

1 EDUCATION AND WORKFORCE DEVELOPMENT CABINET

2 Kentucky Board of Education

3 Department of Education

4 (Amendment)

5 701 KAR 5:140. Districts of innovation.

6 RELATES TO: KRS 156.108, 156.160(1)~~(g)~~, 160.107

7 STATUTORY AUTHORITY: KRS 156.108, 156.160

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.160(1)~~(g)~~ gives the Kentucky

9 Board of Education the authority to promulgate administrative regulations and KRS 156.108

10 requires the Kentucky Board of Education to promulgate administrative regulations to prescribe

11 the conditions and procedures to be used by a local board of education to be approved as a

12 district of innovation by the Kentucky Board of Education. This administrative regulation

13 establishes the requirements and approval process for districts of innovation.

14 Section 1. Definitions. (1) "Competency based learning" means a framework for the awarding of

15 credit to students upon mastery of Kentucky [~~Kentucky's Core~~] Academic Standards set forth in

16 **704 [707] KAR Chapter 3 and 8** [~~in 704 KAR 3:303~~] or upon mastery of any additional

17 competencies which shall also include explicit, measurable, transferable learning objectives that

18 empower students and that include application and creation of knowledge along with the

19 development of important skills and dispositions.

20 (2) "District of Innovation" is defined in KRS 156.108(1)(a) and does not include a district with

21 an innovation plan that does not require the Kentucky Board of Education to approve an

22 exemption from any administrative regulation or statute.

23 (3) "Eligible employees" is defined in KRS 160.107(3)(b).

1 (4) "Expanded learning opportunities" means initiatives that provide students additional
2 opportunities for enrichment, personal growth, and engagement outside the traditional school
3 day, and that may include extended day or year initiatives, before- and after-school programs,
4 Saturday, weekend, and summer programs, distance learning, and early childhood education
5 initiatives.

6 (5) "Innovation" is defined in KRS 156.108(1)(b).

7 (6) "Innovative strategies" means strategies that provide non-traditional approaches to all areas
8 of curriculum, instruction, assessment, governance, and school operation.

9 (7) "School of Innovation" is defined in KRS 156.108(1)(c).

10 Section 2. Conditions and Areas of Emphasis for Innovation. (1) Any public school district may
11 submit an application for approval as a District of Innovation [~~district of innovation~~] in
12 accordance with the application process established in Section 3 of this administrative regulation.

13 A district may submit a District of Innovation Application for a minimum of one (1) school
14 within the district; however, [An] an individual school shall not submit an application except as
15 part of a district application.

16 (2) A district may incorporate in its application any innovative strategies and models that have
17 been shown to be effective in other districts or states or new innovative strategies or models
18 created by the district or school. Innovative strategies may include but are not limited to the
19 following:

20 (a) Moving to a competency based learning system, including development of alternate methods
21 for delivering curriculum or for measuring mastery of standards and skills;

1 (b) Creating multiple pathways to graduation, including rigorous career and technical pathways,
2 apprenticeships, early college high schools, early graduation options, or digital learning
3 opportunities;

4 (c) Redefining [~~Rethinking~~] the times and places that learning occurs, including lengthening or
5 flexing the school day or school year, moving learning beyond the traditional school building, or
6 incorporating expanded learning opportunities;

7 (d) Implementing alternative forms of school governance that include the engagement of
8 teachers, parents, and community members and that does not meet the requirements of KRS
9 160.345;

10 (e) Designing learning environments that include the student in the design of learning pathways;
11 or

12 (f) Creating additional job classifications for certified or classified staff beyond the traditional
13 roles of teacher and instructional assistants and compensating staff on schedules other than single
14 salary schedules.

15 Section 3. Application Process. (1) A district may submit an original or renewal District of
16 Innovation Application to the Kentucky Department of Education (department) at any time
17 within the calendar year. Each implementation of an approved application shall begin at the start
18 of a school term, and a district shall submit an application at least ninety (90) days [~~180 days~~
19 ~~from the date of submission of the application~~] prior to the beginning of a school term to have
20 the application considered for implementation at the beginning of the upcoming school term.

