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TO EDUCATION  
HURT KENTUCKY'S  
CLASSROOMS AND KIDS**

January 2018

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**By Ashley Spalding**

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# STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS

Education is crucial to Kentucky's success. However, as the state legislature has been disinvesting in P-12 education over the past decade, it has forced school districts to make cuts that harm classrooms and kids. Through a survey of Kentucky's school districts and review of other state data, this report provides a first comprehensive look at how these cuts have translated into fewer course offerings, reductions in school-based services, fewer staff and cuts in employee compensation, costs being passed along to parents, fewer instructional days and more.

While Kentucky lawmakers have attempted to protect education funding in some ways, indirect cuts to core funding and direct cuts to educational supports are taking a toll. Kentucky's per-student, inflation-adjusted cuts to its core funding formula—SEEK (Support Education Excellence in Kentucky)—since 2008 are third worst in the nation for cuts to core formula funding for K-12 education.<sup>1</sup> And state funding for textbooks, professional development and extended school services have been cut outright—by about 20 percent each since 2008 even before inflation is taken into account. There were even several years the state provided no funding for textbooks at all.

KCEP's survey of Kentucky's school districts provides more detailed information on the impacts of inadequate appropriations on districts. The sample of districts responding to the survey represents more than 74 percent of Kentucky students.<sup>2</sup> The sample is also representative in terms of geography, district size and per-student property assessments (a measurement of district wealth). We also analyzed data from the Kentucky Department of Education (KDE).

The first section of this report provides context for districts' funding challenges as well as examples of these challenges from survey responses: eroding state funding, a shift in responsibility from the state to local districts, additional fiscal strain caused by multiple factors and the overall importance of funding to improve educational outcomes.

The second part of the report draws on the survey and other data to categorize and detail the difficult budget decisions districts are facing as a result of the challenging funding environment. Even as they are increasing local tax effort to compensate for lagging state investment, many Kentucky school districts have had to reduce investment in staffing, student supports, enrichment opportunities, instructional resources and more. Ultimately, this erosion in services will harm educational outcomes and hinder our ability to build thriving communities across the commonwealth.

“ *The greatest impact of funding freezes/cuts in our district is the effect it has on students. This reduction causes students to not reach their full potential. —Harrison County Schools<sup>3</sup>*

- “ *The struggle to keep our school district open and continue to have test scores in the top 10% in the state [is the greatest impact of funding freezes/cuts]. — Jackson County Schools*
- “ *Reduction of staff both classified and certified. Facility needs. Staff wearing multiple hats. Increased expenditures, decreased revenue. No staff raises. Class size increase. Loss of programs—Music and PE at elementary. Low morale due to funding needs. The need to provide a quality instructional program. Again I could go on. — Lee County Schools*

## KENTUCKY SCHOOL DISTRICTS HAVE REDUCED SERVICES, PROGRAMS AND STAFF SINCE 2008

- 54% of surveyed districts have fewer days in the school calendar.
- 35% of districts have reduced or eliminated art and music programs.
- 30% of districts had special course offerings funded by the district in 2008 that were no longer funded in 2017.
- 25% of districts have reduced or eliminated career and technical education.
- 35% of districts have begun implementing or increased instructional fees.
- 34% of districts have begun implementing or increased fees for extracurricular activities.
- 42% of districts have reduced student supports such as after school, summer school and intervention/enrichment services.
- 25% of districts are spending less on health services.
- 14% of districts have reduced special education services for reasons related to cost.
- Districts also report reducing staff, being unable to give needed raises and lack of funding for instructional materials such as textbooks—as well as having inadequate transportation funding and unmet facilities and maintenance needs.

## BACKGROUND: SCHOOL DISTRICTS FACE DEEP FUNDING CHALLENGES

The SEEK formula is the main source of education funding for K-12 students in Kentucky and is the means by which the funding inequities between poorer and wealthier school districts is equalized.<sup>4</sup>

Here is how it works:

- Every district must raise 30 cents per \$100 of taxable property as its local contribution, with the state guaranteeing a base amount of funding per student (currently \$3,981).
- There is add-on funding based on identified student needs such as disabilities, eligibility for free lunches and the cost of transporting students.

- Districts may raise additional revenue that is equalized by the state at 150 percent of statewide average property per pupil (with the state making up the difference between the 150 percent of the statewide average and what the school district is able to raise locally). This is referred to as Tier I funding, and a district can raise up to 15 percent more than its SEEK base plus add-ons.
- Districts may impose an additional levy to generate up to 30 percent above Tier I, subject to voter recall. This levy is referred to as Tier II and amounts generated are not equalized.<sup>5</sup>

Funding from the state for SEEK has essentially been frozen since 2008—with very small increases in 2015 and 2016. When inflation and the increased number of students are taken into account, however, SEEK funding per student is now 15.8 percent lower in 2018 than it was in 2008.<sup>6</sup>

In addition, state funding to districts through the “Learning and Results Services” (LARS) portion of the Department of Education budget have been cut outright in most cases since 2008.<sup>7</sup> These are appropriations above and beyond the SEEK formula for specific programs and services such as instructional materials, professional development and extended school services.<sup>8</sup> Cuts in these areas in inflation-adjusted terms are as follows:

- Instructional resources/textbooks: 34 percent.
- Professional development: 32 percent.
- Extended school services: 32 percent.

Funding for another portion of the LARS category, the safe schools program, is nominally back to 2008 levels, but once adjusted for inflation is 15 percent below 2008 levels. Needs far surpass funding; in 2015, districts spent five times as much on school safety as they received from the safe schools program.<sup>9</sup> Similarly, state funding for vitally important Family Resource and Youth Services Centers (FRYSCs), which is also part of the LARS budget unit, has actually gone up a very small amount, in nominal terms, but has been cut 14 percent once inflation is taken into account; FRYSCs provide critical supports to students in schools where at least 20 percent of students qualify for Free and Reduced Price Lunch.

Funding for preschool, another LARS program, has also gone up some as eligibility for preschool without paying tuition has expanded to families with incomes below 160 percent of the poverty level.<sup>10</sup> However, the state only provides funding for a half-day program, despite the well-known academic advantages of full-day preschool. (This is also the case for full-day kindergarten, which the state also doesn't fund.)

In addition to the cuts discussed above to LARS, Governor Bevin has ordered an additional two percent cut for the last six months of 2018 as a part of the budget reduction order issued in December 2017.<sup>11</sup> And more cuts in the 2018-2020 budget are likely, with the possibility that SEEK will not be shielded from direct cuts this biennium.

## **SHRINKING STATE FUNDING PUTS PRESSURE ON LOCAL DISTRICTS**

As a result of these state funding cuts and freezes, local school districts have had to cut staff, programs and other vital services, and those districts with the ability to do so have compensated for declining state funds with local revenue to avoid having to make some of the cuts that would have otherwise been necessary. According to an analysis by the Council for Better Education, inflation-adjusted per-pupil state funding decreased by \$485 between

2008 and 2016, while local per-pupil funding increased by \$574. In 2008, 40 percent of SEEK funding per pupil was from local sources but grew to 47 percent in 2016.<sup>12</sup>

Transportation funding is a particularly dramatic example of this shift from state to local funding. By statute the state is required to pay the full estimated cost for the transportation of students as determined by a statutory formula considering several factors, which then flows into the SEEK allocation.<sup>13</sup> However, beginning in the late 2000s the state stopped fully funding this component, leaving districts to pick up the slack with local funds. Currently, the state is only covering 59 percent of the estimated cost for transporting Kentucky kids to and from school. Furthermore, actual spending on transportation has historically been greater than the amount determined by the formula, so the state is now paying just 49 percent of the actual cost of transporting students, with local districts paying the rest.<sup>14</sup>

A related issue that results in an additional cost to local districts is that the state doesn't pay for transportation for preschool students.<sup>15</sup> All but two districts have a preschool program and all but 13 of these districts provide transportation for preschool students, paid for entirely with local dollars.<sup>16</sup>

These shifts in responsibility for education funding to local school districts have other concerning implications: Specifically, the equity gains made through Kentucky Education Reform Act (KERA) are being lost.<sup>17</sup> To partially make up for the decline in state funding, districts have raised local taxes. Even poorer districts, despite their limited tax bases, are exerting substantial effort to raise additional revenue.<sup>18</sup> However, poorer districts, with their more limited tax bases, are unable to raise as much revenue as wealthier districts with a levy of the same amount. These disparities in ability are why the SEEK formula provides equalization by using state funds—so that districts with less property wealth are not penalized from a funding standpoint when they make the same effort as a wealthy district. Thus, despite the SEEK formula being designed to create greater equity in funding among school districts, when inadequate state funds are appropriated through the SEEK formula—resulting in stagnation of the guaranteed per-pupil funding amount for all districts, to a level that cannot meet the basic educational needs of school districts—districts are forced to raise more local revenues; and when these revenues are raised that are not equalized, the equity gap between wealthy and poor districts widens.

