

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

Introduction to SEEK (Support Education Excellence in Kentucky)

Applicable Statute or Regulation:

KRS 157.310, 157.350, 157.360, 157.370, 702 KAR 3:270, 702 KAR 5:020

Rationale:

To provide the Kentucky Board of Education (KBE) with a basic overview of SEEK.

History/Background:

Existing Policy: Support Education Excellence in Kentucky (SEEK) is the state funding formula for all 173 public school districts. Over \$2 billion dollars reaches our school districts through this formula.

Summary: SEEK is the method used to allocate state funding to schools and was established in 1990 under the Kentucky Education Reform Act (KERA). In each biennial budget, a guaranteed per pupil amount is set by the Governor and General Assembly. The guaranteed per pupil amount established in the 2016-18 Executive Branch biennial budget is \$3,981. Additional funding is provided for exceptional needs students, at-risk students, limited English proficient students, transportation, and students receiving school services at home or in hospitals. A significant portion of school funding is generated locally by the school districts through taxes. Additional state funds are allocated to qualified districts with Tier I funding (See explanation below). A portion of state and local funds are restricted for facilities.

The following are explanations of terminology helpful in understanding SEEK:

Guaranteed Base Funding

The General Assembly establishes a per-pupil amount of funding for each budget cycle. The per pupil amount established in the 2016-18 Executive Branch biennial budget (HB 303 2016 Regular Session) is \$3,981.

Add-ons: Adjustments to SEEK Guaranteed Base

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

Local Effort

Local Effort is the amount of locally generated tax revenue raised, which is statutorily required in order to receive SEEK funds.

Tier One Funding

Districts are permitted to raise tax revenue above the minimum required Local Effort, up to 15% of the revenue generated through the Adjusted SEEK Base Funding.

Facilities and Capital Outlay

Capital Outlay funding is based on the Average Daily Attendance (ADA) utilized in the SEEK Guaranteed Base calculation multiplied by \$100. These funds are restricted for capital outlay purposes, unless otherwise specified by law.

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.

The state equalizes other locally generated tax revenue (commonly referred to as ‘additional nickels’) in certain situations pursuant to state statutes and budget language.

Budget Impact:

Approximately \$2.6 billion is distributed to Kentucky’s public schools annually through the SEEK formula.

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Commissioner of Education**Date:**

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