21 (2) A [~~Pursuant to KRS 160.107(3), a~~] district shall identify and include in its application;
22 [~~those schools that have voluntarily chosen to be schools of innovation, any persistently low-~~

1 ~~achieving schools that the district chooses to make schools of innovation, and any district~~
2 ~~operated schools per KRS 160.345(1)(b) the district plans to create in its application.]~~

3 (a) Any schools that have voluntarily chosen to be schools of innovation pursuant to KRS
4 160.107(3)(a);

5 (b) Any schools identified for Comprehensive Support and Improvement pursuant to [under]
6 KRS 160.346 that a local board of education has chosen, pursuant to KRS 160.107(3)(c), to
7 make schools of innovation; and

8 (c) Any district-operated schools that a district plans to create through the application.

9 (3) The department shall provide technical assistance to districts prior to application submission.

10 (4) In addition to the application requirements established in KRS 160.107(1), the [The]
11 application shall include the following components:

12 (a) An individual school level plan for each existing school included in the district's innovation
13 plan and for any district-operated school the district plans to create through [under] the
14 application;

15 (b) ~~[A description of how the district's innovation will provide greater improvement in student~~
16 ~~outcomes, particularly among low-achieving students, than the outcomes the district would~~
17 ~~expect using its existing instructional programs. The plan shall specifically address how it more~~
18 ~~effectively improves the multiple measures required under the accountability system, including~~
19 ~~targets for student achievement, student growth, achievement gap reduction, graduation rate, and~~
20 ~~college and career readiness;~~

21 ~~(c) A description of the district's plan to ensure that capacity exists in both human and fiscal~~
22 ~~resources to implement the changes needed in the district to ensure a successful implementation~~
23 ~~of the district's innovation plan;~~

1 ~~(d)~~ Where the application proposes alternative education programs and services and in order to
2 comply with the innovation plan requirements in KRS 160.107(2)(b), a [A] description of the
3 district's attendance policy for non-traditional settings and the district's plan to ensure that all
4 students meet attendance requirements ~~as required~~ **pursuant to [under]** KRS 158.030 and KRS
5 158.100;

6 ~~[(e) A plan for developing alternate assessment options and measuring student performance~~
7 ~~outcomes in non-traditional settings including extended learning opportunities, apprenticeships,~~
8 ~~private instruction, work study, study in a foreign country, awarding of competency based~~
9 ~~learning credit, community service, independent study, or on-line learning opportunities;~~

10 ~~(f)~~ (c) A description and rationale for the innovative strategies and models chosen to be
11 implemented;

12 ~~[(g)]~~ (d) A description of expected gains in student learning as a result of implementing these
13 strategies, including a description of how improved student learning will be measured and
14 reported;

15 (e) A complete list of [the] statutes, administrative regulations, and local board policies, except
16 as provided in KRS 160.107(2), from which the local district is seeking a waiver or exemption in
17 order to implement innovative strategies and an explanation detailing [of]:

18 1. How [how] the requirements of those authorities are a barrier to implementing innovative
19 strategies [that implementation]; and

20 2. How a waiver or exemption, if granted by the Kentucky Board of Education, will ease or
21 remove barriers to implementation.

1 ~~[(h)]~~ (f) Documentation of ~~[broad]~~ support for the proposed innovations as required by KRS
2 160.107(1)(d). ~~[including educators, parents, local institutions of higher education, and business~~
3 ~~and community partners.]~~ This documentation may ~~[shall]~~ include:

- 4 1. Minutes of local board of education meetings at which the District of Innovation Application
5 was discussed;
- 6 2. Transcripts or minutes from stakeholder meetings designed specifically to develop or support
7 the District of Innovation Application;
- 8 3. Minutes of school-based decision making council meetings at which the District of Innovation
9 Application was discussed; or ~~[(SBDM) councils that include information showing an~~
10 ~~affirmative vote of at least seventy (70) percent of the eligible employees to participate in the~~
11 ~~application as well as discussion of the application itself. The vote of the eligible employees shall~~
12 ~~be conducted based on school council policy related to council elections per KRS 160.345;]~~
- 13 4. Letters of support and commitment to adhere to the innovation plan from a variety of local
14 stakeholder groups including parent, community, and business groups. ~~]; and~~
- 15 ~~5. If the application contains a request for waiver of sections of KRS 160.345, evidence of the~~
16 ~~two (2) votes required by KRS 160.107(4)(b) for each school requesting the waiver, specifying~~
17 ~~the vote from the school based decision making council and the vote from the teachers and staff~~
18 ~~in the school;]~~

