

FY 2014-2016
Agency Biennial Budget Request
Kentucky
Department of Education

Presented by
Education Commissioner Terry Holliday
to the
Kentucky Education Action Team
November 21, 2013

	KBE/KDE Budget Priority	Description	FY 15*	FY 16*	Total*
1	SEEK Funding	An increase in the current SEEK funding (\$3,827 per pupil) to restore base funding to FY09 levels (\$3,866 per pupil), or higher.	\$60,000,000	\$90,000,000	\$150,000,000
2	Flexible Focus Grants	Restore Professional Development, Safe Schools, Extended School Services, Textbooks (hardcopy and digital) and Preschool to FY08 Levels.	\$61,000,000	\$61,000,000	\$122,000,000
3	Technology	<ul style="list-style-type: none"> • Increase current bandwidth capacity to enhance the learning experience of all students (\$5.8M a year). • Kentucky Education Technology System (KETS) funding to support state technology shared services to all school districts (\$3.1M a year). • Debt service for Instructional Device Replacement funding (desktops, laptops and mobile devices for students) (\$11.4 M a year to support a single \$50 M bonded project). 	\$20,300,000	\$20,300,000	\$40,600,000
4	College and Career Readiness	<ul style="list-style-type: none"> • 30 additional teachers and new equipment for State Area Technology Centers (\$3.1M a year). • Kentucky Occupational Skill Standards Assessments (KOSSA) used to measure technical skill attainment (career readiness) of students upon completion of a technical program (\$240,000/FY 15 and \$264,000/FY16). • Additional funding for Local Area Vocational Centers (\$3.3 M a year). • ACT/WorkKeys assessments (\$1,115,500 a year). 	\$7,755,500	\$7,779,500	\$15,535,000
5	District Turnaround Support	Funding to assist schools and districts in need of school improvement and turnaround, especially in persistently low achieving schools (\$3,400,000/FY15 and \$4,770,000/FY16).	\$3,400,000	\$4,770,000	\$8,170,000
6	KDE Facilities	Capital Projects - Significant facility needs at Kentucky School for the Deaf, Kentucky School for the Blind and FFA Camp.	\$17,104,000	\$0	\$17,104,000
	Total		\$152,455,500	\$183,849,500	\$336,305,000

* All these numbers are estimates and may be revised through the budget process.

SEEK Funding

- ❖ An increase in the current SEEK (\$3,827 per pupil) restore base funding to FY09 levels (\$3,866 per pupil), or higher.

This increase in funding will provide districts with additional general funds and allow each district to allocate such funds to the areas of greatest need at the local level.

FY15 - \$60,000,000

FY16 - \$90,000,000

All these numbers are estimates and may be revised through the budget process.

Flexible Focus Grants

- ❖ Restore Professional Development, Safe Schools, Extended School Services, Textbooks and Preschool to FY08 Levels. This request will provide each school district with both the funding and the flexibility to target such funding to the greatest areas of need at the local level. All the numbers below are annual figures.
 - Professional Development – additional \$9,700,000*
 - Safe Schools – additional \$6,200,000
 - Extended School Services – additional \$19,600,000
 - Textbooks – additional \$21,700,000
 - Preschool – additional \$3,800,000

FY15 - \$61,000,000

FY16 - \$61,000,000

** The professional development portion of Flexible Focus Funding can be targeted toward specific expenditures for PGES, therefore PGES has been removed as a stand-alone funding item.*

Technology

- ❖ Increase current bandwidth capacity to enhance the learning experience of all students. This is done by connecting them to rich instructional tools and content available on-line and across the KEN network. KEN also provides teachers and administrators access to information and tools needed to be effective teachers, leaders, and decision makers (#1 area of concern in the Tell Survey).

