

1 AN ACT relating to the Support Education Excellence in Kentucky Program.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 157.320 is amended to read as follows:

4 As used in KRS 157.310 to 157.440, unless the context otherwise requires:

- 5 (1) "Average daily attendance" means the aggregate days attended by pupils in a public
6 school, adjusted for weather-related low attendance days if applicable, divided by
7 the actual number of days the school is in session, after the five (5) days with the
8 lowest attendance have been deducted.
- 9 (a) Aggregate days shall include, in addition to the aggregate number of days
10 attended by a pupil who was suspended during a school year, the number of
11 days the pupil was suspended, not to exceed ten (10) days in total for the
12 school year; and
- 13 (b) Aggregate days shall include, in addition to the aggregate number of days
14 attended by a pupil who was expelled for behavioral problems, the number of
15 days the pupil was expelled up to a total of one hundred seventy-five (175)
16 days. This total may extend into the next school year and shall be counted in
17 the average daily attendance for the next year;
- 18 (2) "Base funding level" means a guaranteed amount of revenue per pupil to be
19 provided for each school district, to be used for regular operating and capital
20 expenditures;
- 21 (3) "Board" means the board of education of any county or independent school district;
- 22 (4) "District" means any school district as defined by law;
- 23 (5) "Elementary school" means a school consisting of the primary school program
24 through grade eight (8) as defined in KRS 158.030, or any appropriate combination
25 of grades within this range, as determined by the plan of organization for schools
26 authorized by the district board;
- 27 (6) "Support Education Excellence in Kentucky" means the level of educational

1 services and facilities which is to be provided in each district from the public school
2 fund, including fringe benefit costs;

3 (7) "Kindergarten full-time equivalent pupil in average daily attendance" means each
4 kindergarten pupil counted no more than one-half (1/2) day in the aggregate days
5 attended by kindergarten pupils in a public school divided by the actual number of
6 days school is in session after the five (5) days with the lowest attendance have
7 been deducted. Kindergarten is the entry level of the primary program and shall be
8 provided no less than the equivalent of one-half (1/2) day, five (5) days a week for a
9 full school year for each kindergarten pupil;

10 (8) "Public school fund" means the fund created by KRS 157.330 for use in financing
11 education in public elementary and secondary schools;

12 (9) "Administrative regulations of the Kentucky Board of Education" means those
13 regulations which the Kentucky Board of Education may adopt upon the
14 recommendation and with the advice of the commissioner of education. The
15 commissioner of education shall recommend administrative regulations necessary
16 for carrying out the purposes of KRS 157.310 to 157.440;

17 (10) "Experience" means employment as a teacher, other than as a substitute or nursery
18 school teacher, for a minimum of one hundred forty (140) days during a school year
19 in a public or nonpublic elementary or secondary school or college or university
20 that is approved by the public accrediting authority in the state in which the
21 teaching duties were performed. A teacher who is employed by a board for at least
22 one hundred forty (140) days of a school year and who performs teaching duties for
23 the equivalent of at least seventy (70) full school days during that school year,
24 regardless of the schedule on which those duties were performed, shall be credited
25 with one (1) year of experience. A teacher who is employed by a board for at least
26 one hundred forty (140) days during each of two (2) school years and who performs
27 teaching duties for the equivalent of at least seventy (70) full school days during

1 those years shall be credited with one (1) year of experience. No more than one (1)
2 year of experience shall be credited for the performance of teaching duties during a
3 single school year;

4 (11) "Secondary school" means a school consisting of grades seven (7) through twelve
5 (12), or any appropriate combination of grades within this range as determined by
6 the plan of organization for schools authorized by the district board. When grades
7 seven (7) through nine (9) or ten (10) are organized separately as a junior high
8 school, or grades ten (10) through twelve (12) are organized separately as a senior
9 high school and are conducted in separate school plant facilities, each shall be
10 considered a separate secondary school for the purposes of KRS 157.310 to
11 157.440;

