Kentucky Department of Education
2026-2028 Biennial Budget Overview

Introduction:

KRS 156.005 establishes the Kentucky Department of Education (KDE) and deems the agency to be headed by the Chief State School Officer. KRS 156.029 establishes the Kentucky Board of Education and sets its membership and responsibilities.

In the planning and development of this biennial request, KDE staff have met with numerous education partners across the Commonwealth. Our discussions included federal and state laws governing education and the funding supporting those requirements, Support Education Excellence in Kentucky (SEEK), Career and Technical Education, early childhood education, and teacher support. We also considered additional matters that impact public education including the state and national economies, state and federal education policy, and how each affect the students of the Commonwealth.

OPERATING BUDGET:

KDE's operating budget is organized into three appropriation units; Bureau of Operations and Support Services (BOSS), Learning and Results Services (LARS), and Support Education Excellence in Kentucky (SEEK). BOSS is focused on the management and support of both the KDE staff and local school districts. LARS places its emphasis on academic standards, professional development, assessment, and assistance to districts and schools. The SEEK appropriation is governed by KRS 157.310-440. This funding stream is the primary source for funding the Commonwealth's public schools.

BOSS is comprised of four functional areas:

1. Office of the Commissioner,
2. Office of Legal Services,
3. Office of Education Technology, and
4. Office of Finance and Operations.

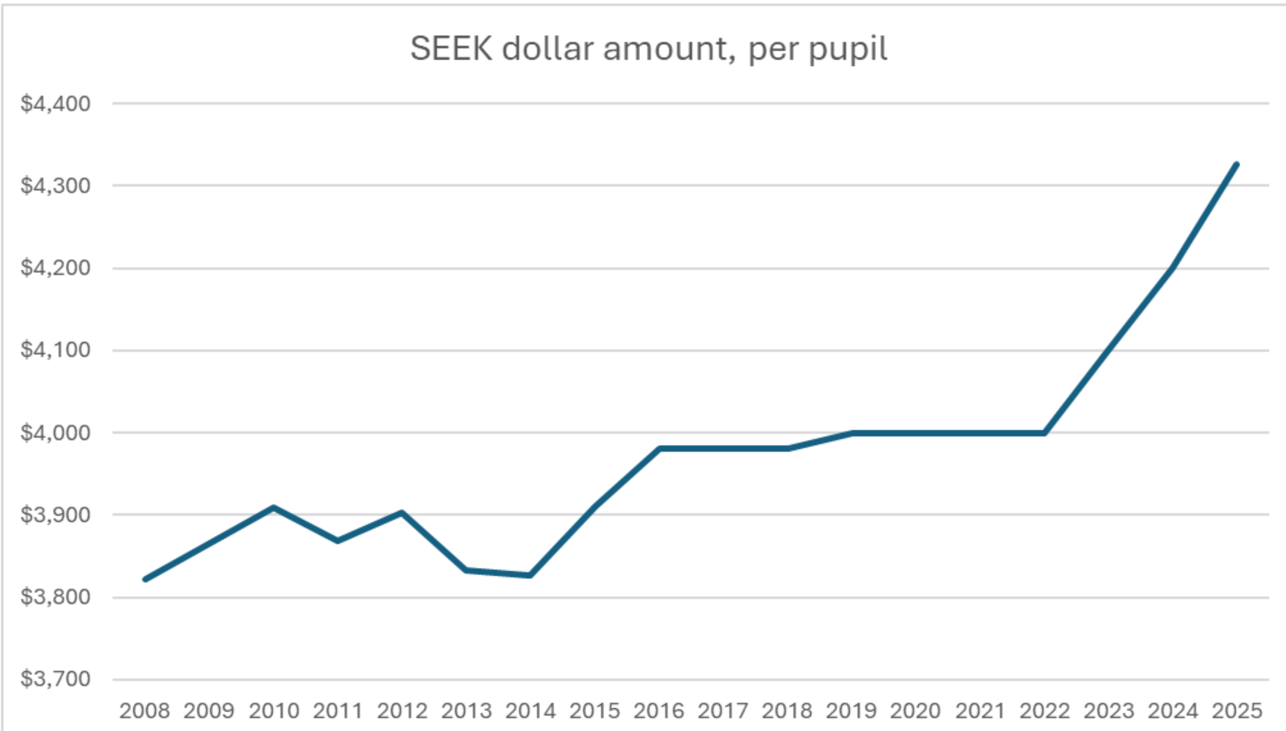
The primary function of these offices is to provide support to the Commonwealth's 171 school districts, which includes approximately 634,000 students and 43,200 teachers. BOSS has a staff of around 184 and budget of $550,000,000, of which around 85% is federal funding from the US Department of Agriculture for providing breakfast and lunch for our students.

