

**KENTUCKY DEPARTMENT OF EDUCATION**

**STAFF NOTE**

**Action/Consent Item:**

Waiver Request of 702 KAR 5:030, Section 22, Relating to the Purchase of “No Fault” School Bus Insurance Coverage from the Jefferson County Public Schools

**Commissioner’s Recommendation:**

It is recommended the Kentucky Board of Education (KBE) approve the request for a waiver from 702 KAR 5:030, Section 22, for Jefferson County Public Schools (JCPS) for the 2016-2017 school year.

**Rationale:**

The approval of the waiver from 702 KAR 5:030, Section 22, for JCPS will assist with insurance costs in the area of transportation. The waiver will permit a lower “no-fault” limit which will effectively reduce insurance premium costs by approximately half. A letter requesting the waiver and a copy of the motion showing proof that the item went before the local board are attached.

**Action Question:**

Should the KBE grant a waiver from 702 KAR 5:030, Section 22, for the JCPS?

**Applicable Statute or Regulation:**

KRS 156.160, 702 KAR 5:030

**History/Background:**

*Existing Policy:* A local board of education that owns, operates, or contracts for school buses that transport the district’s pupils to and from school shall purchase liability or indemnity insurance for these school buses. 702 KAR 5:030, Pupil Transportation, Section 22 prescribes no-fault coverage at \$20,000 per passenger. The State Motor Vehicle Reparations Act (SMVRA), KRS 304.39-020 (2) and 304.39-060 (2) (a) only require a statutory limit of \$10,000 per passenger in order to provide “basic reparation benefits” under the no-fault program.

Jefferson County Public Schools is requesting a waiver from the “no-fault” coverage amount of \$20,000 per passenger as required by 702 KAR 5:030, Section 22. JCPS will provide the \$10,000 per passenger no-fault limit under the SMVRA with the ability to settle, mediate, or contest larger claims. This waiver would be in effect for fiscal year 2016-2017. JCPS

requested and received a similar waiver on August 6, 2015, for fiscal year 2015-2016, as shown by some of the attachments.

***Budget Impact:*** There is no budget impact on state funds.

**Contact Person:**

Robin F. Kinney, Associate Commissioner  
Office of Administration and Support  
(502) 564-1976  
[robin.kinney@education.ky.gov](mailto:robin.kinney@education.ky.gov)

Donna E. Duncan, Director  
Division of District Support  
(502) 564-3930  
[donna.duncan@education.ky.gov](mailto:donna.duncan@education.ky.gov)

A handwritten signature in blue ink that reads "Stephen L. Pruitt". The signature is written in a cursive style.

---

**Commissioner of Education**

**Date:**

April 2016