19 (g) For each school **included [participating]** in the District of Innovation Application, evidence
20 showing at least seventy (70) percent of eligible employees cast an affirmative vote to **request**
21 **inclusion [participate]** as required by KRS 160.107(3);

22 (h) For each school **included [participating]** in the District of Innovation Application that is
23 requesting a waiver of the school council structure outlined in KRS 160.345:

1 1. Evidence showing the school-based decision making council voted and at least seventy (70)
2 percent of eligible employees voted to approve the waiver request as required by KRS
3 160.107(4)(b); and

4 2. A description of the governance model to be used in the affected school to ensure teachers,
5 parents, and staff continue to share leadership responsibilities as required by KRS 160.107(4)(d).

6 (i) A detailed budget indicating how the local board of education shall support implementation of
7 the innovation plan over the course of the initial five (5) year innovation period;

8 ~~(j)~~ (j) Signatures of the superintendent and board chair along with official board minutes
9 documenting the vote to approve submission of the application; and

10 ~~(k)~~ Signature[s] of the chair of the SBDM council for each school participating in the
11 application;

12 ~~(l)~~ (k) A description of how the district shall support job-embedded professional learning. ~~;~~ and

13 ~~(m)~~ For each school in the plan that is requesting a waiver of the school council structure
14 outlined in KRS 160.345, a description of the governance model to be used in the school. The
15 new governance model shall ensure that teachers, parents, and staff continue to share leadership
16 responsibilities as outlined in KRS 160.107(4)(d).]

17 (5)~~(a)~~ A committee designated by the Commissioner of Education ~~[commissioner]~~ shall review
18 and recommend approval or denial of a completed application to the Kentucky Board of
19 Education within forty-five (45) ~~[sixty (60)]~~ days from receipt of the completed application
20 based on use of the District of Innovation Application Scoring Rubric.

21 ~~(b)~~ An incomplete or denied application shall be returned to the district and, if re-submitted, the
22 committee shall review and recommend approval or denial to the Kentucky Board of Education
23 within ~~sixty (60)~~ days of receipt of the re-submitted application.]

1 (6)(a) The Kentucky Board of Education shall make the final decision on approval or denial of
2 the application at its first regularly scheduled meeting following the committee's review of the
3 application and recommendations based on the District of Innovation Application Scoring
4 Rubric.

5 (b) A successful application shall be given an initial approval for five (5) years.

6 ~~[(e)]~~ (7) At the end of the term of approval, a District of Innovation with an active application [A
7 district that is approved and whose application is still active after five (5) years] may submit a
8 renewal application using the same application process established for initial applications in this
9 section [of this administrative regulation]. Each renewal of a District of Innovation [district of
10 innovation] shall not exceed five (5) years.

11 ~~[(7)]~~ (8)(a) A ~~[district approved as a]~~ District of Innovation may amend its plan as needed at any
12 time by submitting a written amendment request to the department.

13 (b) The amendment request shall contain the following:

14 1. The description of the amendment, a proposed timeline for implementation, and a justification
15 for the request;

16 2. How the proposed amendment improves the application; ~~[s opportunities to be successful;~~
17 ~~and]~~

18 3. Evidence [All appropriate evidence] that the amendment ~~[affecting an individual school of~~
19 ~~innovation]~~ was supported in a manner similar to that established in Section 3, subsection (4)(f)
20 ~~[(h) of this section]~~ of this administrative regulation; and [-]

21 4. Evidence that an amendment affecting an individual School of Innovation complies with
22 subsections (4)(g) and (4)(h), if applicable, of this section [of this administrative regulation].

1 (c) The amended plan shall be referred to ~~a [the]~~ committee designated pursuant to subsection
2 (5) of this section ~~[of this administrative regulation]~~. The committee shall review and
3 recommend approval or denial of an [the] amendment request to the Kentucky Board of
4 Education [and make a determination for approval] within forty-five (45) [sixty (60)] days
5 from receipt of the amendment submission based on use of the District of Innovation
6 Application Scoring Rubric.

