



2026-2028 Biennial Budget

June 3, 2026

Legislative Process

- The Kentucky Department of Education (KDE)/Kentucky Board of Education (KBE) submitted the 2026-2028 Budget Request on Oct. 1, 2025.
- House Bill (HB) 500 contains the 2026-2028 State/Executive Branch budget.
- HB 900 provides additional appropriations.
- Senate Bill (SB) 197 is clean up legislation to HB 500 and HB 900.

KDE Budget

	FY26	FY27	FY28
SEEK	\$3,365,742,000	\$3,533,921,800	\$3,565,170,200
BOSS	\$67,208,600	\$62,072,200	\$60,584,500
LARS	\$1,532,070,500	\$1,526,964,400	\$1,729,548,700
TOTAL	\$4,965,021,100	\$5,122,958,400	\$5,355,283,400

SEEK – Support Education Excellence in Kentucky

BOSS – Bureau of Operations and Support Services – includes Commissioner’s Office, Finance and Operations, Education Technology, and Legal Services

LARS – Bureau of Learning and Results Services – includes Teaching and Learning, Continuous Improvement and Support, Educator Licensure, Special Education and Early Learning, Career and Technical Education, and Assessment and Accountability

SEEK – HB 500 Funding

- Per Pupil - \$4,626 in FY27, \$4,792 in FY28 - increased from \$4,586
- SEEK Transportation remained flat at FY26 amount - \$398,884,500
- National Board Certified Salary Supplement – \$4M – reduced from \$4,655,500 each fiscal year
- STAR Academy - \$1M in each fiscal year - reduced from \$5M
- Model Laboratory School SEEK Calculation Adjustment – reduced \$900K in FY27 and \$1.8M in FY28

SEEK – HB 500 Language

- SEEK Per Pupil Reporting – shall include adjustments that capture the total state funding per student by aggregating all state appropriations made on behalf of school districts.
- Academic Academies – students enrolled in Craft Academy, Gatton Academy and Votruba Academy shall not be included in the average daily attendance of students' districts of residence.
- Transportation Calculation Flexibility – a district may request to use the second preceding year's days transported in place of the prior year's days transported if the district calendar was negatively impacted by new construction or major renovations.
- Equalization - It is the intent of the 2026 General Assembly that any local school district receiving equalization under this subsection shall receive full calculated equalization until the earlier of 20 years from the effective date of this Act or the date the bonds for the local school district supported by this equalization funding are retired, in accordance with KRS 157.621(2). It is also the intent of the 2026 General Assembly that any local school district that levies a tax rate subject to recall after Jan. 1, 2026, shall not receive equalization in the 2028-2030 fiscal biennium and thereafter.

BOSS – HB 500 Funding

- Advanced Placement/International Baccalaureate Exams (AP/IB) – reduced to \$960K in FY27 and \$930K in FY28 for exam fees for free/reduced lunch students (reduced from \$1M/\$2.6M)
- Blind/Deaf Travel – reduced to \$472,600 in FY27 and \$457,800 in FY28 (reduced from \$492,300)
- Educators Employment Liability Insurance – reduced to \$4.8M in FY27 and \$4.65M in FY28 (reduced from \$5M)
- School and Community Nutrition – increased federal appropriation by \$100,181,200 in each fiscal year to support increased spending on nutrition programs

BOSS – HB 500 Language

- Employment Report
- Certified and Classified Staff Compensation Increase Report
- Local School District Insurance Coverage Report – detail each district’s insurance coverage
- School District Project and Indebtedness Report – the Kentucky Department of Education and the School Facilities Construction Commission shall submit a report that includes a list of every district’s existing bonded projects, date and amount of any additional tax levy enacted by the school board for each project, any equalization provisions provided for each project, total debt service payments and remaining balance, and anticipated retirement dates of the debt service.

