

1 AN ACT relating to school district property and declaring an emergency.

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

3 ➔SECTION 1. KRS 162.060 IS REPEALED AND REENACTED AS A NEW
4 SECTION OF KRS CHAPTER 162 TO READ AS FOLLOWS:

5 *(1) Each local board of education shall submit all plans and specifications for new*
6 *public school buildings and all additions to or alterations of old buildings to the*
7 *chief state school officer.*

8 *(2) The Kentucky Department of Education shall not require a local board to seek*
9 *approval for the plans or specification, but may require the local board to*
10 *complete specific forms as appropriate for the purposes of recordkeeping and*
11 *data collection.*

12 *(3) No plans or specifications for new public school buildings or additions shall*
13 *spend more than ten percent (10%) of the total cost of the project on the*
14 *acquisition and improvement of the land. However, a local board may seek a*
15 *waiver from this subsection from the chief state school officer or designee who*
16 *shall approve or disapprove the waiver within thirty (30) days of submission. An*
17 *approval shall be reported to the Kentucky Board of Education. A local board of*
18 *education may appeal a disapproval to the Kentucky Board of Education at the*
19 *next regular meeting.*

20 ➔Section 2. KRS 156.160 is amended to read as follows:

21 (1) With the advice of the Local Superintendents Advisory Council, the Kentucky
22 Board of Education shall promulgate administrative regulations establishing
23 standards which school districts shall meet in student, program, service, and
24 operational performance. These regulations shall comply with the expected
25 outcomes for students and schools set forth in KRS 158.6451. Administrative
26 regulations shall be promulgated for the following:

27 (a) Courses of study for the different grades and kinds of common schools

1 identifying the common curriculum content directly tied to the goals,
2 outcomes, and assessment strategies developed under KRS 158.645,
3 158.6451, and 158.6453 and distributed to local school districts and schools.

4 The administrative regulations shall provide that:

- 5 1. If a school offers American sign language, the course shall be accepted
6 as meeting the foreign language requirements in common schools
7 notwithstanding other provisions of law;
 - 8 2. If a school offers the Reserve Officers Training Corps program, the
9 course shall be accepted as meeting the physical education requirement
10 for high school graduation notwithstanding other provisions of law; and
 - 11 3. Every public middle and high school's curriculum shall include
12 instruction on the Holocaust and other cases of genocide, as defined by
13 the United Nations Convention on the Prevention and Punishment of the
14 Crime of Genocide, that a court of competent jurisdiction, whether a
15 court in the United States or the International Court of Justice, has
16 determined to have been committed by applying rigorous standards of
17 due process;
- 18 (b) Courses of study or educational experiences available to students in all middle
19 and high schools to fulfill the prerequisites for courses in advanced science
20 and mathematics as defined in KRS 158.845;
- 21 (c) The acquisition and use of educational equipment for the schools as
22 recommended by the Council for Education Technology;
- 23 (d) The minimum requirements for high school graduation in light of the
24 expected outcomes for students and schools set forth in KRS 158.6451. The
25 minimum requirements shall not include achieving any postsecondary
26 readiness indicator as described in KRS 158.6455 or any minimum score on a
27 statewide assessment administered under KRS 158.6453. Student scores from

1 any assessment administered under KRS 158.6453 that are determined by the
2 department's technical advisory committee to be valid and reliable at the
3 individual level shall be included on the student transcript. The department's
4 technical advisory committee shall submit its determination to the
5 commissioner of education and the Legislative Research Commission;

6 (e) The requirements for an alternative high school diploma for students with
7 disabilities whose individualized education program indicates that, in
8 accordance with 20 U.S.C. sec. 1414(d)(1)(A):

- 9 1. The student cannot participate in the regular statewide assessment; and
- 10 2. An appropriate alternate assessment has been selected for the student
11 based upon a modified curriculum and an individualized course of
12 study;

13 (f) Taking and keeping a school census, and the forms, blanks, and software to be
14 used in taking and keeping the census and in compiling the required reports.
15 The board shall create a statewide student identification numbering system
16 based on students' Social Security numbers. The system shall provide a
17 student identification number similar to, but distinct from, the Social Security
18 number, for each student who does not have a Social Security number or
19 whose parents or guardians choose not to disclose the Social Security number
20 for the student;

21 (g) Sanitary and protective construction of public school buildings, toilets,
22 physical equipment of school grounds, school buildings, and classrooms. **The**
23 **administrative regulation shall:**

24 **1. Include** ~~[With respect to]~~ physical standards of sanitary and protective
25 construction for school buildings~~[, the Kentucky Board of Education~~
26 ~~shall adopt]~~ **using** the Uniform State Building Code;

27 **2. Be subject to a review and update process that occurs at least every**

1 five (5) years. The department shall consult with education, building
2 design, and construction professionals while conducting the review
3 and update;

4 3. Require prior approval for a school district's purchase of real
5 property. The local board of education shall submit a request to
6 purchase property to the commissioner of education or designee. The
7 commissioner of education or designee shall approve or disapprove
8 the plan within thirty (30) days of submission. An approval shall be
9 reported to the Kentucky Board of Education. A local board of
10 education may appeal a disapproval to the Kentucky Board of
11 Education at the next regular meeting; and

12 4. Provide a process for a school district to request a waiver from
13 standards for plans and specifications a local board may wish to
14 submit under Section 1 of this Act. The request shall be submitted to
15 the commissioner of education or designee who shall approve or
16 disapprove the waiver within thirty (30) days of submission. A local
17 board of education may appeal a disapproval to the Kentucky Board of
18 Education at the next regular meeting;

19 (h) Medical inspection, physical and health education and recreation, and other
20 regulations necessary or advisable for the protection of the physical welfare
21 and safety of the public school children. The administrative regulations shall
22 set requirements for student health standards to be met by all students in
23 grades four (4), eight (8), and twelve (12) pursuant to the outcomes described
24 in KRS 158.6451. The administrative regulations shall permit a student who
25 received a physical examination no more than six (6) months prior to his or
26 her initial admission to Head Start to substitute that physical examination for
27 the physical examination required by the Kentucky Board of Education of all

- 1 students upon initial admission to the public schools, if the physical
2 examination given in the Head Start program meets all the requirements of the
3 physical examinations prescribed by the Kentucky Board of Education;
- 4 (i) A vision examination by an optometrist or ophthalmologist that shall be
5 required by the Kentucky Board of Education. The administrative regulations
6 shall require evidence that a vision examination that meets the criteria
7 prescribed by the Kentucky Board of Education has been performed. This
8 evidence shall be submitted to the school no later than January 1 of the first
9 year that a three (3), four (4), five (5), or six (6) year-old child is enrolled in a
10 public school, public preschool, or Head Start program;
- 11 (j) 1. ~~Beginning with the 2010-2011 school year,~~ A dental screening or
12 examination by a dentist, dental hygienist, physician, registered nurse,
13 advanced practice registered nurse, or physician assistant that shall be
14 required by the Kentucky Board of Education. The administrative
15 regulations shall require evidence that a dental screening or examination
16 that meets the criteria prescribed by the Kentucky Board of Education
17 has been performed. This evidence shall be submitted to the school no
18 later than January 1 of the first year that a five (5) or six (6) year-old
19 child is enrolled in a public school.
- 20 2. A child shall be referred to a licensed dentist if a dental screening or
21 examination performed by anyone other than a licensed dentist identifies
22 the possibility of dental disease;
- 23 (k) The transportation of children to and from school;
- 24 (l) The fixing of holidays on which schools may be closed and special days to be
25 observed, and the pay of teachers during absence because of sickness or
26 quarantine or when the schools are closed because of quarantine;
- 27 (m) The preparation of budgets and salary schedules for the several school

1 districts under the management and control of the Kentucky Board of
2 Education;

3 (n) A uniform series of forms and blanks, educational and financial, including
4 forms of contracts, for use in the several school districts;

