



Issues Update

March 21, 2022

Issues Update is a report from the Kentucky Association for Career and Technical Education (KACTE) written by Executive Director Michael R. Stone and shared with members. As needed, *Issues Update* will report on state and federal Career and Technical Education (CTE) policy and legislative developments. KACTE and Stone can be reached at kmstone1951@gmail.com or 502-223-1823.

Kentucky Senate Increases CTE Funding in Budget

Although the Kentucky Senate's version of the Executive Branch budget (**HB1**) proposes less spending on overall education, it increases proposed spending for Career and Technical Education (CTE) by \$63 million over the current fiscal year funding level. Previously, the House version of the 2022-24 biennial budget increased CTE funding by \$42 million over the current budget level.

A Free Conference Committee between the House and Senate leadership currently is meeting to agree on a final budget. The Governor's budget recommendations largely were ignored by the legislature. It is anticipated the General Assembly will pass a budget prior to recessing for the 10-day veto period. The Republican supermajorities will be able to override any potential gubernatorial vetoes.

Regardless of the final budget for CTE in Fiscal Year 2022-23, it will be a substantial increase that will allow CTE to implement equity and access improvements throughout the state. The recommendations in the Kentucky Association for Career and Technical Education (KACTE) white paper, *A Relevant Education*, written with cooperation from the Kentucky Department of Education Office of Career and Technical Education (OCTE) informed the General Assembly's decisions on CTE funding. The full paper can be accessed at www.kyacte.org.

BOTH BUDGETS set the SEEK per-pupil allotment at \$4,100 in the first year and \$4,200 in the second year of the biennium. The Senate did not fund full-day kindergarten, which was in the House bill. The Senate also cut school transportation funding to 70 percent, less than the House proposal. Pensions are funded in the Senate bill at the actuarially required amount, but less than the House.

The Senate budget directs \$1.75 billion into the "Rainy Day Fund" and retains another \$1.3 billion in unappropriated funds. Observers suggested the lower Senate spending proposals and higher reserved funds were to provide negotiating room for the conference committee meetings with the House.

The other most significant item before the legislature is tax reform. The House Appropriations and Revenue

KACTE in Washington

Kentucky Association for Career and Technical Education (KACTE) Board members will be in Washington, DC, March 21-22, in conjunction with the Association for Career and Technical Education (ACTE) National Policy Seminar.

An important aspect of the visit is to meet with members of Kentucky's congressional delegation or their staff. Appointments have been scheduled with the offices of Senate Majority Leader Mitch McConnell and Representatives James Comer, District 1, Brett Guthrie, District 2, Hal Rogers, District 5, and Andy Barr, District 6. KACTE will meet virtually with the staff of Rep. John Yarmuth on March 28.

KACTE will thank the legislators for their support of Career and Technical Education (CTE). ***In the recently passed Fiscal Year 2022 Omnibus Appropriation bill, the Carl Perkins Basic State Grant that partially funds CTE programs in the state was raised \$45 million over Fiscal Year 2021.***

KACTE also will point out the increasing quality of CTE instruction in Kentucky and its impact on workforce development and economic competitiveness.

Committee released **HB8** in late February. It proposes to lower the state income tax rate from 5 percent to 4 percent on Jan. 1, 2023. It added a proposed formula to reduce the state income tax eventually to zero. To compensate for the lower revenue from the income tax, the proposal imposes sales taxes on several services previously untaxed. Most of the services identified are those used by wealthier individuals. **HB8** makes no changes to the corporate income tax of the limited liability entity tax.

WITH EIGHT DAYS left in the 2022 General Assembly session, few bills addressing educational issues have passed. **SB25** allowing 10 days of remote instruction did pass and was signed by the Governor. **SB59**, which makes changes to the public school accountability system, passed the Senate and is in the House Rules Committee. **SB1**, giving more hiring authority to the superintendent, is awaiting final vote in the House.

The KACTE Liaison Committee advises members to contact their legislators and ask them to support high-quality CTE with adequate appropriations. Now is the time before the final actions by the General Assembly.