

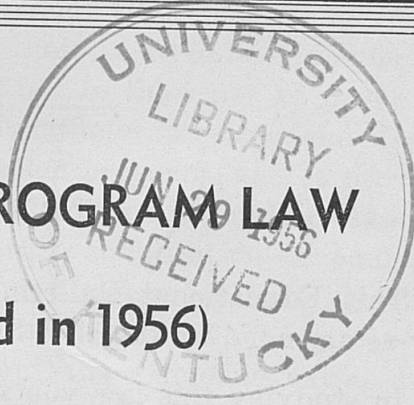
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Commonwealth of Kentucky

EDUCATIONAL BULLETIN

FOUNDATION PROGRAM LAW

(As Amended in 1956)



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Superintendent of Public Instruction

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FOREWORD

This Educational Bulletin contains the Foundation Program Law as amended by the 1956 Session of the General Assembly.

In studying this law you will find it is based on the expressed desires of the people of our Commonwealth as they developed the Foundation Program for our schools. The amended law places greater emphasis on the provision of state funds for actual services rendered in classroom instruction, current operations, building facilities and transportation. These services and facilities must be provided the pupils of our schools in an acceptable manner by the local school district.

The necessity for immediate and long-range planning for the deliverance of better educational services to the boys and girls of Kentucky becomes most evident as we prepare to implement this law.

ROBERT R. MARTIN
Superintendent Public Instruction

**FOUNDATION PROGRAM LAW AS AMENDED BY THE
REGULAR SESSION OF THE 1956 GENERAL ASSEMBLY.**

157.310 Declaration of legislative intent in enacting foundation program legislation. In KRS 157.310 to 157.440 and subsection (2) of KRS 157.990, it is the intention of the General Assembly to assure substantially equal public school educational opportunities, through a foundation program, for those in attendance in the public schools of the Commonwealth, but not to limit nor to prevent any school district from providing educational services and facilities beyond those assured by the foundation program; and to provide, as additional state funds are made available for the public schools, for the use of such funds for the further equalization of educational opportunities. KRS 157.310 to 157.440 and subsection (2) of KRS 157.990, shall be interpreted as a measure to provide for an efficient system of public schools throughout the Commonwealth, as prescribed by section 183 of the Constitution of Kentucky, and for the manner of distribution of the public school fund among the districts and its use for public school purposes, as prescribed by section 186 of the Constitution.

157.320 Definitions for KRS 157.310 to 157.440. As used in KRS 157.310 to 157.440, unless the context otherwise requires:

(1) "Average daily attendance" means the aggregate days attended by pupils in a public school, divided by the actual number of days the school is in session for the year;

(2) "Average daily membership" means the aggregate days of membership of pupils in a public school divided by the actual number of days the school is in session for the year;

(3) "Board" means the board of education of any county or independent school district;

(4) "Classroom unit" means the unit for measuring educational needs for foundation program purposes;

(5) "District" means any school district as defined by law;

(6) "Elementary school" means a school consisting of grades one through eight, or any appropriate combination of grades within this range, as determined by the plan of organization for schools authorized by the district board;

(7) "Foundation program" means the level of educational services and facilities, as defined in KRS 157.310 to 157.440, which is to be provided in each district from the required local tax effort and the public school foundation program fund;

(8) "Isolated school" means an elementary or secondary school which had fewer than one hundred pupils in average daily attendance during the previous school year and which meets such standards for isolation as shall be prescribed by the regulations of the State Board of Education, based on factors to include distance by the nearest passable road from another appropriate school center which is able to receive the pupils, and the time for transportation necessary to attend another school; provided, however, that the Superintendent of Public Instruction, under regulations of the State Board of Education, may annually classify a school as "temporarily isolated" for a period not to exceed five years if satisfactory facilities for the pupils cannot be provided at another appropriate school center;

(9) "Public school foundation program fund" means the fund created by KRS 157.330 for use in financing education in public elementary and secondary schools;

