Support Education Excellence in Kentucky (SEEK) was implemented by the General Assembly of the Commonwealth of Kentucky in 1990. It is the foundation program for legislative funding of public education. The program is administered by the Kentucky Department of Education, Office of Finance and Operations, and Division of District Support. Questions regarding SEEK may be directed to Chay Ritter, Director, Division of District Support.

***Guaranteed Base Funding***

The General Assembly establishes a per-pupil amount of funding for each budget cycle. The Guaranteed Base Funding is calculated by multiplying the per pupil funding amount set by the General Assembly by the prior year average daily attendance (ADA), adjusted for growth. The ADA utilized is the end-of-year average. The growth adjustment is determined by comparing a district’s first two months’ ADA of the current year to the first two months’ ADA of the prior year. The percentage increase is added to the ADA figure in the Guaranteed Base Funding calculation. No reduction in funding is experienced if the comparison results in a decrease.

Kentucky Revised Statutes (KRS) 157.320(1) defines ADA as it is utilized in SEEK: “the aggregate days attended by pupils in a public school, adjusted for weather-related low attendance days if applicable, divided by the actual number of days school is in session, after the five (5) days with the lowest attendance have been deducted”. In addition, ADA used for SEEK is further adjusted for virtual and performance based attendance, students under or over the funding age, and students residing in one district who attend in another district without a properly executed transfer agreement.

A provision exists in KRS 157.360(9) and (10) which provides for an additional adjustment to ADA for a district experiencing an extreme decline in ADA.

***Add-ons: Adjustments to SEEK guaranteed Base***

Statutes provide for “add-ons” to the Guaranteed Base Funding which reflects the additional costs associated with educating at-risk, exceptional, and limited English proficiency students. Add-ons are also provided for home and hospital instruction and transportation.

***At-Risk Funding*** **(Updated in the Tentative SEEK Calculation collected from Infinite Campus)**

The amount of At-risk Funding is based on the average daily membership of students in the district who are approved for free meals under the National School Lunch Program. The average daily membership is multiplied by 15% of the Guarantee Base Per Pupil Funding Amount to arrive at the additional funding for this add on.

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***Home and Hospital Funding*** **(Updated in the Tentative SEEK Calculation collected from SAAR)**

The amount of Home and Hospital Funding is based on the number of students in the district receiving home and hospital instruction under the provisions of KRS 157.270. The prior year home and hospital ADA is multiplied by the Guaranteed Base Per Pupil Funding Amount less $100 to arrive at the additional funding for this add-on. $100 is subtracted from the Per Pupil Funding Amount to prevent providing capital outlay funding for students receiving instruction in homes and hospitals.

***Exceptional Child Funding* (Updated in the Forecast SEEK Calculation)**

The amount of Exceptional Child Funding is based on the number and types of exceptional children in the district as defined in KRS 157.200. Exceptionalities are arranged into three categories: low incidence disabilities, moderate incidence disabilities, and high incidence disabilities. Each category is given an additional weighting of 2.35, 1.17, and 0.24, respectively. The prior year December 1 child count is multiplied by the weighting and the Guaranteed Base Per Pupil Funding Amount to arrive at the additional funding for this add-on.

***Transportation Funding*** **(Updated in the Final SEEK Calculation collected from Audited AFR, SAAR and Growth Factor Report)**

Transportation funding for school districts is calculated under the provisions of KRS 157.370. Funding calculations begin with the average daily attendance (ADA) of students transported by each district. Students are reported based on the frequency, length, and type of transportation provided.

KRS 157.370 requires a graph to be constructed utilizing the district’s gross transported pupil density. At least nine different density groups must be identified by analyzing the results of the gross transported pupil density calculations. A smoothed graph of cost is then developed for each density group to determine the average cost per pupil per day.

Costs shall be determined separately for county school districts and independent school districts. The cost of transportation includes all costs recorded for the transportation to and from schools in the general current expense fund and function 2700 (student transportation). Each district in an identified density group receives funding based on the average cost per pupil per day for that group as determined by the smoothed graph which provides an incentive for districts to supply transportation services efficiently. In addition, independent districts are limited to the lowest average cost per pupil per day for their district or the lowest average cost per pupil per day for a county school district.

The cost of transportation includes amounts representing depreciation of district-owned buses. A district will theoretically receive 100% of the state bid price or actual purchase price of a bus after year 10 and 124% of the state bid price or actual purchase price of a bus at the end of the funding cycle after year 14.

