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Gov. Beshear: Despite COVID-19 Challenges, Kentucky Looks to Close Out Fiscal Year 2020 Without Shortfall

Visit the Governor's [Facebook](#) page to watch today's news conference

FRANKFORT, Ky. (July 22, 2020) – Gov. Andy Beshear announced Wednesday that the state is looking to close out fiscal year 2020 without a shortfall, despite the continuing challenges presented by efforts to fight the novel coronavirus 2019 (COVID-19).

The Governor also provided an update on the state's efforts to fight the pandemic as cases here and across the country have surged in recent days.

"It is just so critical that we do the right thing, right now. Today I got a grim report. There is at least one casket maker that is having every single bit of its capacity sent to Georgia and Alabama and Texas, not on the delivery trucks that they're used to using, but on 18-wheelers," said Gov. Beshear. "Let's make sure that Kentucky doesn't end up in that position. What we're dealing with is life or death, but the good news is we are taking the type of aggressive action that should work."

Dr. Steven Stack, commissioner of the Kentucky Department for Public Health, noted that among Kentucky's quick and aggressive actions is its robust testing regime. However, he warned against believing that alone is a panacea in this fight.

“We have come light years away from where we were a couple months ago on testing, but we cannot test our way out of poor decision making,” said Dr. Stack. “We cannot test our way out of bad judgement. You don’t solve an infection with a test. You prevent an infection with a mask.”

Fiscal Year 2020 Budget Update

While staying focused on the pandemic fight, the Governor said he was pleased to report some good economic news.

Gov. Beshear credited the hard work of Cabinet leaders and state agency officials as the state’s General Fund revenues for fiscal year 2020 came in far higher than was expected only months ago. The Governor praised the administrators of all state agencies, who were asked to reduce spending by a 1% annualized amount in the last two months. He said they did better than that, by limiting hiring and holding the line on discretionary expenses without reducing levels of service.

The Governor said the official numbers for fiscal year 2020 – the filing for which was extended from April 15 to July 15 this year due to the pandemic – will show a surplus. He noted that it is a marked improvement from May 22, when a revised revenue estimate expected a shortfall of \$457 million. He said the Office of the State Budget Director will issue final end-of-the-fiscal-year numbers and details after the books officially close this weekend.

In immediate practical terms, this improved economic footing means:

- No budget cuts to K-12 education, post-secondary education, and health and public safety, and
- No cuts to the Judicial or Legislative branch budgets.

Gov. Beshear said the cost-saving moves also were expected to result in a more than 18% increase of the state’s rainy day fund, the Budget Reserve Trust Fund, and an increase in lottery revenues would result in another \$15 million for need-based student financial aid this coming school year.

Gov. Beshear emphasized that despite these encouraging signs, the economic outlook in Kentucky remains extremely difficult and successfully fighting to stop the spread of COVID-19 remains the most important component to safeguarding our economy.

The key to protecting both the health and safety of Kentuckians and the state’s economy, Gov. Beshear said, was everyone adhering to guidelines, in particular his recent mandate on face coverings in most public places.

He noted that the governors of Ohio and Indiana in recent days have followed Kentucky’s lead in announcing statewide face covering mandates.

“They have followed our lead. The step that we took is the right step. This is going to help and make Kentucky’s response more effective,” said Gov. Beshear. “These are two governors that I respect. This region requiring facial coverings should help all of us and it should show you that there is no political division in what is the right public health response. This is the difference between life and death.”

He pointed to recent analysis by Goldman Sachs that found the simple act of wearing a mask, if adopted widely, would save 5% of Kentucky’s Gross State Product – a total of more than \$10 billion.

Despite the better than expected year-end fiscal news, Gov. Beshear said threats to the fiscal year 2021 budget remain.

Among the challenges:

- Fourth quarter General Fund revenues, from April through June, declined by almost 8%, which is the worst fiscal quarter Kentucky has experienced since the Great Recession.
- Road Fund revenues during the same quarter declined by 23.5%.