5 (o) The disposal of real and personal property owned by local boards of
6 education, *An administrative regulation shall require prior approval for a*
7 *school district's disposal of real property. The local board of education shall*
8 *submit a request to dispose of the property to the commissioner of education*
9 *or designee. The commissioner of education or designee shall approve or*
10 *disapprove the disposal within thirty (30) days of submission. An approval*
11 *shall be reported to the Kentucky Board of Education. A local board of*
12 *education may appeal a disapproval to the Kentucky Board of Education at*
13 *the next regular meeting;* and

14 (p) The development and implementation of procedures, for all students who are
15 homeless children and youths as defined in 42 U.S.C. sec. 11434a(2), to do
16 the following:

17 1. Awarding and accepting of credit, including partial credit, for all
18 coursework satisfactorily completed by a student while enrolled at
19 another school;

20 2. Allowing a student who was previously enrolled in a course required for
21 graduation the opportunity, to the extent practicable, to complete the
22 course, at no cost to the student, before the beginning of the next school
23 year;

24 3. Awarding a diploma, at the student's request, by a district from which
25 the student transferred, if the student transfers schools at any time after
26 the completion of the student's second year of high school and the
27 student is ineligible to graduate from the district to which the student

1 transfers, but meets the graduation requirements of the district from
2 which the student transferred; and

3 4. Exempting the student from all coursework and other requirements
4 imposed by the local board of education that are in addition to the
5 minimum requirements for high school graduation established by the
6 Kentucky Board of Education pursuant to paragraph (d) of this
7 subsection in the district to which the student transfers, if the student
8 transfers schools at any time after the completion of the student's second
9 year of high school and the student is ineligible to graduate both from
10 the district to which the student transfers and the district from which the
11 student transferred.

12 (2) (a) At the request of a local board of education or a school council, a local school
13 district superintendent shall request that the Kentucky Board of Education
14 waive any administrative regulation promulgated by that board. Beginning in
15 the 1996-97 school year, a request for waiver of any administrative regulation
16 shall be submitted to the Kentucky Board of Education in writing with
17 appropriate justification for the waiver. The Kentucky Board of Education
18 may approve the request when the school district or school has demonstrated
19 circumstances that may include but are not limited to the following:

20 1. An alternative approach will achieve the same result required by the
21 administrative regulation;

22 2. Implementation of the administrative regulation will cause a hardship on
23 the school district or school or jeopardize the continuation or
24 development of programs; or

25 3. There is a finding of good cause for the waiver.

26 (b) The following shall not be subject to waiver:

27 1. Administrative regulations relating to health and safety;

- 1 2. Administrative regulations relating to civil rights;
- 2 3. Administrative regulations required by federal law; and
- 3 4. Administrative regulations promulgated in accordance with KRS
- 4 158.6451, 158.6453, 158.6455, and this section, relating to measurement
- 5 of performance outcomes and determination of successful districts or
- 6 schools, except upon issues relating to the grade configuration of
- 7 schools.

8 (c) Any waiver granted under this subsection shall be subject to revocation upon
9 a determination by the Kentucky Board of Education that the school district or
10 school holding the waiver has subsequently failed to meet the intent of the
11 waiver.

12 (3) Any private, parochial, or church school may voluntarily comply with curriculum,
13 certification, and textbook standards established by the Kentucky Board of
14 Education and be certified upon application to the board by such schools.

15 (4) Any public school that violates the provisions of KRS 158.854 shall be subject to a
16 penalty to be assessed by the commissioner of education as follows:

17 (a) The first violation shall result in a fine of no less than one (1) week's revenue
18 from the sale of the competitive food;

19 (b) Subsequent violations shall result in a fine of no less than one (1) month's
20 revenue from the sale of the competitive food;

21 (c) "Habitual violations," which means five (5) or more violations within a six (6)
22 month period, shall result in a six (6) month ban on competitive food sales for
23 the violating school; and

24 (d) Revenue collected as a result of the fines in this subsection shall be
25 transferred to the food service fund of the local school district.

26 ➔Section 3. KRS 156.095 is amended to read as follows:

27 (1) The Kentucky Department of Education shall establish, direct, and maintain a

1 statewide program of professional development to improve instruction in the public
2 schools.

3 (2) Each local school district superintendent shall appoint a certified school employee
4 to fulfill the role and responsibilities of a professional development coordinator
5 who shall disseminate professional development information to schools and
6 personnel. Upon request by a school council or any employees of the district, the
7 coordinator shall provide technical assistance to the council or the personnel that
8 may include assisting with needs assessments, analyzing school data, planning and
9 evaluation assistance, organizing districtwide programs requested by school
10 councils or groups of teachers, or other coordination activities.

11 (a) The manner of appointment, qualifications, and other duties of the
12 professional development coordinator shall be established by Kentucky Board
13 of Education through promulgation of administrative regulations.

14 (b) The local district professional development coordinator shall participate in the
15 Kentucky Department of Education annual training program for local school
16 district professional development coordinators. The training program may
17 include, but not be limited to, the demonstration of various approaches to
18 needs assessment and planning; strategies for implementing long-term,
19 school-based professional development; strategies for strengthening teachers'
20 roles in the planning, development, and evaluation of professional
21 development; and demonstrations of model professional development
22 programs. The training shall include information about teacher learning
23 opportunities relating to the core content standards. The Kentucky Department
24 of Education shall regularly collect and distribute this information.

25 (3) The Kentucky Department of Education shall provide or facilitate optional,
26 professional development programs for certified personnel throughout the
27 Commonwealth that are based on the statewide needs of teachers, administrators,

1 and other education personnel. Programs may include classified staff and parents
2 when appropriate. Programs offered or facilitated by the department shall be at
3 locations and times convenient to local school personnel and shall be made
4 accessible through the use of technology when appropriate. They shall include
5 programs that: address the goals for Kentucky schools as stated in KRS 158.6451,
6 including reducing the achievement gaps as determined by an equity analysis of the
7 disaggregated student performance data from the state assessment program
8 developed under KRS 158.6453; engage educators in effective learning processes
9 and foster collegiality and collaboration; and provide support for staff to
10 incorporate newly acquired skills into their work through practicing the skills,
11 gathering information about the results, and reflecting on their efforts. Professional
12 development programs shall be made available to teachers based on their needs
13 which shall include but not be limited to the following areas:

- 14 (a) Strategies to reduce the achievement gaps among various groups of students
15 and to provide continuous progress;
- 16 (b) Curriculum content and methods of instruction for each content area,
17 including differentiated instruction;
- 18 (c) School-based decision making;
- 19 (d) Assessment literacy;
- 20 (e) Integration of performance-based student assessment into daily classroom
21 instruction;
- 22 (f) Nongraded primary programs;
- 23 (g) Research-based instructional practices;
- 24 (h) Instructional uses of technology;
- 25 (i) Curriculum design to serve the needs of students with diverse learning styles
26 and skills and of students of diverse cultures;
- 27 (j) Instruction in reading, including phonics, phonemic awareness,

1 comprehension, fluency, and vocabulary;

2 (k) Educational leadership; and

3 (l) Strategies to incorporate character education throughout the curriculum.

4 (4) The department shall assist school personnel in assessing the impact of professional
5 development on their instructional practices and student learning.

6 (5) The department shall assist districts and school councils with the development of
7 long-term school and district improvement plans that include multiple strategies for
8 professional development based on the assessment of needs at the school level.

9 (a) Professional development strategies may include but are not limited to
10 participation in subject matter academies, teacher networks, training institutes,
11 workshops, seminars, and study groups; collegial planning; action research;
12 mentoring programs; appropriate university courses; and other forms of
13 professional development.

14 (b) In planning the use of the four (4) days for professional development under
15 KRS 158.070, school councils and districts shall give priority to programs that
16 increase teachers' understanding of curriculum content and methods of
17 instruction appropriate for each content area based on individual school plans.
18 The district may use up to one (1) day to provide district-wide training and
19 training that is mandated by state or federal law. Only those employees
20 identified in the mandate or affected by the mandate shall be required to
21 attend the training.

22 (c) State funds allocated for professional development shall be used to support
23 professional development initiatives that are consistent with local school
24 improvement and professional development plans and teachers' individual
25 growth plans. The funds may be used throughout the year for all staff,
26 including classified and certified staff and parents on school councils or
27 committees. A portion of the funds allocated to each school council under

1 KRS 160.345 may be used to prepare or enhance the teachers' knowledge and
2 teaching practices related to the content and subject matter that are required
3 for their specific classroom assignments.

