

# History and Trends of General Fund Appropriations

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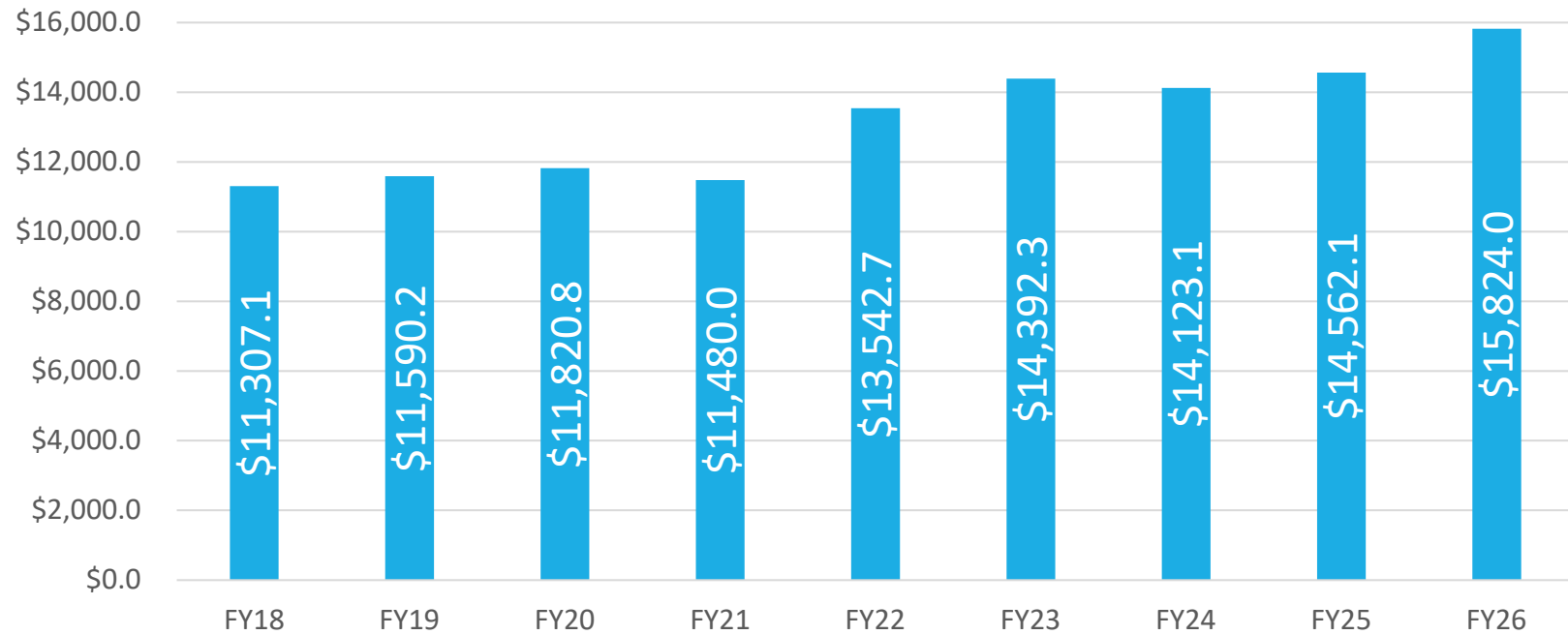
JENNY BANNISTER, DEPUTY DIRECTOR FOR  
BUDGET REVIEW