Gov. Beshear also reiterated his appeal to congressional leaders to provide additional federal relief through the Coronavirus Aid, Relief and Economic Security (CARES) Act or other means. Without such funding, the Governor warned that budget cuts in fiscal year 2021 would be deeper even than those implemented during the Great Recession.

Case Information

As of 4 p.m. July 22, Gov. Beshear said there were at least 24,540 coronavirus cases in Kentucky, 518 of which were newly reported Wednesday. Fourteen new cases were from children ages 5 and younger.

“Our positivity rate has gone up. That is a concern and that shows it’s not just an increase in testing, it’s more people that are being tested are showing positive results,” the Governor said. “That’s why we’re going to do what it takes to defeat the coronavirus.”

Unfortunately, Gov. Beshear reported three new deaths Wednesday, raising the total to 677 Kentuckians lost to the virus.

The deaths reported Wednesday include a 69-year-old woman from Allen County, a 49-year-old woman from Simpson County and an 81-year-old man from Webster County.

“There are a couple of new counties that are experiencing loss. Let’s remember those green lights and those bells,” said Gov. Beshear. “I believe the families that lose their loved ones four months

into this virus deserve our support just as much as those we lost earlier. The fewer people we can get infected, the fewer we will lose.”

As of Wednesday, there have been at least 560,161 coronavirus tests performed in Kentucky. The positivity rate currently stands at 4.92%.

At least 7,000 Kentuckians have recovered from the virus. On Wednesday, Gov. Beshear shared an inspiring story of recovery that was [reported by WLKY](#).

“There are good signs out there. After being hospitalized for 116 days, Rhonda King, who is 56, has gone home after recovering from COVID-19,” said Gov. Beshear. “She was in a medically induced coma on a ventilator. Despite this, her husband called three times a day so she could hear his voice and he could remind her of her strength. Rhonda began to improve after receiving a plasma donation from a COVID-19 survivor. There are multiple heroes in this real-life story: our frontline heroes in the hospital and rehab center; her plasma donor; her husband, Anthony; and her, putting up that fight to defeat this virus.”

For additional information, including up-to-date lists of positive cases and deaths, as well as breakdowns of coronavirus infections by county, race and ethnicity, [click here](#).

Rising Cases Prompt New Actions

On Monday, Gov. Beshear’s administration issued a [new travel advisory](#) that recommends a 14-day self-quarantine for Kentuckians who travel to states and U.S. territories that are reporting a positive coronavirus testing rate equal to or greater than 15%. For an updated list of areas meeting that threshold, [click here](#). In addition, the Cabinet for Health and Family Services issued a [new order](#) pulling back the guidance on gatherings to allow only for meet-ups of 10 or fewer people.

Safety Reporting Hotline

Gov. Beshear reminded Kentuckians that the COVID-19 reporting hotline is available to help keep everyone safe.

People who witness dangerous non-compliance with coronavirus mandates, including requirements for mask wearing, social distancing and sanitation, at Kentucky businesses are encouraged to call the COVID-19 reporting hotline at 833-KY SAFER (833-597-2337). Labor Cabinet personnel will monitor the line from 8 a.m. to 6 p.m. Monday through Friday. To file a complaint online, [click here](#).

Testing Update

Responding to reports that some seeking coronavirus testing still are being asked to provide a doctor’s order, administration officials reiterated that the Cabinet for Health and Family Services, Department for Public Health (DPH) issued an [order](#) removing any such requirement to receive a COVID-19 test.

Kentuckians can sign up for molecular diagnostic testing at more than 200 locations throughout the state, listed by county at kycovid19.ky.gov.

More Information

Read about other key updates, actions and information from Gov. Beshear and his administration at governor.ky.gov, kycovid19.ky.gov and the Governor's official social media accounts [Facebook](#), [Twitter](#) and [YouTube](#).

Kentuckians can also access translated COVID-19 information and daily summaries of the Governor's news conference at teamkentuckytranslations.com.

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