

1 **Education and Workforce Development Cabinet**

2 **Kentucky Board of Education**

3 **Department of Education**

4 **(Amendment)**

5 **702 KAR 3:300. Approval for school district lease and retirement incentive annuity**
6 **agreements.**

7 RELATES TO: KRS 65.944, 65.946, 156.070

8 STATUTORY AUTHORITY: KRS 65.944(1)(c), 156.070, 156.160

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.160 and 156.070 give the Kentucky
10 Board of Education the authority to promulgate administrative regulations deemed necessary for
11 the management of the school districts. KRS 65.944(1)(c) requires the Kentucky Board of
12 Education to promulgate an administrative regulation to implement requirements for lease
13 approval by the Commissioner of Education. This administrative regulation establishes
14 requirements for approval of school district lease and retirement incentive annuities.

15 Section 1. Administrative Guidelines. (1) To request approval of a lease or retirement incentive
16 annuity agreement in excess of \$100,000 from the Commissioner of Education pursuant to KRS
17 65.944(1)(c), the following shall be submitted to the Department of Education, Office of District
18 Support Services, prior to finalization of the lease or retirement incentive annuity agreement:

- 19 (a) The terms of the lease or retirement incentive annuity, including the lease or retirement
20 incentive annuity price;
- 21 (b) The number of optional renewal periods;

- 1 (c) The interest rate;
- 2 (d) The date of issue;
- 3 (e) The purpose of the lease or retirement incentive annuity; and
- 4 (f) The name of any trustee of paying agent.

5 (2) During the evaluation process, the Department of Education, Office of District Support
6 Services, may request additional documentation to properly evaluate the proposed lease or
7 retirement incentive annuity agreement.

8 Section 2. Technology Leases. Pursuant to KRS 65.946, each school district shall submit to the
9 Department of Education, Office of District Support Services, each technology lease including
10 evidence of the lease being limited to the five (5) year [~~three (3) year~~] useful life of the equipment
11 and approval of the district's technology plan.

12 Section 3. Final Approval and Reconsideration. (1) Final approval of a proposed school district
13 lease or retirement incentive annuity agreement with a lease or retirement incentive annuity price
14 of \$100,000 or more shall be granted by the Commissioner of Education before the agreement
15 takes effect.

16 (2) Upon receiving approval from the Commissioner of Education, a school district may enter into
17 the lease or retirement incentive annuity at any time within the current fiscal year.

18 (3)(a) The Commissioner of Education shall send written notification to the school district if the
19 agreement is not approved.

20 (b) The notice shall contain the reasons the agreement was not approved.

21 (c) A school district may request reconsideration by the Commissioner of Education if alterations
22 are made to the proposed lease or retirement incentive annuity which alleviate the concerns
23 expressed by the Commissioner of Education.

- 1 Section 4. Superintendent Annuity. This administrative regulation shall not apply to an annuity
- 2 provision within the negotiated employment contract of a school district superintendent. (22
- 3 Ky.R. 638; eff. 11-2-95; Am. 28 Ky.R. 2443; 29 Ky.R. 107; eff. 7-15-2002.)