INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 2nd Meeting of the 2026 Interim

July 1, 2026

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Appropriations and Revenue was held on July 1, 2026, at 1:00 PM ET/12:00 PM CT in Room 149 of the Capitol Annex. Representative Jason Petrie, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Jason Petrie, Co-Chair; Senators Cassie Chambers Armstrong, Gary Boswell, David P. Givens, Scott Madon, Matt Nunn, Steve Rawlings, and Craig Richardson; and Representatives Josh Bray, Randy Bridges, George Brown Jr., Lindsey Burke, Stephanie Dietz, Ken Fleming, Chris Freeland, Mark Hart, Matt Lockett, Shawn McPherson, Steve Riley, Pamela Stevenson, Walker Thomas, Timmy Truett, and Wade Williams.

Guests: Jenny Bannister, Deputy Director, Office of Budget Review, Legislative Research Commission (LRC); Seth Dawson, Assistant Director, Office of Budget Review, LRC; John Hicks, State Budget Director, Secretary of the Governor's Executive Cabinet; Kristi Russell, Executive Director, School Facilities Construction Commission (SFCC); Krystal Smith, Executive Administrative Secretary, SFCC; Chay Ritter, Director, Office of Finance and Operations, Kentucky Department of Education (KDE); John Powell, Staff Attorney, Kentucky School Boards Association (KSBA); Andrew Johnson, State Relations Strategist, Education Commission of the States (ECS); Tom Keily, Policy Director, ECS; and Kate Kreamer, Executive Director, Advance CTE.

LRC Staff: Cynthia Brown, Katy Jenkins, Kevin Miller, Sarah Watts, and Heather Hamilton.

Approval of Minutes

A motion was made by Representative Bray, and seconded by Senator Boswell, to approve the minutes of the June 3, 2026, meeting. Minutes were approved by voice vote without objection.

Kentucky's Budget Process

Jenny Bannister, Deputy Director, Office of Budget Review, LRC, provided an overview of the budget development process. She explained the 4 types of agency budget requests and how agency budget requests lead to appropriations made by the General Assembly.

Seth Dawson, Assistant Director, Office of Budget Review, LRC highlighted how appropriations are implemented through allotments, how the Office of Budget Review monitors the budget throughout the biennium, and the oversight role of the Appropriations and Revenue Committee.

In response to Chair Petrie, Ms. Bannister agreed the budget bill speaks in terms of appropriations and authorizations of spending amounts to budget units and not in terms of allotments.

John Hicks, State Budget Director, Secretary of the Governor's Executive Cabinet, discussed how the budget is executed, monitored, and revised through the allotment process.

In response to Chair Petrie, Director Hicks stated there are small variations in allotment categories from year to year with the most common variations resulting when a new program starts or an existing program ends. The deadline for allotments is June 1st. He shared how the public can access allotment information through the Office of State Budget Director's website.

In response to Senator Nunn, Director Hicks stated there would not be a separate allotment account for the self-sufficiency program established by 2026 RS HB 2. Commonly, agencies create a separate account for new programs to track expenditures. He explained detailed allotment information is accessible to the public through a request to his office, and to the legislators through a request to the legislative budget office staff or to his office.

How Kentucky Funds Public School Construction

Kristi Russell, Executive Director, SFCC, provided an overview of the role of the SFCC to assist school districts with unmet needs for construction and technology. She discussed local and state funding resources for school facilities, construction offers of assistance requirements, bonding, increased construction costs, and Kentucky Technology System (KETS) funds.

In response to Chair Petrie, Ms. Russell confirmed the offers can be stacked for up to 8 years. KDE only pays on debt for 20 years, whereas a school district may pay 20 to 30 years on a bond issue. Overall, districts have a good rating for school bonds. KETS funds are matched dollar for dollar at the local level.

In response to Senator Boswell, Ms. Russell commented on the dilemma of rising construction cost.

Chay Ritter, Director, Office of Finance and Operations, KDE, provided an overview of KDE's role in public school funding, Kentucky Facilities Inventory and Classification System (KFICS), and District Facility Plan (DFP) priorities. He emphasized trends in construction costs.

In response to Chair Petrie, Mr. Ritter commented the public can view individual district information on the website.

In response to Representative Burke, Mr. Ritter stated districts can still levy a recallable nickel, but it would not be equalized.

In response to Senator Givens, Mr. Ritter explained how unmet needs and funding are carried forward until a project is initiated, and the compliance measures used to evaluate legitimacy of need.

In response to Chair Petrie, Mr. Ritter clarified KDE's role involves compliance within the process rather than conducting site visits.

In response to Representative Lockett, Mr. Ritter discussed how KDE factors in population growth in the school district's construction planning.

In response to Representative Bray, Mr. Ritter discussed KDE's involvement with controlling costs for material design and site location.

John Powell, Staff Attorney, KSBA, explained the training they provide to school board members, and the school board's role to approve decisions and provide funds in the school construction process.

In response to Chair Petrie, Mr. Powell stated the board approves construction plans, but does not make recommendations. He shared some of the board's concerns about time-consuming back-and-forth communications between the school boards and KDE and the inflexibility of KDE's district facilities plan. He also discussed permanently codifying 2026 RS HB 678.

How States Fund Secondary Career and Technical Education (CTE) In Public Schools

Andrew Johnson, State Relations Strategist, ECS, provided a brief overview of ECS.

Tom Keily, Policy Director, ECS, discussed how states fund K-12 facilities, secondary CTE funding sources, the ways states distribute these funds, and policy considerations for secondary CTE funding.

Kate Kreamer, Executive Director, Advance CTE, introduced Advanced CTE and explained the CTE federal funding program, Perkins V. States receive allocations varying from $5.9 million to $142.9 million based on population and need. Ms. Kreamer discussed how a state can distribute and allocate funds and how a reserve fund could be used. A new requirement to Perkins V is the comprehensive local needs assessment, which is done every 2 years.

In response to Chair Petrie, Ms. Kreamer stated Perkins V funds are eligible for grades 5 and higher.

Correspondence Received

Correspondence received included Interim Allotment Adjustments for FY 2026 from Jenny Bannister, Deputy Director, Office of Budget Review, LRC.

Reports Received

Reports received June 1, 2026, to June 23, 2026, from Cynthia Brown, Committee Staff Administrator, Appropriations and Revenue Committee, LRC.

Next Meeting

August 5, 2026, at 1:00 PM ET/12:00 PM CT in Capitol Annex Room 149, chaired by Senator McDaniel.

Adjournment

With no further business before the committee, the meeting was adjourned.