2026-2028 Biennial Budget Request

March 27, 2023

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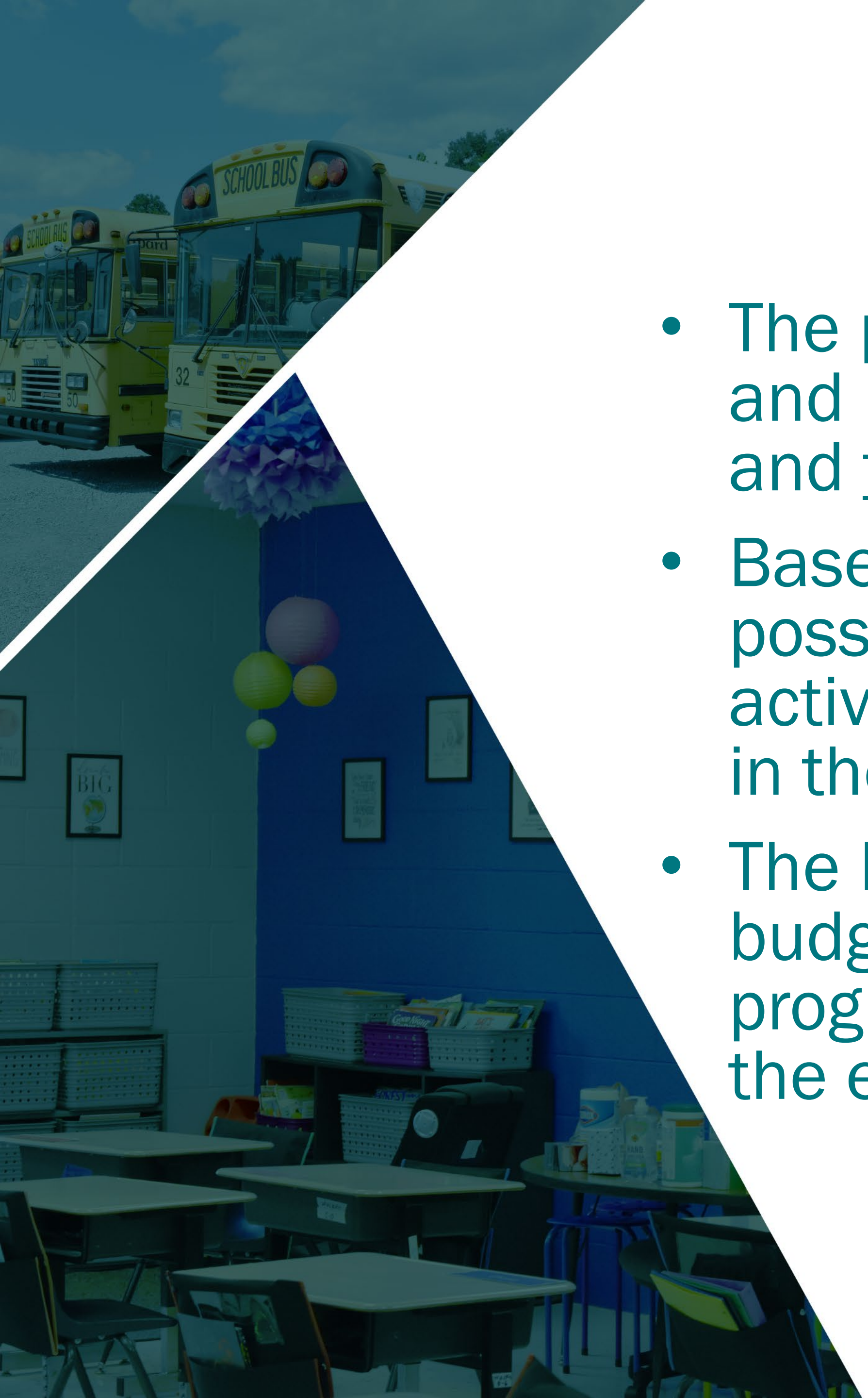

Baseline Budget

- The purpose of a Baseline Budget Request is to identify and record expenditures by both <u>object classification</u> and <u>fund source</u>.
- Baseline Budget Requests support, to the extent possible, a continuation of currently conducted activities, services, and/or programs that are in effect in the current fiscal year.
- The Baseline Budget Request reflects the same budgeted amounts (for all funds) to continue to support programs and activities at the current level of service to the extent possible.

