

KENTUCKY POSTSECONDARY EDUCATION FUNDING

COMPARING THE CURRENT ENACTED BUDGET, THE GOVERNOR'S FISCAL YEAR 2021 AND 2022 PROPOSALS, AND THE SENATE-APPROVED VERSION OF HB 192

POSTSECONDARY GENERAL FUND APPROPRIATION | SHOWN IN MILLIONS OF DOLLARS

	FY 2021 Enacted	FY 2021 Governor's Proposed	FY 2022 Governor's Proposed	FY 2021 Senate	FY 2022 Senate	Governor's FY 2021 Changes to Enacted	Governor's FY 2022 Changes to Enacted	Senate FY 2021 Changes to Enacted	Senate FY 2022 Changes to Enacted
Council on Postsecondary Education	\$8	\$8	\$14	\$8	\$12	\$0	\$6	\$0	\$4
Kentucky Higher Education Assistance Authority	\$279	\$288	\$295	\$288	\$294	\$9	\$16	\$9	\$15
Eastern	\$65	\$64	\$74	\$65	\$66	-\$2	\$9	\$0	\$0
Kentucky State	\$25	\$26	\$28	\$25	\$25	\$1	\$2	\$0	\$0
Morehead	\$38	\$37	\$43	\$38	\$38	-\$1	\$5	\$0.0	-\$0.25
Murray	\$44	\$43	\$47	\$44	\$44	-\$1	\$3	\$0	\$0
Northern	\$51	\$50	\$53	\$51	\$51	-\$1	\$1	\$0	\$0
University of Kentucky	\$259	\$252	\$267	\$259	\$260	-\$6	\$9	\$0	\$1
University of Louisville	\$124	\$121	\$128	\$124	\$124	-\$3	\$4	\$0	\$0
Western	\$73	\$71	\$77	\$73	\$73	-\$2	\$5	\$0	\$0
KCTCS	\$171	\$167	\$177	\$171	\$171	-\$4	\$6	\$0	\$0
Postsecondary Education Performance Fund	\$15	\$15	\$9	\$15	\$15	\$0	-\$6	\$0	\$0
Total	\$1,153	\$1,143	\$1,212	\$1,162	\$1,173	-\$10	\$59	\$9	\$20

Council on Postsecondary Education Funding Note

The Governor's proposed \$5.6 million increase for the Council includes \$1.8 million for new debt service. Those dollars will support \$50 million for the Higher Education Resurgence Fund to pay for deferred maintenance and asset preservation on campus buildings which will require a 50% match from campuses. The Senate does not include funding for the Higher Education Resurgence Fund.

GENERAL FUND DETAIL ON FINANCIAL AID | SHOWN IN MILLIONS OF DOLLARS

	FY 2021 Enacted	FY 2021 Governor's Proposed	FY 2022 Governor's Proposed	FY 2021 Senate	FY 2022 Senate	Governor's FY 2021 Changes to Enacted	Governor's FY 2022 Changes to Enacted	Senate FY 2021 Changes to Enacted	Senate FY 2022 Changes to Enacted
Kentucky Educational Excellence Scholarships (KEES)	\$113.8	\$113.8	\$116.1	\$113.8	\$116.1	\$0.0	\$2.4	\$0.0	\$2.4
College Access Program (CAP)	\$87.6	\$92.4	\$87.1	\$94.4	\$94.1	\$4.8	-\$0.5	\$6.8	\$6.5
Kentucky Tuition Grants (KTG)	\$44.1	\$45.7	\$44.5	\$46.4	\$46.1	\$1.6	\$0.4	\$2.3	\$2.0
Kentucky National Guard Tuition Award	\$7.4	\$7.4	\$7.4	\$7.4	\$7.4	\$0.0	\$0.0	\$0.0	\$0.0
Dual Credit Scholarships	\$13.2	\$13.2	\$16.8	\$13.2	\$16.8	\$0.0	\$3.6	\$0.0	\$3.6
Better Kentucky Promise and Work Ready Scholarships*	\$7.3	\$9.9	\$13.8	\$7.3	\$7.8	\$2.6	\$6.5	\$0.0	\$0.5
Veterinary Contract Spaces	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	\$0.0	\$0.0	\$0.0	\$0.0
Optometry Contract Spaces	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0
Teacher Scholarships	\$0.0	\$0.0	\$1.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	\$0.0
Teacher Loan Forgiveness	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0
Total	\$279.3	\$288.4	\$294.8	\$288.4	\$294.3	\$9.1	\$15.5	\$9.1	\$15.0

* The House Committee substitute uses only the older "Work Ready Scholarship" name.

Kentucky Educational Excellence Scholarship (KEES) Note

KEES is Kentucky's largest merit-based scholarship program. The funding shown above reflects the General Fund portion only from lottery receipts. Total funding for FY 2022 is \$126.1 million in when including restricted funds appropriation of \$10 million from unclaimed lottery prizes.

College Access Program (CAP) Note

CAP scholarships are Kentucky's largest needs-based financial aid program. The table above shows the Governor's proposals for each fiscal year in isolation, with a \$4.8 million increase over the enacted CAP budget for FY 2021 and then a \$0.5 million drop for FY 2022. However, his budget actually calls for the added \$4.8 million to be carried over. For college students, that means the Governor's request is really for CAP funding to be unchanged this year and increased next year. The Senate version calls for larger CAP increases in each fiscal year.

Lottery Revenue Note

The Consensus Forecasting Group's official estimates are \$292 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.

In the Governor’s proposed budget, all but \$250,000 of net lottery proceeds are committed to student financial aid. The Governor calls for net lottery proceeds equaling \$288.75 million in 2022 to be appropriated to student financial as indicated above (except for the Veterinary and Optometry Contract Spaces which are not funded with “lottery proceeds” but regular General Fund dollars). The other \$250,000 is being distributed to support education- the Jobs for America’s Graduates Program at the Department of Education. For Kentucky Tuition Grants, the Governor’s proposal includes \$1.6 million in carry forward dollars in 2022 bringing available funds to a total of \$46.1 million.

In the Senate version, all but \$750,000 of net lottery proceeds are committed to student financial aid. Net lottery proceeds equaling \$288.25 million in 2022 are appropriated to student financial as indicated above (except for the Veterinary and Optometry Contract Spaces which are not funded with “lottery proceeds” but regular General Fund dollars). The other \$750,000 is being distributed to support other education-related programs: the Jobs for America’s Graduates Program at the Department of Education, and the Support Higher Education Project at the University of Kentucky.

Lottery receipts have remained strong and both versions of the budget show that benefitting student financial aid as a whole.

ADULT EDUCATION GENERAL FUND APPROPRIATION | SHOWN IN MILLIONS OF DOLLARS

	FY 2021 Enacted	FY 2021 Governor’s Proposed	FY 2022 Governor’s Proposed	FY 2021 Senate	FY 2022 Senate	Governor’s FY 2021 Changes to Enacted	Governor’s FY 2022 Changes to Enacted	Senate FY 2021 Changes to Enacted	Senate FY 2022 Changes to Enacted
Adult Education	\$18.4	\$18.4	\$18.4	\$18.4	\$18.4	\$0.0	\$0.0	\$0.0	\$0.0