Though ability to raise revenue impacts districts' ability to mitigate the consequences of declining state revenue, poor and wealthy districts alike face budget challenges even as they raise local revenue. While districts describe making every effort to shield students and classrooms from being impacted by these cuts, it is nearly impossible for most districts to do so.

“ *Mostly we have had to rely on our community to make up the slack, by increasing the tax rate.—Williamstown Independent Schools*

“ *Any funding freeze or cut impacts our district greatly. We have a very small tax base.—McCreary County Schools*

“ *[Local] General fund monies have been forced to pay for funding shortages for transportation and half-day kindergarten funding. If transportation and full-day kindergarten had been fully funded, the district would have more funding available for technology and additional instructional needs.—Corbin Independent Schools*

“ *All of the cuts from the federal and state levels have forced the district to rely heavily upon local support, which puts a burden on the local community. Unfunded mandates and other expenses passed on from legislative decisions require local districts to spend more funds on items that in the past were covered. While this is not represented as a cut it still impacts local districts' flexibility in budget decisions.* — Campbell County Schools

## OTHER FUNDING PRESSURES INCREASING

Districts are experiencing funding pressures in addition to the strain of declining state funding:

- Federal funding has been decreasing (outside of Medicaid) in recent years, worsening states' fiscal conditions. This includes funding for Title I—the major federal assistance program for high-poverty schools—which is down 6.2 percent since 2008, after adjusting for inflation.<sup>19</sup>
- Districts' struggles with unfunded mandates was a theme in survey responses to an open-ended question about the greatest impact of funding freezes/cuts (an unfunded mandate is when legislation is passed that has financial implications for school districts but no additional funds are provided). Among the examples given were mandated staff raises (that in at least one district resulted in layoffs in order to comply), program reviews and the facility assessment processes—as well as the transportation costs for which the state is responsible but has not been covering.
- Districts in the state's coalfields have faced additional, very serious financial challenges due to declining revenue from unmined mineral taxes and tangible personal property taxes. These are the result of the shrinking coal industry and changes to assessments for unmined minerals in the 2016-2017 school year.<sup>20</sup>

At the same time, the needs of Kentucky students are growing, particularly in coal-dependent districts located in the eastern part of the state where economic challenges could be described as a second recession.<sup>21</sup> The opioid epidemic is also affecting more Kentucky caregivers, compromising their ability to provide a safe environment conducive for homework and other support that students need.

## FUNDING MAKES A DIFFERENCE FOR STUDENT LEARNING AND SUCCESS

Kentucky is one of the states that has made academic gains as a result of education reform, but this progress is now at risk due to declining state funding. Research shows school funding makes a real difference in a child's success in school and later in life. When school spending increases, low-income students are less likely to be poor as an adult and more likely to graduate from high school and have higher earnings.<sup>22</sup>

Adequate funding is also key to reducing achievement gaps.<sup>23</sup> Our state is struggling to reduce its K-12 achievement gaps—which have grown at the same time that overall student results on standardized assessments have improved. For example, a report on Kentucky's achievement gaps from the Prichard Committee noted that between 2005 and 2015 the state's fourth grade reading proficiency on the National Assessment of Educational Progress increased three percentage points more for white students than African American students, and 11 percentage points more for students not receiving Free and Reduced Price Lunch compared to those who do.<sup>24</sup> The report describes how most

such gaps grow from kindergarten through high school graduation and indicates adequate funding for education is an important part of a strategy to address these issues.

“ We have continually reassigned administrative duties to limit the impact on classroom instruction. The [governor’s additional requested] cuts [for 2018] announced on 9/8/17 will have a much greater impact on student learning than can be mitigated through reassignment of duties. We aren’t sure what the outcome will be, but again, will limit classroom instruction through other programmatic supports. None of what we do is fluff. —Berea Independent Schools

## FUNDING CUTS HAVE HARMED KIDS AND CLASSROOMS

### REDUCTIONS IN STAFF

Adequately-staffed schools and classrooms are an important part of providing a high-quality education. Unfortunately, many Kentucky school districts have cut staff in response to inadequate state funding.

Reductions in staff was the most frequently mentioned response to the question about the greatest impact of funding freezes/cuts. School districts described cutting staff across all areas, with some indicating that as a result of staff cuts, there are now larger class sizes, fewer instructional assistants and “fewer people to address the needs of students and to offer all the support needed” (in the words of the superintendent of East Bernstadt Independent Schools). Fairview Independent Schools reported they “...had to reduce classified and certified staff to the bare minimum. Cannot cut personnel any further and still operate as a school district.”

As illustrated in the table below, the number of students in Kentucky’s public schools has grown between 2008 and 2016 while the number of teachers and other staff has declined. Certified staff are those with jobs that require a certification such as a teaching certificate. Teachers make up the vast majority of certified staff but there are currently more than 8,700 certified staff who are not teachers, such as some administrators and consultants. Classified staff, whose numbers have also declined, encompass finance and payroll, school nurses, coaches, food service workers, associate preschool teachers, instructional assistants, speech and physical/occupational therapists, psychologists, library clerks, maintenance and grounds workers and bus drivers.<sup>25</sup>

### Student and Staff Changes 2008–2017

	2008	2017	% Change
Student Enrollment	667,408	678,449	2%
Number of Certified Staff, Including Teachers (FTE)	51,127	50,737	-1%
Number of Classified Staff (Headcount)	48,785	46,408	-5%

Source: KDE.