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Baseline Budget Categories

- Personnel – salary and fringe
- Other Personnel – professional contract costs
- Operating – supplies, travel, rent, utilities, etc.
- Grants – typically funds sent to districts by formula or competitive means

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Kentucky Department of Education (KDE) Appropriations by Fund Source

	HB6 FY25	HB6 FY26
General	$ 4,717,497,800	$ 4,960,021,100
Restricted	$ 43,892,700	$ 48,252,400
Federal	$ 1,848,983,700	$ 1,085,166,000
TOTAL	$ 6,610,374,200	$ 6,093,439,500

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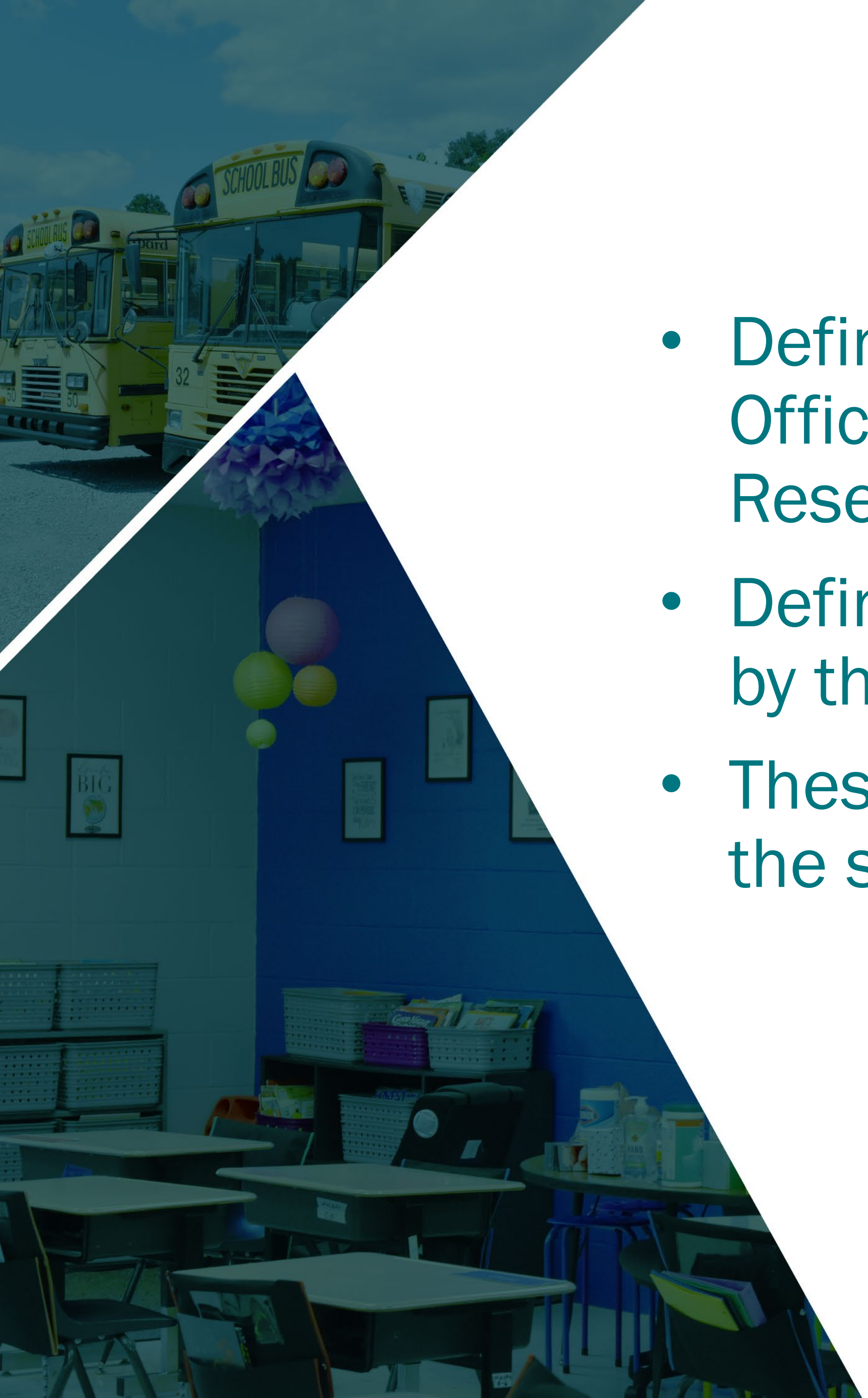

Defined Calculations

- Defined Calculation assumptions are approved by Office of the State Budget Director and Legislative Research Commission
- Defined Calculations are costs that are not controlled by the Kentucky Department of Education.
- These costs are decided by the agency that administers the services.

