



Steven L. Beshear
Governor

Terry Holliday, Ph.D.
Commissioner of Education

**EDUCATION AND WORKFORCE DEVELOPMENT CABINET
DEPARTMENT OF EDUCATION**

Capital Plaza Tower • 500 Mero Street • Frankfort Kentucky 40601
Phone: (502) 564-4770 • www.education.ky.gov

UPDATED/REVISED LETTER TO JANUARY 16, 2013 VERSION

January 31, 2013

Honorable Steven L. Beshear, Governor
Commonwealth of Kentucky
State Capitol Building
700 Capitol Avenue
Frankfort, KY 40601

Dear Governor Beshear:

Kentucky educators are most appreciative of your commitment to public education. In spite of significant reductions in the budgets of many state agencies due to shortfalls, the base Support Educational Excellence in Kentucky (SEEK) funding has remained constant since 2008. However, this letter serves to provide some insight on the impact to classrooms and schools due to the reductions in non-SEEK programs and the lost possibilities for programs to help more students succeed as a result of flat SEEK funding.

I have chosen to highlight only a few of the major non-SEEK budget items to show the impact; however, there are numerous other programs such as Read to Achieve, Math Achievement Fund, Georgia Chafee Teenage Parent Program, Kentucky School for the Blind, and the Kentucky School for the Deaf that have felt the impact of numerous budget cuts resulting in reduced services to children.

The chart below reflects a summary of budget reductions for specific programs from FY08 to FY13.

Program	FY08 Allocation	FY13 Allocation	Reduction
Extended School Services	\$31.8 million	\$12.3 million	\$19.5 million
Preschool	\$75.1 million	\$71.3 million	\$ 3.8 million
Professional Development	\$15.0 million	\$ 5.3 million	\$ 9.6 million
Safe Schools	\$10.4 million	\$ 4.2 million	\$ 6.2 million
Textbooks	\$21.7 million	\$ 0	\$21.7 million
Career & Technical Ed.	\$30.3 million	\$23.7 million	\$ 6.7 million
KETS	\$24.5 million	\$18.9 million	\$ 5.6 million
KEN	\$15.3 million	\$12.6 million	\$ 2.7 million
Total Reductions			\$75.8 million

Over the last four years, I have visited every school district in Kentucky and talked with thousands of teachers and administrators in over 400 schools. They describe the budget situation as follows:



The Kentucky General Assembly had the right vision with Senate Bill 1 (2009). We as educators were asked to implement more rigorous standards for ALL children and double the percentage of high school graduates who are college and career ready. We as educators were asked to accomplish amazing things with no textbook or resource funding, a 67 percent reduction in professional development needed to help educators prepare for the implementation of the new standards and assessments, a reduction in basic technology infrastructure needed to find resources to help students reach college and career readiness, and a reduction of 61 percent in funds needed to give students additional support and time for learning the more rigorous standards.

Kentucky educators have been amazing in meeting the challenges before them. In 2010, the percentage of high school graduates who met college and career readiness measures was 34 percent. The graduating class of 2012 improved to 47 percent, which is well on the way of meeting the target goal of 67 percent in 2015. Recently, *Education Week* released its annual "Quality Counts" ranking of state education systems. In 2011, Kentucky ranked 34th. In 2012, Kentucky ranked 14th. In 2013, Kentucky ranked 10th. This is phenomenal progress for a state that ranks very low in funding per pupil and has a very high poverty rate for children.

In my visits to schools, I have seen the impact of budget cuts and flat funding for SEEK. I have highlighted just a few specific examples below.

Textbook Funds – I visited an Algebra II teacher in western Kentucky. With the new rigorous math standards, the teacher was in great need of new textbooks and resources to use in the classroom. There is no money for textbooks, so the teacher spends hours each evening researching and locating resources for students to use. However, these resources require technology access for the student and teacher and due to continued reductions in the Kentucky Education Technology System (KETS) and Kentucky Education Network (KEN) funding stream, the district is unable to increase bandwidth and provide technology devices to meet the instructional needs.

Preschool Funding – I was visiting a district in eastern Kentucky at the beginning of the school year and overheard the desperate pleas of a mother who was trying to get her child into the district's preschool program. The district preschool coordinator explained to the mother that in previous years, the child would have qualified; however, due to budget cuts, the district would not be able to serve the child.