SETH DAWSON, ASSISTANT BUDGET DIRECTOR



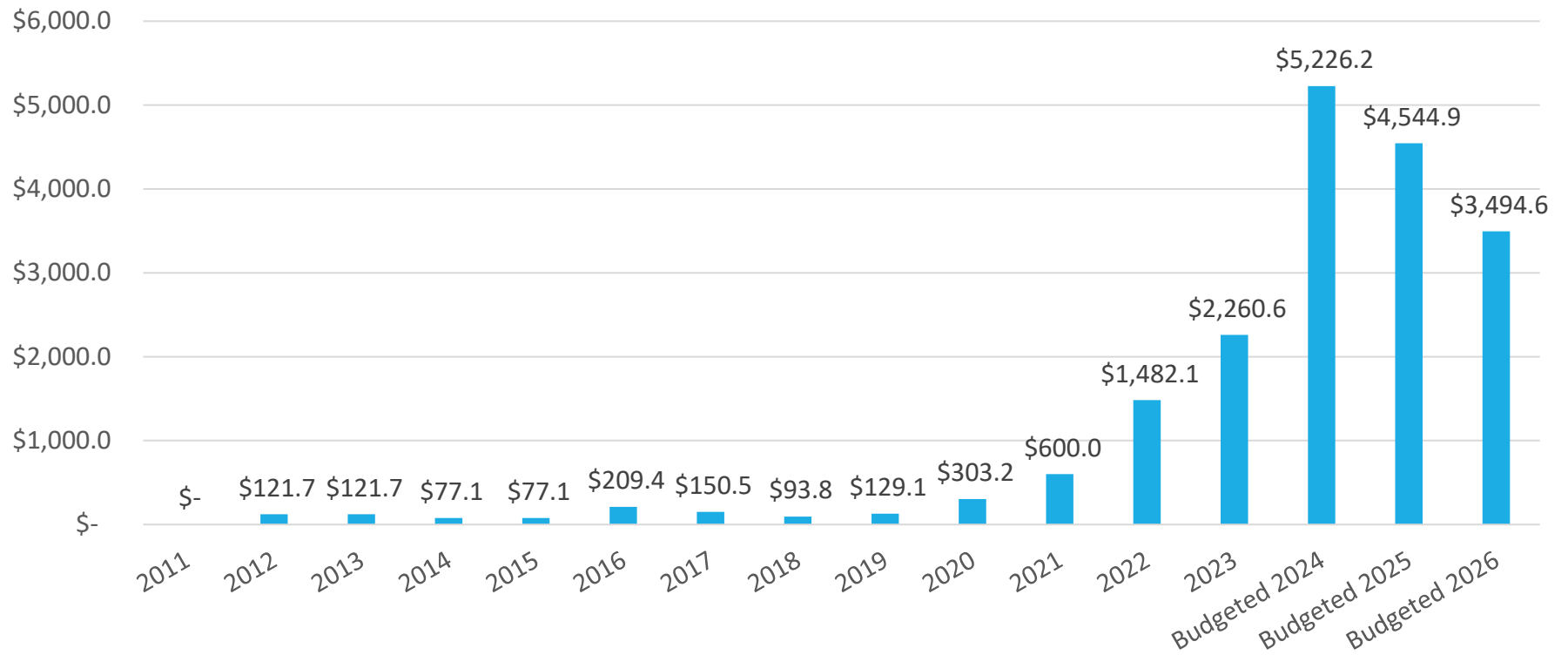
# General Fund Appropriations

(in millions, excludes appropriations to the BRTF)



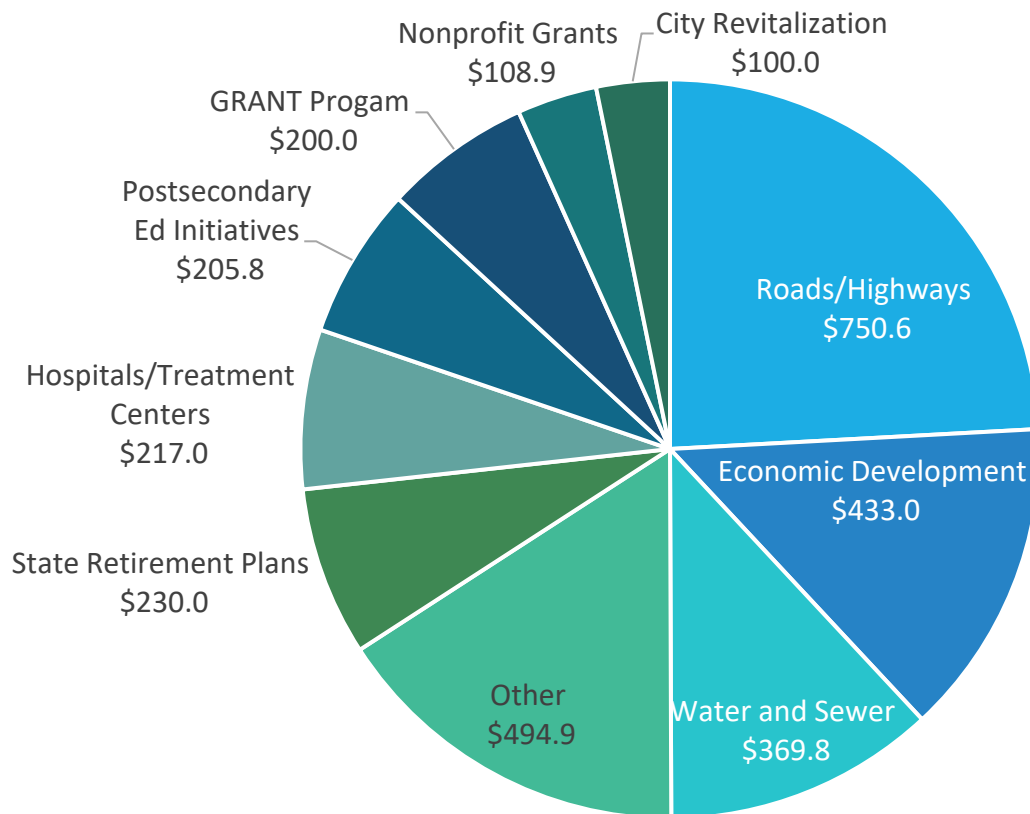
# Budget Reserve Trust Fund Balances

(in millions)



