

# KENTUCKY EARLY CHILDHOOD EDUCATION FUNDING

2020 ENACTED BUDGET AND HOUSE 2021 AND 2022 BUDGET PROPOSAL

AMOUNTS SHOWN MILLIONS OF DOLLARS

## CHILD CARE ASSISTANCE PROGRAM • GENERAL FUND • HEALTH AND FAMILY SERVICES CABINET

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Child Care Assistance Program (CCAP)	\$10.6	\$15.0	\$15.0	\$4.4	42%	\$0.0	0%

## PRESCHOOL PROGRAM • GENERAL FUND • EDUCATION DEPARTMENT

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Preschool Program	\$84.5	\$77.0	\$81.2	-\$8	-9%	\$4.2	5%

## EARLY CHILDHOOD DEVELOPMENT • GENERAL FUND (TOBACCO) • MULTIPLE DEPARTMENTS

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Early Childhood Advisory Council (Previously Early Childhood Development Council)	\$2.1	\$1.4	\$1.4	-\$0.7	-32%	\$0.0	0%
Early Childhood Development	\$9.8	\$9.8	\$9.8	\$0.0	0%	\$0.0	0%
Early Childhood Adoption and Foster Care Supports	\$2.5	\$3.2	\$3.2	\$0.7	26%	\$0.0	0%
Health Access Nurturing Development Services (HANDS)	\$9.0	\$7.0	\$7.0	-\$2.0	-22%	\$0.0	0%
Healthy Start initiatives	\$1.0	\$0.9	\$1.0	-\$0.1	-6%	\$0.1	6%
Folic Acid Program	\$0.1	\$0.0	\$0.0	-\$0.1	-100%	\$0.0	0%
Early Childhood Mental Health	\$1.0	\$0.9	\$1.0	-\$0.1	-6%	\$0.1	6%
Early Childhood Oral Health	\$1.1	\$1.0	\$1.0	-\$0.1	-6%	\$0.1	5%
Substance Abuse Prevention and Treatment (Pregnant Women)	\$1.5	\$1.4	\$1.5	-\$0.1	-6%	\$0.1	5%
<b>Total</b>	<b>\$27.9</b>	<b>\$25.6</b>	<b>\$25.8</b>	<b>-\$2.3</b>	<b>-8%</b>	<b>\$0.2</b>	<b>1%</b>

### **Child Care Assistance Program Note**

The \$10.6 million in General Fund revenue appropriated in the FY 2020 budget allows additional children to receive child care assistance by raising the eligibility requirements to include families with incomes of up to 160% of the federal poverty level. CCAP is largely funded by federal dollars not shown here, in addition to state General Fund and Tobacco Settlement dollars. State regulation 922 KAR 2:160 now establishes eligibility for CCAP at 160% of the federal poverty level. The House budget increases the line-item for CCAP to \$15 million to support an increase in the eligibility threshold to 175% of the federal poverty level.

### **Preschool Note**

The House budget increases the eligibility threshold for public preschool from 160% to 175% of the federal poverty level in the second year of the biennium. Total funding is reduced by \$7.5 million in the first year with the removal of the Preschool Partnership grants. An additional \$4.2 million is added back in the second year to support the new eligibility level.

### **HANDS Program Note**

The \$9 million appropriated for the HANDS program in the FY 2020 budget provided our state share of qualifying funds to participate in the federal Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV). As the budget process continues, it will be important to analyze how lowering that funding to \$7 million will affect Kentucky's eligibility for federal MIECHV support and continue to offer services at a level necessary to support new families.

### **Early Childhood Scholarships Note**

Early childhood scholarships were an important component of Kentucky's early childhood development in years past. In more recent years, the scholarships have been left out of tobacco-funded early childhood investment plans. Limited funding for early childhood scholarships is currently being provided using by KHEAA using carry forward and restricted funds.