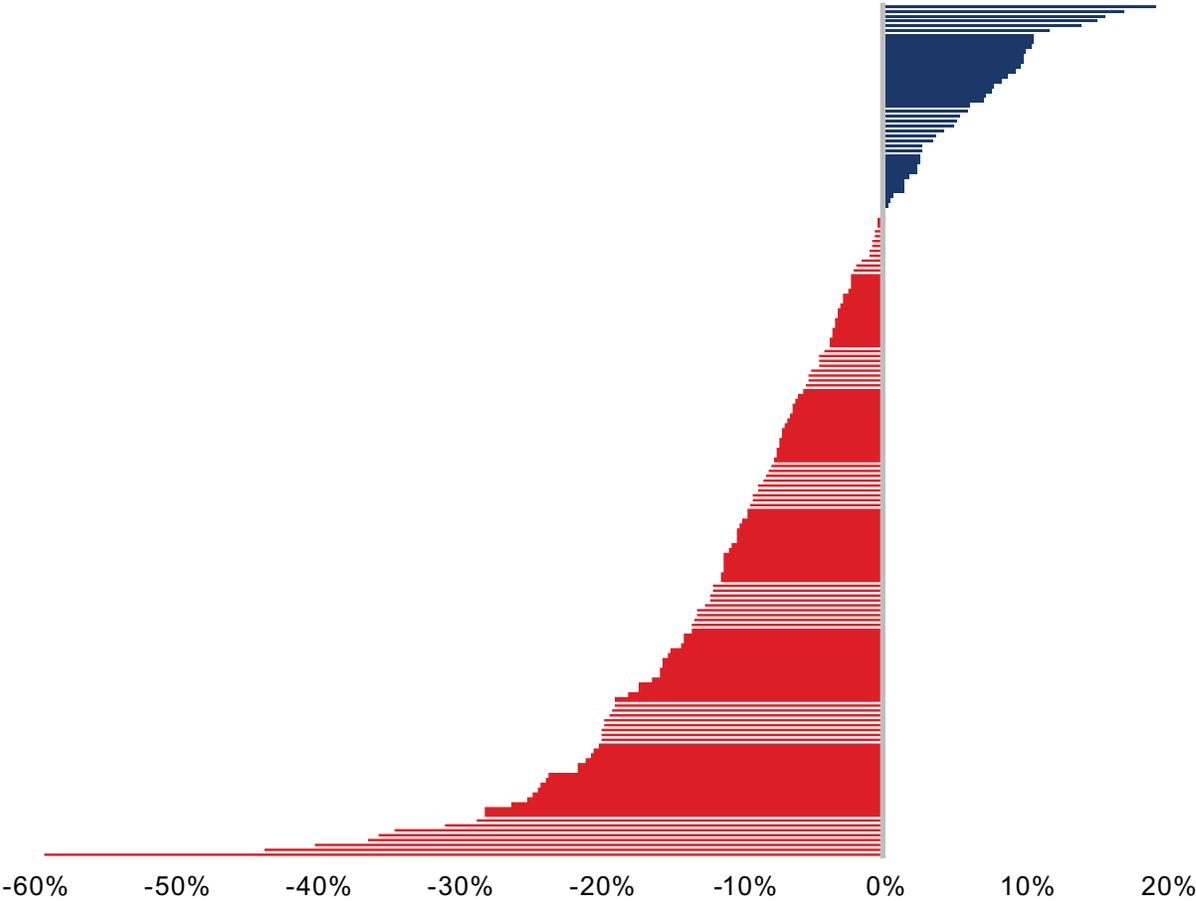
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Statewide, the number of Full-Time-Equivalent (FTE) teachers dropped three percent between 2008 and 2017. Compared to 2008, 71 percent of Kentucky school districts had fewer teachers in 2017.<sup>26</sup> In addition, the ratio of FTE teachers to students increased in 65 percent of districts.<sup>27</sup> A body of research shows reducing class size can improve student academic achievement.<sup>28</sup>

Compared to 2008, 75 percent of Kentucky school districts had fewer classified staff in 2017—with nearly 40 percent of districts experiencing more than a 10 percent decline; five districts had more than a 35 percent decline in the number of classified staff.<sup>29</sup> The median change was -7.1 percent.

## School Districts Have Fewer Classified Staff in 2017 Than in 2008

Distribution of Percent Reduction in Classified Staff Across All Districts



Source: KCEP analysis of KDE data.

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- “ We are looking at every area, trying to stretch an already thin dollar. We are reducing staff in every area possible. We have reduced contract days for almost all of our staff. Adding additional programs is no longer an option and every request must be scrutinized. We recently outsourced custodial services as well. — Calloway County Schools
- “ We have been unable to maintain the number of staff that enables us to keep our student/teacher ratio numbers as low as we would like. — Elliott County Schools
- “ Uncertainty of funding is a great concern, trying to figure out how to cut personnel without having a major impact on instruction or the program. — Henderson County Schools

“ May have to look strongly at personnel reductions for both certified and classified staff for the 2018–2019 school year. — Allen County Schools<sup>30</sup>

## INABILITY TO GIVE RAISES COMPROMISING QUALITY OF STAFF AND MORALE

Providing adequate compensation, including regular raises, is a key part of attracting and retaining high-quality staff.<sup>31</sup> However, many Kentucky school districts are unable to do so.

The inability to give needed raises was the second most frequently mentioned “greatest impact of funding freezes/cuts.” Several school districts specifically described the negative impact on attracting and retaining high-quality staff, as well as the negative impact on morale. As noted by Simpson County’s superintendent: “Funding staff pay raises has been the most challenging issue. It is particularly difficult now with many jobs available in our area and the stagnant wages we’re able to offer. Additionally, the attacks on our pensions and other benefits are problematic from a perception point.” Mandated raises by the state were also rare during this time period, as shown in the table below, and districts were not provided with additional funds to cover these raises — which several districts specifically described as having problematic budget implications.

### State-Mandated Teacher Raises 2007–2018

Fiscal Year	Teacher Pay Raise
2007	2%
2008	\$3,000
2009	1%
2010	1%
2011	0%
2012	0%
2013	0%
2014	0%
2015	1%
2016	2%
2017	0%
2018	0%

Source: Legislative Research Commission.

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A key way to continue attracting and retaining high-quality teachers is to pay a competitive salary, including regular Cost of Living Adjustments and other raises. The average teacher salary in Kentucky has gone from \$46,417 in 2008 to \$52,812 in 2017 — which in inflation-adjusted terms means it has remained stagnant. Compared to other states, these salaries are considered to be low.<sup>32</sup> In all but five school districts, the average teacher salary has declined, when inflation is taken into account.<sup>33</sup>

- “ *It's harder to retain staff because we have not increased salaries.*  
— *Beechwood Independent Schools*
- “ *Staff salary not keeping up with cost of living increase.*  
— *Middlesboro Independent Schools*
- “ *Unable to give raises as needed.*  
— *Marshall County Schools*
- “ *Impacts morale and difficult to give employee raises.*  
— *Taylor County Schools*

## QUALITY OF INSTRUCTION DIMINISHING OR AT RISK

In order to effectively provide a high-quality curriculum, school districts need to have high-quality teachers, enough instructional aides and support staff, sufficient instructional time, up-to-date instructional materials (including technology) and a broad array of course offerings.<sup>34</sup> Unfortunately, these are all either declining or at risk of declining in many Kentucky school districts because they simply do not have the resources.

### TEACHER QUALITY HIGH BUT NOT SUSTAINABLE

While teacher quality currently appears to remain high, with teachers in 2017 having more experience than in 2008 in 43 percent of districts—and more than half of districts had a higher number of National Board Certified teachers—this is not likely to be sustainable with declining pay and benefits.<sup>35</sup> In addition, funding from the state for professional development has declined 32 percent since 2008 in inflation-adjusted terms, which can also affect the quality of instruction.<sup>36</sup> Several districts noted the decline in professional development opportunities for staff as among the greatest impacts of funding freezes/cuts.

- “ *We have limited professional development because PD funds have been reduced*  
— *Beechwood Independent Schools*

### FEWER INSTRUCTIONAL SUPPORT STAFF AND INSTRUCTIONAL AIDES

Adequate support staff can also be key to the quality of instruction and to student success. Of the districts participating in the survey, 76 percent provided data on the number of instructional support staff (i.e., counselors, content specialists, curriculum supervisors, instructional supervisors); 51 percent of districts providing this information had fewer instructional support staff in 2017 than in 2008. In addition, KDE data shows the number of instructional aides (i.e., instructional assistants and computer lab technicians) declined by 10 percent between 2008 and 2017.<sup>37</sup> Several school districts described reductions in instructional assistants in their responses to various survey questions.

- “ *Unable to attract quality personnel because financially not feasible to keep salaries competitive. Unable to provide needed instructional support personnel, we have cut personnel to the bone.*— *Green County Schools*

**FULL-DAY KINDERGARTEN AND PRESCHOOL PRIORITIZED BUT LACK OF FUNDING IS A CONCERN**

Every child in Kentucky should have access to high-quality early childhood education, which has long been understood to be an important investment with a significant return.<sup>38</sup> Despite research showing full-day preschool and kindergarten are most effective at promoting academic success, as described above the state only provides funding for districts to offer half-day programs and does not fund transportation for preschool.<sup>39</sup>

However, even while experiencing serious financial challenges, school districts across the state are making full-day kindergarten and preschool a priority—although there are significant costs associated with doing so, and it is not possible for all districts. Almost all districts offer full-day kindergarten, but it is notable that three switched back to half-day between 2013 and 2015 for budget reasons.<sup>40</sup> Just 40 percent of Kentucky school districts provide full-day preschool four or five days a week. According to a recent report by the Legislative Research Commission, districts reported spending \$4,395 more per child on average than they received from the preschool funds allocated by the General Assembly. A number of districts responding to our survey described funding concerns related to preschool and kindergarten in their open-ended responses to the question about the greatest impact of funding freezes/cuts.