# HB 1 and SB 91 Appropriations from the BRTF

(in millions)



**\$3,110,031,900**

# K-12 Education Overview

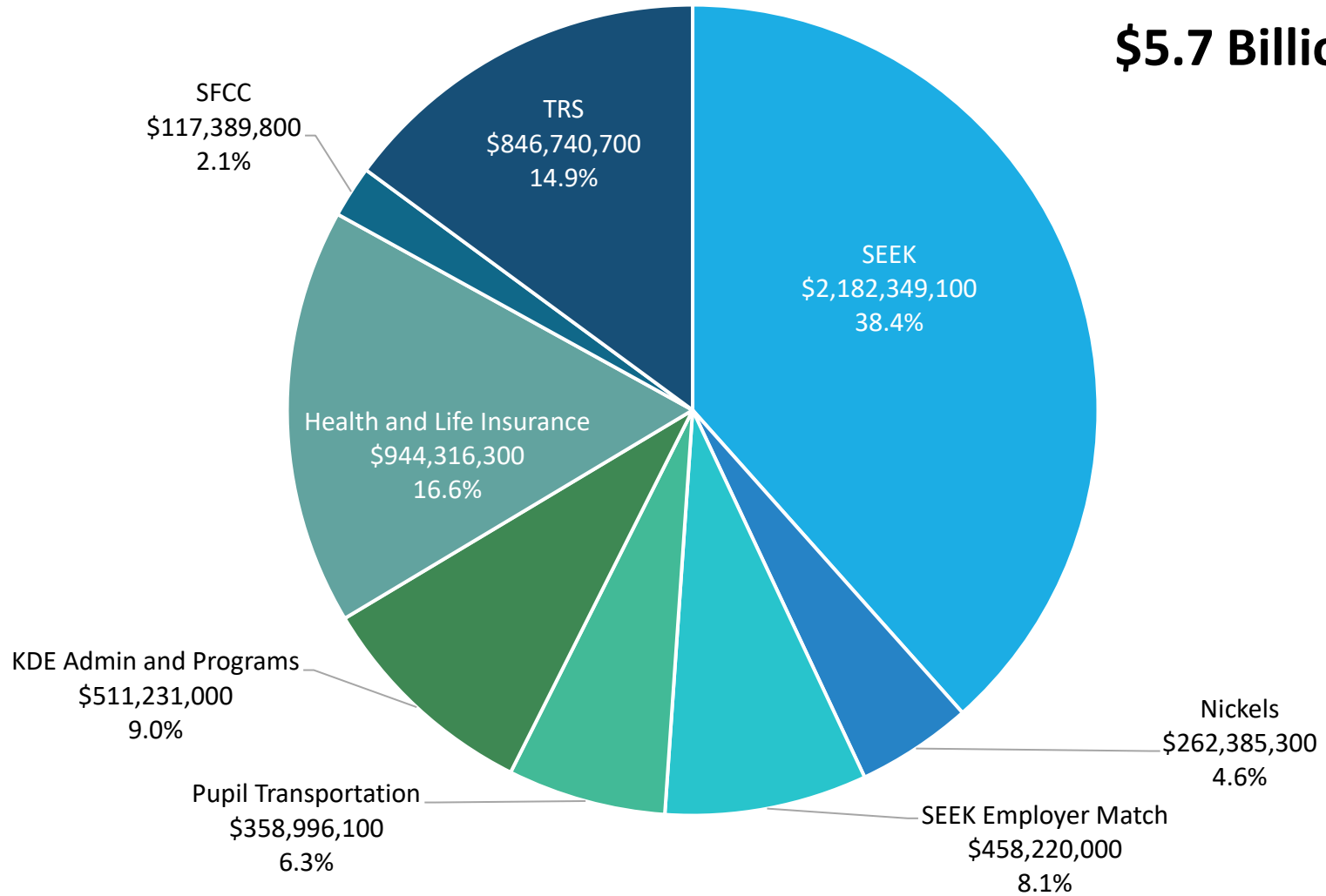
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LIZ COLUMBIA AND DAVID TALLEY, LEAD ANALYSTS