An adjustment is made for growth in the number of transported students in the current year. A decrease in the number of students transported does not negatively affect the district’s funding.

Additional funding separate from the SEEK formula is provided for transporting students to and from the Kentucky School for the Blind (KSB), the Kentucky School for the Deaf (KSD), and for transporting students to vocational schools.

***Limited English Proficiency (LEP) Funding* (Updated in the Tentative SEEK Calculation)**

The amount of LEP Funding is based on the number of students with LEP receiving instruction. The prior year child count for LEP is multiplied by the weighting of 9.6% and the Guaranteed Base Per Pupil Funding Amount to arrive at the additional funding for this add-on.

***Adjusted SEEK Base Funding***

The sum of the SEEK Guaranteed Base funding and the add-ons for At-risk, Home and Hospital, Exceptional Child, Transportation and LEP represents the Adjusted SEEK Base Funding.

***Local Effort* (Updated in the Tentative SEEK Calculation calculated using the Department of Revenue’s Certified Assessment)**

Local Effort is the amount of locally generated tax revenue raised pursuant to KRS 160.470(9)(a) which mandates that each district must levy a minimum equivalent tax rate of 30 cents per $100 in assessed value of property and motor vehicles in the district in order to receive SEEK funding. The Adjusted SEEK Base Funding less the Local Effort equals the Calculated State SEEK Funding.

***Tier One Funding***

Districts are permitted to raise tax revenue above the minimum requirement for Local Effort, up to 15% of the revenue generated through the Adjusted SEEK Base Funding. The state equalizes the additional Tier One revenue at 150% of the statewide average per pupil assessment (equalization level). The General Assembly sets the equalization level through the budget bill each biennium. The Tier One equalization mechanism provides more state funding to those districts with less property wealth than it provides to a property-wealthy district.

***Tier Two Funding***

Subject to voter approval, districts are permitted to levy additional tax revenue up to 30% of the Adjusted SEEK Base Funding plus Tier One. These additional tax revenues are not equalized by the state.

***Hold Harmless Funding***

The hold harmless provision guarantees a district will not receive less state SEEK funding per pupil than it received in 1992, without regard to the property wealth of the district.

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***January Growth* (Updated in the Final SEEK Calculation collected from the January Growth Report)**

When funds are available, a district may request additional funding for January growth. If the current year ADA for the twenty (20) day school month as defined in KRS 158.060(1) contains the most days within the calendar month of January exceeds the prior year adjusted ADA plus growth by at least one percent (1%), the additional ADA is added to the ADA used in the SEEK calculation to generate revised funding amounts.

***Adjusted Assessment* (Updated in the Final SEEK Calculation calculated using Department of Revenue’s Certified Assessment)**

To the extent funds are available; the Department of Education shall provide additional funding to offset a portion of the calculated local effort required under KRS 157.390(5). If local share using the prior year assessment increased by four percent (4%) plus the value of current year new property is less than local share using the current year assessment, that difference is the amount of additional funding to be provided.

***Adjustments to Appropriation***

If appropriations are inadequate to fully fund the amount generated by the formula, each district receives a pro rata reduction. In addition, an adjustment may be made for correction(s) of a prior-year SEEK calculation.

***Capital Outlay Funds***

Capital Outlay funding is based on the ADA utilized in the SEEK Guaranteed Base calculation multiplied by $100. These funds are restricted for capital outlay purposes.

Districts are required to levy a 5-cent equivalent tax (commonly referred to as the “first nickel”) earmarked for school facilities to qualify for funding through the School Facilities Construction Commission (SFCC) and the Facilities Support Program of Kentucky (FSPK). The state equalizes the revenue generated by the tax when the locally generated funds are committed to debt service for capital outlay.

***Early Graduation Scholarship* (Included in the Final SEEK Calculation using data from KHEAA)**

The Early Graduation Scholarship (EGS) is a one-time award for students who graduate anytime at or before the end of the third year of high school. The EGS award is deducted from the SEEK calculation at one-half of the SEEK Per Pupil amount per student who successful completes the requirement of this program.

***Nickel Tax Levied State Equalization***

The state equalizes other locally generated tax revenue in certain situations pursuant to state statutes. Local boards of education may levy a Retroactive Equalized Facility (Recallable Nickel) tax rate subject to recall that may be equalized in future state biennial budgets pursuant to KRS 157.440 and 157.620 to school districts meeting the eligibility requirements of KRS 157.621(2) and (4).