“ *We had to cut preschool classes two full days a week.*  
— *Adair County Schools*

“ *Limited space and limited operational funding only allows us to operate a half-day K program.*— *Boone County Schools*

“ *We make our dollars stretch as far as we can but that also means sacrifices are made. We fund kindergarten at full day to meet our students' needs while SEEK only funds 1/2 of the day. SEEK transportation does not adequately fund our program so we wait longer. We cannot find adequate staff to drive buses. Many of our coaches for extracurricular activities are volunteers.*  
— *Murray Independent Schools*<sup>41</sup>

**FEWER INSTRUCTIONAL DAYS**

Many school districts had fewer instructional days in 2017 than in 2008. In the survey, we asked “How many instructional days were in the school calendar in your district?” for Fiscal Year 2008 and Fiscal Year 2017. More than half—54 percent—of districts responding to the survey reported a decline in the number of instructional days.<sup>42</sup>

By state law, Kentucky schools districts must have 170 days of classes. However, in 2014 the law was amended to specify that they must have at least 1,062 hours of classroom instruction in order to allow some flexibility for districts that cancel classes due to weather or illness.

**FEWER RESOURCES FOR INSTRUCTIONAL MATERIALS AND TECHNOLOGY**

Another common theme in the open-ended response survey question about the greatest impact of funding freezes/cuts was reduced funding for instructional materials and/or technology. As discussed above, since 2008 state funding for this area has declined an inflation-adjusted 34 percent.<sup>43</sup> Numerous school districts described an inability to buy basic instructional resources such as up-to-date textbooks and other materials, including, in the words of the Boone County Schools superintendent: “adding digital learning services facilitating 21st century learning for our students.”

“ *Less money for instructional resources and less money for classified instructional assistants. Limited upgrades with regard to computer technology in schools.— Allen County Schools*

#### LIMITED CURRICULA

The data we collected indicate many districts have had to reduce their curricular offerings since 2008. Our survey asked several “yes or no” questions related to curriculum changes, some of which gave the option of describing these changes in more detail. Our findings include the following:

- 35 percent of surveyed districts have reduced or eliminated art and music programs.
- 30 percent of districts had special course offerings, such as world languages, funded by the district in 2008 that were no longer funded in 2017.
- 25 percent have reduced or eliminated career and technical education programs.

When districts were asked if additional important programs have been reduced or eliminated, 21 percent answered “yes” and described a range of programs including Advanced Placement (AP) and dual credit classes, having just one science teacher to cover both middle and high school—as well as field trips and after school programs.

“ *Our district has also not replaced one choir and one music teacher due to lack of funding for these type programs. We have also tried to hold the teacher to student ratio at the maximum ratio because we don’t have the funding to increase teachers. Reduction in funding decreases the ability to have extra programs, smaller class sizes, etc.—Knox County Schools*

“ *Trying to offer the classes and services needed for our students.*  
—Jenkins Independent Schools

#### UNABLE TO EXPAND OR INNOVATE

Several districts described another result of inadequate funding as the inability to expand programs or innovate in important ways. The following quotes are from school districts’ responses to the open-ended response question about the greatest impact of funding freezes/cuts:

“ *While we have not had to eliminate many programs, we have been unable to add the STEM classes that our students need to be prepared for the future. — Carter County Schools*

“ *Reduction in funding decreases the ability to have extra programs, smaller class sizes, etc.—Knox County Schools*

“ *Inability to pursue innovative programs and expanded opportunities for students.*  
—Metcalf County Schools

“ *We have not been able to expand existing, or create new programs.*  
—Russell Independent Schools

“ *In many cases we have been forced to just maintain educational programs as well as extracurricular activities rather than expand in these areas.— Somerset Independent Schools*

## REDUCTIONS IN STUDENT SUPPORT SERVICES

In addition to in-class instruction, many students need additional supports—both academic and otherwise—in order to be successful.<sup>44</sup> The following quote from Erlanger-Elsemere Independent Schools is telling regarding the increased needs of students for such supports:

“We see many more children living in trauma with more adverse childhood experiences (ACES). Additionally, we are seeing more adverse community environments in the NKY region such as poverty, housing issues, homelessness, violence, discrimination...lack of access, opportunity, and mobility. In these cases, some students have a pair of ACES. Districts across the state like ours are now providing three meals a day, on-site additional counseling, dental services, school-based health centers, and a whole lot more. So many Kentuckians are not aware that our state ranks at the top of the list nationally in areas such as parents who are incarcerated, children living in kinship care, homelessness, children whose parents are addicted to heroin and other drugs, etc. These are areas we cannot expect our schools to not address because they impact student learning. Unfortunately, very few legislators or others in positions of authority are realizing this and putting more resources into schools. Instead resources are being reduced across the state.”

In this already challenging context, Kentucky school districts are having to cut back on student support services; 42 percent of surveyed districts indicated they had reduced student supports such as after school, summer school and intervention/enrichment services.<sup>45</sup> These types of services are absolutely critical to the success of many struggling students.

- As mentioned previously, the state has reduced funding for FRYSCs by 14 percent once inflation is taken into account. The state's 811 FRYSCs provide critical supports such as after school child care, family literacy services, referrals to health and social services, substance abuse education and counseling, and family crisis and mental health counseling.<sup>46</sup>
- In addition, a quarter of surveyed districts spent less on health services in 2017 than in 2008.
- Of surveyed districts, 14 percent indicated they have reduced special education services for reasons related to cost. While legally districts must provide a minimum level of services, some districts reported having to reduce special education staff, such as fewer instructional assistants to help support Individual Education Plans, due to funding constraints.

“ *Special Ed child count [is] increasing but funding [is] not meeting the needs of those students.*  
—Graves County Schools

“ *No school counselor on staff due to funding.*  
—East Bernstadt Independent Schools<sup>47</sup>

“ *The most recent budget reduction proposal has resulted in a freeze in spending on all state grants in our district which has resulted in students not being fully served by family resource center personnel, no after school tutoring, and reductions in other programs such as academic teams.*—Knox County Schools

## COST SHIFT TO PARENTS

Another way school districts have attempted to make up for funding losses is through the shift of some costs to parents:

- 35 percent of districts have begun implementing or have increased instructional fees for qualifying students. For instance, some have increased the “supply fee” or “student fee” for textbooks and lockers and some have introduced a technology fee.<sup>48</sup>
- 34 percent of surveyed districts have begun implementing or increased fees for extracurricular activities.<sup>49</sup>

One district even mentioned the increased prevalence of fundraisers in their survey response about the greatest impact of funding freezes/cuts.

Although students who qualify for Free and Reduced Price Lunch are not subject to instructional fees, these fee increases could be a barrier to educational and extracurricular opportunities for many children and their families. And for schools with a large share of low-income students instructional fees are not an option they can turn to in order to raise needed revenue, which could increase inequities among schools within a district as well as among districts.

## NEGLECTING FACILITIES, MAINTENANCE AND TRANSPORTATION NEEDS

Kentucky school children benefit when they can get to school and learn in a comfortable and safe environment. However, Kentucky’s school districts are struggling to address often critical facility needs, maintenance issues and the purchase and maintenance of buses due to a significant lack of resources.

