

# **HOUSE BUDGET REVIEW SUBCOMMITTEE ON PRIMARY AND SECONDARY EDUCATION AND WORKFORCE DEVELOPMENT**

## **Minutes of the 1st Meeting of the 2025 Regular Session**

**February 11, 2025**

### **Call to Order and Roll Call**

The first meeting of the House Budget Review Subcommittee on Primary and Secondary Education and Workforce Development was held on February 11, 2025, at 12:00 PM in Room 171 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 Chair; Representatives Scott Lewis, Josh Bray, Tina Bojanowski, and Mike Clines.

Guests: Chay Ritter, Division Director, Division of District Support, Kentucky Department of Education, Office of Finance and Operations; Matt Ross, Associate Commissioner, Kentucky Department of Education, Office of Finance and Operations; Dr. Robbie Fletcher, Commissioner, Department of Education; Jamie Link, Secretary, Education and Labor Cabinet; Greg Higgins, Executive Director, Office of Unemployment Insurance; Anthony Hudgins, Deputy Executive Director, Office of Unemployment Insurance; Cali Arnold, Executive Director, Office of Legislative Services

LRC Staff: Liz Columbia, Mariah Derringer-Lackey, David Talley, and Jennifer Luttrell.

### **Fiscal Year 2025 Final SEEK**

Representatives from the Department of Education were present to discuss the projected shortfall for fiscal year 2025.

In response to a question from Chair Banta, Mr. Ross explained that in 2024, \$156 million was returned to the General Fund due to an overestimation of SEEK funding. Mr. Ritter noted that any changes in the population of English Language Learners resulting from the current administration's actions will not be apparent until the end of the school year.

In response to a question from Representative Bojanowski, Dr. Fletcher stated that the virtual school at Cloverport Independent was initially estimated to have 500 students; however, it ended up with 2,066 students. He mentioned that Cloverport Independent was entitled to \$11.7 million in funding growth alone. Dr. Fletcher clarified that, based on the

contract, a large percentage of the funding goes to the for-profit operator, while a smaller percentage goes to the district. Mr. Ritter agreed to provide a report detailing special education eligibility areas broken down by district.

In response to a question from Chair Banta, Dr. Fletcher stated that there is extensive monitoring of districts regarding the identification of students with special needs and the growing population of these students.

### **Unemployment Insurance**

Representatives from the Education and Labor Cabinet were present to discuss the unemployment backlog and the current system for processing unemployment claims.

In response to a question from Chair Banta, Mr. Higgins stated that between 50 and 100 cases a year are appealed at the Circuit Court level. Mr. Link mentioned that the Cabinet is in the process of filling vacant positions that are federally funded. Mr. Higgins added that the Cabinet would provide the committee with information on how long these positions have been vacant. Mr. Link also noted that caseloads fluctuate, and currently, seasonal layoffs are leading to an increase in unemployment claims.

In response to a question from Representative Bray, Mr. Link stated that unemployment benefits have always been funded at the federal level. Mr. Higgins explained that the complexity of a claim affects the speed of its processing. He added that the most experienced and knowledgeable staff have dedicated a significant amount of their work hours to assisting with the design of the new unemployment system while still processing claims. Mr. Higgins noted that unemployment claims during the pandemic were much easier to process.

In response to a question from Representative Clines, Mr. Link explained that employees typically work three days in the office and two days remotely. New employees are required to work in the office five days a week until they are fully trained. Once training is complete, employees become eligible to adopt a hybrid work schedule.

In response to a question from Chair Banta, Mr. Link stated that there was no suitable off-the-shelf program for upgrading the unemployment system.

**There being no further business before the subcommittee, the meeting adjourned at 10:55 a.m.**