

FY 2014-16
Biennial Budget Request

Kentucky
Department of Education



Presentation Revised
January 30, 2014

Budget Priorities

	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
	Total		\$152,455,500	\$183,849,500	\$336,305,000

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

*The Kentucky Board of Education also approved as a priority, a companion request for the 6-year Capital Plan, which includes several million dollars in capital funding for the Kentucky School for the Deaf, Kentucky School for the Blind, and the FFA Camp.

Governor's Budget Goal: Improve Kentucky's Competitiveness

- ❖ Grow jobs
- ❖ Enhance education funding
- ❖ Continue progress in early childhood education
- ❖ Provide healthcare for most vulnerable
- ❖ Protect the public's safety
- ❖ Make fiscally responsible and critical investments for the future
- ❖ Run a lean and efficient government

Budget Challenges

- ❖ Increasing, but modest revenues
- ❖ Increasing costs to maintain same services
- ❖ Cumulative impact of seven consecutive years of budget cuts

Making Critical Investments to Protect Priorities

- ❖ Many agencies reduced 5% in FY 15 and straight-lined in FY 16
- ❖ Lesser reductions in some areas (2.5%)
- ❖ Priority areas straight-lined or increased

Making Critical Investments: Competitiveness through Education

- ❖ Increases SEEK funding: \$71 million in FY15 and \$118 million in FY16
 - ❖ Includes 2% raise in FY15 and 1% raise in FY16 for all local school district personnel
 - ❖ Highest-ever base per-pupil guarantee: \$3,911 in FY 15 and \$3,981 in FY 16
- ❖ Restoration of Flexible Focus Grants: \$47.7 million each year
 - ❖ Funds textbooks, professional development, extended school services and safe schools
- ❖ Expands Pre-school: \$18 million each year
 - ❖ Expands eligibility for 4-year-olds to 160% of Federal Poverty Level
 - ❖ 5,125 more children will be served (22% increase)
- ❖ Replace aging school technology: \$50 million in bonds
- ❖ Funds \$100 million School Facilities Bonds for school construction
 - ❖ Authorizes additional \$100 million Offers of Assistance

Making Critical Investments: Competitiveness through Education

- ❖ Expand AdvanceKY:
 - ❖ \$2 million to expand access to college-level work in high school
 - ❖ Improves access to participation in AP courses, especially for underserved populations
 - ❖ Expands program to 10 additional high schools
- ❖ Gatton Academy of Mathematics and Science at WKU: \$2 million in FY16 for 80 additional students
- ❖ Expand Governor's School for the Arts, Governor's Scholars programs:
 - ❖ Funds 100 new students in each program for a total \$1.28 million over two years
 - ❖ \$380,000 each year for Governor's School for the Arts
 - ❖ \$263,000 each year for Governor's Scholars Program
- ❖ Provides increase in health insurance funding to support 2% increase each plan year
 - ❖ \$21.7 million in FY15 and \$35.1 million in FY16

Key Financial Initiatives

Local School Board Training

The Kentucky Board of Education (KBE) approved amendments to 702 KAR 1:115 to include mandatory annual training requirements in ethics, finance and superintendent evaluation. The Kentucky School Board Association (KSBA) partner in the implementation of such efforts.

Superintendent Evaluations

KDE has requested that, by December 2013, all superintendents document, as part of their annual evaluation, that they have had discussions with their respective local boards about programmatic delivery targets, budget and support, and fiscal resources.

Finance Officer Qualifications

There are no minimum educational attainment or experience levels for district finance officers. KDE plans to request statutory changes during the upcoming session, allowing the KBE to promulgate administrative regulations establishing certain minimum qualifications for district finance officers. The Kentucky Association of School Business Officials (KASBO) is supportive of these efforts.

Key Financial Initiatives

External Auditor Training

KDE recently coordinated with the Office of the Auditor of Public Accounts (APA) to provide enhanced financial and audit training for external school district auditors. The KDE and APA will continue to partner in such efforts moving forward.

District Process Improvement

KDE has teamed up with the Kentucky Association of School Administrators (KASA) to focus on process improvement at the district level. KASA will work with school districts to implement Process and Performance Management (PPM), benchmarking and best practices and empower districts to improve efficiency and effectiveness in operational areas.

Best Practices Website

KDE has created a “Best Practices Website” to allow districts to access best practices from across the state. Any teacher, school or district may submit a best practice for consideration. To date, more than 40 best practices related to school operations have been posted to the website.

District Expenditures

Example: Personnel

(Personnel is the single largest expenditure at the district level)

Statewide Total – All Personnel
\$3,499,617,510

Statewide Total - Central Office
\$139,550,091 (4%)

Source: Professional Staff Data (PSD) and Classified Staff Data (CSD) submissions for school year 2012-13.

Questions?

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