

Competitiveness: A More Educated Workforce

Governor Steve Beshear's FY2014-16 budget proposal recognizes that targeted investments in our children are critical to creating the quality workforce that businesses in the 21st Century demand. These proposed investments include:

Giving Our Youngest Learners a Strong Start

Increasing Eligibility for Preschool. Gov. Beshear believes we need more children enrolled in preschool programs so more students get the jump-start they need for long-term school success. Therefore, he proposes adding \$36 million to the preschool program, which will increase eligibility from 150 percent of the Federal Poverty Level to 160 percent. This funding will allow about 5,100 more children to attend preschool – a 22 percent increase in preschool enrollment.

Expand the HANDS Program. Kentucky currently offers the Health Access Nurturing Development Services (HANDS) program, a voluntary home visitation program, to new and expectant parents. Families meet with a HANDS Parent Visitor who will discuss any questions or concerns about pregnancy or a baby's first years. Based on the discussion, all families will receive information and learn about resources available in the community for new parents. Some families will receive further support through home visitation. This program was expanded to families that already had children in high risk communities in 78 counties with the use of a federal grant. Gov. Beshear proposes \$11.6 million to replace that grant, and an additional \$5 million to take this expansion to the rest of the state.

Using \$44M Race to the Top Grant to Improve Childcare Programs. Gov. Beshear's budget proposal includes the use of the recently awarded \$44 million Race to the Top federal grant. This grant will help provide support systems for families, increase professional development for early childhood teachers, improve data systems, and expand the state's quality rating system for all licensed public and private learning programs. As the Governor announced in his State of the Commonwealth Address earlier this month, legislation will be introduced to address the improvement in the rating system.

Exempting the Early Childhood Advisory Council from Cuts. Gov. Beshear's budget proposes to exempt the Early Childhood Advisory Council from the cuts that many other state agencies are facing.

Providing Quality Education to Every Kentucky Child

Providing Highest Ever Level of SEEK Funding, Including Teacher Pay Raises. Gov. Beshear proposes to provide \$188.9 million in funding over the biennium for SEEK, the per pupil classroom funding formula – which will be the highest-ever funding rate. This is an increase of 2.2% in Fiscal Year 2015, and an increase of 1.8% in FY16. This SEEK increase also includes a 2% pay raise for teachers and all local school district personnel in FY15, and a 1% pay raise in FY16. After five consecutive years of flat or declining per pupil funding, Gov. Beshear proposes to raise the guaranteed base funding per pupil from \$3,827 in Fiscal Year 2014 to \$3,911 in Fiscal Year 2015 and \$3,981 in Fiscal Year 2016.

Investing Critical Funding for Textbooks, Professional Development, Extended School Services, School Safety and Technology. Gov. Beshear's proposal includes \$95.4 million over the biennium for textbooks, professional development, extended school services and safe schools. In addition, his proposal provides \$50 million in bonding for school technology needs.

Increasing Funding for Kentucky's Best and Brightest. Gov. Beshear's proposal includes \$2 million to sustain and expand to ten more schools AdvanceKentucky, a program for high school students that helps expand access to college-level work in high school. In addition, he proposes an additional \$760,000 to add 100 more students to the Governor's School for the Arts and an additional \$526,000 to add 100 more students to the

Governor's Scholars Program. He also proposes an additional \$2 million for Western Kentucky University's Gatton Academy of Mathematics and Science to add 80 students to the program.

Funding School Construction and Maintenance. Gov. Beshear's budget proposal fully funds the debt service for \$100 million in offers of assistance made to 173 school districts under the authorization of the 2012-14 budget bill and authorizes the state's School Facilities Construction Commission to make another \$100 million in offers of assistance. This funding goes to help build new schools and maintain existing buildings.

Building and Maintaining Our Libraries. In order to help maintain and improve the Commonwealth's library system, Gov. Beshear proposes to provide \$2 million to the Library Construction Grant Program over the biennium.

Exempting Education and Workforce Development Cabinet from Cuts. Gov. Beshear's budget proposes to exempt from cuts the Education and Workforce Development Cabinet, which includes the Department of Education, KET, the Educational Professional Standards Board, the Office of Vocational Rehabilitation, the Office for the Blind and the programs that help the unemployed and workers find retraining assistance.

Making Higher Education a Reality for Kentucky Families

Honoring Our Commitment on Merit-Based Scholarships. Gov. Beshear is honoring the commitment made to students who have been awarded merit-based scholarships through the KEES program by providing \$22.3 million in additional funding.

Increasing Funding for Coal County Scholarships. Gov. Beshear proposes to double current funding for the Coal County College Completion Program in eastern Kentucky from \$1 million to \$2 million in each year, increasing to over 500 a year the number of scholarships available.

Creating the Commonwealth College to Help Adult Learners Graduate. Gov. Beshear proposes to create the Commonwealth College, the Kentucky Adult Learner Initiative, a new program to grant bachelor degrees through online courses. The Commonwealth College will focus on adult students and high-demand occupations as determined by market analysis and input from the business community. Students will enroll and proceed at their own pace at one home institution, but may take courses or modules from any participating institution. Upon graduation, these students will be awarded a degree from the Commonwealth College at the "home institution." Gov. Beshear's budget proposal provides \$1.2 million in bonding to build the web portal, and \$1.9 million per year in operating funds.

Providing Bonding for Higher Education Capital Projects. Gov. Beshear's budget provides \$581.5 million in general fund supported bonds for university capital projects, and \$703 million for agency supported bonds for university capital projects. These are needed projects that include a new science building at Eastern Kentucky University, a health innovation building at Northern Kentucky University, and a boiler and distribution line replacement project at Kentucky State University. (See attached list.)

For the First Time, Providing Agency-Supported Bonding for KCTCS Institutions. Gov. Beshear is providing \$145.5 million in agency supported bonding to KCTCS for the first time in its history – the largest investment in KCTCS since the system was created. The capital needs of the system cannot be met relying only on the General Fund. This would support one critical project for every school in the system.

New Funding for Bucks for Brains. Gov. Beshear's budget provides \$50 million for the research universities and \$10 million for the regional universities for bonding for Bucks for Brains, the endowment match program which helps universities attract world class faculty for research and innovation. This successful program has not received additional funding since 2010.