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Defined Calculations Categories

- Salary Increments
- Retirement Contributions
- Health Insurance
- Workers Compensation
- Personnel Board Assessments
- Rent/Utilities/Insurance
- Technology Allocations from Commonwealth Office of Technology
- Motor Pool
- Facility Security
- Governmental Service Center (state offered trainings)

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Budget Request Process

- KDE program staff will be available at each meeting for discussion and to answer questions from Kentucky Board of Education (KBE) members
- February – Six Year Capital Plan process and recommended projects; introduce Additional Budget Requests (ABR)
- March – Overview of baseline budget and defined calculations; continue ABR discussion
- June – ABR discussion and prioritization
- August – KBE final review of 2026-2028 budget request

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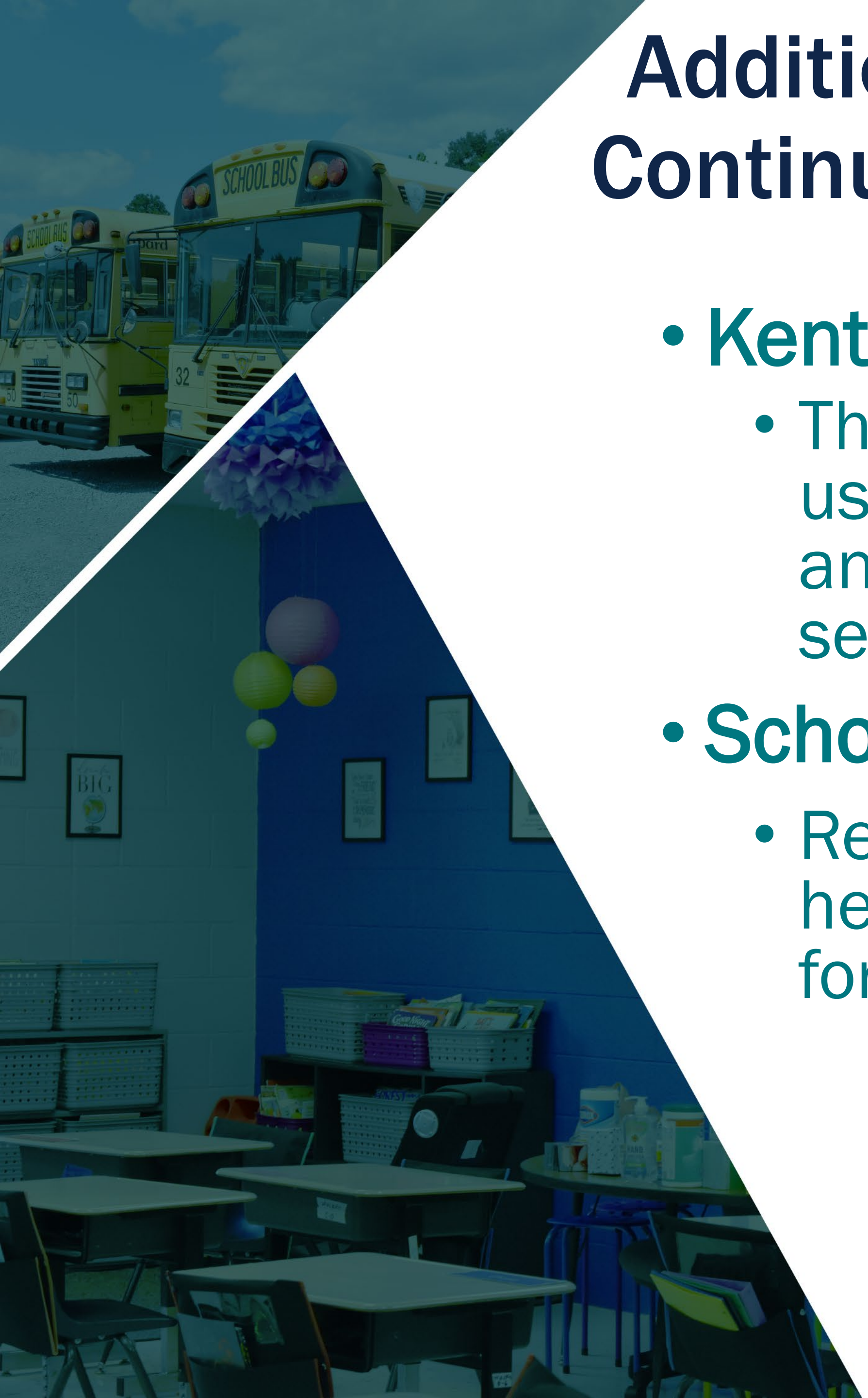

