

Council on Postsecondary Education
July 24, 2009

Budget Update

As of mid-July, the Governor had not yet executed an order to finalize the 2009-10 budget. However, in a positive development during the 2009 special session, the Governor committed to using money from the federal State Fiscal Stabilization Fund, combined with General Funds, to maintain both K-12 and public postsecondary education funding at their 2008-09 levels. The Governor also committed to no reductions to the main state financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES), the College Access Program (CAP), and the Kentucky Tuition Grant (KTG).

In order to balance the budget, the Governor originally proposed an additional 2.6 percent budget cut for many other state agencies, including the Council on Postsecondary Education, which includes funding for statewide coordination, statewide program funds for Kentucky Adult Education, and various statewide pass-through funds including contract spaces, and funding for the Kentucky Virtual Campus and Kentucky Virtual Library. Prior to this proposed cut, the Council's General Fund support was down over 17 percent from its original 2007-08 levels.

On July 10, due to additional expenditures authorized in the revised budget bill by the General Assembly during the special session, the Office of the State Budget Director (OSBD) requested yet another budget reduction plan, this time seeking information related to the impact of a 3 percent, as well as a 4 percent cut, in the Council's General Funds. The impact of the cuts will be submitted to OSBD by July 22.

It is anticipated that additional updates will be available by the time the Council meets on July 24.