

THE P-12 BUDGET AS APPROVED BY THE GENERAL ASSEMBLY

House Bill 406, as approved by the House and Senate on April 2, is now on Governor Beshear's desk. This summary compares General Fund spending in that bill to General Fund P-12 expenditures authorized in the 2007-08 budget approved in 2006.

TOTAL FOR P-12 EDUCATION

Adjusted for inflation, the 2008-09 budget will provide \$172 million less than the 2007-08 budget, and 2009-10 will provide \$171 million less. Without the inflation adjustment, 2008-09 will provide \$2 million less, while 2009-10 provides \$86 million more.

LOSSES IN BUYING POWER

After-inflation buying power will decline in 2008-09 for:

- The state share of the SEEK Base guarantee
- Transportation
- Vocational transportation
- State-operated Vocational Schools
- Kentucky Teachers Retirement System (counting both line items)
- Preschool
- Professional Development
- Safe Schools
- Family Resource and Youth Service Centers (counting both line items)
- Textbooks Program
- Early Reading/Read to Achieve
- Gifted and Talented
- State Agency Children Program
- KDE Operations (estimated)
- ACT and WorkKeys Testing
- CATS Testing
- Mathematics Achievement Fund
- Commonwealth School Improvement Fund
- Highly Skilled Educator Program
- Debt service
- KETS
- Joint Technology Initiative (estimated)
- Education Professional Standards Board
- School Facilities Construction Commission

For 2009-10, all of the categories listed above except for the KTRS contribution will still have after-inflation funding lower than 2007-08, n. In addition, the state share of Tier 1 equalization will be lower than in 2007-08

INCREASES IN BUYING POWER

After-inflation buying power will grow in 2008-09 for:

- The state share of Tier 1 equalization
- The state share of facilities equalization
- Nationally Certified Teachers
- Kentucky School for the Deaf
- Kentucky School for the Blind
- Health Insurance

For 2009-10, Tier 1 will decrease, but the other items above will again be funded above their 2007-08 levels. KTRS will also increase.

EMPLOYEE RAISES

The budget mandates a 1% raise in each fiscal year.

EMPLOYEE BENEFITS

Adjusted for inflation, health care funding in 2008-09 will be \$7 million higher than 2007-08, and that funding in 2009-10 will be \$43 million higher than 2007-08.

KTRS costs will decrease \$20 million for 2008-09 and increase \$2 million for 2009-10.

FACILITIES

Adjusted for inflation, 2008-09 will provide \$4 million more and 2009-10 \$3 million less than 2007-08 for facilities. Increased funding for facilities equalization will offset after-inflation declines to the School Facilities Construction Commission the first year, but not the second.

NEXT STEPS

The Governor now has the options of approving the entire budget, vetoing the entire budget, or vetoing individual line items.

MORE INFORMATION

The complete budget legislation is available for download at <http://www.lrc.ky.gov/record/08RS/HB406.htm>. Click the blue link that says "HB 406" to download the Word Document. Search for "D. Department" as a shortcut to find the P-12 provisions.

Programs (In Millions of Dollars)	2007-08	2008-09	Change	2007-08 Plus 4.1% Inflation	Change Counting Inflation
SEEK					
SEEK Base	2,097.7	2,083.0	(14.7)	2,183.7	(100.7)
Transportation	214.8	214.8	(0.0)	223.6	(8.8)
Tier I	161.6	176.3	14.7	168.3	8.0
Vocational Transportation	2.4	2.4	0.0	2.5	(0.1)
State-operated Vocational Schools	23.6	23.3	(0.3)	24.5	(1.2)
KTRS (KDE)	346.1	353.3	7.2	360.3	(7.0)
Nationally Certified Teachers	2.5	2.8	0.3	2.6	0.2
Facilities/FSPK	64.0	76.5	12.5	66.6	9.9
Facilities/Growth	11.1	14.1	3.0	11.6	2.5
Facilities/Retroactive	2.1	5.5	3.4	2.2	3.3
Facilities/Other	4.5	6.3	1.8	4.6	1.7
OTHER DEPARTMENT OF EDUCATION					
Health Insurance	503.9	531.5	27.6	524.5	7.0
Extended School Services	31.9	13.2	(18.7)	33.2	(20.0)
FRYSC (KDE)	51.9	57.1	5.2	54.0	3.1
Preschool	75.1	75.1	0.0	78.2	(3.1)
Professional Development	15.0	6.2	(8.8)	15.7	(9.5)
Safe Schools	10.4	4.7	(5.7)	10.8	(6.1)
Textbooks Program	21.7	21.7	0.0	22.6	(0.9)
Early Reading/Read to Achieve	23.6	22.6	(1.0)	24.5	(1.9)
Gifted and Talented	7.1	7.1	0.0	7.4	(0.3)
State Agency Children Program	11.0	11.0	(0.0)	11.4	(0.4)
Locally Operated Vocational Schools	11.2	11.8	0.6	11.6	0.2
Other District Grants	11.1	10.6	(0.5)	11.5	(0.9)
School for the Blind	6.7	7.2	0.5	6.9	0.3
School for the Deaf	9.3	9.9	0.6	9.7	0.2
ACT and WorkKeys Testing	1.4	1.4	-	1.5	(0.1)
CATS Testing	8.4	8.4	(0.0)	8.7	(0.3)
Mathematics Achievement Fund	6.9	6.9	-	7.2	(0.3)
Highly Skilled Educator Program	5.6	5.6	0.0	5.9	(0.3)
Comm. School Improvement Fund	1.5	1.5	0.0	1.6	(0.1)
Other State Programs	12.0	9.8	(2.2)	12.5	(2.7)
Debt Service	7.6	-	(7.6)	7.9	(7.9)
KETS	19.5	19.5		20.3	(0.8)
Est. Joint Tech. Initiative*	15.3	15.3	-	15.9	(0.6)
Est. KDE Operations*	27.5	28.3	0.8	28.7	(0.4)
OUTSIDE DEPARTMENT OF EDUCATION					
Education Professional Standards Board	10.3	9.0	(1.3)	10.8	(1.8)
KTRS (Other)	183.3	177.4	(5.9)	190.8	(13.4)
FRYSC (Other)	5.4	-	(5.4)	5.6	(5.6)
School Facilities Constr. Commission	118.0	109.6	(8.4)	122.8	(13.2)
TOTAL P-12 FROM STATE GENERAL FUND					
TOTAL	4,142.8	4,140.7	(2.1)	4,312.7	(172.0)