Additional Budget Requests (ABR) Office of Continuous Improvement and Support (OCIS)

- **Kentucky Education Recovery Fund**
  - The Kentucky Educational Recovery Fund will be used to supplement the existing federal expenditures and allow OCIS to provide school improvement services to more schools.
- **School Based Mental Health Professionals**
  - Requests additional funding for school-based mental health services professionals, on par with allocations for school resource officer (SRO) positions.

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Additional Budget Requests (ABR) Office of Special Education and Early Learning (OSEEL)

- **Universal Preschool**
  - Funding to provide preschool services to all 4-year-old children in Kentucky.
- **Early Childhood Regional Training Centers**
  - Funding to provide training, consultation and technical assistance
- **Gifted and Talented**
  - Increase Gifted and Talented allotment by 20%
- **Kentucky School for the Blind (KSB) and Kentucky School for the Deaf (KSD) Operating**
  - Funds to support increased operating costs
- **KSB and KSD Step/Rank**
  - Funds to support step and rank increases for certified staff

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Additional Budget Requests (ABR) Office of Career and Technical Education (OCTE)

- **Inclusion Supplemental Funding**
  - Funding to include Area Technology Centers (ATCs) in the supplemental funding allocations. ATCs receive $547.24 per Weighted Full Time Equivalent (WFTE), whereas the locally provided career and technical education (CTE) programs receive $1,398 per WFTE.
- **JROTC Consultants**
  - Funding to complete the final year of the pilot project and continue implementation as a model of JROTC nationwide.
- **Career and Technical Student Organizations (CTSO)**
  - Funding to support career and technical student organizations
- **Salary Schedule, Step/Rank**
  - Funding to support step and rank increases for certified staff

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2026-2028 ADDITIONAL BUDGET REQUESTS

Priority	Purpose	KRS/KAR	FY27	FY28	Total
	KDE-Kentucky United We Learn Initiative- The Kentucky United We Learn Council, educational stakeholders and community members across the Commonwealth have clearly called for reimagining assessment and accountability to create systems that are more meaningful and useful for all learners, educators and communities. The statewide assessment and accountability systems will require state support for implementation, networked peer support, external feedback to inform improvement of local systems, and development of new assessments with options and flexibility. OAA, OCIS, and potentially other offices are requesting additional funding to support the reimagined assessment and accountability systems.	KRS 158.6453; KRS 158.6455; 703 KAR 5:570	$0	$0	$0
	OCIS-Kentucky Education Recovery Fund- The Kentucky Educational Recovery Fund will be used to supplement the existing status and federal expenditures and allow the OCIS to provide school improvement services to more schools, including those identified for Targeted Support and Improvement (TSI) which currently receive support from the KDE only after federal funds have first been allocated to CSI schools. These funds will be used to provide greater access to professional learning for school leaders related to systems improvement and strategic planning, additional staffing to support improvement efforts underway in schools other than those identified for CSI status and support the recovery of lost educational attainment.		$5,000,000	$5,000,000	$10,000,000
	OCIS-School Based Mental Health Professionals- The School Safety and Resiliency Act (KRS 158.4416) established goals for school counselors to spend at least 60% of their time providing direct services to students and includes additional expectations for school counselors and school-based mental health services professionals to lead school personnel in implementing a trauma-informed approach. KDE requests funding for school-based mental health services providers be increased to $18 million and that state funding for these positions in future fiscal years remain at least on par with any allocations for SRO positions.	KRS 158.4416	$10,587,660	$10,587,660	$21,175,320
	OFO-SEEK Base- The Support Education Excellence in Kentucky (SEEK) funding formula was initially enacted as a part of the Kentucky Education Reform Act of 1990. The SEEK funding program is a formula driven allocation of state provided funds to local school districts.	KRS 157.310 - 157.440; HB6 2024-2026 Budget Bill	$294,431,225	$398,379,267	$692,810,492
	OFO-SEEK Transportation- SEEK Transportation continues to be significantly under-funded. As mandated salary increases, fuel and equipment costs continue to rise, the lack of funding creates a significant impact on the educational programs in the 171 districts that provide pupil transportation services.	KRS 157.310 - 157.440; HB6 2024-2026 Budget Bill	$125,018,746	$125,018,746	$250,037,492
	OET-KETS Funding- Increasing KETS funding by $14.6 million, $10.5 million above the SY92-SY09 level of $19.5 million, will increase KETS Offers of Assistance providing Kentucky K-12 districts the ability to maximize their Kentucky K-12 education technology environment by responding to the areas of greatest growth and needs of Internet consumption, technology integration and technology reliability.	KRS 157.650 - 157.665; 701 KAR 5:110	$14,600,000	$14,600,000	$29,200,000