12 (12) "Single salary schedule" means a schedule adopted by a local board from which all
13 teachers are paid for one hundred eighty-five (185) days and is based on training,
14 experience, and such other factors as the Kentucky Board of Education may
15 approve and which does not discriminate between salaries paid elementary and
16 secondary teachers. If the budget bill contains a minimum statewide salary
17 schedule, no teacher shall be paid less than the amount specified in the biennial
18 budget salary schedule for the individual teacher's educational qualifications and
19 experience;

20 (13) "Teacher" means any regular or special teacher, principal, supervisor,
21 superintendent, assistant superintendent, librarian, director of pupil personnel, or
22 other member of the teaching or professional staff engaged in the service of the
23 public elementary and secondary school for whom certification is required as a
24 condition of employment;

25 (14) "Fringe benefit costs" means expenditures from state sources made by the state
26 on behalf of school districts for the following:

27 (a) Teachers' Retirement System payments that include:

1 1. The Teachers' Retirement System employer's fixed statutory
 2 contribution rate established in KRS 161.550(1); and

3 2. Any additional funds necessary to meet the full actuarially determined
 4 employer contributions of the Teachers' Retirement System pension
 5 fund to fund existing statutory benefits as determined by the system's
 6 consulting actuary that is attributable to employees and retirees of
 7 school districts in the annual actuarial valuation conducted pursuant
 8 to KRS 161.400 and any funds requested to fund retiree health
 9 benefits pursuant to KRS 161.550(2) that are attributable to employees
 10 and retirees of school districts; and

11 (b) Insurance payments, including health reimbursement account, dental
 12 account, and vision account payments;

13 (15) "Percentage of attendance" means the aggregate days attended by pupils in a public
 14 school for the school year divided by the aggregate days' membership of pupils in a
 15 public school for the school year;

16 (16)~~[(15)]~~ "Middle school" means a school consisting of grades five (5) through eight (8)
 17 or any appropriate combination of grades as determined by the plan of organization
 18 for schools authorized by the district board;

19 (17)~~[(16)]~~ "National board certification salary supplement" means an annual supplement
 20 added for the life of the certificate to the base salary of a teacher who attains
 21 national board certification;

22 (18) "Virtual program" means a program offered by a public school district in which
 23 all courses in the program are virtual, do not include regular in-person
 24 instruction, and are designed as an alternative to traditional in-person school
 25 programs; and

26 (19)~~[(17)]~~ "Weather-related low attendance day" means a school day on which the
 27 district's attendance falls below the average daily attendance for the prior year due

1 to inclement weather. The district shall submit a request to substitute the prior
2 year's average daily attendance for its attendance on up to ten (10) designated days,
3 along with documentation that the low attendance was due to inclement weather,
4 for approval by the commissioner of education in accordance with Kentucky Board
5 of Education administrative regulations.

6 ➔Section 2. KRS 157.330 is amended to read as follows:

- 7 (1) There is hereby established the fund to support education excellence in Kentucky
8 consisting of appropriations for distribution ***and expenditures paid by the state*** to
9 districts in accordance with the provisions of KRS 157.310 to 157.440.
- 10 (2) The resources of the public school fund shall be paid into the State Treasury, and
11 shall be drawn out or appropriated only in aid of public schools as provided by
12 statute.

13 ➔Section 3. KRS 157.360 is amended to read as follows:

- 14 (1) (a) In determining the cost of the program to support education excellence in
15 Kentucky, the statewide guaranteed base funding level, as defined in KRS
16 157.320, shall be computed by dividing the amount appropriated for this
17 purpose by the prior year's statewide average daily attendance.
- 18 (b) When determining the biennial appropriations for the program, the average
19 daily attendance for each fiscal year shall include an estimate of the number
20 of students graduating early under the provisions of KRS 158.142.
- 21 (2) Each district shall receive an amount equal to the base funding level for each pupil
22 in average daily attendance in the district in the previous year, except a district shall
23 receive an amount equal to one-half (1/2) of the state portion of the average
24 statewide per pupil guaranteed base funding level for each student who graduated
25 early under the provisions of KRS 158.142. Each district's base funding level shall
26 be adjusted by the following factors:
- 27 (a) The number of at-risk students in the district. At-risk students shall be

