

KDE Responses to OEA SEEK Report

September 29, 2021

Chapter 1:

Page 4, second bullet point

- *KDE did not audit districts' transportation codes for students transported more than one mile.*

This is addressed through School District Attendance Reviews as evidenced on the Attendance Review Program Form. School district attendance reviews include verification that students are assigned proper transportation codes. Page 13 of the SY 21-22 document breaks down the steps the Kentucky Department of Education (KDE) staff performs during the Attendance Review:

Select test sample of transportation codes from the ADA/ADM report, using student Enrollment forms, Transportation forms and/or other transportation documentation from the school, then verify the documentation to determine T code eligibility. (Note: All new enrollments are defaulted to NT until changed.)

Chapter 2:

KDE did not validate the information contained in this chapter relative to the surrounding states.

Chapter 2 page 33 Table 2.8

The source listed for the Kentucky transportation depreciation rate is listed incorrectly. The correct citation is [702 KAR 5:020](#) and not [702 KAR 5:010](#).

Chapter 3:

KDE does not provide comment on the pros nor cons of any of the potential changes to the SEEK funding formula or equity analysis.

Chapter 4:

For recommendations 4.1, 4.3, 4.5, 4.6, and 4.14, the Kentucky Department of Education agrees and will continue to review the recommendations.

For recommendations 4.4 and 4.7, the Kentucky Department of Education will explore methodologies to improve consistency and objectivity.

Recommendation 4.2

When calculating SEEK transportation, the Kentucky Department of Education in doing transportation audits should ensure that students who are listed as being transported more than one mile, live beyond a one mile radius from their schools in accordance with KRS 157.370(3)

The Kentucky Department of Education (KDE) disagrees with this interpretation of the relevant statute. As OEA notes in Chapter 2, "...the states surrounding Kentucky each specify that this distance be measured by route traveled rather than by radius, excluding Virginia". KRS 157.370(3) does not state "radius" or imply that the radius should be used as the measurement to determine if a student lives one (1) mile or more from the school. KDE believes the intent was to provide districts the ability to determine the distance from a school based on the bus route traveled. 702 KAR 5:010(5) provides that "KDE may require the superintendent of a school district to prepare or cause to be prepared: pupil transportation maps, bus route descriptions, and reports necessary for calculation the district's entitlement under the Support Education Excellence in Kentucky program". It is important to remember that the geography of the Commonwealth of Kentucky may pose different challenges for school districts as it relates to bus routes and the distance to and from school for students.

Recommendation 4.8

The Kentucky Department of Education should ensure that staff who perform SEEK transportation calculations should receive training to ensure they understand how the overall system works and how to use the programs that calculate SEEK transportation and be able to make any modifications.

While KDE agrees that staff should be provided additional training, we do not agree that "...SAS did not match what was posted on the KDE website" as noted in the study. SAS is a portion of the calculation which is used in conjunction with a SEEK Transportation calculation. Combined, these two systems provide the output reports which are visible on the KDE website. SAS does not provide all of the data included on the KDE website.

Recommendation 4.9

702 KAR 5:020(2) requires that the net ADA for a county district's pupils transported one mile or more to school shall be determined from the local superintendent's annual statistical report for the district. The Kentucky Board of Education should consider changing the language in this regulation to more accurately describe which statistical report it is referencing and KDE should consider posting the data from the report to its website.

KDE will examine updating the regulation to conform the report name.

Recommendation 4.10

The Kentucky Board of Education should consider amending 702 KAR 5:020 in order to allow districts to depreciate school transportation vehicles for 10 years and 100 percent of their value.

KDE does not agree with this recommendation and would not support a change to the depreciation schedule. As transportation has not been a fully funded budget appropriation for many years, the current depreciation schedule allows school districts to update their fleet with more efficient and safer buses. The recommendation does not take into account that a routine bus replacement provides safer and more efficient buses for many districts. Further, a 14 year depreciation schedule provides an incentive to districts to maintain their buses to extend the life of buses.

Recommendation 4.11

The Kentucky Department of Education should consider allowing county districts that merged with an independent district to include the independent district's prior year transportation costs including depreciation of school transportation vehicles during the first year of the merger.

KDE does not have the statutory authority to effectuate this type of merging of costs or depreciation.

Recommendation 4.12

The Kentucky Department of Education should require districts to record their district activity funds on their annual financial reports.

KDE will consider this recommendation. KDE is unaware of any GASB or NCEC guidance which requires the reporting of district activity funds in this manner. KDE will consider the recommendation and weigh whether the benefits in transparency outweigh the significant time and effort to implement this recommended change.

Recommendation 4.13

The Kentucky Department of Education should work with school districts to record fiscal court revenue received for transporting private school students as a negative expenditure on annual financial reports to properly reflect the transportation expenditures for public school students to and from school.

KDE will review this revenue coding recommendation. It should be noted that money received from the county paid to school districts for the transportation of private school students is recorded in MUNIS and appears in the transportation calculation formula posted on the web site.

Recommendation 4.15

The Kentucky Department of Education should discontinue using preschool students in calculating the exceptional child add-on in the SEEK formula.

The Office of Special Education and Learning (OSEEL) provided the following response in regards to this recommendation:

OSEEL disagrees with this total count. Our data indicates substantially fewer preschool students with disabilities than stated here generate SEEK add-on funding for exceptional children. The SEEK Add-on for Exceptional Children has always been age based, not program based.

OSEEL suggests that this recommendation include information about the possible negative funding impact of such a discontinuation. In addition to our obvious concern at any possible loss of revenue to provide for the special education and related services needs of children and youth with disabilities, we also note the following fiscal concerns as related to the requirements of the IDEA:

OSEEL is concerned that such a reduction could have a negative impact on the state's annual allocation of funds under the IDEA. The IDEA requires that states maintain their financial support to provide services to children and youth with disabilities. A significant portion of that support comes from the Exceptional Child Add-on funds of the SEEK funding program. The state has a small margin from year to year and reducing the amount of these add-on funds for exceptional children could result in a reduction of IDEA funds each year that the amount of support is maintained at the previous level.

Another concern is maintenance of effort at the local district level. Similar to state maintenance of financial support, local districts must maintain their actual expenditure of state and local funds providing special education. The funds allocated to districts under the SEEK Exceptional Child Add-on formula represent a substantial portion of what each district spends. If a district fails to spend the required amount of funds, the state must repay the federal government the amount of each district's failure to meet effort. This repayment must be made from non-federal sources.

Recommendation 4.16

If full-day kindergarten were funded in the future, the General Assembly should consider changing the statewide equalization level in order to accurately reflect 150 percent of per-pupil assessments.

This recommendation is directed towards the General Assembly. Any such change would have to be made by the legislature.