

STRONG START KY

PRICHARD COMMITTEE FOR ACADEMIC EXCELLENCE

State Budget & Covid-19 Update

April 9, 2020

State Budget Update – 2020 Regular Session

- **General Assembly enacted a 1-year budget due to uncertainty around Covid-19 crisis.**
- **Much of the budget is a continuation of current year spending.**
- **As part of our Big Bold Ask for education we had asked for:**
 - **\$93 million additional over the biennium for Child Care Assistance.**
 - **\$24 million additional over the biennium for Public Preschool.**

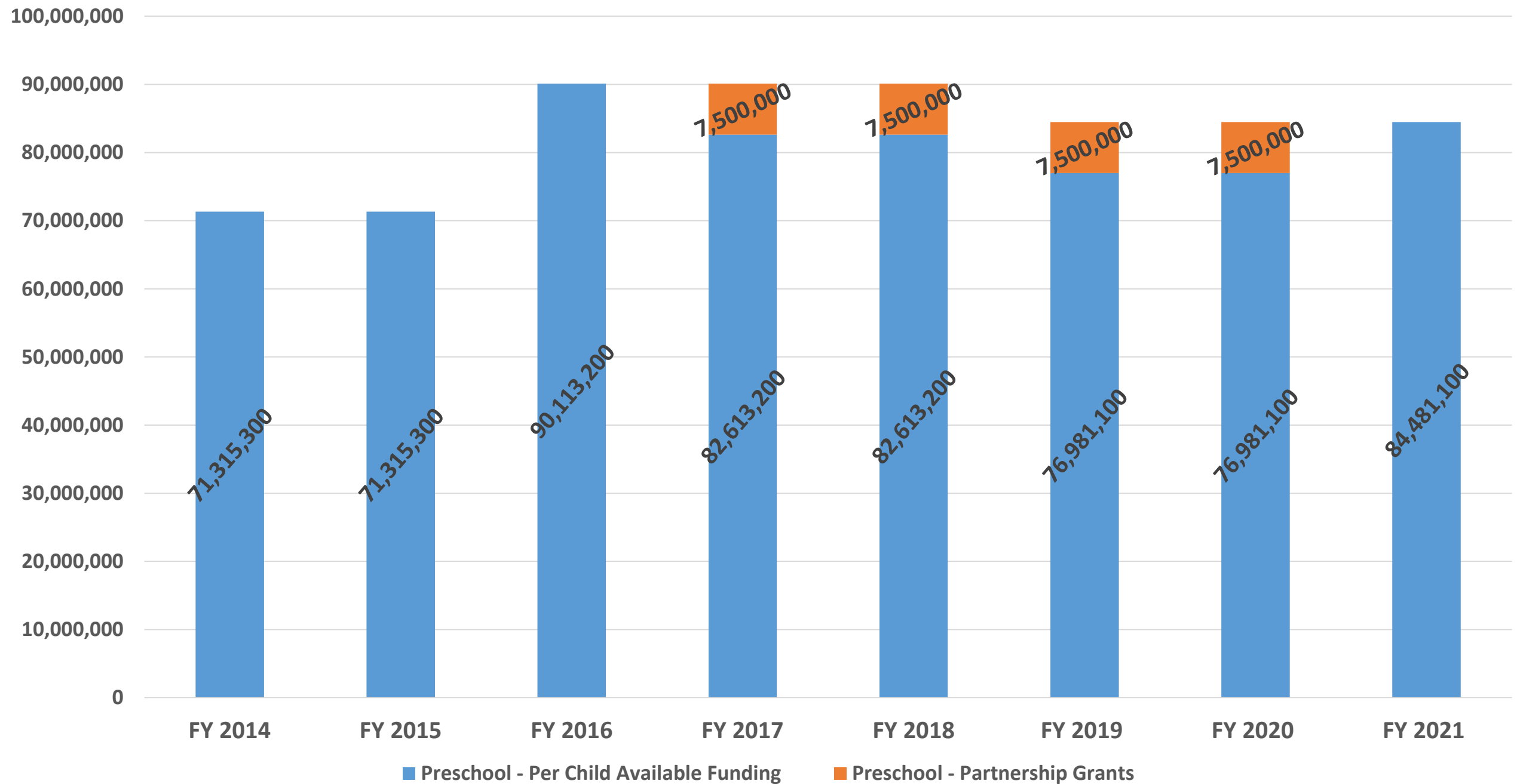
State Budget Update – 2020 Regular Session