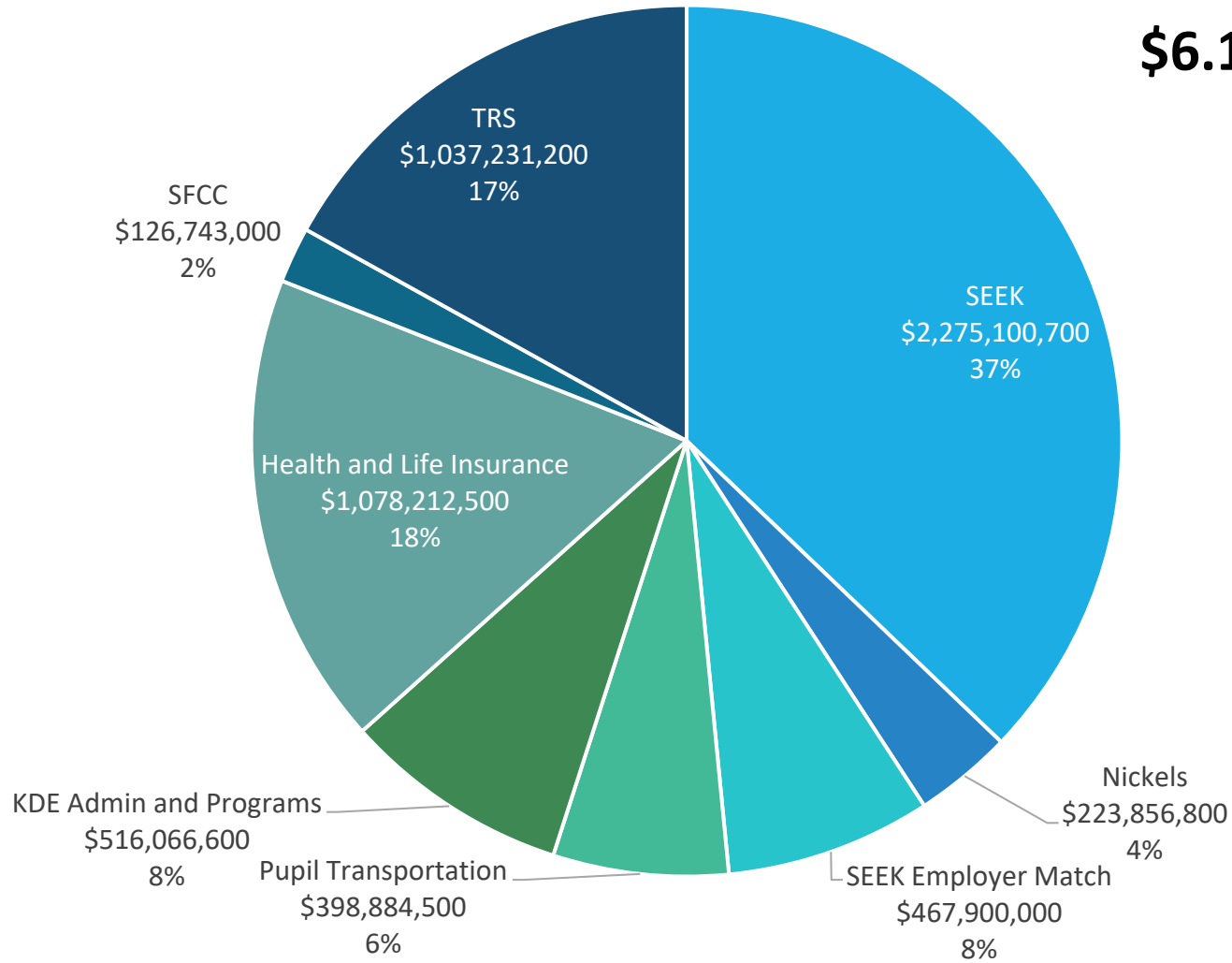
# FY 2025 State K-12 Appropriations General Fund

**\$5.7 Billion**



# FY 2026 State K-12 Appropriations General Fund

**\$6.1 Billion**



# Operations & Support Services (BOSS)

BOSS		
	FY25	FY26
GNRL	\$66,455,800	\$67,208,600
RSTD	\$15,901,400	\$16,490,700
FDRL	\$465,580,300	\$465,718,800
<b>Total</b>	<b>\$547,937,500</b>	<b>\$549,418,100</b>

~200 Employees

- Commissioner’s Office/Board of Education
- Office of Finance and Operations
  - Internal Payroll/HR
  - Budget & Financial Management
    - District Support
  - Guiding & Support Services
    - Legal, Legislative, and Communications Staff
  - School & Community Nutrition
    - Flow-through federal funding
- Office of Education Technology
  - Technology services
  - Technology offers of assistance through SFCC
- Office of Legal, Legislative and Communication Services



# Learning & Results Services (LARS)

LARS		
	FY25	FY26
GNRL	\$1,389,091,500	\$1,527,070,500
RSTD	\$27,991,300	\$31,761,700
FDRL	\$1,383,403,400	\$619,447,200
<b>Total</b>	<b>\$2,800,486,200</b>	<b>\$2,178,279,400</b>

~915 Employees

- State Schools Branch
  - Kentucky School for the Blind
  - Kentucky School for the Deaf
- Career and Technical Education
  - Area Technology Centers
  - Grant & Federal Funding for all CTE centers
- Assessment & Accountability
- Continuous Improvement & Support
  - Monitors federal programs (ESSA, Title I, etc.)
  - Alternative education assistance to districts
  - Districts of Innovation
- Office of Teaching & Learning
  - Most “LARS strands” or “LARS list” programs
- Health and Life Insurance for District Staff (state pays on behalf of districts)