4 (6) (a) ~~[By August 1, 2010,]~~The Kentucky Cabinet for Health and Family Services
5 shall post on its web page suicide prevention awareness information, to
6 include recognizing the warning signs of a suicide crisis. The web page shall
7 include information related to suicide prevention training opportunities
8 offered by the cabinet or an agency recognized by the cabinet as a training
9 provider.

10 (b) By September 15 of each year, every public school shall provide suicide
11 prevention awareness information in person, by live streaming, or via a video
12 recording to all students in grades six (6) through twelve (12). The
13 information may be obtained from the Cabinet for Health and Family Services
14 or from a commercially developed suicide prevention training program.

15 (c) 1. **Each**~~[Beginning with the 2018-2019]~~ school year~~[, and every year~~
16 ~~thereafter]~~, a minimum of one (1) hour of high-quality suicide
17 prevention training, including the recognition of signs and symptoms of
18 possible mental illness, shall be required for all school district
19 employees with job duties requiring direct contact with students in
20 grades six (6) through twelve (12). The training shall be provided either
21 in person, by live streaming, or via a video recording and may be
22 included in the four (4) days of professional development under KRS
23 158.070.

24 2. When a staff member subject to the training under subparagraph 1. of
25 this paragraph is initially hired during a school year in which the
26 training is not required, the local district shall provide suicide prevention
27 materials to the staff member for review.

- 1 (d) The requirements of paragraphs (b) and (c) of this subsection shall apply to
2 public charter schools as a health and safety requirement under KRS
3 160.1592(1).
- 4 (7) (a) By ~~November 1, 2019, and~~ November 1 of each year ~~thereafter~~, a
5 minimum of one (1) hour of training on how to respond to an active shooter
6 situation shall be required for all school district employees with job duties
7 requiring direct contact with students. The training shall be provided either in
8 person, by live streaming, or via a video recording prepared by the Kentucky
9 Department of Criminal Justice Training in collaboration with the Kentucky
10 Law Enforcement Council, the Kentucky Department of Education, and the
11 Center for School Safety and may be included in the four (4) days of
12 professional development under KRS 158.070.
- 13 (b) When a staff member subject to the training requirements of this subsection is
14 initially hired after the training has been provided for the school year, the
15 local district shall provide materials on how to respond to an active shooter
16 situation.
- 17 (c) The requirements of this subsection shall also apply to public charter schools
18 as a health and safety requirement under KRS 160.1592(1).
- 19 (8) (a) The Kentucky Department of Education shall develop and maintain a list of
20 approved comprehensive evidence-informed trainings on child abuse and
21 neglect prevention, recognition, and reporting that encompass child physical,
22 sexual, and emotional abuse and neglect.
- 23 (b) The trainings shall be web-based ~~Web-based~~ or in-person and cover, at a
24 minimum, the following topics:
- 25 1. Recognizing child physical, sexual, and emotional abuse and neglect;
 - 26 2. Reporting suspected child abuse and neglect in Kentucky as required by
27 KRS 620.030 and the appropriate documentation;

- 1 3. Responding to the child; and
- 2 4. Understanding the response of child protective services.
- 3 (c) The trainings shall include a questionnaire or other basic assessment tool upon
- 4 completion to document basic knowledge of training components.
- 5 (d) Each local board of education shall adopt one (1) or more trainings from the
- 6 list approved by the Department of Education to be implemented by schools.
- 7 (e) All current school administrators, certified personnel, office staff,
- 8 instructional assistants, and coaches and extracurricular sponsors who are
- 9 employed by the school district shall complete the implemented training or
- 10 trainings~~[by January 31, 2017, and then]~~ every two (2) years~~[after]~~.
- 11 (f) All school administrators, certified personnel, office staff, instructional
- 12 assistants, and coaches and extracurricular sponsors who are employed by the
- 13 school district~~[hired after January 31, 2017,]~~ shall complete the implemented
- 14 training or trainings within ninety (90) days of being hired and then every two
- 15 (2) years after.
- 16 (g) Every public school shall prominently display the statewide child abuse
- 17 hotline number administered by the Cabinet for Health and Family Services,
- 18 and the National Human Trafficking Reporting Hotline number administered
- 19 by the United States Department for Health and Human Services.
- 20 (9) The Department of Education shall establish an electronic consumer bulletin board
- 21 that posts information regarding professional development providers and programs
- 22 as a service to school district central office personnel, school councils, teachers, and
- 23 administrators. Participation on the electronic consumer bulletin board shall be
- 24 voluntary for professional development providers or vendors, but shall include all
- 25 programs sponsored by the department. Participants shall provide the following
- 26 information: program title; name of provider or vendor; qualifications of the
- 27 presenters or instructors; objectives of the program; program length; services

1 provided, including follow-up support; costs for participation and costs of
2 materials; names of previous users of the program, addresses, and telephone
3 numbers; and arrangements required. Posting information on the bulletin board by
4 the department shall not be viewed as an endorsement of the quality of any specific
5 provider or program.

6 (10) The Department of Education shall provide training to address the characteristics
7 and instructional needs of students at risk of school failure and most likely to drop
8 out of school. The training shall be developed to meet the specific needs of all
9 certified and classified personnel depending on their relationship with these
10 students. The training for instructional personnel shall be designed to provide and
11 enhance skills of personnel to:

- 12 (a) Identify at-risk students early in elementary schools as well as at-risk and
13 potential dropouts in the middle and high schools;
- 14 (b) Plan specific instructional strategies to teach at-risk students;
- 15 (c) Improve the academic achievement of students at risk of school failure by
16 providing individualized and extra instructional support to increase
17 expectations for targeted students;
- 18 (d) Involve parents as partners in ways to help their children and to improve their
19 children's academic progress; and
- 20 (e) Significantly reduce the dropout rate of all students.

21 (11) The department shall establish teacher academies to the extent funding is available
22 in cooperation with postsecondary education institutions for elementary, middle
23 school, and high school faculty in core disciplines, utilizing facilities and faculty
24 from universities and colleges, local school districts, and other appropriate agencies
25 throughout the state. Priority for participation shall be given to those teachers who
26 are teaching core discipline courses for which they do not have a major or minor or
27 the equivalent. Participation of teachers shall be voluntary.

1 (12) The department shall annually provide to the oversight council established in KRS
2 15A.063, the information received from local schools pursuant to KRS 158.449.

3 **(13) The department shall establish a program of professional development, and**
4 **maintain a list of other entities that have notified the department of available**
5 **similar professional development offerings, for district personnel to receive**
6 **training on facilities management, facilities construction and renovation project**
7 **management, and district property acquisition, management, and disposition.**
8 **Districts shall use the program to help develop the professional capacities of**
9 **personnel.**

10 ➔Section 4. KRS 157.420 is amended to read as follows:

11 Public school funds made available to the credit of each district during any year shall be
12 received, held, and expended by the district board, subject to the provisions of law and
13 administrative regulations of the Kentucky Board of Education. The following
14 restrictions shall govern the expenditure of funds from the public school fund:

15 (1) The salary paid any rank of teachers shall be at least equivalent to the amount set
16 forth in the biennial budget schedule for each rank and experience for a term of one
17 hundred eighty-five (185) days for full-time service during the regular school year.

18 (2) Beginning with the 2004-2006 biennium, the Kentucky Board of Education shall
19 not approve any working budget or salary schedule for local boards of education for
20 any school year unless the one hundred eighty-five (185) day salary schedule for
21 certified staff has been adjusted over the previous year's salary schedule by a
22 percentage increase at least equal to the cost-of-living adjustment that is provided
23 state government workers under the biennial budget. The base funding level in the
24 program for support education excellence in Kentucky as defined in KRS 157.320
25 shall be increased by the statewide dollar value of the annual required cost-of-living
26 percentage adjustment that shall be estimated on the sum of the previous year's
27 statewide teachers' salaries.

