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MEMORANDUM

TO: President Robert Stivers, Co-Chair
Speaker David W. Osborne, Co-Chair
Legislative Research Commission

FROM: Senator Max Wise, Co-Chair
Representative James Tipton, Co-Chair
School Funding Task Force

SUBJECT: Task Force Report

DATE: November 8, 2021

The School Funding Task Force convened six times during the 2021 Interim to review the entirety of the K-12 funding mechanism, review reports and analyses of school funding, and review possible changes to the distribution of funds to Kentucky's public schools. Testimony was provided by the Kentucky Department of Education, the Southern Regional Education Board, the Legislative Research Commission's Office of Education Accountability, school superintendents, and school board members.

Upon considering the testimony and information provided, the Co-Chairs, after consultation with the task force members and invited experts, recommend the following:

1. The General Assembly permanently authorize the full funding of kindergarten in statute and ensure districts receive the appropriate equalization funding as a result of the change;
2. The General Assembly give consideration to transitioning from using average daily attendance in the funding calculation to using average daily membership in a manner that minimizes extreme funding changes for school districts while also maintaining incentives for student attendance and accountability for school districts;

3. The General Assembly develop a plan to return to full state funding of district transportation;
4. The General Assembly develop a plan to achieve full funding of the School Safety and Resiliency Act of 2019;
5. The General Assembly provide funding to expand use of the state's Family Resource and Youth Services Centers that have proven to effectively provide wraparound services to students in Kentucky's schools;
6. The General Assembly, in consultation with the Legislative Research Commission, explore the development of a School District Impact Statement to inform legislators about a bill's potential cost to school districts;
7. The Education Assessment and Accountability Review Subcommittee include in its 2022 Office of Education Accountability research agenda a review of the most recent studies measuring the cost of an adequate public education in Kentucky and similar states with a focus on the methods used in those studies, the outcomes, and the costs associated with educating special student populations;
8. The Legislative Research Commission refer the report submitted by the Kentucky Department of Education pursuant to 2021 House Bill 405 to the Standing Senate and House Committees on Appropriations and Revenue for additional consideration during the 2022 Regular Session due to the late deadline for receiving the report; and
9. The Legislative Research Commission continue to study and review the issues of school funding and the updating of the school funding system through referral of the issue to an interim joint committee during the 2022 Interim.

The Co-Chairs suggest that the General Assembly and Legislative Research Commission employ these recommendations during the 2022 Regular Session.