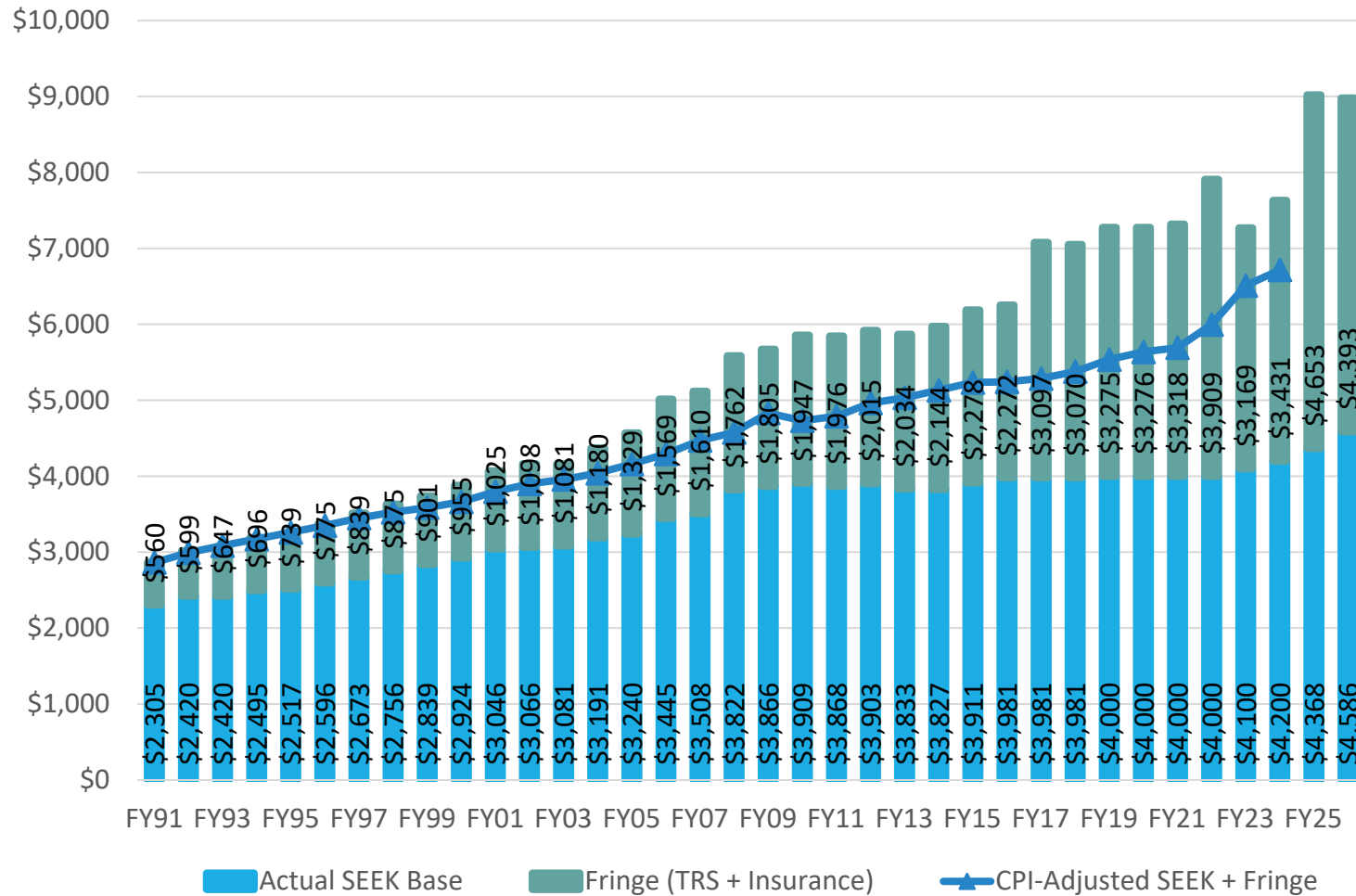
# Support Education Excellence in Kentucky (SEEK)

SEEK		
	FY25	FY26
GNRL	\$3,261,950,500	\$3,365,742,000
<b>Total</b>	<b>\$3,261,950,500</b>	<b>\$3,365,742,000</b>

- **Base SEEK** – Formula based funding on student attendance, demographics, transportation costs, and assessed property valuation
- **Tier I** - Additional 17.5% of Base SEEK for districts with sufficient local tax rates
- **“Nickel” Funding** - Facility Funding based on local tax levies devoted to capital costs
- **Vocational Education and Transportation Reimbursements** to local districts based on formula and appropriations
- **Pro-Rata Reimbursements** to local districts for Nationally Board Certified Teachers and Certified Audiologists and Speech Language Pathologists
- **Employer contribution for teacher pensions** (state pays on-behalf of districts)