FY15 - \$5,800,000

FY16 - \$5,800,000

- ❖ Restore Kentucky Education Technology System (KETS) funding to FY09 levels. KETS monies are used to support state technology shared services to all school districts and allow for specific technology offers of assistance directly to the school districts based on average daily attendance. The KETS program has been a widely successful program and funding has been historically stable, until recent years. This additional funding would restore prior cuts and keep Kentucky education technology competitive on the national forefront.

FY15 - \$3,100,000

FY16 - \$3,100,000

- ❖ Debt service for Instructional Device Replacement funding which provides content delivery devices (desktops, laptops and mobile devices) to students for instruction in the 21st century model of digital learning. This supports a \$50,000,000 bonded project in the Capital Budget. The number below assumed an annual debt service payment of 11.4 million a year over 5 years to pay for this bond.

FY15 - \$11,400,000

FY16 - \$11,400,000

College and Career Readiness

- ❖ Additional faculty and new equipment for Area Technology Centers. There are more than 30 empty classrooms/labs across the state in area technology centers because of a lack of funding to hire enough Career and Technical Education (CTE) teachers. This request will allow for CTE to hire approximately 35 teachers in programs aligned to Kentucky's high demand, industry sectors, including Automobile/Aircraft Manufacturing, Business Services, Energy, Health Care and Transportation/Distribution/Logistics. It would also provide urgently needed equipment for CTE classrooms, such as welders, robotic equipment, milling machines, bandsaws, drill presses, plasma cam cutters, and mill lathes to upgrade CTE classrooms across the state.

FY15 - \$3,100,000

FY16 - \$3,100,000

- ❖ Kentucky Occupational Skill Standards Assessments (KOSSA). Under the new Accountability model, school districts must move 50 percent of high school graduates who are not college and/or career-ready to college and/or career-ready by 2015. The KOSSA are used to measure technical skill attainment (career readiness) upon completion of a technical program and will assist with this effort.

FY15 - \$240,000

FY16 - \$264,000

College and Career Readiness – cont.

- ❖ Local Area Vocational Education Centers. Several districts have added new local area vocational centers and programs and are requesting state funding to help support these initiatives under 702 KAR 2:140. These initiatives will help to provide students with more career preparation programs and improve career readiness.

FY15 - \$3,300,000

FY16 - \$3,300,000

- ❖ ACT/WorkKeys assessments measure a student's ability to achieve a Silver, Gold, or Platinum National Career Readiness Certificate (NCRC). Students holding the NCRC will also assist Kentucky counties that are pursuing the status of Work Ready Communities, which is an initiative to bring businesses to the Commonwealth.

FY 15 - \$1,115,500

FY16 - \$1,115,500

District Turnaround Support

- ❖ Education Recovery Staff will assist schools and districts in need of school improvement and turnaround, especially in persistently low achieving schools.

FY15 - \$3,400,000

FY16 - \$4,770,000

Potential Revenue Sources

“Sales and Utility Tax Recommendations – BRCTF”

For Sales Tax, the narrative is on Page 32-35 of the document. The Revenue estimate is \$106 million annually (if based on the 2008 proposal) and \$176.4 million annually if based on the Tax Consultants report. (See Page 35).

For Utility Tax, the narrative is on Page 37-38. The Revenue Estimate is \$101.5 million annually to be dedicated toward SEEK (See page 38).

The full report is here:

<http://lrgovernor.ky.gov/taxreform/Documents/Report/TaxReformCommissionReportFinal.pdf>

“Projected Revenue From Expanded Gambling 2013”

\$300 million annual new state tax revenues

\$250 million in estimated one-time casino license fees

Tentative Next Steps

- ❖ Submission of KBE/KDE Biennial Budget Request for FY15/FY16 to Governor's Office of the State Budget Director (OSBD) in November 2013.
- ❖ Submission of Governor's Proposed Executive Branch Budget to General Assembly in January 2014.
- ❖ Regular Session of the General Assembly from January – April, 2014.
- ❖ Final Budget for FY15/FY16 approved by General Assembly in April 2014.

Questions and Feedback

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