* HB 406 does not show Joint Technology Initiative operating costs as separate line items. The estimate above assumes that those costs will be the same as 2007-08 and that other dollars that are not itemized will go for KDE operations.

** The inflation rate used above reflects the 2007 increase in the Consumer Price Index.

Programs (In Millions of Dollars)	2007-08	2009-10	Change	2007-08 Plus 6.2% Inflation	Change Counting Inflation
SEEK					
SEEK Base	2,097.7	2,098.1	0.4	2,227.8	(129.7)
Transportation	214.8	214.8	(0.0)	228.1	(13.3)
Tier I	161.6	171.2	9.6	171.6	(0.4)
Vocational Transportation	2.4	2.4	0.0	2.5	(0.1)
State-operated Vocational Schools	23.6	23.3	(0.3)	25.1	(1.8)
KTRS (KDE)	346.1	362.7	16.6	367.6	(4.9)
Nationally Certified Teachers	2.5	3.0	0.5	2.7	0.3
Facilities/FSPK	64.0	73.0	9.0	68.0	5.0
Facilities/Growth	11.1	13.0	1.9	11.8	1.2
Facilities/Retroactive	2.1	6.0	3.9	2.2	3.8
Facilities/Other	4.5	6.0	1.5	4.8	1.2
OTHER DEPARTMENT OF EDUCATION					
Health Insurance	503.9	577.7	73.8	535.1	42.6
Extended School Services	31.9	13.2	(18.7)	33.9	(20.7)
FRYSC (KDE)	51.9	57.1	5.2	55.1	2.0
Preschool	75.1	75.1	0.0	79.8	(4.7)
Professional Development	15.0	6.2	(8.8)	15.9	(9.7)
Safe Schools	10.4	4.7	(5.7)	11.0	(6.3)
Textbooks Program	21.7	21.7	0.0	23.0	(1.3)
Early Reading/Read to Achieve	23.6	22.6	(1.0)	25.1	(2.5)
Gifted and Talented	7.1	7.1	0.0	7.5	(0.4)
State Agency Children Program	11.0	11.0	(0.0)	11.7	(0.7)
Locally Operated Vocational Schools	11.2	11.8	0.6	11.9	(0.1)
Other District Grants	11.1	10.6	(0.5)	11.8	(1.2)
School for the Blind	6.7	7.5	0.8	7.1	0.4
School for the Deaf	9.3	10.2	0.9	9.9	0.3
ACT and WorkKeys Testing	1.4	1.4	-	1.5	(0.1)
CATS Testing	8.4	8.4	(0.0)	8.9	(0.5)
Mathematics Achievement Fund	6.9	6.9	-	7.3	(0.4)
Highly Skilled Educator Program	5.6	5.6	0.0	5.9	(0.3)
Comm. School Improvement Fund	1.5	1.5	0.0	1.6	(0.1)
Other State Programs	12.0	9.8	(2.2)	12.7	(2.9)
Debt Service	7.6	0.3	(7.3)	8.1	(7.8)
KETS	19.5	19.5		20.7	(1.2)
Est. Joint Tech. Initiative*	15.3	15.3	-	16.2	(0.9)
Est. KDE Operations*	27.5	29.1	1.6	29.2	(0.1)
OUTSIDE DEPARTMENT OF EDUCATION					
Education Professional Standards Board	10.3	9.0	(1.3)	10.9	(1.9)
KTRS (Other)	183.3	201.3	18.0	194.7	6.6
FRYSC (other)	5.4	-	(5.4)	5.7	(5.7)
School Facilities Constr. Commission	118.0	111.0	(7.0)	125.3	(14.3)
TOTAL P-12 FROM STATE GENERAL FUND					
TOTAL	4,142.8	4,229.2	86.4	4,399.7	(170.5)

* HB 406 does not show Joint Technology Initiative operating costs as separate line items. The estimate above assumes that those costs will be the same as 2007-08 and that other dollars that are not itemized will go for KDE operations.

** The inflation rate used above reflects the 2007 increase in the CPI and the 2008 Federal Reserve forecast.