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2026-2028 ADDITIONAL BUDGET REQUESTS (2)

Priority	Purpose	KRS/KAR	FY27	FY28	Total
	OCTE-ATC Inclusion Supplemental Funding- Presently Area Technology Centers (ATCs) are not included in the supplemental funding allocations. There are 50 ATCs that provide Kentucky students the opportunity to explore and gain knowledge in skills in 13 career and technical education (CTE) programs. Additionally, incentives are a part of the funding formula for CTE, allowing tracking of return on investments (ROIs). ATCs receive $547.24 per Weighted Full Time Equivalent (WFTE), whereas the locally provided CTE programs receive $1,398 per WFTE.	KRS 157.069	$14,789,352	$14,789,352	$29,578,704
	OCTE-CTSO- CTE is responsible for providing leadership and technical assistance to seven career and technical student organizations (CTSOs). CTSOs assist districts with meeting the quality indicator in their Kentucky Perkins Plan which includes having a co-curricular career and technical student organization (CTSO) that provides students the opportunity to engage in leadership development activities. *$70,000=$1,000 stipend per Regional Coordinator for logistical support for regional and state conferences. $105,000/7=$15,000 per CTSO for state conference support.	705 KAR 4:231	$175,000	$175,000	$350,000
	OCTE-JROTC Consultants- The Kentucky Department of Education (KDE), Office of Career and Technical Education (OCTE) requests funding to complete the final year of the pilot project and continue implementation as a model of JROTC nationwide.	HB6 2024-2026 Budget Bill	$493,800	$735,500	$1,229,300
	OCTE-Salary Schedule- The Office of Career and Technical Education (OCTE) has the responsibility, pursuant to KRS 156, to operate and manage secondary career and technical education programs in state-operated Area Technology Centers (ATC) and high school satellite programs under the ATC. 780 KAR 3:020 relates to the compensation plan for ATC employees and requires a minimum salary schedule for certified and equivalent staff to be approved by the Kentucky Board of Education annually.	780 KAR 3:020; KRS 156.808	$225,000	$0	$225,000
	OCTE-Step and Rank- The Office of Career and Technical Education (OCTE) has the responsibility, pursuant to KRS 156, to operate and manage secondary career and technical education programs in state-operated Area Technology Centers (ATCs) and high school satellite programs under the ATC. 780 KAR 3:020 relates to the compensation plan for ATC employees and allows for step and rank increase increments for experience and education.	780 KAR 3:020; KRS 156.808	$150,000	$175,000	$325,000

2026-2028 ADDITIONAL BUDGET REQUESTS (3)