LARS – HB 500 Funding

- Kentucky School for the Blind and Kentucky School for the Deaf – funding remained flat at \$8,289,100 and \$11,291,800
- Dataseam - \$3M in each fiscal year
- Read to Achieve – reduced to \$12,261,100 in each fiscal year (reduced from \$15,936,600)
- School Resource Officers (SRO) - \$23M in each fiscal year (increased from \$18M) – to reimburse districts and nonpublic schools up to \$20K for each certified full-time SRO
- Principal Leadership Development Practicum - \$1M in each fiscal year to support a new program to develop and mentor new school principals

LARS – HB 500 Language

- LARS Lines – it is the intent of the 2026 General Assembly to reevaluate each Learning and Results Services program to optimize funding and support for Kentucky students
- Career and Technical Education - \$127,115,900 each fiscal year, of which \$70,063,400 shall be distributed as supplemental funding to support qualifying locally operated career and technical education centers, state-operated area technology centers and programs based on enrollment and incentive criteria. The General Assembly recognizes that supplemental funding for locally operated career and technical education centers and state-operated area technology centers is recurring, and it is the intent of the 2026 General Assembly to evaluate those funding needs before Jan. 1, 2028.

Learning and Results Services (LARS)

Grant	FY26	FY27	FY28
Advanced Kentucky	\$1,900,000	\$1,900,000	\$1,900,000
Community Education	\$1,850,000	\$1,850,000	\$1,850,000
Dataseam	\$0	\$3,000,000	\$3,000,000
Extended School Services	\$23,916,300	\$23,916,300	\$23,916,300
Family Resource Youth Service Center (FRYSCs)	\$48,889,000	\$48,889,000	\$48,889,000
Gifted and Talented	\$10,000,000	\$10,000,000	\$10,000,000
Hearing & Speech Center	\$100,000	\$100,000	\$100,000
Heuser Hearing and Language Academy	\$100,000	\$100,000	\$100,000
Jobs for America's Graduates	\$1,675,000	\$1,675,000	\$1,675,000
KY Alliance of Boys & Girls Clubs	\$500,000	\$500,000	\$500,000
Local District Life Insurance	\$1,391,000	\$1,391,000	\$1,391,000
Math Achievement	\$5,019,000	\$5,019,000	\$5,019,000
Math Nation	\$1,000,000	\$1,000,000	\$1,000,000
Read to Achieve	\$15,936,600	\$12,261,100	\$12,261,100
Read to Succeed	\$11,000,000	\$11,000,000	\$11,000,000
Save the Children	\$2,000,000	\$2,000,000	\$2,000,000
State Agency Children (KECSAC)	\$12,500,000	\$12,500,000	\$12,500,000
Statewide Reading Research Center	\$1,200,000	\$1,200,000	\$1,200,000
Preschool	\$84,481,100	\$84,481,100	\$84,481,100
Safe Schools	\$15,000,000	\$15,000,000	\$15,000,000
School Counselors/Mental Health Professionals	\$7,412,500	\$7,412,500	\$7,412,500
School Resource Officers	\$18,000,000	\$23,000,000	\$23,000,000
Teach for America	\$700,000	\$700,000	\$700,000
Visually Impaired Preschool Services	\$500,000	\$500,000	\$500,000
Governor vetoed the language "for We Lead CS" in SB 197. KDE is conferring with the Office of the State Budget Director regarding this line item.	\$1,500,000	\$1,500,000	\$1,500,000

HB 500 General Provision Language

- Operational Expense Reduction
 - Reduce the expenses for the Executive Branch
 - FY2026 – reduce travel codes E361 and E362 - in the fourth fiscal quarter as determined by the State Budget Director, the Secretary of the Executive Cabinet and the Secretary of the Finance and Administration Cabinet (FAC)
 - FY2027-2028 - reduce temporary manpower, advertising, food costs; out-of-state travel must be approved by the Secretary of the FAC; agency head must approve more than 20 employees traveling to same in-state meeting/conference; abolish positions vacant for six months; moratorium on discretionary salary increases; agency head must approve any expense that will be charged to the eMARS code E257 (Services Not Otherwise Classified), code E399 (Other), or code E259 (Expenses Related to Trade Shows); and reduction, modification, or elimination of programs or services not required by state or federal law or regulation.

HB 500 General Provision Language, cont.