Unmet capital needs were one of the most common issues mentioned in the open-ended survey question about the greatest impact of funding freezes/cuts on school districts. Of the districts participating in the survey, 67 percent provided information about unmet facilities needs in 2008 as well as in their most recent district facilities plan (plans are required every four years unless a district is granted a waiver); 74 percent of those providing this data reported greater facilities needs in their most recent facilities plan than in 2008. This result is not surprising in light of the overall lack of state resources devoted to capital needs and the lack of a comprehensive ranking system at the state level to identify school districts with the greatest capital needs that would allow a more effective and efficient use of the limited resources that do exist.<sup>50</sup>

In addition, more than \$335 million of statutorily targeted capital funds have been diverted over the past six years for use by many school districts to meet operating expenses, as shown in the table below. This practice, which began in 2011, was initially designed to help school districts make ends meet during the recession. Although it has continued since then as districts are still struggling to meet financial obligations, use of capital funds in this manner is in the process of being phased out.

## School District Requests to Use Capital Funds for Operating Expenses

Year	Total Approved (in millions)	Number of Districts Approved	Total Requests Approved
2011	\$42.70	101	139
2012	\$52.20	95	147
2013	\$47.00	121	171
2014	\$38.20	101	131
2015	\$55.00	112	165
2016	\$37.00	102	128
2017	\$64.90	127	180

Source: KCEP analysis of KDE data.

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“ *The glaring problem is that we have 50+ year old buildings and receive little to no funding to have adequate facilities. — Russell Independent Schools*

“ *Funding for facilities is almost impossible in this area. We recently had a nickel tax voted down (almost 3 to 1) because we have a disabled and/or aging population with most landowners in the district already living below the poverty level. They simply cannot afford to pay any additional on their taxes which leaves this district out of getting the state equalization funds. — McCreary County Schools<sup>51</sup>*

“ *... we often must postpone and prioritize facilities needs and are unable to make needed repairs in a timely manner. — Elliott County Schools*

“ *... we did not purchase new buses for two years and we reduced the number of buses purchased in two other years; we cut back on the maintenance projects as much as possible. — Caldwell County Schools*

The impact of inadequate state transportation funding on school districts and the students they serve is a critical concern. As noted by Boone County Schools: “The freeze in transportation funding requires the district to divert funds that would otherwise be used for instruction to the transportation operation.” It also means districts may not be able to purchase new buses necessary to safely transport kids to and from school. Transportation funding needs were one of the most commonly mentioned responses to the open-ended survey question: “What has been the greatest impact of funding freezes/cuts in your district?”

“ *Concerning the impact of funding freezes and/or cuts on transportation, we quickly fall behind with purchasing new buses. We currently have two buses still on a route that are 16–18 years old. Falling behind on bus purchases makes it extremely difficult to catch up in future years. In addition, the ability to hire and train new bus drivers is affected in that the associated costs are strained. — Harrison County Schools*

“ *We have only purchased 1/3 of the buses we need. — Hart County Schools*

## CONCLUSION

Rather than state funding for education being protected, districts across Kentucky face serious financial challenges that have significantly impacted classrooms and kids. In order to maintain the academic progress made through KERA, regain ground on funding equity and provide Kentucky's kids the high-quality education they need and deserve, the state needs to reinvest in education.

## ENDNOTES

- <sup>1</sup> Michael Leachman, Kathleen Masterson and Eric Figueroa, "A Punishing Decade for School Funding," Nov. 29, 2017, <https://www.cbpp.org/research/state-budget-and-tax/a-punishing-decade-for-school-funding>.
- <sup>2</sup> The survey included short answer, "yes or no" and open-ended response questions.
- <sup>3</sup> Quotes from school districts have in some cases been edited for format reasons including capitalization and punctuation.
- <sup>4</sup> Susan Weston, "What is SEEK, Anyway? A Four-Step Explanation," Nov. 26, 2017, The Prichard Blog, <http://prichblog.blogspot.com/2017/11/what-is-seek-anyway-four-step.html>.
- <sup>5</sup> Local districts can also receive SEEK funds to build or renovate facilities. If they raise an addition 5 cents for each \$100 of taxable property they can receive additional equalization dollars from the Facilities Support Program of Kentucky and be eligible to borrow money using School Facilities Commission bonding authority. Some districts also qualify for state equalization of additional facilities nickel taxes based on rules added to state budgets in different years. Prichard Committee for Academic Excellence, "The SEEK Formula," August 2015, [http://prichardcommittee.org/wp-content/uploads/2015/08/4.5.SEEK\\_EdGuides2015.pdf](http://prichardcommittee.org/wp-content/uploads/2015/08/4.5.SEEK_EdGuides2015.pdf).
- <sup>6</sup> Leachman et al., "A Punishing Decade for School Funding."
- <sup>7</sup> Ashley Spalding et al., "Commonwealth at Risk: A Preview of the 2018-2020 Kentucky State Budget," Kentucky Center for Economic Policy, Jan. 4, 2018, <https://kypolicy.org/commonwealth-risk-preview-2018-2020-kentucky-state-budget/>.
- <sup>8</sup> Other LARS programs are: Appalachian Learning Disabled Tutoring Program, Commonwealth School Improvement Fund, Community Education Program, Collaborative Center for Literacy Development, Elementary Arts and Humanities Program, Georgia Chaffee Teenage Parent Program, Gifted and Talented Program, Leadership and Mentor Fund, Local School District Life Insurance, Mathematics Achievement Fund, Middle School Academic Center, Preschool Program, Teacher's Professional Growth Fund, Read to Achieve Program, Save the Children/Rural Literacy Program, Teacher Academies Program, Teacher Recruitment and Retention Program-Educator Quality and Diversity, Virtual Learning Program, Writing Program, Lexington Hearing and Speech Center, Heuser Hearing and Language Academy, Visually Impaired Preschool Services, AdvanceKentucky, and Teach for America.
- <sup>9</sup> KCEP analysis of Office of State Budget Director data. Office of Education Accountability, "A Review of the Safe Schools Program," Legislative Research Commission, Oct. 18, 2016.
- <sup>10</sup> In 2008, eligibility was set at 150 percent of the poverty level. The 2016–2018 budget that passed the General Assembly expanded eligibility further to 200 percent of the poverty level, but this provision was line-item vetoed by the governor.
- <sup>11</sup> Commonwealth of Kentucky Office of State Budget Director, "General Fund Budget reduction Order 18-10," Dec. 28, 2017, <http://apps.sos.ky.gov/Executive/Journal/execjournalimages/2017-MISC-253341.pdf>.
- <sup>12</sup> Council for Better Education, "SEEK Overview 2008-2016, Inflation-Adjusted Version," <http://www.kybe.com/2016seekoverviews/StatewideSEEK2016.pdf>.
- <sup>13</sup> 702 KAR 3:270, <http://www.lrc.state.ky.us/kar/702/003/270.htm>.
- <sup>14</sup> Spalding et al., "Commonwealth at Risk."
- <sup>15</sup> In addition to other transportation costs associated with preschool transportation, districts are required to provide a driver's assistant for every bus that transports preschool students.
- <sup>16</sup> Two districts, Lee County and Wolfe County, do not currently provide preschool services but instead serve preschool students by contracting with their local Head Start providers.
- <sup>17</sup> Anna Baumann, "The Funding Gap Between Kentucky's Poor and Wealthy School Districts Continues to Grow," Kentucky Center for Economic Policy, Dec. 13, 2017, <https://kypolicy.org/funding-gap-kentuckys-poor-wealthy-school-districts-continues-grow/>.
- <sup>18</sup> Baumann, "The Funding Gap Between Kentucky's Poor and Wealthy School Districts Continues to Grow."
- <sup>19</sup> Leachman et al., "A Punishing Decade for School Funding,"
- <sup>20</sup> Valerie Honeycutt Spears, "Coal Industry's Decline Means Less Tax Money for School Districts," Lexington Herald-Leader, Feb. 8, 2017, <http://www.kentucky.com/news/local/education/article131512139.html>.
- <sup>21</sup> Jason Bailey, "Job Recovery for Some Kentucky Counties, Second Recession for Others," Kentucky Center for Economic Policy, May 5, 2017, <https://kypolicy.org/job-recovery-kentucky-counties-second-recession-others/>.
- <sup>22</sup> C. Kirabo Jackson et al., "The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms," National Bureau of Economic Research, January 2015, <http://www.nber.org/papers/w20847>.
- <sup>23</sup> Julien Lafortune et al., "Can School Finance Reforms Improve Student Achievement?," Washington Center for Equitable Growth, March 2016, <http://cdn.equitablegrowth.org/wp-content/uploads/2016/03/16081142/031616-rothstein-schoolfin1.pdf>.
- <sup>24</sup> Prichard Committee for Academic Excellence, "Excellence with Equity: It's Everybody's Business," July 2016, <http://prichardcommittee.org/achievement-gaps-undermine-efforts-to-achieve-educational-excellence-for-all/>.

## STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS

- <sup>25</sup> Kentucky Department of Education, "Classified Staff Job Codes and Descriptions," <https://education.ky.gov/districts/FinRept/Pages/School%20District%20Personnel%20Information.aspx>. A number of positions can be classified or certified depending on the credentials of the person holding the position (for instance, social workers, speech language pathologists, etc.). Education Professional Standards Board of Kentucky, Local Educator Assignment Data Manual, <http://www.epsb.ky.gov/mod/page/view.php?id=99>.
- <sup>26</sup> KCEP Analysis of KDE data. Merged districts were omitted from this analysis.
- <sup>27</sup> KCEP Analysis of KDE data. Merged districts were omitted from this analysis. Student enrollment was used in calculations.
- <sup>28</sup> Center for Public Education, "Class Size and Student Achievement: Research Review," <http://www.centerforpubliceducation.org/Main-Menu/Organizing-a-school/Class-size-and-student-achievement-At-a-glance/Class-size-and-student-achievement-Research-review.html>.
- <sup>29</sup> KCEP Analysis of KDE data. Merged districts were omitted from this analysis.
- <sup>30</sup> Quote was added as an additional comment in the survey.
- <sup>31</sup> Matthew Hendricks, "Does It Pay to Pay Teachers More? Evidence from Texas," Journal of Public Economics (January 2014), pp. 50-63, <http://www.sciencedirect.com/science/article/pii/S0047272713002119?via%3Dihub>. Heather Hough, "Salary Incentives and Teacher Quality: The Effect of a District-Level Salary Increase on Teacher Recruitment," <http://cepa.stanford.edu/content/research-brief-the-effect-of-a-district-level-salary-increase-on-teacher-recruitment>.
- <sup>32</sup> Picus Odden & Associates, "Adequacy for Excellence in Kentucky," Council for Better Education, August 2014, [http://www.kycbe.com/downloads/CBE\\_Funding\\_Report\\_1.pdf](http://www.kycbe.com/downloads/CBE_Funding_Report_1.pdf).
- <sup>33</sup> The average teacher salary increased six percent in Fayette County and one percent in Southgate, Spencer County and West Point. The average teacher salary did not change in Jefferson County. Kentucky Department of Education, "Average Classroom Teacher Salary 1989-90 through 2016-17," Stanford Center for Education Policy Analysis, 2012, <https://education.ky.gov/districts/FinRept/Pages/School%20District%20Personnel%20Information.aspx>. Merged districts were excluded from the analysis.
- <sup>34</sup> Picus Odden & Associates, "Adequacy for Excellence in Kentucky."
- <sup>35</sup> Kentucky Department of Education, District Report Card data. In 74 districts, the average teacher experience was higher than in 2008; 52 districts had lower average teacher experience. Analysis excludes merged districts.
- <sup>36</sup> KCEP analysis of Office of State Budget Director data.
- <sup>37</sup> KCEP analysis of KDE data on classified staff.
- <sup>38</sup> James Heckman et al., "A New Cost-Benefit and Rate of Return Analysis for the Perry Preschool Program: A Summary," National Bureau of Economic Research, July 2010, [http://jenni.uchicago.edu/papers/Heckman\\_Moon\\_etal\\_2010\\_NBER\\_wp16180.pdf](http://jenni.uchicago.edu/papers/Heckman_Moon_etal_2010_NBER_wp16180.pdf).
- <sup>39</sup> Sabrina Olds et al., "Preschool Program Review and Full-Day Kindergarten," Office of Education Accountability, Legislative Research Commission, September 2017, [http://www.lrc.ky.gov/lrcpubs/RR450\\_U.pdf](http://www.lrc.ky.gov/lrcpubs/RR450_U.pdf).
- <sup>40</sup> Currently just six offer half-day kindergarten, and four offer both full- and half-day. Olds et al., "Preschool Program Review and Full-Day Kindergarten."
- <sup>41</sup> Quote was added as an additional comment in the survey.
- <sup>42</sup> Six school districts in our sample did not provide complete information for this question and their responses were not included in the calculation.
- <sup>43</sup> KCEP analysis of OSBD data.
- <sup>44</sup> Picus Odden & Associates, "Adequacy for Excellence in Kentucky."
- <sup>45</sup> Our survey asked the following "yes or no" question about reduced student supports: "Comparing FY 2017 to FY 2008, has your school district/any school in your district reduced student supports such as after school, summer school and intervention/enrichment services?"
- <sup>46</sup> Mandy McLaren, "Kentucky Budget Cuts Could Crush School Outreach, Education Officials Say," Courier-Journal, Dec. 26, 2017, <https://www.courier-journal.com/story/news/education/2017/12/26/kentucky-budget-cuts-school-outreach-education/886376001/>.
- <sup>47</sup> Quote was part of a response to a question about reductions to other important programs.
- <sup>48</sup> Three school districts in our sample provided ambiguous responses and these were not included in the calculation.
- <sup>49</sup> One school district in our sample did not respond to this question.
- <sup>50</sup> Kentucky Department of Education, "Kentucky Facilities Inventory and Classification System (KFICS): Phase I Report (Revised)," Dec. 4, 2017, <https://education.ky.gov/districts/fac/Documents/2017%20KFICS%20Phase%20I%20Report%20REVISED.pdf>.
- <sup>51</sup> Quote was added as an additional comment in the survey.

## Appendix

School District Name	What has been the greatest impact of funding freezes/cuts in your district?
Adair County	Transportation costs, cost of buses, a much needed salary increase for FY'18. We had to cut preschool classes two full days a week. Upkeep for our older two buildings. We are in need of a much larger band building.
Allen County	Less money for instructional resources and less money for classified instructional assistants. Limited upgrades with regard to computer technology in schools. Minor pay increased for district employees.
Anderson County	The impact of decreased funding for the district includes the inability to retain and recruit additional teachers to reduce class size, restricted purchasing of new school buses to replace aging fleet, reduced upgrades to technology, limited program offerings, and severely limited vital construction projects.
Ashland Independent	Greater general fund financial responsibility, reduction in staffing.
Augusta Independent	Reduction in staff, unfunded mandates, rising costs of all expenses in all departments, unable to buy basic instructional resources such as textbooks.
Bardstown Independent	Unfunded mandates by state. Mid-year funding adjustments (cuts) after working budget has been approved by local BOE.
Barren County	The state's SEEK funding has the biggest impact on our district's funding because over 70% of our district's revenue comes from it. When state funding doesn't keep up with inflationary costs each year our district is forced to make hard choices like freezes and cuts.
Bath County	General fund revenues have continued to decrease due to federal/state budget cuts leaving more for local level to pick up. Up to this point (FY18), expenditures have not yet been cut but major spending cuts for all areas — instructional/operational/special ed.,etc. — are going to have to be made this year in order to meet contingency.
Beechwood Independent	1. Pensions would kill us! 2. One nickel has been sunset by the legislative body so our bonding capacity has been dramatically impacted. 3. It's harder to retain staff because we have not increased salaries. 4. We have limited professional development because PD funds have been reduced. 5. And we've had to reduce staff to keep all services going for our kids.
Bellevue Independent	Funding burden has shifted to local monies. 60% state in 2008. 40% state in 2017.
Berea Independent	We have continually reassigned administrative duties to limit the impact on classroom instruction. The cuts announced on 9/8/17 will have a much greater impact on student learning than can be mitigated through reassignment of duties. We aren't sure what the outcome will be, but again, will limit classroom instruction through other programmatic supports. None of what we do is fluff.
Boone County	Limiting student access to technology and textbooks. Limited space and limited operational funding only allows us to operate a half-day K program. Delay to adding world language program. Funding limitations precludes the district from adding digital learning services facilitating 21st century learning for our students. The freeze in transportation funding requires the district to divert funds that would otherwise be used for instruction to the transportation operation.