Extended School Services – Since the passage of the Kentucky Education Reform Act (KERA) in 1990, Kentucky has been recognized as an innovator in extended day and extended school year services for children who need additional help. As I travel throughout Kentucky, I am confronted by Community Education and Family Resource and Youth Services Center (FRYSC) directors who lament the loss of summer learning programs and after-school programs due to the reduction in funds. Children who used to be served in after-school and summer-learning programs are now basically on their own without adult supervision due to parent work schedules.

Professional Development – I visited with middle school math teachers in a northern Kentucky district. They were extremely frustrated that the new math standards require them to teach concepts they have never received content training on during college or in professional

development opportunities. They wholeheartedly supported the more rigorous standards, but they were very concerned about their lack of preparation to teach the new standards. When they asked the district for professional learning, the teachers were informed that due to budget reductions there were no funds for the training.

Assistance to Low-Achieving Schools – In the work in the Priority Schools (those middle and high schools scoring in the lowest five percent of performance that must be identified as part of Kentucky’s federal ESEA waiver), one of the pressing needs is extended time for support for innovative ways to accelerate addressing gaps in learning in mathematics. In Kentucky, very few high schools have additional outside of school supports to get these students up to speed to meet the challenges of the common core math curriculum that requires more of all students. In addition, many of the smaller schools have very limited career cluster opportunities for their students making career readiness almost impossible.

Career and Technical Education – The Office of Career and Technical Education has absorbed the budget cuts by reducing the number of teachers in the area technology centers by 30 and not replacing nine vacant positions in the Frankfort office. The funds allocated this year to the 53 area technology centers for equipment were less than \$300,000 as compared to \$1.8 million almost eight years ago. Classroom supplies have been cut 50% since 2008, and extended employment, which allowed career and technical education teachers to participate in technical update training and professional development activities during the summer, has been eliminated. These negative impacts to the area technology centers jeopardize the college and career readiness of students whose learning needs are better met through a technical, hands-on approach.

Flat Funding for SEEK – While overall SEEK funding has not been cut throughout this recession, funding has remained constant for six straight fiscal years. This is unprecedented in Kentucky’s history. However, the costs for school districts have continued to rise. Teachers continue to receive step and rank increases. Health care and pension costs continue to rise. Facility maintenance and operation costs continue to increase. This results in loss of personnel, which results in fewer resources for children. Also, school districts are not able to invest in innovative solutions to help more students reach college and career readiness. As we all know, the same dollar doesn’t buy the same level of services when costs continue to rise. On a per pupil basis, we are back to 2008 levels. We were all very proud when *Education Week* announced that Kentucky had improved to 10th in the nation in education policy and performance. A closer look, however, reminds us that our grades on how we fund our schools point to the need for significant improvement. Kentucky received a “B+” for school funding equity, but an “F” for the level of spending in our schools.

These anecdotal accounts are widespread across Kentucky; however, Kentucky educators have invested their own dollars and time in overcoming the challenges. It is very clear that this situation cannot continue. Raising standards and expectations while at the same time reducing resources is a recipe for negatively impacting teacher morale and retention rates. Also, it could be a recipe for political upheaval as seen in states such as Indiana and Idaho during the most recent election season.

In addition, we are now facing significant cuts in education-related funding at the federal level, starting July 1, 2013. These catastrophic spending cuts could reduce the critical momentum gained over the last few years in Kentucky. To put this in perspective, based on calculations from the Congressional Budget

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Office (CBO) and the Center on Budget and Policy Priorities (CBPP), it is reasonably estimated that such spending reductions will result in a decrease of approximately \$61 million a year for education in Kentucky, and have an adverse impact on more than 1,350 jobs and almost 130,000 students on an annual basis over the next ten years.

Again, educators appreciate your leadership as Governor and the support that you have been able to provide to education funding in spite of budget shortfalls. It is my hope that as the state looks at tax reform and budget issues for the 2014-15 budget years that we will see some relief through restoration of funding for education. While our economy appears to be on the road to recovery, this recovery will be short lived if we do not continue to invest in education.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Holliday". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

Terry Holliday, Ph.D.

cc: Mary Lassiter