- **The House proposed:**
 - Increasing eligibility for Pre-K and CCAP to 175% of FPL.
 - Provided an additional \$4.4 million for CCAP each year.
 - Reduced total Pre-K funding by \$7.5 million in first year and \$3.3 million in second year with removal of partnership grants.
 - Reduced HANDS by \$2 million each year.
- **The Senate proposed:**
 - Keeping eligibility for Pre-K and CCAP to 160% of FPL.
 - Kept CCAP funding at current year levels (no increase).
 - Reduced total Pre-K funding by \$2.5 million in each year and mandated \$5 million for partnership grants.
 - Reduced HANDS by \$2 million each year.

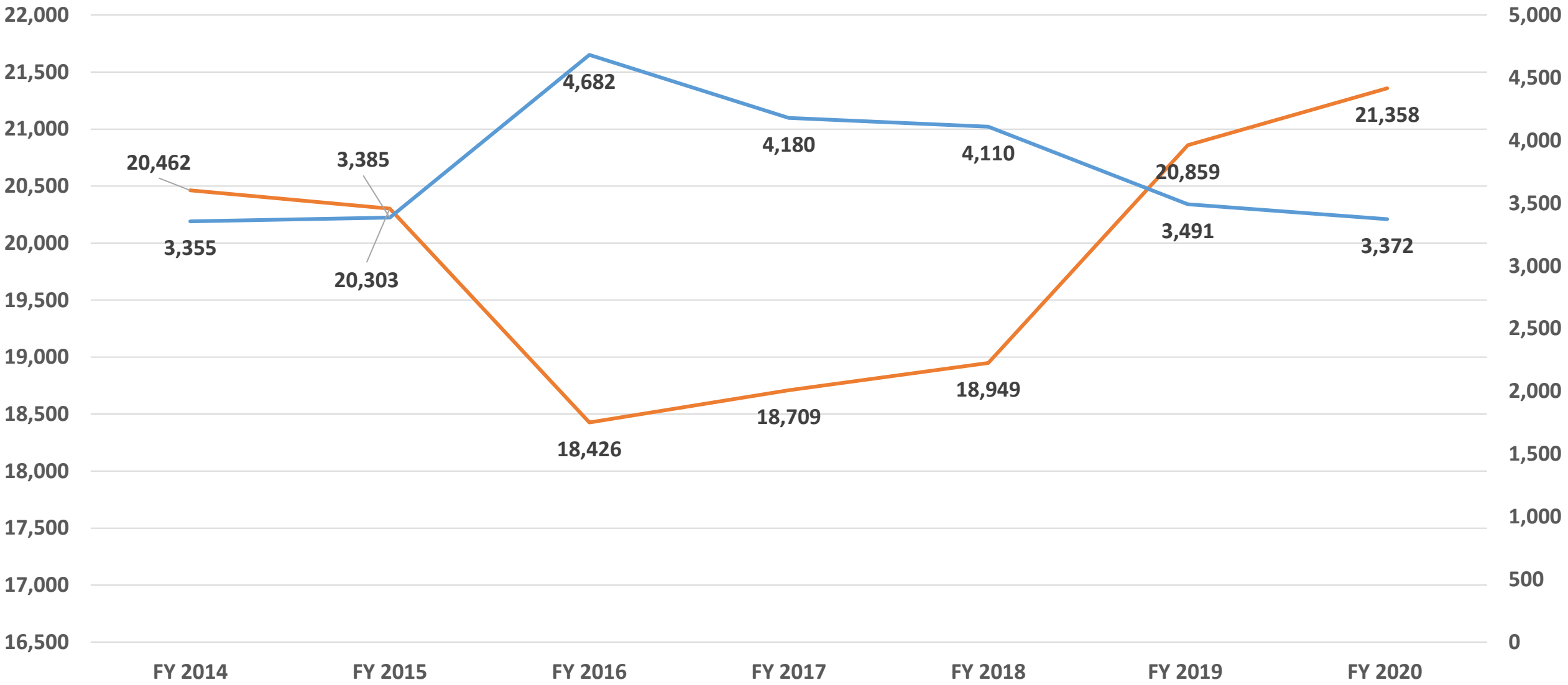
STATE BUDGET COMPARISON - FY 2020 BASELINE -vs- FY 2021 ENACTED

Investment	FY 2020 Baseline	FY 2021 Enacted	Line-Item Language
Child Care Assistance Program - General Fund	\$10,600,000	\$10,600,000	Child Care Assistance Program: Included in the above General Fund appropriation is \$10,600,000 in fiscal year 2020-2021 to provide services to families at or below 160 percent of the federal poverty level as determined annually by the U.S. Department of Health and Human Services.
Child Care Assistance Program - Tobacco Funds	\$9,750,000	\$9,750,000	Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$9,750,000 in fiscal year 2020-2021 for the Early Childhood Development Program.
Public Preschool Program - Per-Child	\$76,981,100	\$84,481,100	\$84,481,100 for the Preschool Program;
Public Preschool Program - Partnership Grants	\$7,500,000	\$0	n/a
HANDS	\$9,000,000	\$7,000,000	n/a

PUBLIC PRESCHOOL APPROPRIATIONS FY 2014 - FY 2021



PUBLIC PRESCHOOL ENROLLMENT & PER-CHILD RATE - FY 2014 - FY 2020



— Enrollment - December 1 Count of Prior Year — Per-Child Rate- At Risk


Covid-19 Pandemic – Federal CARES Act

- **Child Care – \$3.5 billion appropriated through the Child Care Development Block Grant. The Center for Law and Social Policy (CLASP) estimates Kentucky will receive \$65 million. According to CLASP funds can be used for:**
 - Continued payments and assistance to childcare providers in the case of decreased enrollment or closures related to coronavirus, and to assure they are able to remain open or reopen as appropriate.