Priority	Purpose	KRS/KAR	FY27	FY28	Total
	OELE-Cooperating Teacher- The Cooperating Teacher Program in Kentucky plays a crucial role in preparing the next generation of teachers by offering real-world experience and ongoing support throughout the teacher preparation process. The program is designed to provide support and mentorship to pre-service teachers during their clinical experiences and involves the collaboration between teacher preparation programs at universities or colleges and K-12 schools. OELE provides compensation for students assigned to student teachers based on available funding. OELE would like to increase stipend amount from $350 per cooperating teacher to $1,000.		$800,000	$800,000	$1,600,000
	OELE-EdRising- Building the future of education, Educators Rising provides high school students with hands-on opportunities to explore teaching as a career, offering leadership development and early exposure to classroom practices. Regional Consultant Support $90,000, State Conference $200,000, Teacher Leader Stipends $2,000 @ 150 teachers = $300,000		$590,000	$590,000	$1,180,000
	OELE-Education Preparation Providers Literacy and Numeracy Support- OELE is requesting $100,000 annually to align with the K-12 efforts in providing workgroup stipends ($500/person) as well as high quality professional learning and support for Institutions of High Education (IHEs) to make the necessary changes for early literacy and numeracy. OELE is requesting $750,000 needed annually for conducting the external evaluations of EPP literacy and mathematics programs.	KRS 164.306, 158.840	$850,000	$850,000	$1,700,000
	OELE-GoTeachKY- Our mission is to elevate the teaching profession and ensure that all students across Kentucky have equitable access to effective educators. Research confirms that the single most important factor in student success is the presence of highly effective teachers.		$725,000	$725,000	$1,450,000
	OELE-New Teacher Induction- OELE seeks funding to support school districts as they strive to create and implement strong induction and mentoring programs to better support and retain new teachers. Early support and mentoring of new teachers have been shown as a key element in teacher retention, which is imperative to combat the current teacher shortage. Based on previous KTIP expenditures and new teacher data the need for approximately 3000 new teachers per year, we are requesting $4.5 million annually to fund districts, which is $1,500 per new teacher.	KRS 161.031	$4,500,000	$4,500,000	$9,000,000
	OELE-PRAXIS & Mentoring- Praxis Assessment Reimbursement and Mentoring Program, a vital initiative designed to remove barriers to teacher certification and increase workforce diversity in Kentucky. This program, an extension of the Kentucky Academy for Equity in Teaching (KAET) Scholarship Program, has proven to be a more effective and efficient strategy for addressing the initial challenges many aspiring educators face.		$150,000	$150,000	$300,000
	OELE-Teacher of the Year and Teacher Recognition- Kentucky Teacher of Year (KTOY) Program and Teacher Achievement Awards recognize outstanding educators in the state. Promotes the profession positively and engages leadership opportunities for educator development. To sustain and enhance this critical program, we are requesting a funding allocation of $100,000 annually to ensure the continuation.		$100,000	$100,000	$200,000

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2026-2028 ADDITIONAL BUDGET REQUESTS (4)