# SEEK Per-Pupil Guarantee + Fringe

(FY 1991 amount adjusted for inflation vs. actual amounts in raw dollars)



Based on budget bills \*FY 10 Budget Reduction finalized at \$3,866

Based on Bureau of Labor Statistics' CPI Inflation Calculator  
[https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

## Average Daily Attendance

Fiscal Year	ADA Plus Growth	Change From Prior Year	% Change
2017	602,078	N/A	N/A
2018	599,435	(2,643)	(.44%)
2019	594,906	(4,529)	(.76%)
2020*	590,067	(4,839)	(.81%)
2021*	586,809	(3,258)	(.55%)
2022*	609,773	22,964	3.91%
2023*	611,735	1,962	.32%
2024	596,307	(15,428)	(2.52%)
2025**	584,076	(12,231)	(2.05%)

\*ADA “frozen” or adjusted due to the pandemic and related provisions. FY 24 resumed use of actuals.

\*\*Forecast Data

*Note: 2022 was the first year that kindergarten pupils were counted in full. Prior years were counted at half.*

# Tier I Funding

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Per the 2024 Budget Bill, districts can get up to **17.5%** of their Base Funding (including Add-ons + Un-prorated Transportation) with sufficient local tax rates. This increased from the 15% threshold outlined in KRS 157.440.

Tier I funding is equalized by the state:

- Local portion based on per-pupil property assessment as a percentage of 150% of the statewide average
- Districts with average assessments above that number receive no state funds

# Types of Facility Funding

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## SEEK Capital Outlay

- \$100 per student ADA is reserved for capital outlay
- Recent budgets have allowed schools to use funds for operations

## Nickels

- 5¢ equivalent equalized by state at 150% of statewide average per-pupil assessment
- Not all districts receive funding from state (Eight property-rich districts in FY 24)
- Only nickel available now is recallable nickel

## SFCC

- Offers of assistance (\$40 million authorized in the 24-26 biennium, based on unmet local need)
  - Can be escrowed up to eight years total (three-biennia lookback)
- Gap funding as authorized by the General Assembly
- Emergency & Targeted Investment Fund as authorized by SFCC

# Medicaid Benefits Overview

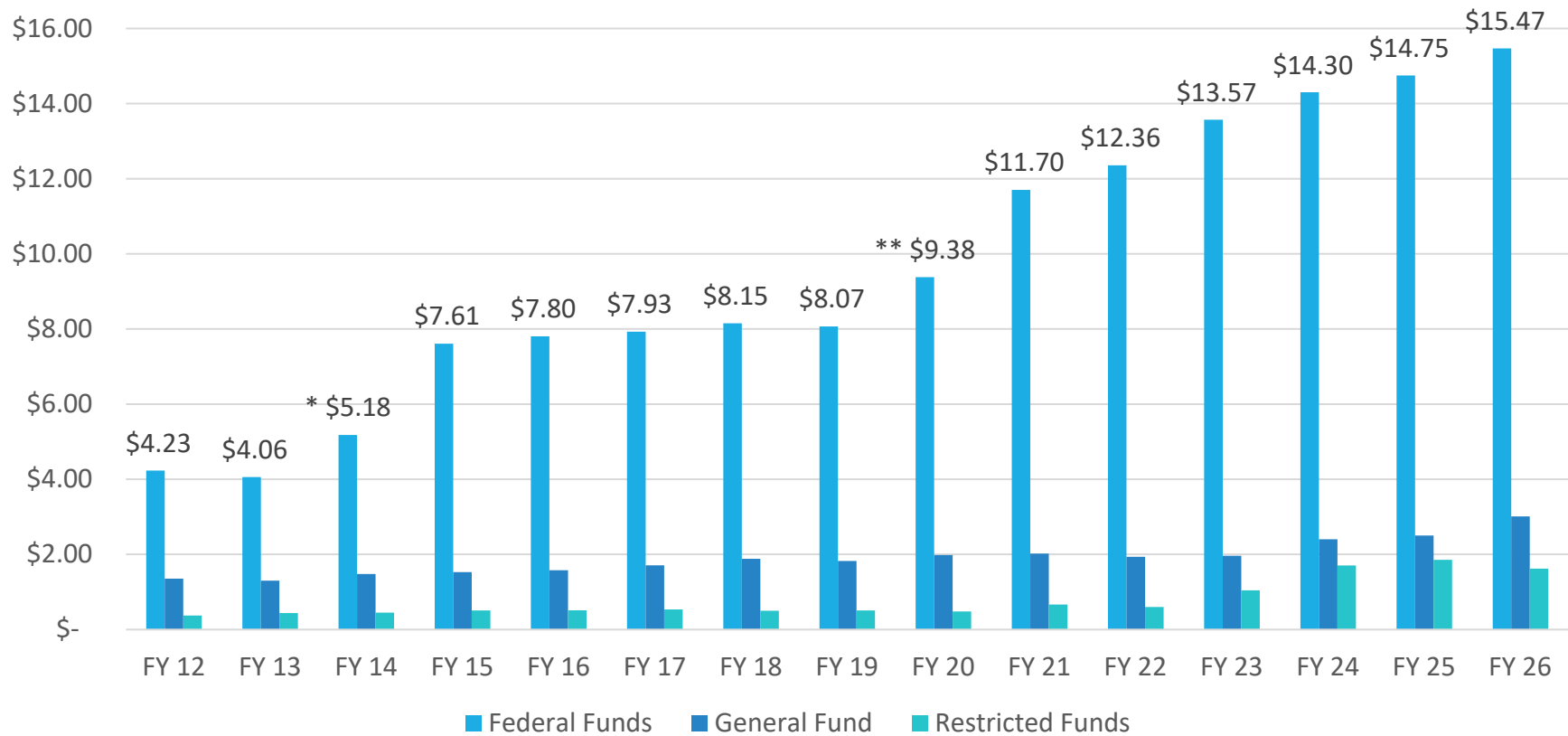
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MIRIAM FORDHAM AND KEVIN NEWTON, ANALYSTS