 - Childcare assistance, without regard to income, to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to the coronavirus.
 - Funding to childcare providers who were not participating in subsidy prior to the public health emergency for the purposes of cleaning and sanitation and other activities necessary to maintain or resume the operation of programs.

Covid-19 Pandemic – Federal CARES Act

- K-12 - The Elementary and Secondary Emergency Relief Fund totaled \$13.5 billion. Of that total, the Southern Regional Education Board (SREB) estimates Kentucky will receive \$194.6 million.
- Higher Education – Funds totaling \$14.25 billion are appropriated to postsecondary education in the stimulus package. The American Council on Education (ACE) estimates Kentucky will receive \$150.7 million and provides a full institutional breakdown.
- Governor’s Emergency Education Relief- \$3 billion in emergency relief that governors may use to distribute to the schools, colleges, and universities that the virus and downturn have particularly affected. CBBP estimates Kentucky will receive \$42.1 million.

Covid-19 Pandemic – Federal CARES Act

- **Small Business Support – The Paycheck Protection Program**
 - The CARES Act provided approximately \$350 billion to support small businesses through forgivable loans.
 - A summary from the U.S. Treasury can be found [here](#) and specific details for borrowers can be found [here](#).
 - KY Youth Advocates conducted [an excellent webinar](#) with other partners providing guidance specific to childcare in accessing this program.
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WHAT'S NEXT?

- Significant additional federal investment is necessary as states' revenues are dramatically impacted by economic downturn.
- Expectation that there will be additional stimulus bills from Congress in the immediate future.
- **CHILD CARE IS CRITICAL**
 - Recent research from the National Association for the Education of Young Children reveals that only 30 percent of the 6,000 child care providers surveyed would be able to survive a closure of more than two weeks without substantial support.
 - National advocates are asking for \$50 billion to support childcare through the crisis.