LARS is comprised of four functional areas:

1. Office of Educator Licensure and Effectiveness,
2. Office of Assessment and Accountability,
3. Office of Special Education and Early Learning,
4. Office of Continuous Improvement and Support,
5. Office of Teaching and Learning, and
6. Office of Career and Technical Education.

The primary role of LARS is to provide support and guidance to districts concentrating on the delivery of quality education opportunities for Kentucky's students. LARS has nearly 1,000 employees, of which approximately 600 works in the Office of Career and Technical Education (OCTE). OCTE operates and staffs 50 Area Technology Centers across the state and has an annual budget of around $155,000,000. LARS also is where the Kentucky School for the Blind (KSB), and the Kentucky School for the Deaf (KSD) are housed. Each of these schools employs around 227 employees and are governed by the Kentucky Board of Education.

SEEK is a unique appropriation unit for KDE. All the expenditures in SEEK go to school districts. There are no personnel or operating costs in the unit. It contains several funding streams that benefit our local school districts, including SEEK base, facilities, district retirement match, National Board-Certified Teacher Supplement, and pupil transportation. Below is a chart showing the SEEK per pupil funding history.



Below is a chart summarizing the financial elements in the KDE biennial budget request. It depicts two years of actual expenditure data, the current budget for FY 2026 and the funds requested for FY 2027 and FY2028.

Fiscal Year	**FY 2023-24 Actual**	**FY 2024-25 Actual**	**FY 2025-26 Budgeted**	**FY 2026-27 Requested**	**FY 2027-28 Requested**
SOURCE OF FUNDS					
General Funds	4,554,738,953	4,768,598,670	5,003,571,300	5,666,551,900	5,788,801,400
Restricted Funds	76,304,328	42,818,898	38,520,500	40,097,800	40,408,000
Federal Fund	2,026,784,797	1,553,041,723	1,087,624,000	1,186,878,700	1,185,423,500
TOTAL FUNDS	**6,657,828,078**	**6,364,459,291**	**6,129,715,800**	**6,893,528,400**	**7,014,632,900**
EXPENDITURES BY CLASS					
Personnel Costs	148,375,433	154,886,968	172,313,000	182,913,400	194,918,400
Operating Expenses	69,991,094	68,861,291	67,103,400	69,908,400	69,583,900
Grants Loans Benefits	6,194,153,315	6,086,381,328	5,877,673,000	6,627,056,300	6,748,088,700
Debt Service	1,168,000	536,500	0	0	0
Capital Outlay	157,482	44,505	0	0	0
TOTAL EXPENDITURES BY CLASS	**6,413,845,324**	**6,310,710,592**	**6,117,089,400**	**6,879,878,100**	**7,012,591,000**
EXPENDITURE BY UNIT					
Learning and Results Services	2,769,606,387	2,428,831,287	2,213,654,400	2,497,402,200	2,625,083,400
Operations and Support Services	605,994,286	606,550,963	537,693,000	652,973,600	654,763,100
Support Education Excellence in Kentucky	3,038,244,651	3,275,328,343	3,365,742,000	3,732,873,900	3,732,744,500
TOTAL EXPENDITURES BY UNIT	**6,413,845,324**	**6,310,710,592**	**6,117,089,400**	**6,883,249,700**	**7,021,591,000**

ADDITIONAL BUDGET REQUEST ITEMS:

KDE has numerous obligations and responsibilities that are addressed in our additional funding items. Generally, our priorities are directly related to the KBE/KDE strategic plan, and other priorities adopted by the KBE and the department. Below is a chart containing the prioritized KDE additional funding items, followed by a brief narrative of each proposal. Additional detailed information with data and narrative to support the request are contained in the "B" forms in this request.

Priority	Request	FY27	FY28
1	**Defined Calculations**	$168,404,000	$294,644,100
2	**1% Increment**	$970,100	$1,995,100
3	**Increase SEEK Base**	$95,969,400	$188,421,700
4	**SEEK Transportation**	$125,018,700	$125,018,700
4	**SEEK Equalized Facilities**	$75,619,200	$558,400
4	**SEEK Tier I Equalization**	$9,014,600	$11,047,200
5	**Universal Preschool**	$128,943,700	$128,943,700
6	**Kentucky Education Technology System (KETS)**	$14,600,000	$14,600,000
7	**Kentucky Summative Assessment**	$1,680,100	$9,446,800
8	**Educators Rising**	$590,000	$590,000
9	**Cooperating Teacher**	$800,000	$800,000
10	**KY Education Recovery Fund**	$5,000,000	$5,000,000
11	**Read to Succeed**	$4,000,000	$4,000,000
12	**OCTE Salary Schedule**	$225,000	$0
13	**New Teacher Induction**	$4,500,000	$4,500,000
14	**Literacy and Numeracy Supports**	$1,000,000	$1,000,000
15	**School Based Mental Health Professionals**	$10,587,700	$10,587,700
16	**Numeracy Counts**	$5,000,000	$5,000,000
17	**KSB/KSD Step and Rank**	$550,000	$600,000
18	**OCTE Step and Rank**	$150,000	$175,000
19	**High Quality Professional Learning**	$12,500,000	$12,500,000
20	**High Quality Instructional Resources**	$17,000,000	$17,000,000
21	**KSB Supports**	$1,500,000	$1,500,000
22	**GoTeach KY**	$725,000	$725,000
23	**KSD Supports**	$1,000,000	$1,000,000
24	**OCTE ATC Supplemental Funding**	$14,789,400	$14,789,400

