

## **KENTUCKY DEPARTMENT OF EDUCATION**

### **STAFF NOTE**

#### **Action/Discussion Item:**

702 KAR 3:300, Approval for school district lease and retirement incentive annuity agreements (Second Reading)

#### **Applicable Statutes or Regulation:**

KRS 65.944, 65.946, 156.070, 156.160

#### **Action Question:**

Should the Kentucky Board of Education (KBE) approve 702 KAR 3:300, Approval for school district lease and retirement incentive annuity agreements?

#### **History/Background:**

**Existing Policy:** Per KRS 65.944, no school district may sign a technology lease over \$100,000 without approval of the chief state school officer. The decision to enter into such a contract shall be approved by the local board of education and the justification cited in the board minutes. KRS 65.946 prohibits the term of a lease of personal property by a school district from exceeding the “useful life of the personal property financed.” KBE’s regulation, 702 KAR 3:300, currently defines the “useful life” for technology equipment leases to be limited to three (3) years.

In the proposed amendment to the regulation, the “useful life” for technology equipment leases is being changed to five (5) years to allow districts greater flexibility in selecting a contract that is financially and technologically advantageous.

#### **Staff Recommendation and Rationale:**

Staff recommends the approval of 702 KAR 3:300. It will allow districts greater flexibility in selecting a contract that is financially and technologically advantageous and makes the numerous waivers previously requested by districts on this issue to the KBE unnecessary.

#### **Impact on Getting to Proficiency:**

Approval of the amendment to 702 KAR 3:300 will allow the school district to have a technology lease contract that is most suitable to their needs and should result in more efficient and effective use of financial and technology resources.

**Groups Consulted and Brief Summary of Responses:**

The Local Superintendents Advisory Council (LSAC) reviewed the regulation at its last meeting and no objections were raised. LSAC will review it one more time prior to the February meeting and any additional feedback will be reported at the KBE meeting.

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**Commissioner of Education**

**Date:**

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