- Operational Expenditures Data
 - Report to the Legislative Oversight and Investigations Committee and Interim Joint on Appropriations and Revenue
 - Budget unit
 - Description of program
 - Measurable outcome data
 - Measurable outcome projected
 - All contracts or grants engaged in each program
 - Number of positions associated with each program, including temporary personnel
 - Actual and projected expenditures
 - Actual balance of any Restricted Funds or Agency Trust Funds

HB 900 – Budget Reserve Trust Fund

- FFA Leadership Training Center - \$5M FY2028
- Career and Technical Education – \$14M in each fiscal year
 - Distribute as supplemental funding per KRS 157.069
- School Facilities Construction Commission Offers of Assistance
 - 11 districts received offers of assistance on various facility projects
- Northern Kentucky Area Development District - \$2.5M FY2027
 - To support a school of innovation pilot project in Covington
- Innovation Pilot Program - \$5M FY2028
 - To support two schools that meet the eligibility criteria
- Warren County Board of Education – \$9.1M FY2028
 - To support the IMPACT Center for Leadership and Innovation
- Rockcastle County Board of Education – \$500K FY 2027
 - For facility support infrastructure and associated equipment needs
- Kentucky First Robotics, Inc. - \$250K FY2027
 - To support school programming

SB 197 – HB 500 and HB 900 clean up

- In SB 197, the governor vetoed the following language in HB 500:
 - ~~(7) Special Examination: Included in the above appropriations is sufficient funding to implement and carry out the provisions of 2024 Ky. Acts ch. 118.~~
 - ~~(9) Redistribution of Resources: Notwithstanding KRS 156.095, 156.553, 156.555, 157.390, 158.070, 158.770, 158.775, 158.805, 161.027, 161.028, 161.030, 161.165, and 161.167, no General Fund is provided for the Professional Development Program, the Commonwealth School Improvement Fund, the Leadership and Mentor Fund, the Middle School Academic Center, the Teacher's Professional Growth Fund, the Teacher Academies Program, the Writing Program, the Kentucky Principal Internship Program, the Kentucky Teacher Internship Program, and the Kentucky Academy for Equity in Teaching in order to increase funding for school-based mental health services providers.~~
 - (v) \$1,500,000 in each fiscal year for We Lead CS.
 - SB 197 added the following language to HB 500, but part of it was vetoed by the governor:
 - ~~(15) College Entrance Exam: No General Funds provided to the Kentucky Department of Education shall be used for any contract that does not meet Kentucky Academic Standards and the Accountability and Assessment provisions outlined in KRS 158.645, 158.6451, 158.6453, 158.6455, 158.649, and 160.346 and applicable federal statutes. The Kentucky Department of Education shall initiate a new competitive procurement process and shall award a contract only to a vendor or vendors whose assessment product satisfies all applicable state and federal statutory requirements for accountability and assessment purposes to be in place for the 2026-2027 school year.~~
- SB 197 restores the Employment of Leadership Personnel language.

SB 197 – HB 500 and HB 900 clean up, cont.

- Christian County Board of Education - \$504K FY2027
 - Purchase vehicles and equipment for the school-based law enforcement agency
- Shelby County Board of Education - \$2M FY2027
 - Support the middle school career center program
- Implementation of the new education assessment and accountability system - \$2.57M FY2027
 - Support additional costs to local school districts associated with the implementation of the new education assessment and accountability system
- School Facilities Construction Commission - \$2.2M FY2028
 - Offers of Assistance – Christian County received funds for bus garage
- Estill County Middle School - the Kentucky Division of Emergency Management shall have the authority to condemn the current Estill County Middle School and may request from the Finance and Administration Cabinet, as a necessary government expense, up to \$10,000,000 in fiscal year 2026-2027 from the General Fund, to be expended, subject to the conditions and procedures provided in this Act, for the relocation of affected students and the construction of temporary shelters to be used for instructional purposes.
- Perry County School Board
 - Governor vetoed part of this language: “All moneys reimbursed to the state by the Federal Emergency Management Agency (FEMA) for eligible disaster-related expenditures shall be deposited into the Budget Reserve Trust Fund Account (KRS 48.705 . The first \$26,700,000 of any reimbursements received shall be distributed to the School Facilities Construction Commission to be distributed to the Perry County School Board to support replacement of Robinson Elementary School, subject to verification of eligibility of Federal Emergency Management Agency (FEMA) by the State Budget Director before the disbursement of funds.”

HB 500 - Capital Projects

- Maintenance Pool - \$2M FY2027/\$1.1M FY28
- State Schools Electrical Upgrades – \$5.15M FY2027
- State Schools Lighting Upgrades - \$2.06M FY2027

Questions

- Matt Ross, Associate Commissioner, Office of Finance and Operations
- Karen Wirth, Director, Division of Budgets and Financial Management