1 identified as those approved for the free lunch program under state and federal
2 guidelines. The number of at-risk students shall be multiplied by a factor to be
3 established by the General Assembly. Funds generated under this paragraph
4 may be used to pay for:

- 5 1. Alternative programs for students who are at risk of dropping out of
6 school before achieving a diploma; and
- 7 2. A hazardous duty pay supplement as determined by the local board of
8 education to the teachers who work in alternative programs with
9 students who are violent or assaultive;

10 (b) The number and types of exceptional children in the district as defined by
11 KRS 157.200. Specific weights for each category of exceptionality shall be
12 used in the calculation of the add-on factor for exceptional children;~~and~~

13 (c) Transportation costs. The per-pupil cost of transportation shall be calculated
14 as provided by KRS 157.370. Districts which contract to furnish
15 transportation to students attending nonpublic schools may adopt any payment
16 formula which ensures that no public school funds are used for the
17 transportation of nonpublic students;

18 **(d) Beginning with the 2025-2026 school year, the number of English language**
19 **learners in the district. However, no child shall qualify for this factor for**
20 **more than four (4) school years with the counting to begin with the 2025-**
21 **2026 school year;**

22 **(e) Beginning with the 2025-2026 school year, a virtual program adjustment.**
23 **The statewide per pupil guaranteed base funding level for pupils enrolled in**
24 **a virtual program shall be reduced to fifty percent (50%) due to the reduced**
25 **need for physical facilities to serve these students; and**

26 **(f) Beginning with the 2026-2027 school year, fringe benefit costs as defined in**
27 **Section 1 of this Act, which shall not be distributed to districts.**

- 1 (3) Beginning with the 2015-2016 school year and each year thereafter, the General
2 Assembly shall annually allocate funds equal to one-half (1/2) of the state portion
3 of the average statewide per pupil guaranteed base funding level for each student
4 who graduated early under the provisions of KRS 158.142 the previous school year
5 to the Kentucky Higher Education Assistance Authority for deposit in the early
6 graduation scholarship trust fund.
- 7 (4) The program to support education excellence in Kentucky shall be fully
8 implemented by the 1994-95 school year.
- 9 (5) (a) Except for those schools which have implemented school-based decision
10 making, the commissioner of education shall enforce maximum class sizes for
11 every academic course requirement in all grades except in vocal and
12 instrumental music, and physical education classes. Except as provided in
13 subsection (6) of this section, the maximum number of pupils enrolled in a
14 class shall be as follows:
- 15 1. Twenty-four (24) in primary grades (kindergarten through third grade);
 - 16 2. Twenty-eight (28) in grade four (4);
 - 17 3. Twenty-nine (29) in grades five (5) and six (6);
 - 18 4. Thirty-one (31) in grades seven (7) to twelve (12).
- 19 (b) Except for those schools which have implemented school-based decision
20 making, class size loads for middle and secondary school classroom teachers
21 shall not exceed the equivalent of one hundred fifty (150) pupil hours per day.
- 22 (c) The commissioner of education, upon approval of the Kentucky Board of
23 Education, shall adopt administrative regulations for enforcing this provision.
24 These administrative regulations shall include procedures for a superintendent
25 to request an exemption from the Kentucky Board of Education when unusual
26 circumstances warrant an increased class size for an individual class. A
27 request for an exemption shall include specific reasons for the increased class

1 size with a plan for reducing the class size prior to the beginning of the next
2 school year. A district shall not receive in any one (1) year exemptions for
3 more classes than enroll twenty percent (20%) of the pupils in the primary
4 grades and grades four (4) through eight (8).