25	**Praxis & Mentoring**	$150,000	$150,000
26	**Teacher of the Year**	$100,000	$100,000
27	**SCN Federal Appropriation Increase**	$100,181,200	$100,181,200
28	**OCTE Student Organizations**	$175,000	$175,000
29	**JROTC Consultants**	$693,800	$735,500
30	**Gifted and Talented**	$2,000,000	$2,000,000
	Total Additional Budget Requests Items	**$803,436,900**	**$957,784,500**

KDE 2026-2028
Additional Budget Request Items

As required by the budget instructions, the first two priorities in our request are Defined Calculations and 1% Increment. Our Defined Calculations total $106,906,100 in FY27 and $221,306,000 in FY28. Defined Calculations are cost increases that are not under the control of the agency, like the increases in the cost of rent, salaries, and insurance. Our second priority, 1% Increment, is the cost of the funds required to finance a 1% annual salary increase in each fiscal year. The cost of the 1% Increment is $970,100 in FY27 and $1,995,100 in FY28.

The following items are the substance of our request as prioritized by the Kentucky Board of Education (KBE). They are the programming and policy initiatives that will enable the Commonwealth's education system to prepare our students to be college or career ready.

Priority 3 – Increase SEEK Base

Requested amount FY27 - $95,969,400 FY28 - $188,421,700

KRS 157.310 – 440 provide the basis for the SEEK formula. The formula is driven by several factors including property tax assessments and annual average daily attendance among others. The SEEK funding formula was enacted as a part of the Kentucky Education Reform Act of 1990 and has had no legal challenge since its implementation. Recent studies by nationally recognized school finance experts found the SEEK formula to equitably distribute funds to local districts and to improve equity over time.

Priority 4 – SEEK Transportation

Requested amount FY27 - $125,018,700 FY28 – $125,018,700

SEEK Transportation costs have not been fully funded since 2008. Local school districts pick up the difference in cost with local funds. Currently, it is funded at

72% of the total cost of the program. Funding this request would allow districts to reallocate local funds to other educations program in the district.

Priority 4 – SEEK Equalized Facilities

Requested amount FY27 - $75,619,200 FY28 – $558,400

Funding for eligible districts receiving equalization.

BRAC Nickel	Growth Nickel
Category 5 Nickel	Recallable Nickel
Debt Service Nickel	FSPK Nickel

Priority 5 – Universal Pre-Kindergarten

Requested amount FY27 - $128,943,700 FY28 – $128,943,700

Funding 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.

Priority 6 - Kentucky Education Technology System (KETS)

Requested amount FY27 - $14,600,000 FY28 – $14,600,000

Funding to increase KETS Offers of Assistance providing KY K-12 districts the ability to maximize their KY K-12 education technology environment by responding to the areas of greatest growth and needs of Internet consumption, technology integration and technology reliability.

Priority 7 – Kentucky Summative Assessment

Requested amount FY27 - $1,680,100 FY28 – $9,446,800

Kentucky students take the Kentucky Summative Assessments (KSA) to meet federal and state testing requirements. Kentucky has been under contract with their current vendor since 2018 on this administration, and on a second one-year extension due to delays to the RFP process beyond the control of the Kentucky Department of Education (KDE). As KDE awaits news on the work being done with the Kentucky United We Learn (KUWL) Council, it is anticipated that another one-year extension will be warranted to make sure a state and federally required assessment is administered in spring 2027. Additional funding is needed for FY2028 to support the RFP for test administration moving forward.

Priority 8 – Educators Rising

Requested amount FY27 - $590,000 FY28 – $590,000

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.

Priority 9 – Cooperating Teacher

Requested amount FY27 - $800,000 FY28 – $800,000

Funding to prepare 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.

Priority 10 – Kentucky Education Recovery Fund

Requested amount FY27 - $5,000,000 FY28 – $5,000,000

Funding to supplement the existing 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.

Priority 11 – Read to Succeed

Requested amount FY27 - $4,000,000 FY28 – $4,000,000

Funding 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.