(10) "Regulations of the State Board of Education" means those regulations which the State Board of Education may adopt upon the recommendation and with the advice of the Superintendent of Public Instruction. The Superintendent of Public Instruction shall recommend for adoption of the State Board of Education such rules and regulations as he deems necessary for carrying out the purposes of KRS 157.310 to 157.440;

(11) "Required local tax effort" means the amount of money required to be provided by a district from local revenue sources toward the cost of the foundation program in the district;

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

(13) "Single salary schedule" means a schedule adopted by a local board and approved by the State Board of Education upon recommendation of the Superintendent of Public Instruction, which is based on training, experience and such other factors as the board may authorize and which does not discriminate between salaries paid elementary and secondary teachers;

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

(15) "Transportation unit" means the unit for measuring pupil transportation needs for foundation program purposes.

157.330 Foundation program fund, what constitutes. (1)

There is hereby established the public school foundation program fund consisting of appropriations for distribution to districts in accordance with the provisions of KRS 157.310 to 157.440.

(2) The resources of the public school foundation program fund shall be paid into the State Treasury, and shall be drawn out or appropriated only in aid of public schools as provided by statute.

157.350 Eligibility of districts for participation in Public School Foundation Program Fund. Each district which meets the following requirements shall be eligible to share in the distribution of funds from the public school foundation program fund:

(1) Employs and compensates all teachers for not less than nine scholastic months, provided, that the State Board of Education, upon recommendation of the Superintendent of Public Instruction, shall prescribe procedures whereby this requirement may be reduced during any year for any district which employs teachers for less than nine scholastic months, in which case the eligibility of a district for participation in the public school foundation program shall be in proportion to the length of time teachers actually are employed;

(2) Operates all schools for a term as provided in KRS 158.070 and regulations of the State Board of Education, provided, however, that if the school term is less than nine months for any reason approved by the State Board of Education on the recommendation of the Superintendent of Public Instruction the eligibility of a district

for participation in the public school foundation program fund shall be in proportion to the length of term the schools actually operate;

(3) Compensates all teachers on the basis of a single salary schedule and in conformity with the provisions of this Act;

(4) Makes the required local tax effort except as otherwise provided by subsection (3) of KRS 157.400;

(5) Includes no nonresident pupils in its average daily attendance, except by written agreement with the district of the pupils' legal residence.

157.360 Allotment of classroom units by Superintendent of Public Instruction. (1) In determining the cost of the foundation program for each district, the Superintendent of Public Instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for special instructional services for exceptional children, classroom units for superintendents, principals and their certificated assistants and special instructional service personnel, classroom units for supervisors of instruction, and classroom units for directors of pupil personnel; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) In allotting classroom units for elementary and secondary schools, one classroom unit shall be included for each twenty-seven pupils in average daily attendance; provided, however, that one classroom unit shall be included for each isolated one-teacher school and one unit shall be included for each twenty-five pupils in average daily attendance at all other isolated schools; provided, however, that one twenty-seventh of a classroom unit shall be included for each pupil in average daily attendance at Lincoln Institute if such attendance is under provisions of a written contract between Lincoln Institute and the district of the pupils' legal residence.

(3) Allotments of classroom units in accordance with subsection (1) of this section shall be made on the average daily attendance for the previous school year; provided, however, that if the average daily attendance in any district for the first two months of the current school year is greater than the average daily attendance of the district for the first two months of the previous school year, upon application of the district board, made prior to December 1, the total

number of classroom units allotted the district shall be increased by the percent of increase; and provided further, that if the average daily attendance of any district shall have been reduced more than three percent during the previous school year due to such factors as epidemics, inclement weather, or disaster, upon application of the district superintendent, made before July 1 of that year, the number of classroom units allotted the district for the ensuing school year shall be increased by the difference in percent between the ratio of the average daily attendance to the average daily membership for the scholastic year just ended, and the ratio of the average daily attendance to the average daily membership for the two highest of the three preceding scholastic years.