1 (3) A district that compensates its teachers or employees for unused sick leave at the
2 time of retirement, pursuant to KRS 161.155, may create an escrow account to
3 maintain the amount of funds necessary to pay teachers or employees who qualify
4 for receipt of the benefit. The fund is limited to not more than fifty percent (50%) of
5 the maximum liability for the current year to be determined according to the
6 number of staff employed by the district on September 15. Interest generated by the
7 account shall be calculated as part of the total amount. The funds shall not be used
8 for any purpose other than compensation for unused sick leave at the time of
9 retirement and shall not be considered as part of the general fund balance in
10 determining available local revenue for purposes of KRS 157.620.

11 (4) (a) The per pupil capital outlay allotment for each district from the public school
12 fund and from local sources shall be kept in a separate account and may be
13 used by the district only for capital outlay projects ~~approved by the~~
14 ~~commissioner of education in accordance with requirements of law, and~~
15 based on the district facilities plan ~~[a survey]~~ made in accordance with
16 administrative regulations of the Kentucky Board of Education. These funds
17 shall be used for the following capital outlay purposes:

- 18 1. For direct payment of construction costs;
- 19 2. For debt service on voted and funding bonds;
- 20 3. For payment or lease-rental agreements under which the board
21 eventually will acquire ownership of a school plant;
- 22 4. For the retirement of any deficit resulting from overexpenditure for
23 capital construction, if such deficit resulted from an emergency declared
24 by the Kentucky Board of Education under KRS 160.550; and
- 25 5. As a reserve fund for the above-named purposes, to be carried forward
26 in ensuing budgets.

27 (b) A district may ~~submit a request to the commissioner of education to~~ use

1 funds from the per pupil capital outlay allotment to purchase land for a new
2 school or to modify an existing school if the project is included on the
3 approved district facilities~~[facility]~~ plan for completion within eight (8) years.
4 The land shall not be included in the calculation of the school district's unmet
5 need.~~[The commissioner may grant or deny the district's request at his or her~~
6 ~~discretion.]~~

7 (c) A district which has experienced an increase in adjusted average daily
8 attendance, as defined by administrative regulation, of twenty percent (20%)
9 or more over a five (5) year period may submit a request to the commissioner
10 of education to use capital outlay funds for the operation of a new school for
11 the first two (2) years following its opening. The commissioner may grant or
12 deny the district's request at his or her discretion.

13 (d) A local school district may submit a request to the commissioner of education
14 to use capital outlay funds for maintenance expenditures or for the purchase of
15 property insurance without forfeiting the district's participation in the School
16 Facilities Construction Commission program. Maintenance requests may
17 include other priorities that are not considered major renovations, such as
18 repair, renovation, or system upgrades that are necessary to maintain the
19 integrity of an existing school facility.

20 (e) A local district may use capital outlay funds to employ facility-related
21 personnel, as defined by the Kentucky Department of Education.

22 (5) The district may contribute capital outlay funds for energy conservation measures
23 under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and
24 45A.353. Use of these funds, provided in KRS 45A.353, 56.774, and 58.600, shall
25 be based on the following:

26 (a) The energy conservation measures shall include facility alteration;

27 (b) The energy conservation measures shall be identified in the approved district

- 1 facilities~~[district's approved facility]~~ plan;
- 2 (c) The current facility systems are consuming excess maintenance and operating
- 3 costs;
- 4 (d) The savings generated by the energy conservation measures are guaranteed;
- 5 (e) The capital outlay funds contributed to the energy conservation measures shall
- 6 be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall
- 7 be subject to the restrictions on usage as specified in KRS 45A.352(9); and
- 8 (f) The equipment that is replaced shall have exceeded its useful life as
- 9 determined by a life-cycle cost analysis.
- 10 (6) If any district has a special levy for capital outlay or debt service that is equal to the
- 11 capital outlay allotment or a proportionate fraction thereof, and spends the proceeds
- 12 of that levy for the above-named purposes, the commissioner of education under
- 13 administrative regulations of the Kentucky Board of Education, may authorize the
- 14 district to use all or a proportionate fraction of its capital outlay allotment for
- 15 current expenses. However, a district which uses capital outlay funds for current
- 16 expenses shall not be eligible to participate in the School Facilities Construction
- 17 Commission funds, except when the current expenditures are approved by the
- 18 commissioner of education under subsection (4)~~[(b) or]~~(c) of this section.
- 19 (7) If ~~[a survey shows that]~~a school district has no capital outlay needs as shown in
- 20 subsection (4)(a)1., 2., 3., and 4. of this section, upon approval of the commissioner
- 21 of education, these funds may be used for school plant maintenance, repair,
- 22 insurance on buildings, replacement of equipment, purchase of school buses, and
- 23 the purchase of modern technological equipment, including telecommunications
- 24 hardware, televisions, computers, and other technological hardware to be utilized
- 25 for educational purposes only.
- 26 (8) ~~[In surveying the schools,]~~The Department of Education shall **regularly conduct a**
- 27 **review to** designate each school facility as a permanent, functional, or transitional

1 center.

2 (a) "Permanent center" means a center which meets the program standards
3 approved by the Kentucky Board of Education, is located so that students are
4 not subjected to an excessive amount of time being transported to the site, and
5 has established an attendance area which will maintain enrollment at capacity
6 but will also avoid overcrowding.

7 (b) "Functional center" means a center which does not meet all the criteria
8 established for a permanent facility, but is adequate to meet accreditation
9 program standards to insure no substantial academic or building deficiency.
10 ~~[The facility plan shall include additions and renovations necessary to meet~~
11 ~~current accreditation standards for which federal, state, and local funds may~~
12 ~~be used.]~~

13 (c) "Transitional center" means a center which the local board of education has
14 determined shall no longer be designated permanent or functional. The center
15 shall be destined to be closed and shall not be eligible for new construction,
16 additions, or major renovation. However, the board of education shall
17 maintain any operating transitional center to provide a safe and healthy
18 environment for students.

19 (9) ~~[Beginning in fiscal year 2011-2012,]~~The Kentucky Department of Education shall
20 standardize the process for evaluating the overall quality and condition of all school
21 buildings across the state. The ~~[evaluation]~~ process shall:

22 (a) Result in consistent categorization of buildings for local planning purposes
23 and for the distribution of state general fund moneys designated for capital
24 construction;

25 (b) Be based on measurable, objective criteria;

26 (c) Include numerical scoring with weights to recognize building components and
27 characteristics that address:

- 1 1. Life safety issues;
- 2 2. Compliance with state and federal codes;
- 3 3. Compliance with requirements under the Americans with Disabilities
- 4 Act;
- 5 4. Community spaces;
- 6 5. Instructional areas;
- 7 6. Mechanical, electrical, plumbing, and other technology systems;
- 8 7. Site and exterior building conditions;
- 9 8. Age of the buildings;
- 10 9. Feasibility of building additions or major renovations;
- 11 10. The districts' facility capacities;
- 12 11. Current use of temporary facilities; and
- 13 12. Projected enrollment growth; and

14 (d) Use of a third-party evaluator that utilizes an already established software-
 15 based system to perform the first, base-line evaluation.

16 (10) The Kentucky Board of Education shall promulgate an administrative regulation
 17 upon recommendation of the Kentucky Department of Education and the School
 18 Facilities Construction Commission to implement subsection (9) of this section.

19 **(11) Under administrative regulations promulgated by the Kentucky Board of**
 20 **Education, each district shall use the review and evaluation established in**
 21 **subsections (8) and (9) of this section to develop a district facilities plan to outline**
 22 **facility needs, plan future construction and renovation, and prioritize needed**
 23 **projects. The district facilities plan:**

24 **(a) Shall place each current facility or any future projected facility into**
 25 **categorical priorities and develop a priority order of district facilities**
 26 **projects;**

27 **(b) May place extracurricular facilities into any categorical priority;**

1 (c) Shall include any energy conservation measures planned under subsection
2 (5) of this section;

3 (d) Shall include any additions and renovations necessary for a school facility
4 rated as a functional center to meet current accreditation standards for
5 which federal, state, and local funds may be used; and

6 (e) Shall be submitted by the local board of education to the commissioner or
7 designee for approval. The commissioner or designee shall approve or
8 disapprove the plan within thirty (30) days of submission. An approved plan
9 shall be reported to the Kentucky Board of Education. A local board may
10 resubmit a disapproved plan with amendments or appeal the disapproval to
11 the Kentucky Board of Education at the next regular meeting.