Priority 12 – OCTE Salary Schedule

Requested amount FY27 - $225,000 FY28 – $0

Pursuant to KRS 156, OCTE has the responsibility 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.

Priority 13 – New Teacher Induction

Requested amount FY27 - $4,500,000 FY28 – $4,500,000

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.

Priority 14 – Education Preparation Providers Literacy and Numeracy Supports

Requested amount	FY27 - $1,000,000	FY28 – $1,000,000

Funding to provide high quality professional learning and support for Institutions of High Education (IHEs) to make the necessary changes for early literacy and numeracy.

Priority 15 – School Based mental Health Providers

Requested amount	FY27 - $10,587,700	FY28 – $10,587,700

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. This funding will allow more support for this initiative.

Priority 16 – Numeracy Counts

Requested amount	FY27 - $5,000,000	FY28 - $5,000,000

Funding to 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)).

Priority 17 – KSB/KSD Step Rank

Requested amount	FY27 - $550,000	FY28 – $600,000

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.

Priority 18 – OCTE Step and Rank

Requested amount	FY27 - $150,000	FY26 – $175,000

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.

Priority 19 – High Quality Professional Learning

Requested amount	FY27 - $12,500,000	FY28 – $12,500,000

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).

Priority 20 – High Quality Instructional Resources

Requested amount	FY27 - $17,000,000	FY28 – $17,000,000

Funding to schools and districts 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.

Priority 21 – KSB Supports

Requested amount	FY27 - $1,500,000	FY28 – $1,500,000

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.

Priority 22 – GoTeach KY

Requested amount	FY27 - $725,000	FY28 – $725,000

Funding to elevate the teaching profession and ensure that all students across Kentucky have equitable access to effective educators.

Priority 23 – KSD Supports

Requested amount	FY27 - $1,000,000	FY28 – $1,000,000

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.

Priority 24 – OCTE ATC Supplemental Funding

Requested amount FY27 - $14,789,400 FY28 – $14,789,400

Area Technology Centers (ATCs) are not included in the supplemental funding allocations. ATCs receive $547.24 per Weighted Full Time Equivalent (WFTE), whereas the locally provided CTE programs receive $1,398 per WFTE.

Priority 25 – PRAXIS and Mentoring

Requested amount FY27 - $150,000 FY28 – $150,000

Funding to remove barriers to teacher certification and increase workforce diversity in Kentucky.

Priority 26 – Teacher of the Year

Requested amount FY27 - $100,000 FY28 – $100,000

Funding to promote the profession positively and engages leadership opportunities for educator development.

Priority 27 – SCN Federal Appropriation Increase

Requested amount FY27 - $100,181,200 FY28 – $100,181,200

Each year, the United States Department of Agriculture (USDA) increases rates for the Child Nutrition Programs, which includes the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program and the Summer Meal Programs. Kentucky also has one of the highest rates of implementation of the Community Eligibility Provision, allowing children to eat at no cost. Additionally, KDE is continuing to see increased participation and increased payments to sponsors in summer meal programs due to changed requirements allowing summer meals to be served non-congregate in eligible rural areas.

Priority 28 – OCTE Student Organizations

Requested amount FY27 - $175,000 FY28 – $175,000

Funding to provide leadership and technical assistance to seven career and technical student organizations (CTSOs).

Priority 29 – JROTC Consultants

Requested amount FY27 - $493,800 FY28 – $735,500

Funding to complete the final year of the pilot project and continue implementation as a model of JROTC nationwide.

Priority 30 – Gifted and Talented

Requested amount FY27 - $2,000,000 FY28 – $2,000,000

Funding requested to support Gifted and Talented certified staff in districts, KSB and KSD. Districts receive less than $56,000 per year, which is the average certified teacher salary, for their gifted education program.

KDE CAPITAL BUDGET:

KDE has submitted its capital plan to the Capital Planning Advisory Board for 2026-2032. KDE leases state-owned space administered by the Finance and Administration Cabinet and KDE administers the three state-owned campuses at KSB, KSD and the FFA LTC Center. Capital improvements at all three campuses are priorities in this capital budget request. Below is a list of the projects that are included in the Capital Request. Details of each of the projects can be found in the request under the Capital tab.

KDE Priority	Project	Fund Source	Project Category	2026 - 2028
1	Maintenance Pool	Bond	Construction	$3,162,000
2	FFA LTC Classroom/Activity Center	Bond	Construction	$5,233,000
3	Education Finance Application Phase 3	Bond	Information Technology System	$5,610,000
4	FFA LTC Swimming Pool Renovation	Bond	Construction	$2,550,000
5	State Schools Electrical Upgrades	Bond	Construction	$5,151,000
6	State Schools Campus Education Improvements	Bond	Construction	$2,550,000
7	State Schools lighting Upgrades	Bond	Construction	$2,066,000
Total				$26,322,000