

BUDGET REVIEW SUBCOMMITTEE ON EDUCATION

Minutes of the 1st Meeting of the 2023 Interim

June 7, 2023

Call to Order and Roll Call

The 1st meeting of the Budget Review Subcommittee on Education was held on June 7, 2023, at 10:30 AM in Room 154 of the Capitol Annex. Representative Kim Banta, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Kim Banta, Co-Chair; Senator Matthew Deneen, Co-Chair; Representative Bobby McCool, Co-Chair; Representative James Tipton, Senator Gerald Neal, Senator Stephen West, Representative Shane Baker, Representative Tina Bojanowski, Representative Adam Bowling, Representative Derrick Graham, Representative Scott Lewis, Representative Ruth Ann Palumbo, Representative Jason Petrie, Representative Raymond, Representative Brandon Reed, Representative Steve Riley, and Representative Killian Timoney.

Guests: Chay Ritter, Director, Office of Finance and Operations/Division of District Support, Kentucky Department of Education; Elly Gilbert, Assistant Director, Division of Educator Recruitment and Development, Kentucky Department of Education; Jocelyne Waddle, Education Administration Program Consultant, Division of Educator Recruitment and Development, Kentucky Department of Education; Jamie Link, Secretary, Education and Labor Cabinet; Sam Flynn, Chief of Staff and General Counsel, Education and Labor Cabinet; Shelby Lewis, Executive Director, Office of Legislative Services, Education and Labor Cabinet; Anthony Hudgins, Deputy Executive Director, Office of Unemployment Insurance, Education and Labor Cabinet.

LRC Staff: Seth Dawson, Sara Rome, Ethan Williams, and Amie Elam.

Salary Stipend Programs

Representatives from the Kentucky Department of Education (KDE) spoke to the committee regarding National Board Certification (NBC) and the salary supplement for speech pathologists and audiologists.

In response to a question from Representative Timoney, Mr. Ritter said that the highest poverty districts have the lowest number of National Board certified teachers. He said it is difficult to predict how many teachers will obtain NBC in a given year.

In response to a question from Representative Graham, Ms. Waddle explained that Kentucky's NBC retention rate is doing well and improving each year. She said if a teacher chose not to renew certification, they would forfeit the supplement.

In response to a question from Representative Bojanowski, Mr. Ritter said KDE would be happy to explore a stipend for teachers in classrooms with the most need, for example, classrooms with children with severe behavioral issues or disabilities.

In response to a question from Representative Tipton, Mr. Ritter said that only teachers that are in the classroom or spend the majority of time mentoring other teachers are eligible for the NBC stipend. Ms. Waddle said that NBC does make a teacher eligible for a rank change.

In response to a question from Chair Banta, Ms. Waddle said not all colleges and universities use the five core propositions when educating new teachers.

Unemployment Insurance (UI)

Representatives from the Education and Labor Cabinet (ELC) testified regarding the impact of the pandemic on unemployment and the changes made to unemployment insurance in the 2023 regular session.

In response to a question from Representative Baker, Mr. Link said that the goal is to have a vendor in place for the new system by the end of 2023. He stated that the technology team has been making changes to the existing system in the meantime.

In response to a question from Representative Petrie, Mr. Link said that a new system would take approximately 24-36 months to implement. Mr. Link agreed to submit information to the committee regarding the 60 additional UI positions requested by ELC. Mr. Link said that ELC is in the process of cross-training existing staff.

In response to a question from Representative McCool, Mr. Link said hiring new employees is difficult for UI. He added that it takes at least six months of training for an employee to be proficient with the current system.

In response to a question from Representative Bojanowski, Mr. Flynn said that overpayment waivers were sent to 17,000 individuals. He said that 8-9,000 individuals responded to the communication, and the vast majority were granted an overpayment waiver.

In response to a question from Representative Tipton, Mr. Link said that every claim has been touched at this point. Mr. Flynn said all unresolved claims have received an adjudication and are in various stages of that process.

In response to a question from Senator West, Mr. Link said that 27 states are in the process of upgrading or developing new UI systems, and only four or five vendors in the nation have the capacity to handle that type of project. He said that building a new system would cost approximately \$48 million.

In response to a question from Representative Petrie, Mr. Link said a few substantial technology

companies are looking to get into the space to develop new UI systems. He added that the alternative to a new system would be continuing to maintain the existing system. Mr. Link said the appropriate amount for the new system is roughly \$60 million, \$48 million from the General Fund, and \$12 million from the Service Capacity Upgrade Fund (SCUF). Mr. Hudgins said blanket waivers are available for individuals who did not respond to the overpayment waiver communication from ELC.

The next meeting will be held on July 19, 2023.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 12:01 P.M.