AN ACT relating to school choice.

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

Section 1. KRS 157.350 is amended to read as follows:

Each district which meets the following requirements shall be eligible to share in the distribution of funds from the fund to support education excellence in Kentucky:

(1) Employs and compensates all teachers for not less than one hundred eighty-five (185) days. The Kentucky Board of Education, upon recommendation of the commissioner of education, shall prescribe procedures by which this requirement may be reduced during any year for any district which employs teachers for less than one hundred and eighty-five (185) days, in which case the eligibility of a district for participation in the public school fund shall be in proportion to the length of time teachers actually are employed;

(2) Operates all schools for a minimum school term as provided in KRS 158.070 and administrative regulations of the Kentucky Board of Education. If the school term is less than one hundred eighty-five (185) days, including not less than one hundred seventy (170) student attendance days as defined in KRS 158.070 or one thousand sixty-two (1,062) hours of instructional time, for any reason not approved by the Kentucky Board of Education on recommendation of the commissioner, the eligibility of a district for participation in the public school 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 KRS 157.310 to 157.440;

(4) Includes no nonresident pupils in its average daily attendance, except:

(a) Those nonresident pupils admitted pursuant to district nonresident pupil policies adopted under Section 2 of this Act. Pupils listed under a written agreement, which may be for multiple years, with the district of the pupils’ legal residence.
2. If an agreement cannot be reached, either board may appeal to the commissioner for settlement of the dispute.

3. The commissioner shall have thirty (30) days to resolve the dispute. Either board may appeal the commissioner’s decision to the Kentucky Board of Education.

4. The commissioner and the Kentucky Board of Education shall consider the factors affecting the districts, including but not limited to academic performance and the impact on programs, school facilities, transportation, and staffing of the districts.

5. The Kentucky Board of Education shall have sixty (60) days to approve or amend the decision of the commissioner; and

(b) A nonresident pupil who attends a district in which a parent of the pupil is employed. All tuition fees required of a nonresident pupil may be waived for a pupil who meets the requirements of this paragraph.

This subsection does not apply to those pupils enrolled in an approved class conducted in a hospital and pupils who have been expelled for behavioral reasons who shall be counted in average daily attendance under KRS 157.320;

(5) Any secondary school which maintains a basketball team for boys for other than intramural purposes, shall maintain the same program for girls;

(6) Any school district which fails to comply with subsection (5) of this section shall be prohibited from participating in varsity competition in any sport for one (1) year. Determination of failure to comply shall be made by the Department of Education after a hearing requested by any person within the school district. The hearing shall be conducted in accordance with KRS Chapter 13B. A district under this subsection shall, at the hearing, have an opportunity to show inability to comply.

Section 2. KRS 158.120 is amended to read as follows:

(1) **A board of education shall adopt a nonresident pupil policy to govern the terms**
under which the district shall allow enrollment of nonresident children. The policy shall not discriminate between nonresident children, but may recognize enrollment capacity.

(2) Any board of education may charge a reasonable tuition fee per month for each child attending its schools whose parent, guardian, or other legal custodian is not a bona fide resident of the district. Any controversy as to the fee shall be submitted to the Kentucky Board of Education for final settlement. The fee shall be paid by the board of education of the school district in which the pupil resides, except in cases where the board makes provision for the child's education within his district. If a board of education is required to pay a pupil's tuition fee, the pupil shall be admitted to a school only upon proper certificate of the board of education of the district in which he resides.

(3) When it appears to the board of education of any school district that it is convenient for a pupil of any grade residing in that district to attend an approved public school in another district, the board of education may enter into a tuition contract with the public school authorities of the other school district for that purpose, but before a contract is entered into with public school authorities in another state the school shall have been approved by the state school authorities of that state through the grades in which the pupil belongs. When a district undertakes, under operation of a tuition contract or of law, to provide in its school for pupils residing in another district, the district of their residence shall share the total cost of the school, including transportation when furnished at public expense, in proportion to the number of pupils or in accordance with contract agreement between the two boards.

Section 3. By August 1, 2021, the Kentucky Department of Education shall submit a report to the Legislative Research Commission with options on how to ensure the equitable transfer of local effort funds so that funds follow a nonresident student to a
school district of enrollment from a school district of residence. The report shall include
recommendations on how the amount should be calculated and what mechanism should
be used to conduct the transfer.

Section 4. Nothing in Sections 1 and 2 shall be interpreted to override current
rules and regulations adopted by the Kentucky High School Athletic Authority or the
Kentucky Department of Education to determine a student's eligibility to participate in
extracurricular activities, including rules and regulations related to school transfers.