# KENTUCKY P-12 EDUCATION FUNDING

FY 2020 ENACTED BUDGET AND HOUSE FY 2021 AND FY 2022 BUDGET PROPOSAL

## GENERAL FUND SHOWN IN MILLIONS OF DOLLARS

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
SEEK Base	\$2,068	\$2,025	\$2,040	-\$43	-2%	\$15	1%
Transportation	\$215	\$215	\$215	\$0	0%	\$0	0%
Tier 1	\$177	\$182	\$178	\$5	3%	-\$4	-2%
Teacher Salary Increase	\$0	\$0	\$0	\$0		\$0	
Health and Life Insurance	\$726	\$734	\$756	\$8	1%	\$22	3%
Teachers' Retirement (Employer Match)	\$418	\$431	\$446	\$13	3%	\$15	4%
Facilities	\$142	\$170	\$163	\$28	20%	-\$7	-5%
Preschool Program	\$84	\$77	\$81	-\$8	-9%	\$4	5%
FRYSC (Education Line Item)	\$49	\$49	\$49	\$0	0%	\$0	0%
Career and Technical Education	\$23	\$67	\$67	\$44	191%	\$0	2%
Extended School Services Program	\$24	\$24	\$24	\$0	0%	\$0	0%
State Schools (KSB and KSD)	\$17	\$18	\$18	\$2	9%	\$0	0%
Read to Achieve Program	\$16	\$16	\$16	\$0	0%	\$0	0%
Safe Schools Program	\$13	\$13	\$13	\$0	0%	\$0	0%
State Agency Children Program	\$9	\$9	\$9	\$0	0%	\$0	0%
Gifted and Talented Program	\$6	\$6	\$6	\$0	0%	\$0	0%
Mathematics Achievement Fund	\$5	\$5	\$5	\$0	0%	\$0	0%
School Counselors:	\$0	\$15	\$24	\$15	n/a	\$9	
Instructional Materials	\$0	\$5	\$5	\$5	n/a	\$0	
Line Items Smaller than \$5 Million	\$22	\$21	\$21	-\$1	-6%	\$1	3%
Other Department of Education	\$115	\$90	\$76	-\$25	-22%	-\$14	-12%
<b>Department of Education Total</b>	<b>\$4,129</b>	<b>\$4,171</b>	<b>\$4,212</b>	<b>\$42</b>	<b>1%</b>	<b>\$41</b>	<b>1%</b>

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Teachers' Retirement System	\$719	\$782	\$734	\$62	9%	-\$47	-7%
School Facilities Construction Commission	\$129	\$135	\$141	\$6	5%	\$5	4%
FRYSC (CHFS Line Item)	\$10	n/a	n/a	n/a	n/a	n/a	n/a
Gatton Academy	\$5	\$5	\$5	\$0	0%	\$0	0%
Craft Academy	\$3	\$3	\$3	\$0	12%	\$0	12%
Kentucky Center for Mathematics	\$1	\$1	\$1	\$0	0%	\$0	0%

### Carryover Funding Note

HB 352 calls for \$85 million in unspent FY 2020 funding to be carried over and spent in FY 2021. In the chart above, that carried-over amount is included in the Department of Education total for FY 2021.

### Career and Technical Education Note

HB 352 as amended calls for an important step up in state funding for career and technical education, but the chart above may overstate the scale of the change. The FY 2020 budget included \$23 million for state-operated vocational schools. FY 2020 Department of Education funding also included funding for locally-operated vocational schools, but without identifying a dollar figure. FY 2014 was the last budget that listed an amount for the local programs, showing funding just under \$11 million. Based on that information and Department discussions of local programs, it seems likely that career and technical education has received close to \$33 million in recent years. If that estimate is sound, the \$67 million appropriation for FY 2021 is still a very strong step up.

### Teacher Salary Increase Note

As amended by the House, HB 352 it no longer contains line-item funding designated to provide \$2,000 raises for teachers. The amended bill instead directs school districts to give all employees pay increases of at least 1% in each fiscal year.

