully controlling growth.

Work on this spending plan began shortly after

lawmakers passed the current budget in 2024. Budget leadership has been monitoring state spending and revenue, while receiving more than 800 agency budget requests (totaling more than \$10 billion) and hundreds of spending requests from legislators, nonprofits, and other non-government agencies.

Beyond specific numbers, the approach behind HB 500 sets it apart. Lawmakers are challenging the assumption that government programs should continue indefinitely or that spending should expand without question. This budget emphasizes thoughtful evaluation, asking whether programs remain necessary, whether they operate efficiently, and whether outcomes justify continued investment.

This process also highlights the importance of engaging with state agencies and reviewing proposals at a detailed level. By requiring subcommittee review and encouraging dialogue between leg-

islators and agencies, the budget process becomes a collaborative effort to strengthen accountability. This deliberate approach ensures government resources are allocated where they are needed most and used best.

Again, I anticipate that HB 500 will change as the bill moves through the House Committee, full House, Senate Committee, full Senate, and conference committees. However, HB 500 is ultimately more than a budget. It is a statement of Kentucky's priorities: protecting essential services, controlling unnecessary spending, and providing long-term financial stability for Kentucky.

As always, I can be reached on my mobile at (502) 639-7079 or through the toll-free message line in Frankfort at 1-800-372-7181. You can also contact me via email at James.Tipton@kylegislature.gov and keep track through the Kentucky legislature's website at legislature.ky.gov.

2nd measles case confirmed in Jessamine County; state website shows 4 cases as of Jan. 26

BY MELISSA PATRICK
KENTUCKY HEALTH NEWS

A second case of measles was confirmed in Jessamine County, both in unvaccinated residents younger than 5 years old, according to state and local health officials.

This is the second case of measles reported in Kentucky in 2026, and these are the first confirmed measles cases in Kentucky residents since July.

The first case was confirmed Jan. 15 in an unvaccinated child who was exposed to the virus by an out-of-state traveler in Fayette County between Dec. 31 and

Jan. 2, according to a Cabinet for Health and Family Services news release.

LEX 18 reported on Jan. 20 that two Jessamine County students are also quarantining after being exposed to the virus. "The two attend East Jessamine Middle School and East Jessamine High School, with one student additionally attending the Jessamine Career and Technology Center located at West Jessamine High School," Lex 18 reports.

On Jan. 26, the state's measles website page listed four confirmed measles cases in Kentucky, all in Jessamine County, with three of the

cases in people under the age of 5 and one between the ages of 5 and 17. None of the four residents with measles were vaccinated.

Measles is a highly contagious virus that can cause serious health complications, especially in young children. The virus spreads in the air when an infected person coughs or sneezes and can live for up to two hours in the airspace after an infected person leaves the room.

"If you have measles, up to 90% of the people close to you, who are not immune, will also become infected," according to the Centers for

Disease Control and Prevention.

Health officials say the best protection against measles is the two-dose measles,

mumps and rubella (MMR) vaccine. This vaccine series

is typically given to children at 12 to 15 months and then at 4 to 6 years old, but people

of any age can get the vaccine.

Symptoms include fever, cough, runny nose, red eyes

SEE MEASLES/PAGE B6

LEGAL NOTICE


ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Scott Travis, Spencer County Judge/Executive
The Honorable Andrew Ware, Spencer County Sheriff
Members of the Spencer County Fiscal Court

Report on the Audit of the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Spencer County, Kentucky, for the period September 1, 2024 through December 31, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Spencer County Sheriff for period September 1, 2024 through December 31, 2024, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Spencer County Sheriff, for the period September 1, 2024 through December 31, 2024, or changes in financial position or cash flows thereof for the period then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States, and the Audit Program for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Spencer County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Spencer County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky, to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Spencer County Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and GAS, we:

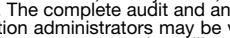
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Spencer County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Spencer County Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2025, on our consideration of the Spencer County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, in considering the Spencer County Sheriff's internal control over financial reporting and compliance. Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report finding:

Respectfully submitted,



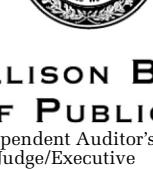
Allison Ball

Auditor of Public Accounts

Frankfort, Ky

October 2, 2025

 **LEGAL NOTICE**



ALLISON BALL
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Independent Auditor's Report

The Honorable Scott Travis, Spencer County Judge/Executive

The Honorable Andrew Ware, Spencer County Sheriff

Members of the Spencer County Fiscal Court

Report on the Audit of the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the former Sheriff of Spencer County, Kentucky, for the period January 1, 2024 through August 31, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement presents fairly, in all material respects, the receipts, disbursements, and excess fees of the former Spencer County Sheriff for the period January 1, 2024 through August 31, 2024, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the former Spencer County Sheriff, for the period January 1, 2024 through August 31, 2024, or changes in financial position or cash flows thereof for the period then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States, and the Audit Program for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the former Spencer County Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
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