

KENTUCKY P-12 EDUCATION FUNDING

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

GENERAL FUND DEPARTMENT APPROPRIATION | SHOWN IN MILLIONS OF DOLLARS

	FY 2020 Enacted Budget	FY 2021 Senate Budget Bill	FY 2022 Senate Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
SEEK Base	\$2,068	\$2,101	\$2,078	\$33	2%	-\$23	-1%
Transportation	\$215	\$215	\$215	\$0	0%	\$0	0%
Tier 1	\$177	\$186	\$180	\$9	5%	-\$6	-4%
Health and Life Insurance	\$726	\$751	\$756	\$25	3%	\$5	1%
Teachers' Retirement (Employer Match)	\$418	\$427	\$438	\$9	2%	\$11	3%
Facilities	\$142	\$167	\$160	\$25	17%	-\$7	-5%
Preschool Program	\$84	\$82	\$82	-\$3	-3%	\$0	0%
FRYSC (Education Line Item)	\$49	\$49	\$49	\$0	0%	\$0	0%
Extended School Services Program	\$24	\$24	\$24	\$0	0%	\$0	0%
Career and Technical Education	\$22.9	\$63.8	\$64.3	\$41.0	\$1.8	\$0.5	2%
State Schools (KSB and KSD)	\$17	\$17	\$17	\$0	0%	\$0	0%
Read to Achieve Program	\$16	\$17	\$17	\$1	8%	\$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	\$6.2	\$6.5	\$6.5	\$0.3	5%	\$0.0	0%
Mathematics Achievement Fund	\$5	\$5	\$5	\$0	0%	\$0	0%
Mental Health Professionals	\$0	\$15	\$24	\$15	n/a	\$9	n/a
Line Items Smaller than \$5 Million	\$22	\$25	\$25	\$3	12%	\$1	3%
Other Department of Education	\$115	-\$17	\$72	-\$133	-115%	\$89	77%
Department of Education Total	\$4,129	\$4,155	\$4,233	\$26	1%	\$78	2%

SEEK Carryover Funding Note

The Senate's proposed budget calls for unspent FY 2020 SEEK funds to be carried over to FY 2021 without identifying a carryover amount. The chart above shows total Department of Education funding without any carryover amount. That results in the Department receiving \$17 million less than the sum of the line items, with a net negative amount available for functions like Department staff and operations, student assessments, and school technology. The chart below shows as Department total includes an \$85 million carryover (the carryover amount listed in the House version of the bill), which gives the Department \$68 million available for non-itemized functions. \$85 million may not be the right figure, and being sure about that amount will be an important question as budget work continues.

	FY 2020 Enacted Budget	FY 2021 Senate Budget Bill	FY 2022 Senate Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Other Department of Education	\$115	\$68	\$72	-\$48	-41%	\$4	3%
Department of Education Total	\$4,129	\$4,240	\$4,233	\$111	3%	-\$7	0%

SEEK Instructional Materials Note

The Senate's proposed budget calls for a SEEK base guarantee of \$4,161 in each fiscal year and specifies that \$6 of that amount shall be used for textbooks/instructional materials.

Salary Increase Note

The Senate's proposed budget directs school districts to give classified employees pay increases of at least 1% in each fiscal year. Classified school district employees are those who hold positions that do not require certificates from the Education Professional Standards board, so this provision does not mandate raises for teachers, principals, and other certified staff.

Preschool Note

The Senate's proposed budget keeps the current eligibility threshold for public preschool: 160% of the federal poverty level and includes language specifying that \$5 million of the appropriation is to be used for preschool partnership grants to support community efforts to blend public preschool and private childcare services

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.

Career and Technical Education Note

The Senate's proposed budget 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.

Early Literacy Education Pilot Note

The Senate's proposed budget provides 1,500,000 for an Early Literacy Program pilot, and also provides that "These funds shall not be expended unless subsequent legislation is enacted by the General Assembly to establish the program. In accordance with KRS 154.130(2), these funds shall not lapse and shall carry forward." That funding is included in the Line Items Smaller than \$5 million

GENERAL FUND OTHER P-12 APPROPRIATIONS | SHOWN IN MILLIONS OF DOLLARS

	FY 2020 Enacted Budget	FY 2021 Senate Budget Bill	FY 2022 Senate Budget Bill	2020 to 2021 Change	Percent Change	2021 to 2022 Added Change	Added Percent Change
Teachers' Retirement System	\$719	\$169	\$155	-\$551	-77%	-\$14	-2%
School Facilities Construction Commission	\$129	\$133	\$135	\$4	3%	\$2	2%
FRYSC (CHFS Line Item)	\$10	\$0	\$0	-\$10	-100%	\$0	0%
Gatton Academy	\$4.7	\$5.0	\$5.2	\$0.2	5%	\$0.2	5%
Craft Academy	\$2.8	\$3.2	\$3.5	\$0.3	12%	\$0.3	12%
Kentucky Center for Mathematics	\$1.3	\$1.3	\$1.3	\$0.0	0%	\$0.0	0%
Model Laboratory School	\$0.0	\$4.6	\$4.6	\$4.6	n/a	\$0.0	n/a
Permanent Pension Fund	\$0.0	\$551	\$579	\$551	n/a	\$28	N/a

Permanent Pension Fund Note

The Senate's proposed budget provides that: "These funds shall be distributed on the following basis: (a) If, on or before August 1 of the respective fiscal year, the General Assembly enacts legislation containing structural reform to the Teachers' Retirement System, including but not limited to changes in the benefits for individuals hired on or after the 1 effective date of this Act, these funds shall be transferred to the Teachers' Retirement System pension fund; or (b) Otherwise, these funds shall be transferred to the Kentucky Employees Retirement System nonhazardous pension fund."

DETAIL FOR DEPARTMENT OF EDUCATION LINE ITEMS SMALLER THAN \$5 MILLION

	FY 2020 Enacted Budget	FY 2021 Senate Budget Bill	FY 2022 Senate 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	\$1,750,000	\$1,750,000	\$450,000	35%	\$0	0%
Collaborative Center for Literacy Development	\$1,200,000	\$0	\$0	-\$1,200,000	-100%	\$0	0%
AP and IB Exams	\$1,000,000	\$1,000,000	\$1,000,000	\$0	0%	\$0	0%
(Teacher Recruitment and Retention	\$1,000,000	\$0	\$0	-\$1,000,000	-100%	\$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	\$750,000	\$750,000	\$500,000	200%	\$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	\$250,000	\$250,000	\$156,200	167%	\$0	0%
College Admissions Examinations:	\$0	\$3,395,000	\$3,492,000	\$3,395,000	n/a	\$97,000	n/a
Early Literacy Education Pilot	\$0	\$1,500,000	\$1,500,000	\$1,500,000	n/a	\$0	n/a
Jobs for America's Graduates Program	\$0	\$500,000	\$500,000	\$500,000	n/a	\$0	n/a
Kentucky Alliance of Boys & Girls Clubs	\$0	\$300,000	\$300,000	\$300,000	n/a	\$0	n/a
Debt Service	\$0	\$241,000	\$865,000	\$241,000	n/a	\$624,000	n/a
Line Items Smaller than \$5 Million	\$21,947,500	\$24,642,100	\$25,363,100	\$2,694,600	12%	\$721,000	3%