7 (d) The Kentucky Board of Education shall make the final decision on approval or denial
8 of the amended plan at its first regularly scheduled meeting following the committee's
9 review of the amendment request and recommendations based on the District of Innovation
10 Application Scoring Rubric.

11 (e) An amended plan approved by the Kentucky Board of Education shall be in effect for
12 the remainder of the period of approval granted pursuant to subsection (6) or (7) of this
13 section.

14 Section 4. Monitoring of Plan Implementation. (1) District and school innovation plans shall:

15 (a) Be incorporated within the overall district and school comprehensive improvement plans
16 [plan]; or

17 (b) Replace the district and school comprehensive improvement plans [plan].

18 (2) At the completion of the second year after plan approval and each year thereafter for the term
19 of the approval status, ~~[a district approved as]~~ a District of Innovation shall annually provide an
20 implementation report [data] to the department [commissioner] that shall include the following
21 data:

- 1 (a) Number of students served by the innovation plan, including the total number and the total
2 number disaggregated by socio-economic status, race or ethnicity, gender, disability, and grade
3 level;
- 4 (b) Number of students served by the innovation plan that are not on track to graduate from high
5 school, including the total number and the total number disaggregated by socio-economic status,
6 race or ethnicity, gender, disability, and grade level;
- 7 (c) Documentation of student performance measures, including proficiency, growth, and
8 transition readiness; and [~~progress toward graduation and college and career readiness;~~
- 9 ~~(d) Total number of certified teachers participating in the innovation plan and their roles and~~
10 ~~responsibilities;~~
- 11 ~~(e) Documentation of certified and classified staff operating in a non-traditional school~~
12 ~~environment;~~
- 13 ~~(f) Documentation of any extended learning opportunities in which students in the school of~~
14 ~~innovation participate for the purposes of earning or recovering credit, including qualifications of~~
15 ~~instructors, time spent, and student outcomes; and~~
- 16 ~~(g)]~~ (d) Other measurable outcomes specific to the district's innovation plan as described in the
17 initial application or through modification of the original plan.
- 18 [~~(3) At the end of the second year after plan approval and each year thereafter for the term of the~~
19 ~~approval status, a district approved as a District of Innovation shall receive an annual site visit~~
20 ~~from a review team selected and trained by the department. The purpose of the visit shall be to~~
21 ~~monitor progress and interview staff and students to collect qualitative data on the effect of the~~
22 ~~innovation plan and for future research needs.]~~

1 Section 5. Probation, Revocation, and Appeal Procedures. (1) After its annual review of a
2 district's implementation report [~~and the report of the site visit team~~], the Kentucky Board of
3 Education may [~~, on the anniversary of the application approval,~~] determine that a district's
4 status as a District of Innovation shall be placed on probation or revoked. [~~district shall be placed~~
5 ~~on probation and shall provide the district with a corrective action plan.~~]

6 (2) A District of Innovation placed on probation shall be provided with a corrective action plan
7 and, upon [~~Upon~~] the subsequent year's review of the implementation report, [~~reports, if~~] the
8 Kentucky Board of Education [~~does not believe the district has met the expectations of the~~
9 ~~corrective action plan, it~~] may revoke a district's approval as a District of Innovation if it does
10 not believe the district has met the expectations of the corrective action plan.

11 **(3) Prior to having its status as a District of Innovation placed on probation or revoked, a**
12 **district shall receive a site visit from a review team selected and trained by the department.**
13 **The purpose of the visit shall be to monitor the district's progress in implementing the**
14 **innovation plan, collect qualitative data on the effectiveness of the innovation plan, and**
15 **verify the district's compliance with all applicable laws. A site visit shall be made following**
16 **adequate advance notice to the district and may include the gathering of information**
17 **through:**

18 **(a) Direct observation;**

19 **(b) Interviews with staff and students; or**

20 **(c) Examination of records.**

21 **(4)** [~~(3)~~] Upon notification of probation or revocation of District of Innovation status, the
22 Kentucky Board of Education shall give the district thirty (30) days to appeal the decision in

1 writing and shall rule on the appeal at its next regularly scheduled meeting following the
2 submission of the appeal.

3 ~~(5)~~ [(4)] Any district that has had its status as a District of Innovation revoked shall wait a
4 minimum of one (1) calendar year before re-applying to be a District of Innovation.