### FRYSC Note

Funding for Family Resource and Youth Service Centers usually flows through two line items. Most of the funding comes through a line item within the Department of Education budget, but with direction that the dollars be transferred to the Cabinet for Health and Family Services. Historically, there has been a second line item providing a smaller set of FRYSC dollars included in that Cabinet's own section of the budget. In the FY 2020 budget, \$9.8 million was appropriated to FRYSC use that way, as part of the \$11.3 million general fund appropriation for "Family Resource Centers and Volunteer Services." In HB 352, a matching \$11.3 million is appropriated to Family Resource Centers and Volunteer Services, but there is no a line spelling out that FRYSCs will receive \$9.8 million from that total. The Prichard Committee hopes to learn more about what share of that funding FRYSCs will receive.

### DETAIL FOR LINE ITEMS SMALLER THAN \$5 MILLION

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
School Food Services	\$3,555,900	\$3,555,900	\$3,555,900	\$0	0%	\$0	0%
Salary Supplements for Nationally Certified Teachers	\$2,750,000	\$2,750,000	\$2,750,000	\$0	0%	\$0	0%
Vocational Transportation	\$2,416,900	\$2,416,900	\$2,416,900	\$0	0%	\$0	0%
Community Education Program	\$1,850,000	\$1,850,000	\$1,850,000	\$0	0%	\$0	0%
School Technology in Coal Counties	\$1,750,000	\$0	\$0	-\$1,750,000	-100%	\$0	0%
AdvanceKentucky	\$1,700,000	\$1,700,000	\$1,700,000	\$0	0%	\$0	0%
Local School District Life Insurance	\$1,391,000	\$1,391,000	\$1,391,000	\$0	0%	\$0	0%
Save the Children/Rural Literacy Program	\$1,300,000	\$1,000,000	\$1,000,000	-\$300,000	-23%	\$0	0%
Collaborative Center for Literacy Development	\$1,200,000	\$1,200,000	\$1,200,000	\$0	0%	\$0	0%
AP and IB Exams	\$1,000,000	\$1,000,000	\$1,000,000	\$0	0%	\$0	0%
Kentucky Academy for Equity in Teaching (Teacher Recruitment and Retention)	\$1,000,000	\$1,000,000	\$1,000,000	\$0	0%	\$0	0%
Building Classification Review	\$600,000	\$600,000	\$600,000	\$0	0%	\$0	0%
Blind/Deaf Residential Travel Program	\$492,300	\$492,300	\$492,300	\$0	0%	\$0	0%
Elementary Arts and Humanities Program	\$397,600	\$0	\$0	-\$397,600	-100%	\$0	0%
Teach for America	\$250,000	\$0	\$0	-\$250,000	-100%	\$0	0%
Heuser Hearing and Language Academy	\$100,000	\$100,000	\$100,000	\$0	0%	\$0	0%
Lexington Hearing and Speech Center	\$100,000	\$100,000	\$100,000	\$0	0%	\$0	0%
Visually Impaired Preschool Services Program	\$93,800	\$393,800	\$393,800	\$300,000	320%	\$0	0%
Kentucky Alliance of Boys & Girls Clubs	\$0	\$500,000	\$500,000	\$500,000		\$0	
Debt Service	\$0	\$252,000	\$902,000	\$252,000		\$650,000	
Georgia Chaffee Teenage Parent Program	\$0	\$250,000	\$250,000	\$250,000		\$0	
<b>Line Items Smaller than \$5 Million</b>	<b>\$21,947,500</b>	<b>\$20,551,900</b>	<b>\$21,201,900</b>	<b>-\$1,395,600</b>	<b>-6%</b>	<b>\$650,000</b>	<b>3%</b>

