

FY 2014-2016
Agency Biennial Budget Request

Kentucky
Department of Education

October 8, 2013

FY 2015 Agency Request

| | FY 2015 Baseline (Current) | FY 2015 Def. Cal.* (Mandatory) | FY 2015 ABR's (Agency Discretion) | FY 2015 Totals |
|------------------------|---|---|--|---------------------------|
| General Fund | 3,864,461,300 | 203,077,300 | 152,455,500 | 4,219,994,100 |
| | | | | |
| Federal Fund | 885,364,800 | 259,300 | 0 | 885,624,100 |
| | | | | |
| Restricted Fund | 31,683,700 | 1,042,300 | 0 | 32,726,000 |
| | | | | |
| KDE Totals | 4,781,509,800 | 204,378,900 | 152,455,500 | 5,138,344,200 |
| | | | | |

*The Defined Calculations include the 5% salary increment and retirement match for certified and classified district employees and the full ARC (actuarially required contribution).

FY 2016 Agency Request

| | FY 2016 Baseline (Current) | FY 2016 Def. Cal.* (Mandatory) | FY 2016 ABR's (Agency Discretion) | FY 2016 Totals |
|------------------------|---|---|--|---------------------------|
| General Fund | 3,864,461,300 | 416,661,000 | 183,849,500 | 4,464,971,800 |
| | | | | |
| Federal Fund | 885,364,800 | 607,700 | 0 | 885,972,500 |
| | | | | |
| Restricted Fund | 31,683,700 | 2,174,500 | 0 | 33,858,200 |
| | | | | |
| KDE Totals | 4,781,509,800 | 419,443,200 | 183,849,500 | 5,384,802,500 |
| | | | | |

*The Defined Calculations include the 5% salary increment and retirement match for certified and classified district employees and the full ARC (actuarially required contribution).

| | <u>Recommended Budget Priority</u> | <u>KBE Strategic Goal</u> | <u>FY 15**</u> | <u>FY 16**</u> | <u>Total**</u> |
|--|---|--|-----------------------|-----------------------|-----------------------|
| 1 | SEEK Funding | KDE Support and Guiding Processes - Requirement of State and Federal authorities will be implemented. | \$60,000,000 | \$90,000,000 | \$150,000,000 |
| 2 | Flexible Focus Grants | Next Generation Learners - All students will perform at or above proficiency and show continuous improvement (achievement and growth). | \$61,000,000 | \$61,000,000 | \$122,000,000 |
| 3 | Technology * | KDE Support and Guiding Processes - Requirement of State and Federal authorities will be implemented. | \$20,300,000 | \$20,300,000 | \$40,600,000 |
| 4 | College and Career Readiness | Next Generation Learners - Every Student will graduate from high school college/career ready. | \$7,755,500 | \$7,779,500 | \$15,535,000 |
| 5 | District Turnaround Support | Next Generation Schools and Districts - All schools and districts will be effective. | \$3,400,000 | \$4,770,000 | \$8,170,000 |
| Total Additional Funding Requests | | | \$152,455,500 | \$183,849,500 | \$336,305,000 |

* Technology includes annual \$11.4 m (estimated) debt svc. for instructional devices in Capital Budget.

** All dollar amounts are estimates and may be revised prior to the final KDE submission in November 2013.

KDE staff have solicited and received positive feedback from KEAT, Superintendents and the Principals Advisory Council supporting the top 3 priorities of SEEK, Flexible Focus Grants and Technology.

SEEK Funding

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

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*

** These numbers are still estimates and may be revised based upon final growth numbers received from school districts in November.*

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 towards 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

- ❖ Provide 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 over 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'd

- ❖ 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 5 - \$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

KDE Capital Budget

As noted in the April KBE Budget presentation, the state Capital Planning Advisory Board is charged with issuing a comprehensive state capital improvement plan containing its proposal for state spending for capital projects and proposed funding over a six-year period (KRS Chapter 7A). The items below reflect the items currently included in the six-year capital budget plan for KDE.

| KDE CAPITAL PROJECTS | PURPOSE | 2014-2016 |
|---------------------------------------|---|---------------------|
| Miscellaneous Maintenance Pool-KDE | The miscellaneous maintenance pool provides the department with a source of funds for capital construction projects with a total scope of less than \$600,000 each, primarily for the Kentucky School for the Deaf, Kentucky School for the Blind and the FFA Leadership Training Center. | \$3,000,000 |
| Instructional Device Replacement-KDE | This initiative is essential to replace instructional devices that are either at or approaching the end of their supportability life cycle. Strategically, this project will achieve objectives identified in the KETS Master Plan and KDE Strategic Plan, as it will address issues such as technological equity, standards-based planning and accountability. | \$50,000,000 |
| Howser Hall-KSB | Howser Hall Dormitory needs complete renovation and upgrade. This includes a new HVAC system, plumbing system, and finishes to allow occupancy in the 40,000 square foot dormitory. | \$750,000 |
| HVAC System Upgrades-KSD | HVAC upgrade locations would include: Thomas Gym (priority), Middleton, Brady, and Barbee Hall. The average age of the existing equipment is well over 33 years old. HVAC upgrades would include disconnecting these buildings from the current boiler system. | \$3,500,000 |
| Next Generation SEEK | The current system was developed in 2006. The objective of the system was to provide a consistent process for calculating and distributing the \$3 billion annual Support Education Excellence in Kentucky (SEEK) allocation. The system was developed to accept inputs from a variety of sources and generate the required reports for districts, KDE Budget Management, Governor's Office for Policy Management and LRC Budget Review Office staff. | \$1,760,000 |
| Kerr Hall Addition - KSD | The addition to Kerr Hall would fulfill the required space needed for the elementary education, dormitory, and cafeteria space, reducing the risk of transporting elementary students three times a day across a very busy pedestrian crosswalk. | \$6,720,000 |
| Richie Building Masonry Repairs - KSB | The project includes waterproofing, tuck pointing, brick replacement, and caulking. Due to the water intrusion and moisture build-up, the Richie Building continues to be highly susceptible to mold and poor air quality levels, which could result in health issues among students, faculty and staff. These issues may also impact the learning and teaching environment. | \$384,000 |
| KDE CAPITAL PLAN TOTALS | | \$62,364,000 |

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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