(4) In allotting classroom units for vocational education, one classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the State Plan of Vocational Education as approved by the State Board of Education; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach evening, part-time, or short unit classes for less than a school day or a school year that meet the regulations of the State Plan of Vocational Education as approved by the State Board of Education.

(5) In allotting classroom units for special instructional services for exceptional children, one classroom unit shall be included for each teacher approved to teach such children in accordance with the provisions of law and regulations of the State Board of Education.

(6) In allotting classroom units for superintendents, principals, their certificated assistants, and special instructional service personnel, the total number of classroom units allotted in subsections (2) through (5) inclusive shall be divided by eight and the quotient shall be the number of classroom units allotted to the district for superintendents, principals, their certificated assistants and such special instructional service personnel as are authorized by regulations of the State Board of Education.

(7) In allotting classroom units for supervisors of instruction, one-half of a classroom unit shall be allotted each district which is allotted twenty-five through forty-nine classroom units; one unit shall be allotted each district which is allotted fifty to one hundred classroom units, one unit shall be allotted for each one hundred

classroom units, or major fraction thereof, in districts allotted more than one hundred classroom units.

(8) In allotting classroom units for directors of pupil personnel, who shall have the qualifications and duties prescribed by statute for attendance officers, one classroom unit shall be allotted each district which is allotted thirty-six to one hundred and sixty-six classroom units and a unit for each additional two hundred and sixty-six classroom units. For districts having less than thirty-six classroom units, a proportionate fraction of a classroom unit shall be allotted.

(9) In allotting classroom units under subsections (1) through (8) the Superintendent of Public Instruction, under regulations of the State Board of Education, may allot units on the basis of an area larger than a district for educational services which cannot be adequately and economically provided on a district basis.

157.370 Allotment of transportation units. (1) In determining the cost of the foundation program for each district, the Superintendent of Public Instruction shall allot to each district transportation units.

(2) One transportation unit shall be allotted for each eighty pupils in average daily attendance who are transported to school at public expense and who live one or more miles from school by the nearest traveled road; provided, that handicapped children may be included who live less than this distance from school.

(3) One transportation unit shall be allotted for each fifty square miles served by school transportation facilities of the district if seventy-five percent or more of the total miles of bus routes of the district is hard-surfaced, one transportation unit for each forty-five square miles if between forty and seventy-four percent of the total miles of bus routes of the district is hard-surfaced and one transportation unit for each forty square miles if less than forty percent of the total miles of bus routes of the district is hard-surfaced.

157.380 Department of Revenue to determine aggregate assessed value of property subject to school tax; procedure for determining required local tax effort. (1) On or before July 1 of each year the Department of Revenue shall determine the aggregate assessed value of all property subject to assessment for school tax

purposes, and shall determine the percentage the equalized value of property in each district is of the total equalized value of all property in the Commonwealth subject to taxation for school purposes and shall certify such information to the Superintendent of Public Instruction for use in determining the required local tax effort for each district. If such assessment has not become final by July 1 of any year, the Department of Revenue shall, on the basis of other information as may be available, make an estimate of the assessment of all property subject to local school tax in each school district and the estimate shall be used in lieu of the aggregate assessed value.

(2) In determining the required local tax effort for districts which participate in the public school foundation program fund, including the capital outlay allotment, the Superintendent of Public Instruction shall divide the aggregate assessed value of all property in the Commonwealth subject to taxation for school purposes by one hundred and multiply the quotient thereof by one dollar and ten cents. The product thereby obtained shall be multiplied by each district's percentage of the total equalized value of all property in the Commonwealth subject to taxation for school purposes. In determining the required local tax effort for districts which do not participate in the capital outlay allotment of the public school foundation program fund, the multiplier shall be one dollar.