5 Section 6. Incorporation by Reference. (1) The following material is incorporated by reference:

6 (a) "District of Innovation Application", August 2018 [~~March 2013~~]; and

7 (b) "District of Innovation Application Scoring Rubric", August 2018 [~~March 2013~~].

8 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at
9 the Kentucky Department of Education, Office of Continuous Improvement and Support, 300
10 Sower Boulevard, 5th Floor, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30
11 p.m. [~~This material may be inspected, copied, or obtained, subject to applicable copyright law, at~~
12 ~~the Department of Education, Division of Innovation and Partner Engagement, 1st floor, Capital~~
13 ~~Plaza Tower, 500 Mero Street, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30~~
14 ~~p.m. (39 Ky.R. 1345; 1889; 2023; eff. 5-3-2013.)~~]

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

(Date)

Wayne D. Lewis, Jr., Ph.D.
Interim Commissioner of Education

(Date)

Milton Seymore, Chairperson
Kentucky Board of Education

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on _____, September ____, 2018, at ___ a.m./p.m., in the State Board Room, Fifth Floor, 300 Sower Boulevard, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing of their intent to attend at least five (5) workdays prior to the hearing. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2018. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Todd G. Allen, Interim General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, KY 40601, 502-564-4474 (phone), 502-564-9321 (fax), regcomments@education.ky.gov (email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 701 KAR 5:140
Contact Person: Todd G. Allen, todd.allen@education.ky.gov
Phone Number: 502-564-4474

(1) Provide a brief summary of:

(a) What this administrative regulation does: This regulation prescribes the conditions and procedures to be used by a local education agency seeking approval as a District of Innovation from the Kentucky Board of Education (KBE).

(b) The necessity of this administrative regulation: The amendments to this regulation are necessary to provide clarification on and imbed more flexibility in the process a local education agency follows when applying to the KBE to be approved as a District of Innovation.

(c) How this administrative regulation conforms to the content of the authorizing statute: The regulation conforms to the authority given to the KBE in KRS 160.107 and KRS 156.108, which specifically requires the KBE promulgate regulations to “prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.”

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This regulation assists local education agencies by providing a mechanism to seek approval as a District of Innovation from the KBE, and the amendments to this regulation will provide greater clarity and flexibility in the District of Innovation Application process.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendments to this regulation will provide greater clarity and flexibility in the District of Innovation Application process. Specifically, this regulation clarifies the definition of “District of Innovation;” shortens the timeline for a local education agency to apply for and be approved as a District of Innovation by the KBE; streamlines the Districts of Innovation Application by removing components that are duplicative or not required by statute; eliminates unnecessary annual data reporting as well as mandatory annual site visits; and, permits more prompt revocation of District of Innovation status when warranted.

(b) The necessity of the amendment to this administrative regulation: The amendments to this regulation are necessary to provide clarification on and imbed more flexibility in the process a local education agency follows when applying to the KBE to be approved as a District of Innovation.

(c) How the amendment conforms to the content of the authorizing statute: KRS 156.108(3) requires the KBE promulgate regulations to “prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.” The amendments to this regulation provide greater clarity and flexibility in the process a local education agency follows

when applying to the KBE to be approved as a District of Innovation.

(d) How the amendment will assist in the effective administration of the statutes: The amendments to this regulation provide greater clarity and flexibility in the process a local education agency follows when applying to the KBE to be approved as a District of Innovation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Local education agencies, the KBE, and the Kentucky Department of Education (KDE) will be impacted by this regulation.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: A local education agency seeking approval or re-approval as a District of Innovation by the KBE will have to use the amended District of Innovation Application and otherwise comply with the procedures in the amendment to this administrative regulation. A local education agency that is or becomes a District of Innovation will have to comply with the monitoring and oversight provisions of the amendment to this administrative regulation, which reduces annual data reporting and eliminates mandatory annual site visits but implements more stringent accountability by permitting a more prompt revocation of District of Innovation status when warranted. The KBE and KDE will implement the amended District of Innovation Application as well as the additional application procedures under the amendment to this administrative regulation, including the reduced review and approval timeline by the KBE. The KBE and KDE will also implement the changed monitoring and oversight provisions of the amendment to this administrative regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no anticipated budget impact related to the amendment of this administrative regulation for local education agencies, the KBE, or KDE.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): All stakeholders will benefit for the greater clarity and flexibility provided by the amendment to this administrative regulation. The clarity provided through the amendment of this administrative regulation provides for a more streamlined, efficient District of Innovation Application process, which benefits local education agencies as well as the KBE and KDE. The expanded flexibility offered through the amendment of this administrative regulation fosters even more innovation in Kentucky public school districts as intended by the legislature when it enacted KRS 156.108 and KRS 160.107.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The KBE is required by KRS 156.108(3) to “prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.”