Priority	Purpose	KRS/KAR	FY27	FY28	Total
	OSEEL-Early Childhood Regional Training Centers- to provide training, consultation and technical assistance services to school districts through early childhood regional training centers (RTCs) in support of income-eligible preschool students who do not qualify for special education. Additional funding would allow each RTC to receive an additional $200,000 per year, which is roughly $129 per at-risk student served per year (7,780). Comparatively, RTCs spend about $194 per student with disabilities per year (11,615). Federal dollars are not used to support initiatives for at-risk students. This additional amount would ensure school districts receive training, guidance, and technical assistance needed to support all eligible children, including at-risk four-year-old children.	KRS 157.318	$1,000,000	$1,000,000	$2,000,000
	OSEEL-Gifted and Talented- The calculation for determining GT local school district allocations uses a formula that includes a base amount of $20,000 for each district. In addition to the base amount, the formula allocates a per student amount to each district based on the prior school year's enrollment. 127 out of 171 districts, plus the Kentucky School for the Blind and Kentucky School for the Deaf, receive less than $56,000 per year, which is the average certified teacher salary, for their gifted education program. KDE is requesting a 20% increase in the 2026-2028 biennium, which is an additional $4 million.	KRS 157.200, 704 KAR 3:285	$2,000,000	$2,000,000	$4,000,000
	OSEEL-KSB/KSD-Step and Rank- KRS 163.032 requires the Kentucky Department of Education (KDE), with assistance from the Kentucky Personnel Cabinet, to adopt a salary schedule for teachers at the Kentucky School for the Blind (KSB) and the Kentucky School for the Deaf (KSD). The law further requires that the salary schedule be the same as the salary schedule in effect in local school districts in counties containing a city of the first class. KSB and KSD must adhere to the Jefferson County Public Schools' Salary Schedule.	KRS 163.032	$550,000	$600,000	$1,150,000
	OSEEL-KSB- OSEEL is requesting an increase in general funds to support students across the state of Kentucky who are blind or have visual impairments. Increased funding will allow KSB to cover normal operating and personnel expenditures that the current general fund appropriation doesn't cover. Currently, the Kentucky Department of Education allots funds to KSB from other general fund sources as allowed to cover the actual operating costs of the state school. Unlike a school district, KSB has no way to raise local revenue through taxes and is reliant on the General Assembly appropriation to fund operating expenses.	KRS 167.015, 167.150; HB6 2024-2026 Budget Bill	$1,000,000	$1,000,000	$2,000,000
	OSEEL-KSD- OSEEL is requesting an increase in general funds to support students across the state of Kentucky who are deaf or hard of hearing. Increased funding will allow KSD to cover normal operating and personnel expenditures that the current general fund appropriation doesn't cover. Currently, the Kentucky Department of Education allots funds to KSD from other general fund sources as allowed to cover the actual operating costs of the state school. Unlike a school district, KSD has no way to raise local revenue through taxes and is reliant on the General Assembly appropriation to fund operating expenses.	KRS 167.015, 167.150; HB6 2024-2026 Budget Bill	$500,000	$500,000	$1,000,000
	OSEEL-Universal Pre Kindergarten- An additional General Fund appropriation of $128,943,684 in 2026-27 and 2027-28 is requested to provide preschool services to all 4-year-old children in Kentucky. This additional funding is sufficient to provide preschool services for an additional 33,156 4-year-old children.	KRS 157.3175, 704 KAR 3:410, 704 KAR 3:015	$128,943,684	$128,943,684	$257,887,368

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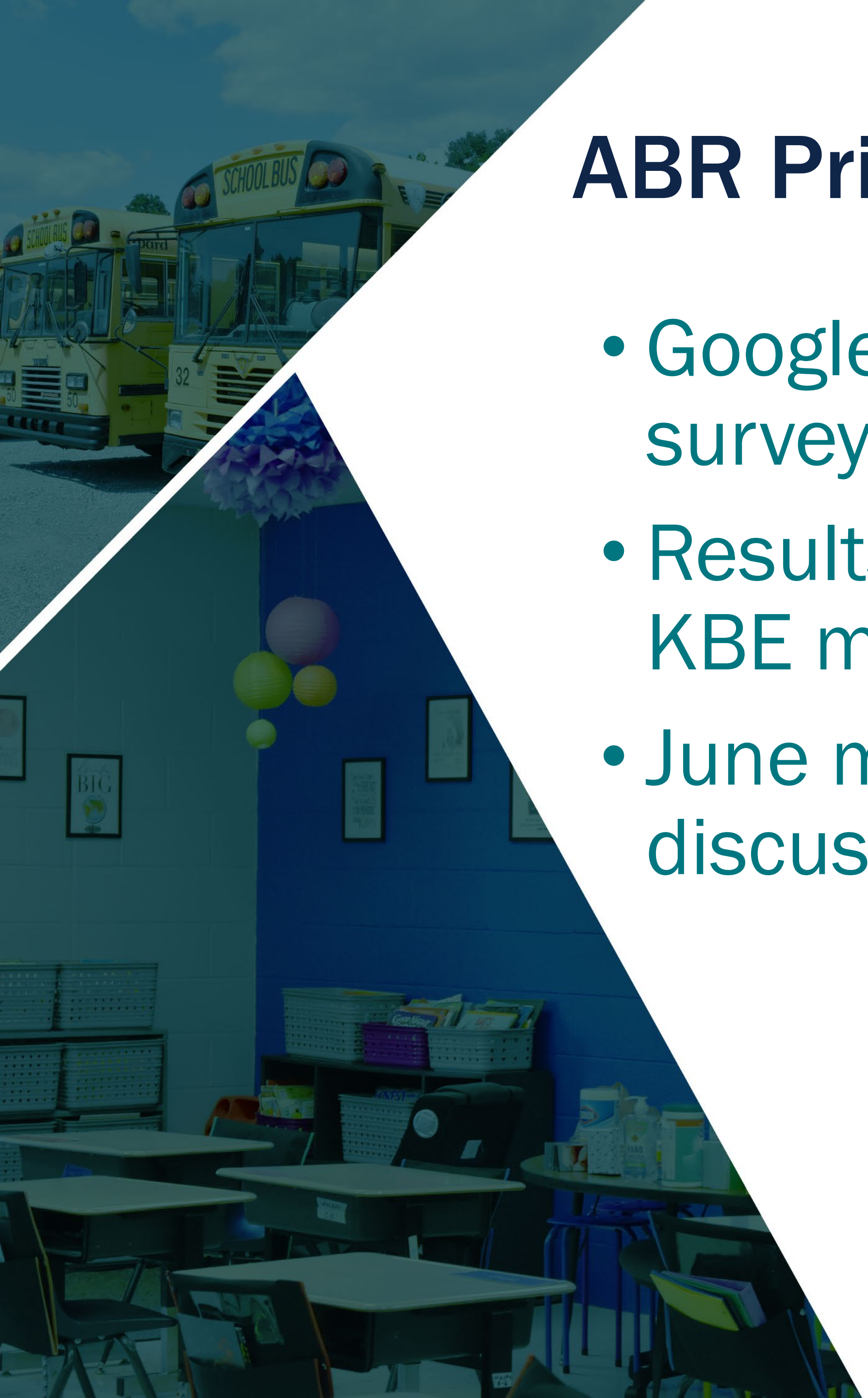
2026-2028 ADDITIONAL BUDGET REQUESTS (5)