(3) Any district's levy shall be at such rate as is necessary to provide the required local tax effort.

(4) A portion of funds received by any district from the Federal Government in lieu of taxation of property shall be added to the district's required local tax effort. The portion of such federal funds added to the district's required local tax effort shall be the percentage the required local tax effort is of the total levy for school current expense purposes made in the district during that year; provided, however, that any part of federal funds received by the district that is charged against the district in determining its allotment under public law 874 or similar laws shall not be added to the district's required local tax effort, and, provided further, that this subsection shall not be applicable during the biennium 1956-1958.

(5) The Legislative Research Commission is hereby directed to conduct a study of federal grants in lieu of taxation, and other payments received by school districts in lieu of taxation and the relationship of these grants and/or payments to the required local

tax effort under the foundation program and report its findings to the General Assembly on or before January 1, 1958.

157.390 Classification of teachers; procedure for determination of amounts for teachers salaries, and other expenses. (1) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

RANK I. Those holding regular certificates and who have a master's degree and who have earned twenty-four semester hours of approved graduate work after the master's degree has been granted;

RANK II. Those holding regular certificates and who have a master's degree or its equivalent;

RANK III. Those holding regular certificates and who have an approved four-year college degree or the equivalent;

RANK IV. Those holding regular certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent;

RANK V. Those holding regular certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent; provided, however, that persons holding emergency certificates shall not be classified higher than this rank;

RANK VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent;

RANK VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent.

In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold certificates as of July 1, in the respective ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(2) The amount to be included in the foundation program of a district for teachers' salaries shall be determined by multiplying the

number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule for each rank:

Rank I	\$3,500
Rank II	3,200
Rank III	2,900
Rank IV	2,400
Rank V	2,100
Rank VI	1,800
Rank VII	1,500

Provided, the amount to be included for vocational units, supervisory units, and units for administrators, directors of pupil personnel and special instructional services shall be increased proportionately if the personnel for such units are employed for longer than the regular school term and such employment is approved by the Superintendent of Public Instruction under regulations of the State Board of Education. Where the actual number of teachers employed by the district varies from the number allowed under the provisions of KRS 157.310 to 157.440, the number to be included in each rank shall be in the same ratio that the number of teachers actually in each rank is to the total number of teachers employed.

(3) The amount to be included in the foundation program for other current expenses shall be determined by multiplying the number of classroom units by six hundred dollars.

(4) The amount to be included in the foundation program for capital outlay shall be determined by multiplying the number of classroom units by four hundred dollars.

(5) The amount to be included in the foundation program for transportation shall be determined by multiplying the number of transportation units by sixteen hundred dollars.

(6) The total cost of the foundation program for each district shall be the sum of the allotments in subsections (2), (3), (4) and (5) of this section.

157.400 Procedure for determining amount distributable to each district from foundation program fund. (1) The amount of money distributable to each district from the public school foundation program fund shall be determined by subtracting the required local tax effort, and any portion of federal funds required to be

included, as set forth in subsection (4) of KRS 157.380, from the total foundation program allotment for the district as determined in KRS 157.390.

(2) If it shall be determined in KRS 157.400 subsection (1) that the amount of money distributable to a district from the public school foundation program fund is less than \$80 per pupil in average daily attendance or the per capita apportionment for the district in 1955-56 then the apportionment to that district shall be increased to \$80 per pupil in average daily attendance or to the per capita apportionment for the district in 1955-56, whichever is greater; provided, however, if a district fails to provide the total potential classroom units under KRS 157.360 subsections (2), (6), (7) and (8) and at least as many classroom units under KRS 157.360 subsections (4) and (5) as were provided in 1955-56, any increase in the apportionment called for in this subsection shall be reduced to the extent that the district fails to provide the classroom units.

(3) If a district fails for any reason to make the required local tax effort, as provided in KRS 157.380, the amount of the apportionment of the public school foundation program fund to be paid to such district under subsections (1) and (2) of this section shall be reduced by the percentage of loss from the required local tax effort.