12 (12) Notwithstanding the requirements for the district facilities plan under subsection
13 (11) of this section, if a local board determines that a school facility contains
14 levels of radon that expose students and district employees to danger, the board
15 may approve the process of abating the radon in the facility as an emergency
16 without amending the district facilities plan. The district may utilize funds
17 otherwise restricted to use for projects on the district facilities plan to conduct the
18 mitigation of the danger.

19 ~~(13)~~~~(11)~~ If a local school board authorized elementary, middle, or secondary education
20 classes in a facility of a historical settlement school on January 1, 1994, the board
21 shall continue to use the facilities provided by the settlement school if the facilities
22 meet health and safety standards for education facilities as required by
23 administrative regulations. The local school board and the governing body of the
24 settlement school shall enter into a cooperative agreement that delineates the role,
25 responsibilities, and financial obligations for each party.

26 ~~(14)~~~~(12)~~ Notwithstanding the provisions of subsections (4) and (6) of this section, a
27 local district that has requested a mid-year adjustment in the support education

1 excellence in Kentucky funding under KRS 157.360(16) may request permission
2 from the commissioner of education to use capital outlay funds for the purchase of
3 school buses or to use the capital outlay funds for increased operational expenses
4 for the first three (3) years following the increased growth in the district without
5 forfeiture of the district's participation in the School Facilities Construction
6 Commission Program. The commissioner may grant or deny the district's request.

7 ➔Section 5. KRS 157.440 is amended to read as follows:

- 8 (1) (a) Notwithstanding any statutory provisions to the contrary, effective for school
9 years beginning after July 1, 1990, the board of education of each school
10 district may levy an equivalent tax rate as defined in subsection (9)(a) of KRS
11 160.470 which will produce up to fifteen percent (15%) of those revenues
12 guaranteed by the program to support education excellence in Kentucky. The
13 levy for the 1990-91 school year shall be made no later than October 1, 1989,
14 and no later than October 1, 1990, for the 1991-92 school year, and by
15 October 1 of each odd-numbered year thereafter. Effective with the 1990-91
16 school year, revenue generated by this levy shall be equalized at one hundred
17 fifty percent (150%) of the statewide average per pupil assessment.
- 18 (b) To participate in the Facilities Support Program of Kentucky, the board of
19 education of each school district shall commit at least an equivalent tax rate of
20 five cents (\$0.05) to debt service, new facilities, or major renovations of
21 existing school facilities, or the purchase of land~~[if approved by the~~
22 ~~commissioner of education as provided in KRS 157.420(4)(b)].~~ The five cents
23 (\$0.05) shall be in addition to the thirty cents (\$0.30) required by KRS
24 160.470(9) and any levy pursuant to paragraph (a) of this subsection. The levy
25 shall be made no later than October 1 of each odd-numbered year. Eligibility
26 for equalization funds for the biennium shall be based on the district funds
27 committed to debt service on that date. The five cents (\$0.05) shall be

1 equalized at one hundred fifty percent (150%) of the statewide average per
2 pupil assessment. The equalization funds shall be committed to debt service to
3 the greatest extent possible, but any excess equalization funds not needed for
4 debt service shall be deposited to a restricted building fund account. The
5 funds may be escrowed for future debt service or used to address the priority
6 order~~[categorical priorities]~~ listed in the approved district facilities plan
7 pursuant to Section 4 of this Act~~[KRS 157.420]~~.

8 (c) The board of education of each school district may contribute the levy
9 equivalent tax rate of five cents (\$0.05) and equalization funds for energy
10 conservation measures under guaranteed energy savings contracts pursuant to
11 KRS 45A.345, 45A.352, and 45A.353. Use of these funds, as provided under
12 KRS 45A.353, 56.774, and 58.600 shall be based on the following guidelines:

- 13 1. Energy conservation measures shall include facility alteration;
- 14 2. Energy conservation measures shall be identified in the approved
15 district facilities~~[district's approved facility]~~ plan pursuant to Section 4
16 of this Act~~[KRS 157.420]~~;
- 17 3. The current facility systems are consuming excess maintenance and
18 operating costs;
- 19 4. The savings generated by the energy conservation measures are
20 guaranteed;
- 21 5. The levy equivalent tax rate of five cents (\$0.05) and equalization funds
22 contributed to the energy conservation measures shall be defined as
23 capital cost avoidance as provided in KRS 45A.345(2) and shall be
24 subject to the restrictions on usage as specified in KRS 45A.352(9); and
- 25 6. The equipment that is replaced has exceeded its useful life as
26 determined by a life cycle cost analysis.

27 (d) The rate levied by a district board of education under the provisions of this

1 subsection shall not be subject to the public hearing provisions of KRS
2 160.470(7) or to the recall provisions of KRS 160.470(8).

3 (e) A school district which is at or above the equivalent tax rates permitted under
4 the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts
5 ch. 476, shall not be required to levy an equivalent tax rate which is lower
6 than the rate levied during the 1989-90 school year.

7 (2) (a) A district may exceed the maximum provided by subsection (1) of KRS
8 160.470 provided that, upon request of the board of education of the district,
9 the county board of elections shall submit to the qualified voters of the
10 district, in the manner of submitting and voting as prescribed in paragraph (b)
11 of this subsection, the question whether a rate which would produce revenues
12 in excess of the maximum provided by subsection (1) of KRS 160.470 shall
13 be levied. The rate that may be levied under this section may produce revenue
14 up to no more than thirty percent (30%) of the revenue guaranteed by the
15 program to support education excellence in Kentucky plus the revenue
16 produced by the tax authorized by this section. Revenue produced by this levy
17 shall not be equalized with state funds. If a majority of those voting on the
18 question favor the increased rate, the tax levying authority shall, when the
19 next tax rate for the district is fixed, levy a rate not to exceed the rate
20 authorized by the voters.

21 (b) The election shall be held not less than fifteen (15) or more than thirty (30)
22 days from the time the request of the board is filed with the county clerk, and
23 reasonable notice of the election shall be given. The election shall be
24 conducted and carried out in the school district in all respects as required by
25 the general election laws and shall be held by the same officers as required by
26 the general election laws. The expense of the election shall be borne by the
27 school district.

1 (3) For the 1966 tax year and for all subsequent years for levies which were approved
2 prior to December 8, 1965, no district board of education shall levy a tax at a rate
3 under the provisions of this section which exceeds the compensating tax rate as
4 defined in KRS 132.010, except as provided in subsection (4) of this section and
5 except that a rate which has been approved by the voters under this section but
6 which was not levied by the district board of education in 1965 may be levied after
7 it has been reduced to the compensating tax rate as defined in KRS 132.010, and
8 except that in any school district where the rate levied in 1965 was less than the
9 maximum rate which had been approved by the voters, the compensating tax rate
10 shall be computed and may be levied as though the maximum approved rate had
11 been levied in 1965 and the amount of revenue which would have been produced
12 from such maximum levy had been derived therefrom.

13 (4) Notwithstanding the limitations contained in subsection (3) of this section, no tax
14 rate shall be set lower than that necessary to provide such funds as are required to
15 meet principal and interest payments on outstanding bonded indebtedness and
16 payments of rentals in connection with any outstanding school revenue bonds
17 issued under the provisions of KRS Chapter 162.

18 (5) The chief state school officer shall certify the compensating tax rate to the levying
19 authorities.

