

KENTUCKY DEPARTMENT OF EDUCATION
STAFF NOTE

Action/Discussion Item:

Request for Waiver of 702 KAR 3:300, Section 2, from Perry County for Technology Lease

Applicable Statute or Regulation:

KRS 65.944, 65.946, 702 KAR 3:300, Section 2.

Action Question:

Should the Kentucky Board of Education (KBE) approve the request from Perry County to waive the requirements of 702 KAR 3:300, Section 2, and allow the district to enter into a technology lease over \$100,000 for a term of five (5) years?

History/Background:

Existing Policy. No school district may sign a technology lease over \$100,000 without approval of the chief state school officer per KRS 65.944. 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 defines the “useful life” for technology equipment leases to be limited to three (3) years. In a lease like the one Perry County wants to enter, the lease term is limited by 702 KAR 3:300 Section 2 to the three (3) years of useful life of the equipment.

Perry County requests that the Kentucky Board of Education waive the limitation in 702 KAR 3:300, Section 2 and allow an increase in this particular lease term to five (5) years. This allows the school board the flexibility to select a lease contract that is financially and technically suitable to meet the needs of the district. The Perry County Board of Education approved making the request to the state board at the April 18, 2013 board meeting. A copy of the request and a letter from local board counsel are both attached.

Staff Recommendation(s) and Rationale(s):

Staff recommends the approval of the waiver as presented. It allows the district greater flexibility in selecting a contract that is financially and technologically advantageous.

Impact on Getting to Proficiency:

The approval of this waiver will allow the school district to have a technology lease contract that is more suitable to their needs and should result in more efficient and effective use of financial and technology resources.

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Commissioner of Education

Date:

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