# KENTUCKY POSTSECONDARY FUNDING

2020 ENACTED BUDGET AND HOUSE 2021 AND 2022 BUDGET PROPOSAL

## POSTSECONDARY • GENERAL FUND • AMOUNTS SHOWN IN MILLIONS OF DOLLARS

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Council on Postsecondary Education (without Adult Education)	\$22.1	\$12.4	\$24.2	-\$9.7	-44%	\$11.8	54%
Kentucky Higher Education Assistance Authority	\$239.1	\$280.0	\$286.1	\$40.9	17%	\$6.0	3%
Eastern	\$60.2	\$72.6	\$72.6	\$12.4	21%	\$0.0	0%
Kentucky State	\$25.3	\$26.3	\$26.3	\$1.0	4%	\$0.0	0%
Morehead	\$38.5	\$43.0	\$43.3	\$4.5	12%	\$0.3	1%
Murray	\$44.6	\$46.6	\$46.6	\$2.0	5%	\$0.0	0%
Northern	\$48.0	\$50.8	\$50.8	\$2.9	6%	\$0.0	0%
University of Kentucky	\$249.1	\$258.0	\$260.3	\$8.9	4%	\$2.3	1%
University of Louisville	\$123.3	\$124.4	\$124.4	\$1.1	1%	\$0.0	0%
Western	\$69.3	\$76.3	\$76.3	\$6.9	10%	\$0.0	0%
KCTCS	\$166.0	\$172.5	\$172.5	\$6.5	4%	\$0.0	0%
Postsecondary Education Performance Fund	\$38.7	\$23.6	\$40.9	-\$15.1	-39%	\$17.3	45%
Total (without Adult Education)	\$1,124.1	\$1,186.5	\$1,224.2	\$62.4	6%	\$37.7	3%

### Postsecondary Funding Note

Funding for colleges and universities includes additional funds for regional universities and KCTCS to off-set increased pension obligations, as well as funding to be allocated through the Performance Funding Model adopted in 2017. The House's proposed budget includes line-items for "mandated programs" for each campus. The House's proposed budget includes General Fund in the amount of \$4.1 million 2021 and \$12.4 million in 2022 for debt service for capital projects requiring a 50% match from postsecondary institutions. These debt service amounts are included in the Council on Postsecondary Education's (CPE) appropriation.

## GENERAL FUND DETAIL ON FINANCIAL AID • AMOUNTS SHOWN IN MILLIONS OF DOLLARS

	FY 2020 Enacted Budget	FY 2021 House Budget Bill	FY 2022 House Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Kentucky Educational Excellence Scholarships (KEES)	\$107.7	\$113.8	\$116.1	\$6.0	6%	\$2.4	2%
College Access Program (CAP)	\$76.1	\$88.3	\$87.4	\$12.2	16%	-\$0.9	-1%
Kentucky Tuition Grants (KTG)	\$40.4	\$44.1	\$44.5	\$3.7	9%	\$0.5	1%
Kentucky National Guard Tuition Award	\$7.4	\$7.4	\$7.4	\$0.0	0%	\$0.0	0%
Dual Credit Scholarships	\$5.0	\$13.2	\$16.8	\$8.2	163%	\$3.6	27%
Work Ready Scholarships:	\$2.5	\$7.3	\$7.8	\$4.8	192%	\$0.5	6.8%
TOTAL	\$239.1	\$274.0	\$280.0	\$34.9	15%	\$6.0	3%

### Lottery Revenue Note

100% of net lottery proceeds are being committed to student financial aid. The Consensus Forecasting Group's official estimates were \$277 million in 2021 and \$283 million in 2022. By statute, \$3 million is deducted "off the top" for the Collaborative Center for Literacy Development and the Reading Diagnostic & Intervention Fund. The full amount of net proceeds equaling \$274 million in 2021 and \$280 million in 2022 are appropriated to student financial as indicated above.

### KEES Note

KEES funding above reflects the General Fund portion only from lottery receipts. Total funding is \$123.8 million in 2021 and \$126.1 million in 2022 when including restricted funds appropriation of \$10 million in each year from unclaimed lottery prizes.

### Adult Education Note

HB 352 does not have a line item specifying the exact amount appropriated for adult education. Funding is included within the total for the Education and Workforce Development Cabinet, but there is not a separate dollar figure showing whether funding has increased, stayed the same, or declined.