20 ➔Section 6. KRS 157.615 is amended to read as follows:

21 As used in KRS 157.611 to 157.640, unless the context requires otherwise:

22 (1) "Available local revenue" means the sum of the school building fund account
23 balance; the bonding potential of the capital outlay and building funds; and the
24 capital outlay fund account balance on June 30 of odd-numbered years. These
25 accounts shall be as defined in the manual for Kentucky school financial accounting
26 systems;

27 (2) "Board of education" means the governing body of a county school district or an

- 1 independent school district;
- 2 (3) "Bonds" or "bonds of the commission" means bonds issued by the commission, or
3 issued by a city, county, or other agency or instrumentality of the Board of
4 Education, in accordance with KRS Chapter 162, payable as to principal and
5 interest from rentals received from a board of education or from the department
6 pursuant to a lease or from contributions from the commission, and constitute
7 municipal bonds exempt from taxation under the Constitution of the
8 Commonwealth;
- 9 (4) "Department" means the State Department of Education;
- 10 (5) "District technology plan" means the plan developed by the local district and the
11 Department of Education and approved by the Kentucky Board of Education upon
12 the recommendation of the Council for Education Technology;
- 13 (6) "Equivalent tax rate" means the rate which results when the income from all taxes
14 levied by the district for school purposes is divided by the total assessed value of
15 property plus the assessment for motor vehicles certified by the Department of
16 Revenue as provided by KRS 160.470;
- 17 (7) "Kentucky Education Technology System" means the statewide system set forth in
18 the technology master plan issued by the Kentucky Board of Education with the
19 recommendation of the Council for Education Technology and approved by the
20 Legislative Research Commission;
- 21 (8) "Lease" or "lease instrument" means a written instrument for the leasing of one (1)
22 or more school projects executed by the commission as lessor and a board of
23 education as lessee, or executed by the commission as lessor and the department as
24 lessee, as the case may be;
- 25 (9) "Lease/purchase agreement" means a lease between the school district or the
26 department and a vendor that includes an option to purchase the technology
27 equipment or software at the end of the lease period;

- 1 (10) "Percentage discount" means the degree to which the commission will participate in
 2 meeting the bond and interest redemption schedule required to amortize bonds
 3 issued by the commission on behalf of a local school district;
- 4 (11) "Project" means a defined item of need to construct new facilities or to provide
 5 major renovation of existing facilities which is identified on the ~~priority schedule~~
 6 ~~of the approved~~ district facilities ~~school facilities~~ plan;
- 7 (12) "District ~~school~~ facilities plan" means the plan required by Section 4 of this
 8 Act ~~developed pursuant to the survey specified by KRS 157.420 and by~~ and the
 9 administrative regulations of the Kentucky Board of Education;
- 10 (13) "Technology master plan" means the long-range plan for the implementation of the
 11 Kentucky Education Technology System as developed by the Council for Education
 12 Technology and approved by the Kentucky Board of Education and the Legislative
 13 Research Commission;
- 14 (14) "Unmet facilities need" means the total cost of new construction and major
 15 renovation needs as shown by the approved district ~~school~~ facilities plan less any
 16 available local revenue;
- 17 (15) "Unmet technology need" means the total cost of technology need as shown by the
 18 approved technology plan of the local district; and
- 19 (16) "Eligible district" means any local school district having an unmet facilities need, as
 20 defined in this section, in excess of one hundred thousand dollars (\$100,000) or a
 21 district qualifying for education technology funding.
- 22 ➔Section 7. KRS 157.620 is amended to read as follows:
- 23 (1) To participate in the school construction funding program, the district must have
 24 unmet needs as defined by KRS 157.615 and must meet the following eligibility
 25 criteria:
- 26 (a) Commit at least an equivalent tax rate of five cents (\$0.05) to debt service,
 27 new facilities, or major renovations of existing school facilities as defined by

1 KRS 157.440. A district that levies the five cents (\$0.05) and has not accepted
2 an official offer of assistance from the School Facilities Construction
3 Commission, made pursuant to KRS 157.611, may use receipts from the levy
4 for other purposes as determined by the district board of education.

5 (b) On July 1 of odd-numbered years, the district board of education shall restrict
6 all available local revenue, as defined by KRS 157.615, for school building
7 construction, to be utilized in accordance with the priorities determined by the
8 most current approved district~~[school]~~ facilities plan~~[approved by the~~
9 ~~Kentucky Board of Education]~~.

10 (2) Interest earned on restricted funds required by this section shall become a part of
11 the restricted funds.

12 (3) Funds restricted by the requirements of this section may be used by the district for
13 projects or a portion thereof as listed in priority order on the approved
14 district~~[school]~~ facilities plan prior to receiving state funds. Any local school
15 district which is not an eligible district may be permitted, upon written application
16 to the Department of Education, to transfer funds restricted by KRS 157.611 to
17 157.640 for other school purposes.

18 (4) Not later than October 15 of the year immediately preceding an even-numbered
19 year regular session of the General Assembly, the Kentucky Board of Education
20 shall submit a statement to the School Facilities Construction Commission
21 certifying the following in each district:

22 (a) The amount of school facility construction needs in each district;

23 (b) The amount of available local revenue in each district; and

24 (c) That the district has or has not met the eligibility criteria established by
25 subsection (1) of this section.

26 (5) Construction needs shall be those needs specified in the approved district~~[school]~~
27 facilities plan~~[approved by the Kentucky Board of Education]~~ as of June 30 of the

1 year preceding an even-numbered year regular session of the General Assembly.

2 ➔Section 8. KRS 157.621 is amended to read as follows:

3 (1) In addition to the levy required by KRS 157.440(1)(b) to participate in the Facilities
4 Support Program of Kentucky, local school districts that have made the levy
5 required by KRS 157.440(1)(b) are authorized to levy the following additional
6 equivalent rates to support debt service, new facilities, or major renovations of
7 existing school facilities, which levies shall not be subject to recall under any
8 provision of the Kentucky Revised Statutes, or to voter approval under the
9 provisions of KRS 157.440(2):

10 (a) 1. Prior to April 24, 2008, local school districts that have experienced
11 student population growth during a five (5) year period may levy an
12 additional five cents (\$0.05) equivalent rate for debt service and new
13 facilities. The tax rate levied by the district under this provision shall not
14 be equalized by state funding, except as provided in paragraph (b) of
15 this subsection. Any levy imposed under this paragraph prior to April
16 24, 2008, by a local school district shall continue until removed by the
17 local school district.

18 2. A local school district shall meet the following criteria in order to levy
19 the tax provided in subparagraph 1. of this paragraph:

20 a. Growth of at least one hundred fifty (150) students in average
21 daily attendance and three percent (3%) overall growth for the five
22 (5) preceding years;

23 b. Bonded debt to the maximum capability of at least eighty percent
24 (80%) of capital outlay from the Support Education Excellence in
25 Kentucky funding program, all revenue from the local facility tax,
26 and all receipts from state equalization on the local facility tax;

27 c. Current student enrollment in excess of available classroom space;

1 and

2 d. *The district facilities plan*~~[A local school facility plan that]~~ has
3 been approved by the Kentucky Board of Education and certified
4 to the School Facilities Construction Commission;

5 (b) 1. In addition to the levy authorized by paragraph (a) of this subsection, a
6 local school district may levy an additional five cents (\$0.05) equivalent
7 rate under the same terms and conditions established by paragraph (a) of
8 this subsection beginning in fiscal year 2003-2004 if the levy was made
9 prior to April 24, 2008, and if the local school district:

10 a. Levied the five cents (\$0.05) equivalent rate authorized by
11 paragraph (a) of this subsection; and

12 b. Still meets the requirements established by paragraph (a)2. of this
13 subsection.

14 2. Any school district that imposes both the levy authorized by paragraph
15 (a) of this subsection and the additional levy authorized by subparagraph
16 1. of this paragraph shall receive equalization funding from the state for
17 the levy imposed by paragraph (a) of this subsection beginning in fiscal
18 year 2003-2004. Equalization shall be provided at one hundred fifty
19 percent (150%) of the statewide average per pupil assessment, subject to
20 the provision of funding by the General Assembly. Equalization funds
21 shall be used as provided in KRS 157.440(1)(b).