# Medicaid Benefits Appropriations

(in billions)



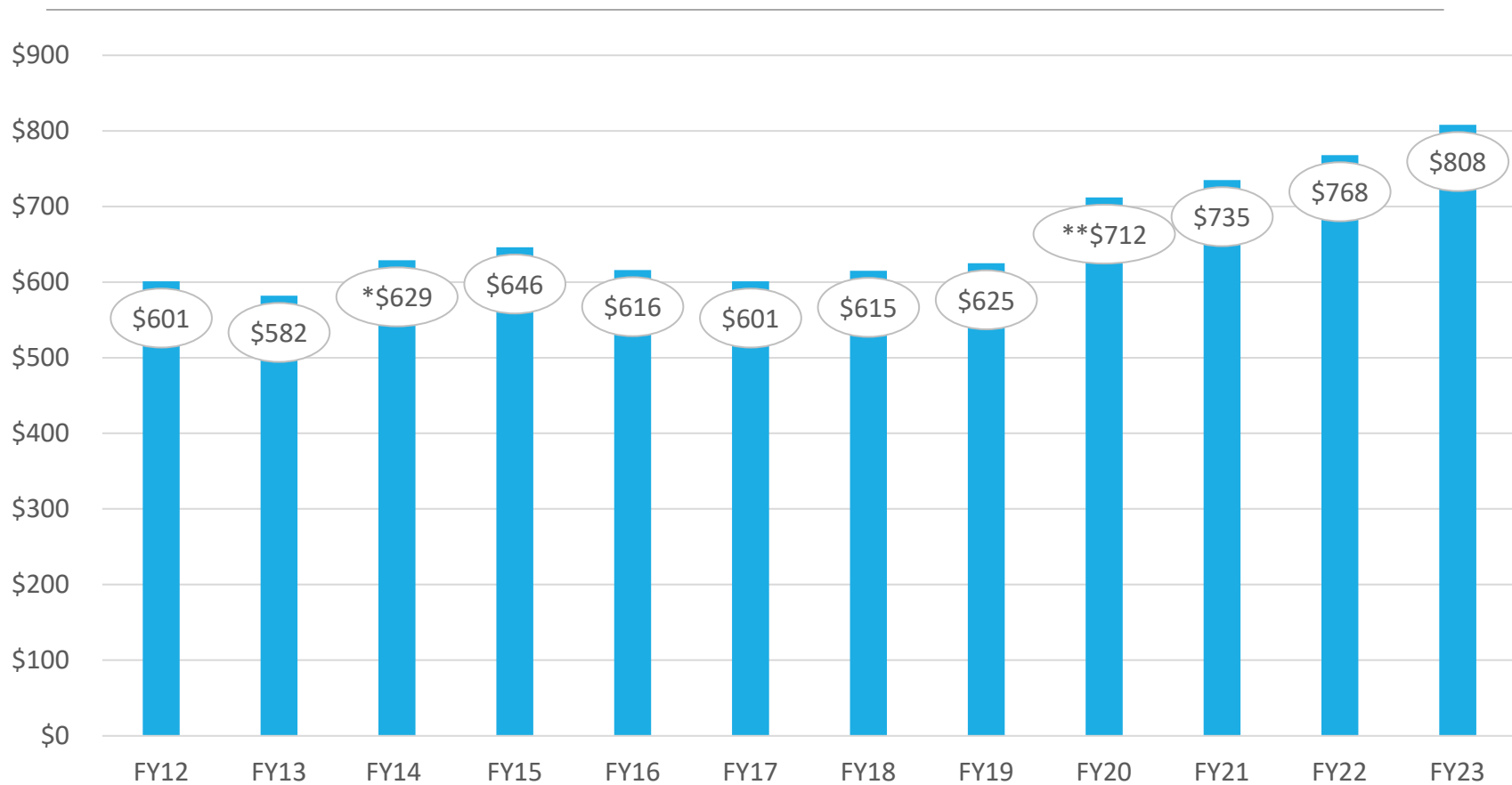
\*ACA Expansion began January 1, 2014.

