

Kentucky Board Of Education

June 6, 2018

FY2018-20 Budget Update

HB 200VO



P-12 Education

General Fund Budget Appropriation (P. 43)



	REVISED	REQUESTED	HB 200	HB 200VO
FY 2018	\$4,113,199,100			
FY 2019		\$4,564,134,600	\$3,893,183,200	\$4,118,808,700 *
FY 2020		\$4,569,276,500	\$3,893,239,600	\$4,124,254,500

* Amended by HB 265

HB 200VO (cont.)

► Overall P-12 Reduction \$54M

- Frankfort Based Operations, KETS, and KEN (BOSS): 6.25% cut (\$3.1M).
 - ✓ KFICS \$600,000 in FY2018-2019 and FY2019-2020;
 - ✓ AP/IB \$1,000,000 in FY2018-2019 and FY2019-2020;
 - ✓ School Technology in Coal Counties (1.75M).
- Grant line items (LARS): 6.25% cut (\$50.9M).
 - ✓ Safe Schools receives an additional \$2.6M in each fiscal year.
 - ✓ Fully funded District Health Insurance.

► Capital Fund Maintenance Pool reduced by \$1.5M.



Support Education Excellence in Kentucky (SEEK) (P. 31)

\$4,000 per pupil FY2018-2019

\$4,000 per pupil FY2019-2020



	REVISED	REQUESTED	HB 200	HB 200VO
FY 2018	\$3,035,552,800			
FY 2019		\$3,343,804,300	\$2,899,573,700	\$3,056,500,800 *
FY 2020		\$3,334,815,000	\$2,899,367,900	\$3,047,480,900

* Amended by HB 265

HB 200VO (cont.)

- ▶ HB 200 VO provides that not less than \$12,953,600 of unexpended SEEK funds in FY2017-2018 shall lapse to the General Fund.
- ▶ Fully Funded the TRS Employer Contribution for districts.
 - ▶ KERS HB 200VO
 - ▶ CERS Phase-in, HB 362VO
- ▶ Provides funds for 31 school districts for loss of funds from unmined coal assessments (\$7.0M) HB 265VO



SEEK Transportation (P.32)



	REVISED *	REQUESTED **	HB 200***	HB 200VO****
FY 2018	\$225,529,500			
FY 2019		\$347,786,800	\$86,946,700	\$214,752,800
FY 2020		\$347,786,800	\$86,946,700	\$214,752,800

* 62.5% Funded when the excess SEEK appropriated to Pupil Transportation in HB 471(2017) is included

** 100% Funded

*** 25% Funded

**** 61% Funded

HB 200VO (cont.)

- ▶ HB 200VO funds transportation at \$214,752,800 or approximately 61% of calculated costs. This is the same funding level provided in the current Biennial Budget HB 303 (2016).
- ▶ An additional amount of \$133,034,000 in each fiscal year is required to achieve 100% funding.
- ▶ Any unexpended SEEK funds in fiscal years 2018-2019 and 2019-2020 are carried forward for pupil transportation.



Program Elimination (P.40-41)

▶ Instructional Resources	\$16,700,000
▶ Professional Development	\$11,927,700
▶ Commonwealth School Improvement Fund	\$ 1,358,800
▶ Leadership and Mentor Fund	\$ 328,800
▶ Middle School Academic Achievement	\$ 339,200
▶ Teacher's Professional Growth Fund	\$ 720,300
▶ Teacher Academies	\$ 1,400,800
▶ Writing Program	\$ 534,300
▶ Virtual Learning	\$ 700,300
▶ Georgia Chaffee	\$ 227,900
▶ Appalachian Tutoring	<u>\$ 72,300</u>
Total Reduction	\$34,310,400



6.25% Program Reductions

▶ Extended School Services	\$ 1,594,400
▶ Preschool	\$ 5,632,100
▶ Elementary Arts	\$ 26,500
▶ FRYSC's	\$ 3,259,300
▶ Gifted and Talented	\$ 413,900
▶ Math Achievement	\$ 334,600
▶ Read to Achieve	\$ 1,062,400
▶ State Agency Children	\$ 631,000
▶ VIPS	\$ 6,200
▶ Blind/Deaf Travel	<u>\$ 32,800</u>
Total Reduction	\$12,993,200



Other Program Changes

▶ Advanced Placement/IB	\$ 1,000,000	NEW
▶ Dataseam	\$ 1,750,000	NEW
▶ KFICS	\$ 600,000	
▶ CCLD	\$ 1,200,000	reduced \$25,600
▶ Community Education	\$ 1,850,000	reduced \$86,400
▶ Teacher Recruitment and Retention	\$ 1,000,000	reduced \$38,200
▶ Save the Children	\$ 1,300,000	increased \$358,600
▶ Safe Schools	\$13,000,000	increased \$2,621,700
▶ Advanced KY	\$ 1,700,000	increased \$500,000
▶ Lexington Speech and Hearing	\$ 100,000	no change
▶ Heuser Hearing	\$ 100,000	no change
▶ Teach for America	\$ 250,000	no change



KDE Operational Reductions

► 25 KDE Positions

- Eliminate 25 unfilled positions
- Reduce operating budget
- Reduce travel
- All KDE Offices impacted to varying degrees

► 24 MOA Positions

- Not renew 24 MOA positions
 - ✓ Content
 - ✓ Network Instructional Specialists
 - ✓ Novice Reductions Coaches

► Funding for these are included on Slide 3



Nickels, Flexibility and Publication Requirements

- ▶ Full equalization for recallable nickels that were equalized at 25% in the previous budget. Provides 25% equalization for new nickels levied between January 1, 2016 and January 1, 2018. (P. 33-34)
- ▶ Additional flexibility for Capital Outlay Funds to be used for general operating costs. Allows districts to request the use of capital funds not to exceed 25% of available capital funds in 2018-2019. (P. 35-36)
- ▶ Program flexibility for the use of Extended School Services and Safe Schools funds for general operating expenses. (P. 41).
- ▶ Alternative publication of school district annual financial statements and school report card. (HB 366VO)



District Administrative Expenditures (P.160)

- ▶ Local school districts shall reduce administrative costs to the extent feasible in order to provide quality instruction for all students in the Commonwealth.
- ▶ Each local district shall submit a report to the LRC and KDE by December 1 of each fiscal year, which includes:
 - All expenses charged to the MUNIS codes for Instruction (1XXX), Student Support Services (21XX), Instructional Staff Support Services (22XX), District Administrative Support Services (23XX), School Administrative Services (24XX), and Business Support Services (25XX) for the previous fiscal year;
 - A comparison of the previous fiscal year's expenses, as detailed above, with the same expenses in the preceding fiscal year;
 - A detailed explanation of steps taken to reduce administrative expenditures; and
 - A copy of the district's policy for maintaining a reserve fund balance in compliance with appropriate accounting standards.
- ▶ KDE Shall submit a report to LRC by December 31 annually that verifies the fiscal information.



Questions or Comments?



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