Priority	Purpose	KRS/KAR	FY27	FY28	Total
	OTL-HQIR- Instructional resources, including textbooks, have been unfunded in Kentucky for many years. To support schools and districts in adopting HQIRs, $17 million in funding each year is essential to the successful implementation of HQIRs. These funds are also vital to Kentucky's numeracy and literacy efforts and ensure that schools and districts have access to HQIRs that support teachers in implementing highly-effective instruction.	KRS 156.400-156.476, 158.305, 158.791, 158.840, 158.8402	$17,000,000	$17,000,000	$34,000,000
	OTL-HQPL- Without funding for High Quality Professional Learning (HQPL) alongside funding for High Quality Instructional Resources (HQIR), the full benefit of HQIRs cannot be maximized. Funds are needed to directly support local schools and districts in implementing HQPL aligned to the curriculum and HQIRs selected by the superintendent (pursuant to KRS 160.345). Professional learning has been unfunded since 2008, and an investment in professional learning funds is needed to support high-quality teaching and learning for the benefit of standards-aligned, vibrant student experiences at the local level. This proactive investment will lead to long-term gains and a greater savings of state dollars that would otherwise be spent on student intervention and recovery efforts.	KRS 156.095, 158.305, 158.791, 158.806, 158.840, 158.843, 158.840, 158.8402	$12,500,000	$12,500,000	$25,000,000
	OTL-Numeracy Counts- The increase in funding would include the creation of a mathematics coaching program, grant opportunities for local school districts to purchase approved high-quality research and evidence-based curriculum aligned to kindergarten through grade three (3) academic standards in mathematics, and expenditures for curriculum-based professional learning to implement new curriculum," (KRS 158.843(3) and (4)).	KRS 158.791, 158.840,158.843, 158.8402; House Bill (HB) 162 (2024)	$5,000,000	$5,000,000	$10,000,000
	OTL-Read to Succeed- To ensure that all students in grades K-4, not just those in schools with the highest percentage of novice, are provided with the support needed to accelerate student progress toward proficient performance in reading, an additional $4 million dollars per fiscal year is needed to ensure that an adequate number of coaches are available to support schools in successfully implementing the requirements provided in SB 9 (2022), The Read to Succeed Act. The additional funding will support the salaries of literacy coaches who can provide expert job-embedded training and support for teachers, schools and districts.	KRS 158.305, 158.791, 158.806, 158.840; Senate Bill (SB) 9 (2022)	$4,000,000	$4,000,000	$8,000,000



ABR Prioritization Exercise and Next Steps

- Google Survey - KBE members will be sent a survey asking to rank/prioritize all requests
- Results will be tabulated and shared prior to June KBE meeting
- June meeting – KBE members will review and discuss final prioritization of ABRs

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Questions

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