22 3. Any levy imposed under this paragraph prior to April 24, 2008, by a
23 local school district shall continue until removed by the local school
24 district; and

25 (c) 1. A local school district that meets the following conditions may levy an
26 additional five cents (\$0.05) equivalent rate on and after April 24, 2008:

27 a. The local school district is located in a county that will have more

1 students as a direct result of the new mission established for Fort
2 Knox by the Base Realignment and Closure (BRAC) 2005 issued
3 by the United States Department of Defense pursuant to the
4 Defense Base Closure and Realignment Act of 1990, Pub. L. No.
5 100-526, Part A of Title XXIX of 104 Stat. 1808, 10 U.S.C. sec.
6 2687 note; and

7 b. The commissioner of education has determined, based upon the
8 presentation of credible data, that the projected increased number
9 of students is sufficient to require new facilities or the major
10 renovation of existing facilities to accommodate the new students,
11 and has approved the imposition of the additional levy.

12 2. Any local school district that imposes both the levy authorized by
13 paragraph (a) of this subsection and the additional levy authorized by
14 subparagraph 1. of this paragraph, and that has not received equalization
15 funding under subsection (2) or (3) of this section, shall receive
16 equalization funding from the state for the levy imposed by paragraph
17 (a) of this subsection beginning in the fiscal year following the fiscal
18 year in which the levy authorized by subparagraph 1. of this paragraph
19 is imposed. Equalization shall be provided at one hundred fifty percent
20 (150%) of the statewide average per pupil assessment, subject to the
21 provision of funding by the General Assembly. Equalization funds shall
22 be used as provided in KRS 157.440(1)(b).

23 3. Any levy imposed under this paragraph by a local school district shall
24 continue until removed by the local school district.

25 (2) (a) Any local school district that, prior to April 27, 2016, levied an equivalent rate
26 that:

27 1. Was subject to recall at the time it was levied; and

1 2. Included a rate of at least five cents (\$0.05) equivalent rate for the
2 purpose of debt service for school construction or major renovation of
3 existing school facilities;

4 shall be eligible for retroactive equalization from the state for that levy at one
5 hundred fifty percent (150%) of the statewide average per pupil assessment
6 beginning in fiscal year 2003-2004, subject to the fiscal condition of the
7 Commonwealth and the provision of funding by the General Assembly.
8 Equalization funds shall be used as provided in KRS 157.440(1)(b).

9 (b) It is the intent of the General Assembly that for levies described in this
10 subsection that are imposed on or after April 27, 2016, equalization funds, if
11 provided by the General Assembly, shall terminate upon the earlier of June
12 30, 2038, or the date the bonds for the local school district supported by this
13 equalization funding are retired. Equalization shall be subject to the fiscal
14 condition of the Commonwealth and the provision of funding by the General
15 Assembly.

16 (3) Any local school district that:

17 (a) Levied an equivalent tax rate as of April 24, 2008, that included at least ten
18 cents (\$0.10) that was devoted to building purposes, or that had debt service
19 corresponding to a ten cents (\$0.10) equivalent rate;

20 (b) Did not receive equalized growth funding pursuant to subsection (1)(b)2. of
21 this section; and

22 (c) Has been approved by the commissioner of education;

23 shall be eligible for equalization from the state for that levy at one hundred fifty
24 percent (150%) of the statewide average per pupil assessment beginning in fiscal
25 year 2005-2006, subject to the provision of funding by the General Assembly.
26 Equalization funds shall be used as provided in KRS 157.440(1)(b). Equalization
27 funds shall be available to a local school district pursuant to this subsection until the

1 earlier of June 30, 2038, or the date the bonds for the local school district supported
2 by this equalization funding are retired.

3 (4) (a) Notwithstanding any other provision of this section, any local school district
4 receiving equalization funding prior to April 27, 2016, related to an equivalent
5 rate levy described in subsection (1), (2), (3), or (5) of this section shall
6 continue to receive the equalization funding related to the applicable
7 equivalent rate levy, subject to the limitations established by subsections (1),
8 (2), (3), and (5) of this section, and subject to the fiscal condition of the
9 Commonwealth and the provision of funding by the General Assembly, until
10 amended by subsequent action of the General Assembly. A local school
11 district described in this paragraph shall not be eligible to receive equalization
12 for any additional equivalent rate levies made by it on or after April 27, 2016.

13 (b) Notwithstanding any other provision of this section, any local school district
14 that has imposed an equivalent rate levy described in subsection (1)(a) or (b)
15 or (2) of this section prior to April 27, 2016, that qualifies for equalization but
16 that has not yet received equalization funding shall be eligible for equalization
17 funding as provided in subsection (1)(a) or (b) or (2) of this section, subject to
18 the provision of funding by the General Assembly.

19 (c) On and after April 24, 2008, a local school district not included in paragraph
20 (a) or (b) of this subsection shall be prohibited from imposing an equivalent
21 rate levy under the provisions of subsection (1)(a) or (b) of this section, and
22 shall not be eligible for equalization funding under the provisions of this
23 section.

24 (d) On and after April 24, 2008, a local school district meeting the requirements
25 of subsection (1)(c) of this section may impose the levy authorized by
26 subsection (1)(c) of this section, and shall qualify for equalization as provided
27 in subsection (1)(c) of this section, subject to the provision of funding by the

1 General Assembly.

2 (5) (a) Any local school district that:

3 1. Had school facilities classified as Category 5 on May 18, 2010, by the
4 Kentucky Department of Education; and

5 2. Levied an additional five cents (\$0.05) equivalent tax rate prior to April
6 27, 2016, for debt service, new construction, and major renovation
7 beyond the five cents (\$0.05) equivalent tax rate required by KRS
8 157.440(1)(b), except as provided in paragraph (b) of this subsection;

9 shall be eligible for equalization from the state for that levy at one hundred
10 fifty percent (150%) of the statewide average per pupil assessment beginning
11 in the fiscal year following the fiscal year in which the levy was imposed.
12 This levy shall be subject to the recall provisions of KRS 132.017.

13 (b) School districts that levied a five cents (\$0.05) equivalent tax rate for debt
14 service, new construction, and major renovation, beyond the rate required by
15 KRS 157.440(1)(b) prior to May 18, 2010, shall not be required to levy an
16 additional tax to receive the equalization funds provided in paragraph (a) of
17 this subsection.

18 (c) If the school district utilizes the equalization funds to support a bond issue for
19 construction purposes, equalization funds shall be provided until the earlier of
20 twenty (20) years or date the bonds are retired.

21 (d) In the event that a school district receives funding pursuant to this subsection
22 to support construction of a new school facility and subsequently, as a result
23 of litigation, receives funding for the same facility for which state funds were
24 provided, that school district shall reimburse the Commonwealth an amount
25 equal to the amount provided under paragraph (a) of this subsection. Any
26 funds received in this manner shall be deposited in the budget reserve trust
27 fund account established in KRS 48.705.

1 ➔Section 9. KRS 157.622 is amended to read as follows:

2 The School Facilities Construction Commission shall be governed by the following
3 procedures in providing assistance to school districts for construction purposes:

- 4 (1) Upon receipt of the certified statements from the Kentucky Board of Education as
5 required by KRS 157.620, the commission shall compute the unmet needs of all
6 eligible districts as defined by KRS 157.615;
- 7 (2) Assistance to each eligible district shall be determined by computing the ratio of the
8 available state funding to total unmet need statewide. Based on the computed ratio,
9 an equivalent percentage of each eligible district's unmet need will be funded;
- 10 (3) Each eligible district which has otherwise complied with the provisions of KRS
11 157.615 and 157.620 shall be offered sufficient funding to finance construction of
12 the portion of its unmet need computed by applying the ratio determined in
13 subsection (2) of this section to the total unmet need of the district. The funds shall
14 be applied to the projects listed on the most current approved district
15 facilities~~facility~~ plan ~~approved by the Kentucky Board of Education~~, and the
16 funds shall be applied to projects in the priority order listed on the plan. Exceptions
17 to the priority order of projects may be approved by the School Facilities
18 Construction Commission when it is documented by the local board of education
19 and approved by the Kentucky Board of Education upon the recommendation of the
20 chief state school officer that the school district's priority order of needs has
21 changed. The exceptions shall not alter the amount of the offer of assistance;
- 22 (4) The commission shall promulgate administrative regulations whereby an eligible
23 district which fails in any budget period to receive an allocation of state funds that
24 is sufficient to fund the district's priority project or portions thereof may accumulate
25 credit, subject to the availability of funds, for its unused state allocation for a period
26 not to exceed eight (8) years. Accumulation and retention of credit is contingent
27 upon the transfer of available local revenue to the restricted construction account by

1 June 30 of each year;

2 (5) Except as provided in subsection (6) of this section, all unused state allocations
3 accumulated according to the provisions of subsection (3) of this section shall be
4 reallocated by the commission. The reallocation shall follow the process and intent
5 as set forth in this section with eligible districts being those districts which
6 contribute unused state allocations to the reallocation account. Any district which
7 has an unused state allocation after funding its first priority project in a biennium is
8 not eligible for consideration for additional funds from the reallocation account.
9 Any funding received and utilized from the reallocation account by a district shall
10 equally reduce the credit as set forth in this section; and

11 (6) Refinancing savings that have occurred since July 1, 1997, and subsequent savings
12 to the commission generated over the life of a bond by the local district's
13 refinancing of the bond shall be dedicated to the district's account by the
14 commission. Any funds accumulated in this account shall be used toward the
15 district's next priority, but shall not be deducted from the district's share of
16 commission funds under subsection (3) of this section.