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Boyd County	Staff adjustments. Textbooks. Transportation needs. Software and programs such as Infinite Campus fees that have been passed on to the district level after previously been paid by the state.
Bracken County	Continued unfunded mandates and no growth in funding.
Breathitt County	Teaching and learning.
Breckinridge County	Large reduction to our operating expenses. For example, we have been unable to maintain an adequate school bus replacement schedule.
Bullitt County	Uncertainty of federal funding.
Burgin Independent	We cannot pay our teachers a competitive salary, compared to area districts. Our school keeps growing but our facilities can't keep up.
Butler County	Not be able to do after school programs.
Caldwell County	There were no raises for staff for several years, days were cut from 187 to 185. We did not purchase new buses for two years and we reduced the number of buses purchased in two other years. We cut back on the maintenance projects as much as possible.
Calloway County	We are looking at every area, trying to stretch an already thin dollar. We are reducing staff in every area possible. We have reduced contract days for almost all of our staff. Adding additional programs is no longer an option and every request must be scrutinized. We recently outsourced custodial services as well.
Campbell County	All of the cuts from the federal and state levels have forced the district to rely heavily upon local support, which puts a burden on the local community. Unfunded mandates and other expenses passed on from legislative decisions require local districts to spend more funds on items that in the past were covered. While this is not represented as a cut it still impacts local districts' flexibility in budget decisions.
Campbellsville Independent	Professional development. Textbooks. After school programs.
Carlisle County	Having to cut staff.
Carroll County	Setting funds aside for future construction use. Only have the original FSPK nickel in Carroll County and funding projects has been difficult.
Carter County	While we have not had to eliminate many programs, we have been unable to add the STEM classes that our students need to be prepared for the future.
Casey County	Preschool funding—going to grant applications. SEEK money remaining the same for numerous years.
Caverna Independent	Decreases to staff. Huge increase in fundraisers which allows for bigger burden on parents.
Christian County	Making ends meet. Pressure for more local funding.
Clark County	Not a freeze or cut, but transportation remains costly.

**STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS**

Clinton County	The ability to upgrade facilities.
Cloverport Independent	For FY 2008, the state grants including Flex Focus grants were \$151,537.44. For FY 2017, these same grants were \$131,721 for a reduction in funding of \$19,816.44.
Corbin Independent	General fund monies have been forced to pay for funding shortages for transportation and half-day kindergarten funding. If transportation and full-day kindergarten had been fully funded, the district would have more funding available for technology and additional instructional needs.
Covington Independent	n/a
Crittenden County	
Cumberland County	Reduction of staff, buses, reduction of programs.
Danville Independent	Reduction in state grant amounts. This has caused the district to utilize general fund money to maintain programs.
Daviess County	Staffing cuts.
Dawson Springs Independent	Facilities due to using capital outlay money for general operating needs and not being able to afford raises for staff
Dayton Independent	Stagnant salaries for teachers and staff. No significant raises.
East Bernstadt Independent	Fewer people to address the needs of students and to offer all the support needed.
Edmonson County	Loss of classified staff.
Elliott County	We have been unable to maintain the number of staff that enables us to keep our student/teacher ratio numbers as low as we would like. We are also unable to provide up-to-date instructional resources (especially textbooks) for many of our classrooms. Finally, we often must postpone and prioritize facilities needs and are unable to make needed repairs in a timely manner.
Erlanger-Elsmere Independent	We have had to use larger percentages of our funding for student supports. Our region and our local community has many needs which impact students and have to be addressed at school in order for students to be able to learn. Our district also went for multiple years without giving raises to our employees. Last year was the first time we gave a raise in quite a while. Our facilities and our transportation are always areas of concern. We work hard to maintain our buildings and to provide transportation to the students we transport. With about 2500 students and 7 schools this is something we continue to try to maintain on our own. We are forced to take the 4% every year. The local dollars are now covering more than the state dollars we receive.
Fairview Independent	The district has had to reduce classified and certified staff to the bare minimum. Cannot cut personnel any further and still operate as a school district. Have been unable to purchase new buses to replace old ones that require constant maintenance to keep operating. Have not been able to upgrade athletic facilities, especially the baseball and softball fields. These two facilities need to be completely renovated and field lights installed so games can be played at night.

**STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS**

Fayette County	Sequestration of funds and unfunded mandates such as raises, pension spiking, SEEK not being fully funded for transportation costs.
Fort Thomas Independent	Inability to purchase instructional materials, renovate buildings.
Franklin County	Staffing.
Glasgow Independent	Transportation.
Grant County	Increases in class sizes, reductions in support staff, reduction in hours of support staff.
Graves County	Special ed child count increasing but funding not meeting the needs of those students. Transportation costs continue to increase but are not funded adequately. Flex Focus funds have impacted our safe schools initiatives and hardship of purchasing textbooks/materials.
Green County	Unable to attract quality personnel because financially not feasible to keep salaries competitive. Unable to provide needed instructional support personnel, we have cut personnel to the bone. Quality of bus fleet deteriorating, cannot afford replacements.
Greenup County	1. Transportation funding. 2. Title 1 reductions. 3. Unfunded mandates from legislature. 4. Half-day funding for kindergarten.
Hancock County	Instructional professional development services, bus fleet depreciation, furniture needs, preschool services, etc.
Hardin County	Not being able to give COLA raises to staff.
Harlan County	Personnel, buses/transportation issues, facilities.
Harrison County	The greatest impact is on educating the students. When any or all of the above programs are cut, it reduces what can be offered for the overall student population. All programs are equally important to student achievement and growth. Concerning the impact of funding freezes and/or cuts on transportation, we quickly fall behind with purchasing new buses. We currently have two buses still on a route that are 16-18 years old. Falling behind on bus purchases makes it extremely difficult to catch up in future years. In addition, the ability to hire and train new bus drivers is affected in that the associated costs are strained. The greatest impact of funding freezes/cuts in our district is the effect it has on students. This reduction causes students to not reach their full potential. Unfunded mandates - program reviews, dashboards required but not funded!
Hart County	No raises for our staff. There has been no money for innovative ideas to be implemented. Loss of extracurricular coaches. Delay of some building needs to be met. We have only purchased 1/3 of the busses we need. Freeze on central office positions being filled. Failure to purchase needed land for a new school. Rarely purchasing new textbooks.
Henderson County	Personnel have had to learn to work smarter with less. Uncertainty of funding is a great concern, trying to figure out how to cut personnel without having a major impact on instruction or the program.

**STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS**

Henry County	Unable to give staff raises because of our “flat” funding.
Hopkins County	Staffing reductions.
Jackson Independent	The struggle to keep our school district open and continue to have test scores in the top 10% in the state; the financial threat of consolidation with the county school system.
Jefferson County	Reduced staffing and other allocations at school level. Reduced support from central office.
Jenkins Independent	Trying to offer the classes and services needed for our students.
Jessamine County	The increased costs behind the scenes have caused us to increase our local tax rate and limited our ability to give desired raises. The only cut we have made that is still in effect the last 10 years is a 2% staffing reduction and that is a result of the state mandated raises of 1% and 2%.
Johnson County	Higher student to staff ratio. No textbooks. Cuts in professional learning. Cuts in library services. Cuts in health care services. No staff raises. Subsidizing grants (Family Resource Centers) with general fund monies.
Kenton County	Building repair and maintenance. Increased reliance on federal and state grants. Annual local tax increases. Extracurricular program funding.
Knox County	The most recent budget reduction proposal has resulted in a freeze in spending on all state grants in our district which has resulted in students not being fully served by Family Resource Center personnel, no after school tutoring, and reductions in other programs such as academic teams. Our district has also not replaced one choir and one music teacher due to lack of funding for these type programs. We have also tried to hold the teacher to student ratio at the maximum ratio because we don't have the funding to increase teachers. Reduction in funding decreases the ability to have extra programs, smaller class sizes, etc.
Lee County	Reduction of staff both classified and certified. Facility needs. Staff wearing multiple hats. Increased expenditures, decreased revenue. No staff raises. Class size increase. Loss of programs—Music and PE at elementary. Low morale due to funding needs. The need to provide a quality instructional program. Again I could go on.
Lewis County	Loss of support personnel at all levels, loss of assistant principal positions, reduction of teaching positions.
Lyon County	The SEEK Formula is broken. It does not provide adequate funding for districts, forcing districts to increase the tax levy on the local property owner. Unfunded mandates from the General Assembly continue to force districts to spend precious dollars. Latest example is the facility assessment process. Local districts will foot the bill for architect/engineers to assess the needs of the facility. Only a handful of districts will receive funding through this process. It is mandated participation even if a district knows they will not have any facilities near the top 20.
Magoffin County	The cuts coming after you have set your budget. We now are requiring a freeze on certain funds until we can get a better idea of what we actually have.

**STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS**

Marshall County	Unable to give raises as needed.
Mason County	State and federal grants being cut to help support programs that are a must.
Mayfield Independent	Facilities due to using capital outlay money for general operating needs and not being able to afford raises for staff.
McCracken County	The Board did not grant any non-mandated raises to staff since 2008-2009, although some combination of one time payments or mandated raises have been given each year except 2010-2011. In addition, routine facility maintenance has changed from proactive to reactive. To maintain academic and co-curricular/ extracurricular programming, the district has made reductions in administration in expenses through attrition, consolidated and restructured schools and grading levels, aggressively sought grant funding since the hiring of a grant writer in 2010-2011 (and been awarded millions in grants), and solicited community partnerships and donor funding when possible.
McCreary County	Any funding freeze or cut impacts our district greatly. We have a very small tax base. Just recently our PILT money was virtually eliminated.
Menifee County	Lower membership at school and decreasing attendance rates.
Mercer County	Losing quality staff in the process of budget cuts.
Metcalfe County	Inability to pursue innovative programs and expanded opportunities for students.
Middlesboro Independent	Staff salary not keeping up with cost of living increase.
Montgomery County	Class size and the inability to sustain programs/initiatives such as the one-to-one Chromebook initiative. Our general fund balance has decreased in each of the last six years as we have had to take on more and more costs due to unfunded mandates.
Muhlenberg County	Loss of classified and certified staff. Larger class sizes and fewer helpers.
Murray Independent	Maintenance and facility needs have not been met. Staff raises have been small or not at all while benefit mandates have continued to increase. Increases in allocations for student needs have remained stagnant.
Nelson County	Drastic increase in local funding [as] percent of total budget. Reduction in staffing allocation throughout the district.
Nicholas County	Overall reduced revenue from all sources.
Owen County	Cut-backs of staff and programs. No significant raises to certified with the exception of mandated raises.
Owensboro Independent	Funding cuts have resulted in the need for facility funding through a second nickel. Also, the lack of commitment at the federal level to fully fund programs like IDEA and Title I have caused the district to re-direct local resources to keep these programs. Our per-pupil SEEK funding has remained relatively flat with only a 2% increase from 2008 to 2017 while student needs are increasing at a higher rate.

**STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS**

Owsley County	Loss of student membership/enrollment, which has led to less SEEK funding. 837 students in 2008 to 716 in 2017. \$4,306,951 in SEEK funding in 2008 to \$3,680,620 in 2017. Funding cuts/losses to federal programs. Title funds in 2008 = 847,307. Title funds in 2017 = 698,732. Increased employer contributions to CERS retirement. 17.06% in 2008 to 18.68% in 2017, and increased to 19.18% in 2018, with expected increases for FY 2019. Pension spiking with CERS employees.
Paducah Independent	Reduction in federal funds (Title I, II, IV & V). Reduction in state grants (ESS, PD, KERA preschool, textbooks). Rising operational costs. Decrease in transportation funding (NEVER fully funded). Our district is more locally funded than state funded. NUMEROUS unfunded mandates (Ex. cost of Infinite Campus).
Paris Independent	Cutting positions needed for students and having to cut resources.
Pendleton County	The biggest issue for our district has been the reductions in support staff. The district has been making improvement instructionally since 2011. Prior to that time staff was plentiful but not used effectively. In 2011 with new leadership change at central office, positions were more focused and aligned to student performance. They were there for student benefit rather than making adult needs priorities. Just as these changes started to take place, funding cuts, lower property assessments, started a downward turn. In addition, we are not able to invest in ways to measure performance of assist in intervention of struggling students.
Perry County	Loss of unmined mineral tax revenue in the last fiscal year.
Pike County	Loss of jobs and services to students.
Pineville Independent	Textbooks and the ability diverse curriculum to meet all students' needs.
Powell County	Paying for unfunded mandates by state.
Pulaski County	Loss of staff.
Rockcastle County	Decrease in instructional resource spending and not replacing open positions.
Rowan County	Staff reductions.
Russell County	We need to increase our preschool services but can't due to funding. There are many unmet technology needs in the district and our transportation fleet needs more upgrading.
Russell Independent	Although we have no cuts, we have not been able to expand existing, or create new programs. We have had adequate attrition to allow for adequate budgeting. The glaring problem is that we have 50+ year old buildings and receive little to no funding to have adequate facilities, while neighboring county districts receive SFCC offers that equate to new buildings.
Shelby County	We reduced central office staff. We eliminated bus purchasing from the recurring budget for multiple years and are still not back to a full replacement cycle. We eliminated replacement cycles for maintenance vehicles. We reduced summer programming. We eliminated our growing elementary foreign language program. We froze salaries. We reduced PD budgets. We reduced section 6 and 7 allocations to schools. We reduced Agriculture Education and Family Consumer Science staffing at both high schools by half. We outsourced custodial services.

STATE BUDGET CUTS TO EDUCATION HURT KENTUCKY'S CLASSROOMS AND KIDS

Silver Grove Independent	We lost \$20,000 in preschool money at the beginning of 16–17.
Simpson County Schools	We have worked very hard to prevent losses in resources to our students in the classrooms. Funding staff pay raises has been the most challenging issue. It is particular difficult now with many jobs available in our area and the stagnant wages we're able to offer. Additionally, the attacks on our pensions and other benefits are problematic from a perception point. The brand of education as a career choice has suffered in recent years because of a variety of issues, mostly political pressures that are undermining public education.
Somerset Independent Schools	In many cases we have been forced to just maintain educational programs as well as extracurricular activities rather than expand in these areas.
Taylor County Schools	Impacts morale & difficult to give employee raises.
Todd County	TRANSPORTATION FUNDING. Textbooks. Staff cuts.
Trigg County	Not filling non-positions that are vacated that are really still needed. Limiting the amount of COLA.
Trimble County	We have historically never had enough funding for special needs in our district. Each year we have to utilize general fund money to cover expenses. While we have not cut our early childhood services we have all-day kindergarten and funding cuts in early childhood impact us greatly to continue to keep it all day.
Union County	Reductions in federal funding— Title I, Title II and Title VI—resulting in reduced instructional resources and teachers/instructional staff. Underfunded transportation—resulted in off-cycle replacement schedule leading to aged fleets and lack of spare buses. Stagnant SEEK funding—Resulted in continuous cost reductions annually and the inability to fund non-mandated staff raises and teacher/support positions.
West Point Independent	Increased property tax rates. Lack of salary increase. Increase in needed building repairs.
Whitley County	Loss of personnel.
Williamstown Independent	Mostly we have had to rely on our community to make up the slack, by increasing the tax rate. Lack of new materials. Lack of new technology resources. Cuts to staff.

**KENTUCKY CENTER FOR ECONOMIC POLICY**

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