5 (d) In all schools the commissioner of education shall enforce the special
6 education maximum class sizes set by administrative regulations adopted by
7 the Kentucky Board of Education. A superintendent may request an
8 exemption pursuant to paragraph (c) of this subsection. A local school council
9 may request a waiver pursuant to KRS 156.160(2). An exemption or waiver
10 shall not be granted if the increased class size will impede any exceptional
11 child from achieving his or her individual education program in the least
12 restrictive environment.

13 (6) In grades four (4) through six (6) with combined grades, the maximum class size
14 shall be the average daily attendance upon which funding is appropriated for the
15 lowest assigned grade in the class. There shall be no exceptions to the maximum
16 class size for combined classes. In combined classes other than the primary grades,
17 no ungraded students shall be placed in a combined class with graded students. In
18 addition, there shall be no more than two (2) consecutive grade levels combined in
19 any one (1) class in grades four (4) through six (6). However, this shall not apply to
20 schools which have implemented school-based decision making.

21 (7) If a local school district, through its admission and release committee, determines
22 that an appropriate program in the least restrictive environment for a particular child
23 with a disability includes either part-time or full-time enrollment with a private
24 school or agency within the state or a public or private agency in another state, the
25 school district shall count as average daily attendance in a public school the time
26 that the child is in attendance at the school or agency, contingent upon approval by
27 the commissioner of education.

- 1 (8) Pupils attending a center for child learning and study established under an
2 agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating
3 average daily attendance, be considered as in attendance in the school district in
4 which the child legally resides and which is party to the agreement. For purposes of
5 subsection (1) of this section, teachers who are actually employees of the joint or
6 cooperative action shall be considered as employees of each school district which is
7 a party to the agreement.
- 8 (9) Program funding shall be increased when the average daily attendance in any
9 district for the first two (2) months of the current school year is greater than the
10 average daily attendance of the district for the first two (2) months of the previous
11 school year. The program funds allotted the district shall be increased by the
12 percent of increase. The average daily attendance in kindergarten is the
13 kindergarten full-time equivalent pupils in average daily attendance.
- 14 (10) If the average daily attendance for the current school year in any district decreases
15 by ten percent (10%) or more than the average daily attendance for the previous
16 school year, the average daily attendance for purposes of calculating program
17 funding for the next school year shall be increased by an amount equal to two-thirds
18 ($\frac{2}{3}$) of the decrease in average daily attendance. If the average daily attendance
19 remains the same or decreases in the succeeding school year, the average daily
20 attendance for purposes of calculating program funding for the following school
21 year shall be increased by an amount equal to one-third ($\frac{1}{3}$) of the decrease for the
22 first year of the decline.
- 23 (11) If the percentage of attendance of any school district shall have been reduced more
24 than two percent (2%) during the previous school year, the program funding
25 allotted the district for the current school year shall be increased by the difference in
26 the percentage of attendance for the two (2) years immediately prior to the current
27 school year less two percent (2%).

1 (12) (a) Instructional salaries for vocational agriculture classes shall be for twelve (12)
2 months per year. Vocational agriculture teachers shall be responsible for the
3 following program of instruction during the time period beyond the regular
4 school term established by the local board of education: supervision and
5 instruction of students in agriculture experience programs; group and
6 individual instruction of farmers and agribusinessmen; supervision of student
7 members of agricultural organizations who are involved in leadership training
8 or other activity required by state or federal law; or any program of vocational
9 agriculture established by the Department of Education. During extended
10 employment, no vocational agriculture teacher shall receive salary on a day
11 that the teacher is scheduled to attend an institution of higher education class
12 which could be credited toward meeting any certification requirement.