This requirement has existed since 2012, and the administrative body has been reviewing and approving District of Innovation Applications as well as monitoring KBE-approved Districts of Innovation pursuant to statute and this administrative regulation since 2013. As a result, there is no initial cost related to implementing the amendment to this administrative regulation.

(b) On a continuing basis: As a result of the obligations under KRS 156.108 and KRS 160.107, the administrative body incurs an ongoing cost of staff and resources in reviewing and approving District of Innovation Applications and in monitoring KBE-approved Districts of Innovation pursuant to this administrative regulation. There are, though, no additional anticipated costs related to the amendment of this administrative regulation for the administrative body. In fact, the administrative body may experience minimal cost savings due to the amendment of this administrative regulation, specifically the removal of mandated annual site visits to Districts of Innovation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There are no additional anticipated costs for the implementation and enforcement of the amendment of this administrative regulation; however, ongoing costs of staff and resources for the administrative body related to this administrative regulation and its enabling statutes are paid using state funds.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: An increase in fees or funding is not anticipated to be necessary to implement the amendment to this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This regulation neither establishes any fees nor directly or indirectly increases any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied because the amendment to this administrative regulation applies equally to all local education agencies.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 701 KAR 5:140
Contact Person: Todd G. Allen, todd.allen@education.ky.gov
Phone Number: 502-564-4474

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Local education agencies, the Kentucky Board of Education (KBE), and the Kentucky Department of Education (KDE).

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 156.108, KRS 156.160(1), and KRS 160.107.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect: The amendment to this administrative regulation is not expected to impact the expenditures and revenues of any local government agency. At the state level, since 2012, the KBE has been required by KRS 156.108(3) to “prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.” Further, the KBE has been reviewing and approving District of Innovation Applications as well as monitoring KBE-approved Districts of Innovation pursuant to statute and this administrative regulation since 2013. As a result, additional expenditures and revenues of a state government agency related to administering this program for the first full year are not anticipated.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?
N/A

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? N/A

(c) How much will it cost to administer this program for the first year? The KBE is required by KRS 156.108(3) to “prescribe the conditions and procedures to be used by a local board of education to be approved as a district of innovation.” This requirement has existed since 2012, and the administrative body has been reviewing and approving District of Innovation Applications as well as monitoring KBE-approved Districts of Innovation pursuant to this administrative regulation since 2013. As a result, additional costs related to administering this program for the first year are not anticipated.

(d) How much will it cost to administer this program for subsequent years? As a result of the obligations under KRS 156.108 and KRS 160.107, there is an ongoing cost of staff and resources in reviewing and approving District of Innovation Applications and in monitoring KBE-approved Districts of Innovation pursuant to this administrative regulation. There are, though, no additional anticipated costs related to the amendment of this administrative regulation. In fact, minimal cost savings may be experienced due to the amendment of this administrative

regulation, specifically the removal of mandated annual site visits to Districts of Innovation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): N/A

Expenditures (+/-): NA

Other Explanation: N/A

Summary Page – Incorporation by Reference

701 KAR 5:140. Districts of innovation.

The following documents are incorporated by reference:

- (1) "District of Innovation Application," August 2018. The document incorporated by reference consists of six (6) pages. This document is the form local education agencies use to apply and re-apply for approval from the Kentucky Board of Education as a District of Innovation.
- (2) "District of Innovation Application Scoring Rubric," August 2018. This document incorporated by reference consists of eight (8) pages. This document provides guidelines for the Commissioner of Education, or his designee, to use to score a District of Innovation Application and, ultimately, determine whether to recommend approval of such application to the Kentucky Board of Education.