(4) So much of the public school foundation program fund which would not be distributed under subsections (1), (2) and (3) of this section, due to the failure of one or more participating districts to meet the full requirements, shall be held in the account for distribution the following year among districts which meet the requirements for participation.

157.410 Procedure for payments of funds to districts. For each school year the Department of Finance, on the certification of the Superintendent of Public Instruction, shall draw warrants as specified hereinafter on the State Treasurer for the amount of the public school foundation program fund due each district. Checks shall be issued by the State Treasurer and transmitted to the Department of Education for distribution to the proper officials of the several school districts when the districts have fully complied with the school laws and rules and regulations of the State Board of Education. The Superintendent of Public Instruction shall determine on or before July 15 of each year the tentative allotment of school funds to which each district is entitled under the provisions of KRS 157.310 to

157.440. Beginning August 1 of each year and on the first of each month thereafter for seven successive months one-twelfth of each district's share of the public school foundation program fund shall be distributed. On or before March 1 of each year the Superintendent of Public Instruction shall determine the exact amount of the public school foundation program fund to which each district is entitled and the remainder of the amount due each district for the year shall be distributed in four equal installments beginning March 15 and for three successive months thereafter.

157.420 Restrictions governing expenditure of funds from the public school foundation program fund. Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund:

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates. The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS 157.390, and no teacher shall be paid less than ninety-percent of the public school foundation program fund allotment for that rank.

(2) The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following purposes:

- (a) For direct payment of construction costs;
- (b) For debt service on bonds issued subsequent to July 1, 1954;
- (c) For payment on lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For debt service on bonds issued prior to July 1, 1954, if it has been determined by the survey that this district has met all of its major capital outlay needs;

(e) For the retirement of any deficit in existence on June 30, 1956 if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550.

(f) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets, if not needed for the current year; provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction, under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

157.430 Procedure for percentage reduction of amounts distributable to districts in case of insufficient appropriations by General Assembly. (1) If, when the apportionments are being determined under the provisions of KRS 157.310 to 157.440, funds appropriated by the General Assembly to the public school foundation program fund plus the funds required from local tax effort are insufficient to provide the amount of money required under subsection (1) of KRS 157.400, the Superintendent of Public Instruction shall make a percentage reduction in the amount included for the foundation program in each district to the extent necessary to reduce the cost of the foundation program to funds available, provided that no district shall receive less than the amount that it received in its per capita apportionment in 1955-56, provided further that it meets the requirements set forth in KRS 157.350 and subsections (2) and (3) of KRS 157.400. The revenue available after the provisions of KRS 157.400 subsection (1) have been met shall be apportioned to meet, in so far as possible, the provisions of KRS 157.400 subsection (2).

157.440 Authority of districts to exceed levies, authorized by KRS 157.380 or 160.475. In addition to the local tax effort required by KRS 157.380, for participation in the public school foundation program fund, such districts or any other district may exceed this levy or the maximum levy provided by KRS 160.475 provided that, upon request of the board, the tax levying authority of the district shall adopt an ordinance or resolution submitting to the qualified

voters of the district, in the manner of submitting and voting as prescribed in subsection (1) of KRS 160.477, the question as to whether a rate of more than one dollar and fifty cents or the required local tax effort, whichever rate is higher, shall be levied. If a majority of those voting on the question favor the increased rate, the tax levying authority shall, when the next tax rate for the district is fixed, levy the rate requested by the board not to exceed the rate authorized by the voters.

157.990 Penalties. (1) Any person who willfully violates any of the provisions of KRS 157.100 to 157.180 shall be fined not less than one hundred dollars nor more than five hundred dollars.

(2) Any person who willfully violates any of the provisions of KRS 157.310 to 157.440 shall be fined not less than one hundred dollars nor more than five hundred dollars.