13 (b) Each teacher of agriculture employed shall submit an annual plan for summer
14 program to the local school superintendent for approval. The summer plan
15 shall include a list of tasks to be performed, purposes for each task, and time
16 to be spent on each task. Approval by the local school superintendent shall be
17 in compliance with the guidelines developed by the Department of Education.
18 The supervision and accountability of teachers of vocational agriculture's
19 summer programs shall be the responsibility of the local school
20 superintendent. The local school superintendent shall submit to the
21 commissioner of education a completed report of summer tasks for each
22 vocational agriculture teacher. Twenty percent (20%) of the approved
23 vocational agriculture programs shall be audited annually by the State
24 Department of Education to determine that the summer plan has been properly
25 executed.

26 (13) (a) In allotting program funds for home and hospital instruction, statewide
27 guaranteed base funding, excluding the capital outlay, shall be allotted for

- 1 each child in average daily attendance in the prior school year who has been
2 properly identified according to Kentucky Board of Education administrative
3 regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall
4 be reported monthly on forms provided by the Department of Education; and
- 5 (b) Pursuant to administrative regulations of the Kentucky Board of Education,
6 local school districts shall be reimbursed for home and hospital instruction for
7 pupils unable to attend regular school sessions because of short-term health
8 impairments. A reimbursement formula shall be established by administrative
9 regulations to include such factors as a reasonable per hour, per child
10 allotment for teacher instructional time, with a maximum number of funded
11 hours per week, a reasonable allotment for teaching supplies and equipment,
12 and a reasonable allotment for travel expenses to and from instructional
13 assignments, but the formula shall not include an allotment for capital outlay.
14 Attendance shall be calculated pursuant to KRS 157.270 and shall be reported
15 annually on forms provided by the Department of Education.
- 16 (14) Except for those schools which have implemented school-based decision making
17 and the school council has voted to waive this subsection, kindergarten aides shall
18 be provided for each twenty-four (24) full-time equivalent kindergarten students
19 enrolled.
- 20 (15) Effective July 1, 2001, there shall be no deduction applied against the base funding
21 level for any pupil in average daily attendance who spends a portion of his or her
22 school day in a program at a state-operated career and technical education or
23 vocational facility.
- 24 (16) During a fiscal year, a school district may request that the Department of Education
25 recalculate its funds allocated under this section if the current year average daily
26 attendance for the twenty (20) day school month as defined in KRS 158.060(1) that
27 contains the most days within the calendar month of January exceeds the prior year

1 adjusted average daily attendance plus growth by at least one percent (1%). Any
 2 adjustments in the allotments approved under this subsection shall be proportional
 3 to the remaining days in the school year and subject to available funds under the
 4 program to support education excellence in Kentucky.

5 (17) To calculate the state portion of the program to support education excellence in
 6 Kentucky for a school district, the Department of Education shall subtract the local
 7 effort required under KRS 157.390(5) from the calculated base funding under the
 8 program to support education excellence in Kentucky, as required by this section.
 9 The value of the real estate used in this calculation shall be the lesser of the current
 10 year assessment or the prior year assessment increased by four percent (4%) plus
 11 the value of current year new property. The calculation under this subsection shall
 12 be subject to available funds.

13 (18) Notwithstanding any other statute or budget of the Commonwealth language to the
 14 contrary, time missed due to shortening days for emergencies may be made up by
 15 lengthening school days in the school calendar without any loss of funds under the
 16 program to support education excellence in Kentucky.

17 ➔SECTION 4. A NEW SECTION OF KRS 157.310 TO 157.440 IS CREATED
 18 TO READ AS FOLLOWS:

19 **Beginning with the 2026-2027 school year, all reports published or distributed by the**
 20 **Kentucky Department of Education related to Support Education Excellence in**
 21 **Kentucky fund disbursements to districts shall include all adjustments factors included**
 22 **in subsection (2) of Section 3 of this Act itemized to reflect the following:**

23 **(1) The total calculated amount of each adjustment factor; and**

24 **(2) The per-pupil calculated amount of the adjustment factor in subsection (2)(f) of**
 25 **Section 3 of this Act, by dividing the amount appropriated for this purpose by the**
 26 **district's prior year statewide average daily attendance.**