\*\*Public Health Emergency began in January of 2020 and ended in May of 2023.

Enhanced FMAP Phase Down from April 1, 2023 to December 31, 2023.



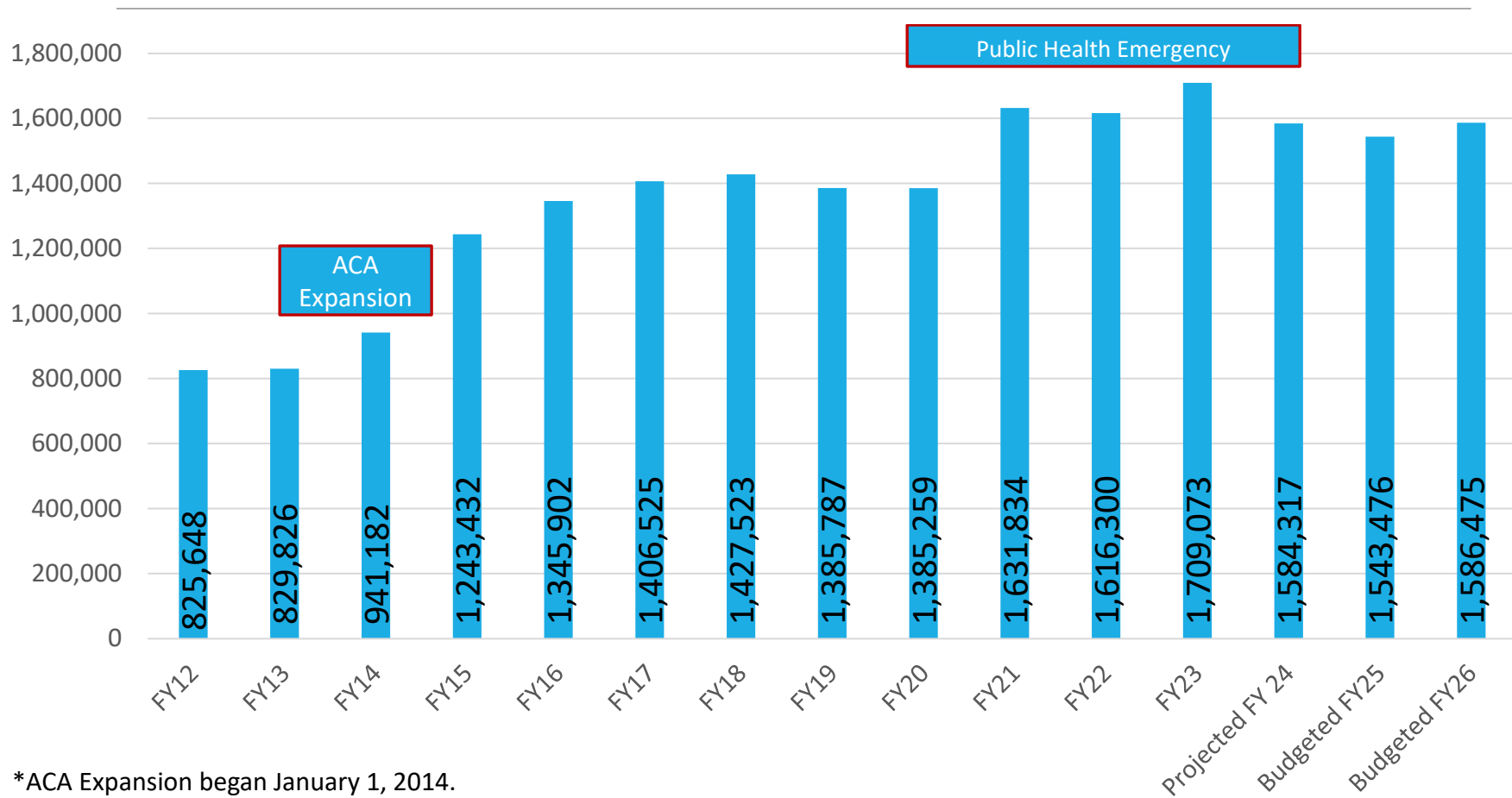
# Medicaid Benefits Average Monthly Cost Per Eligible



\*ACA Expansion began January 1, 2014.

\*\*Public Health Emergency began in January of 2020 and ended in May of 2023.

# Medicaid Eligibles



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\*\*Public Health Emergency began in January of 2020 and ended in May of 2023.