



SEEK and ye shall find Medicaid money

By Jim Waters

Editor's note: Since the Bluegrass Beacon column is sent to newspapers eight days before it is posted on this Web site, it may contain some dated information.

Not only does Gov. Steve Beshear refuse to consider cuts in education to solve Kentucky's Medicaid crisis, but he accused Senate President David Williams, R-Burkesville, of wanting "our schoolchildren... to pay for a shortfall in the Medicaid budget" when Williams proposed paltry cuts in the amount of [SEEK](#) funding local school districts receive.

The Support Education Excellence in Kentucky program uses a formula for allocating money to cover the costs of transporting and educating the commonwealth's K-12 students.

Proposing even just a bit of belt-tightening for education — as the Kentucky Senate did — usually ranks up there with politically risky moves such as suggesting cuts to popular entitlement programs with big-spending lobbies and union bosses that exercise political voodoo over elected officials.

However, Kentucky families and business owners know: These are unusual times.

Families cut budgets. Businesses do more with less. Residents tighten belts. And all of them strongly suggest that government do likewise. That's why November's political tidal wave surged beyond Washington, D.C.'s boundaries and swept through state legislatures, where more than 600 seats, a record number, got new occupants.

Reasonable Kentuckians get it. They can see through the politics. Increasingly, they understand that making painful — but reasonable — cuts now to balance [Kentucky's Medicaid](#) budget avoids even deeper cuts next year — while ensuring the program's survival.

However, by proclaiming there may come "a time that we have to reduce all by an across-the-board cut, but now is not that time," Speaker Greg Stumbo, D-Prestonsburg, shows how out of touch much of the political class in the Kentucky House remains with the rest of the commonwealth.

Senators — in a very bipartisan vote — proposed a paltry 1.33-percent cut to just one revenue stream for school districts, just for the next fiscal year. Districts awash in stimulus and job-training money in recent years would hardly notice that cut if they have wisely managed their resources.

What Williams proposed cutting — \$38.5 million from SEEK only for the next fiscal year — is reasonable. Even many of his Democratic foes in the Senate agree.

The Legislative Research Commission reported that local school districts have \$775 million in their accounts, 49 percent more than in 2005. Districts also have received \$460 million in stimulus and job-training money during the past few years.

Again, what the Senate proposes impacts only one revenue stream. It would involve only the state portion of school district revenue, not local or federal sources.

Yet, to hear the governor and his pals — education bureaucrats and their union-toting political soul mates in the Kentucky General Assembly — describe it, the proposed cut represents the equivalent of economic Armageddon for Kentucky schools.

Where is the outcry over low test scores, widening achievement gaps and, as education Commissioner Terry Holliday recently revealed, the fact that [far too many high schools are “dropout factories”](#) where more than 40 percent of students give up on school?

But start touching the money — even 1.33 percent of it, for one source only, for one year only — and, by golly, you will hear about how much our Frankfort politicians care about protecting their backsides, er, “our children.”

In one sense, I’m surprised that so many oppose cutting education while other areas seem fair game. Aren’t these the folks usually lecturing fiscal conservatives about the sinfulness of “greed” and the need for “shared sacrifice?”

It’s pretty hard to make across-the-board cuts without touching education, since nearly 60 percent of Kentucky’s two-year, \$18.1 billion budget — more than \$10 billion — gets spent on education on top of the 13 percent already spent on Medicaid.

That’s doesn’t leave much “sharing” to occur, now, does it?

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