17 ➔Section 10. KRS 158.814 is amended to read as follows:

18 (1) In order to ensure that high-quality, relevant secondary career and technical
19 programs are available to students in all school districts that enable them to gain the
20 academic and technical skills to meet high school graduation requirements and for
21 successful transition to postsecondary education, work, or the military and to
22 support present-day and future needs of Kentucky employers, the Department of
23 Education shall:

24 (a) Review and revise as needed the equipment and facilities standards for each
25 career and technical education program identified and described in the career
26 and technical education supplement to the Kentucky program of studies and
27 published by the Department of Education; and

1 (b) Determine the statewide unmet needs for career and technical education
2 capital projects, including renovations and expansions of existing facilities
3 and the construction of new technology centers, through a needs assessment
4 process. This process shall be tied to specific criteria in determining if the
5 current programs or career pathways offered in locally and state-operated
6 facilities are appropriate for the students in the school districts served as well
7 as for determining if new programs are needed. The statewide assessment of
8 capital needs for career and technical education shall be incorporated into the
9 *district facilities plan of each* local school district~~[facility plan]~~ as required
10 by *Section 4 of this Act*~~[KRS 157.420]~~. The Kentucky Board of Education
11 shall incorporate criteria within the administrative regulations relating to
12 *district facilities*~~[school facility]~~ plan requirements to prioritize need for
13 career and technical education programming, regardless of whether the
14 programs are locally or state-operated.

15 (2) The Career and Technical Education Advisory Committee established in KRS
16 156.806 shall be consulted in carrying out the requirements of this section.

17 ➔Section 11. KRS 160.105 is amended to read as follows:

18 The Kentucky Board of Education shall by regulation require each school district to:

19 (1) Provide for fire and extended insurance coverage on each building owned by the
20 board which is not surplus to its needs as shown by the approved *district* facilities
21 plan. The requirement for such coverage shall not exceed replacement cost and
22 shall allow for the features of coinsurance and deductibles; and

23 (2) Provide each certified employee of the district with primary liability insurance
24 coverage for an amount of not less than one million dollars (\$1,000,000) for the
25 protection of the employee from liability arising in the course and scope of pursuing
26 the duties of employment.

27 ➔Section 12. KRS 160.160 is amended to read as follows:

- 1 (1) Each school district shall be under the management and control of a board of
2 education consisting of five (5) members, except in counties containing a city of the
3 first class wherein a merger pursuant to KRS 160.041 shall have been accomplished
4 which shall have seven (7) members elected from the divisions and in the manner
5 prescribed by KRS 160.210(5), to be known as the "Board of Education of ...,
6 Kentucky." Each board of education shall be a body politic and corporate with
7 perpetual succession. It may sue and be sued; make contracts; expend funds
8 necessary for liability insurance premiums and for the defense of any civil action
9 brought against an individual board member in his official or individual capacity, or
10 both, on account of an act made in the scope and course of his performance of legal
11 duties as a board member; purchase, receive, hold, and sell property; issue its bonds
12 to build and construct improvements; and do all things necessary to accomplish the
13 purposes for which it is created. Each board of education shall elect a chairman and
14 vice chairman from its membership in a manner and for a term prescribed by the
15 board not to exceed two (2) years.
- 16 (2) No board of education shall participate in any financing of school buildings, school
17 improvements, appurtenances thereto, or furnishing and equipment, including
18 education technology equipment without:
- 19 (a) First establishing the cost of the project in advance of financing, based on the
20 receipt of advertised, public, and competitive bids for such project, in
21 accordance with KRS Chapter 424; and
- 22 (b) Establishing the cost of financing in advance of the sale of any bonds,
23 certificates of participation in any leases, or other evidences of financial
24 commitments issued by or on behalf of such board. Any bonds, leases,
25 participations, or other financial arrangements shall not involve a final
26 commitment of the board until the purchaser or lender involved shall have
27 been determined by public advertising in accordance with KRS Chapter 424.

- 1 (3) No board of education shall ~~make a mortgage, lien, or other encumbrance upon~~
2 ~~any school building owned by the board, or~~ transfer title to any ~~such~~ school
3 building as part of any financing arrangement~~,~~ without the specific approval of the
4 Department of Education, and without the transaction being entered into pursuant to
5 a detailed plan or procedure specifically authorized by Kentucky statute.
- 6 (4) ~~Without the approval of the Department of Education,~~ No board may lease, as
7 lessee, a building or public facility that has been or is to be financed at the request
8 of the board or on its behalf through the issuance of bonds by another public body
9 or by a nonprofit corporation serving as an agency and instrumentality of the board,
10 or by a leasing corporation~~. Any lease, participation, or other financial arrangement~~
11 ~~shall not involve a final commitment of the board unless and until~~ ***unless*** the
12 purchaser or lender involved in same shall have been determined by public
13 advertising in accordance with KRS Chapter 424. No transaction shall be entered
14 into by the board except upon the basis of public advertising and competitive
15 bidding in accordance with KRS Chapter 424.
- 16 (5) Rental payments due by a board under a lease ~~approved by the Department of~~
17 ~~Education in accordance with~~ ***established under*** subsection (4) of this section shall
18 be due and payable not less than ten (10) days prior to the interest due date for the
19 bonds, notes, or other debt obligations issued to finance the building or public
20 facility. If a board fails to make a rental payment when due under a lease, upon
21 notification to the Department of Education by the paying agent, bond registrar, or
22 trustee for the bonds not less than three (3) days prior to the interest due date, the
23 Department of Education shall withhold or intercept any funds then due the board
24 to the extent of the amount of the required payment on the bonds and remit the
25 amount to the paying agent, bond registrar, or trustee as appropriate. Thereafter, the
26 Department of Education shall resolve the matter with the board and adjust
27 remittances to the board to the extent of the amount paid by the Department of

1 Education on the board's behalf.

2 (6) Bonds, notes or leases negotiated to provide education technology shall not be sold
3 for longer than seven (7) years or the useful life of the equipment as established by
4 the state technology master plan, whichever is less.

5 (7) Notwithstanding any requirements of public advertising, competitive bidding, or
6 approval by the Department of Education, or any administrative regulation
7 promulgated pursuant to KRS 156.160(1)(o), a local board may authorize the
8 transfer or sale of the district's real or personal property to another governmental or
9 quasi-governmental agency in exchange for money or a similar type of property that
10 equals or exceeds the fair market value of the district property as determined by an
11 independent appraisal conducted by:

12 (a) An individual or organization not affiliated with the district or its officers or
13 employees, using a generally accepted national or professional standard; or

14 (b) A district's officers or employees using a nationally published valuation of
15 property based on the most recent edition of the publication.

16 ➔Section 13. Whereas many of the provisions of 2022 Ky. Acts ch. 185, relating
17 to public school building projects, expire on June 30, 2024, and due to the ongoing
18 effects of inflation and delays on project costs, an emergency is declared to exist, and this
19 Act takes effect July 1, 2024.