

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Clay County School District Request to Waive the Site Improvement Cost Limitation of Ten Percent of the Total Project Budget as Set Forth in 702 KAR 4:050.

Date: April 7, 2021

Action Requested: ☐ Review ☒ Action/Consent ☐ Action/Discussion

Held In: ☒ Full Board ☐ Curriculum, Instruction and Assessment ☐ Operations

SUMMARY OF ISSUE BEFORE THE BOARD:

To take action on a request to exceed ten percent of the total project budget on proposed site improvements for an area technology center (ATC) pursuant to 702 KAR 4:050.

702 KAR 4:050, Section 5, requires that a district receive KBE approval when acquisition and site preparation costs exceed ten (10) percent of the total project budget.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the Kentucky Board of Education (KBE) approve the proposed site improvements for a new ATC in the Clay County School district. The estimated cost of the proposed site improvements exceeds the threshold established by regulation.

APPLICABLE STATUTE OR REGULATION:

702 KAR 4:050 Building Sites, Inspection, Approvals

BACKGROUND:

Existing Policy:

702 KAR 4:050, Section 5, requires that a district receive KBE approval when acquisition and site preparation costs exceed ten (10) percent of the total project budget. The regulation states "Acquisition and site preparation costs of the local school board shall be ten (10) percent or less of the maximum budget for the project, unless authorized by the State Board for Elementary and Secondary Education. Sites already owned by the school district that meet criteria of the facility plan shall be included in site approval requests and may be subject to the required study."

Summary of the Issue:

The Clay County School district requires a new ATC to replace a 1966 facility and to support contemporary career pathways which have been approved by OCTE for this area. The existing facility is not at the high school. The district desires to construct the new facility adjacent to the high school on property acquired for the high school. Constructing the facility at this site will provide educational opportunities for all students at one location and eliminate transportation expenses.

The hilly topography surrounding the high school is common in eastern Kentucky. Projects in the regions often require extensive mass earth work in the form of cut and/or fill to create level

building sites. The building pad originally created for the high school did not anticipate this future construction. To expand the building pad requires a significant amount of fill; deeper, more costly foundations; and possible retaining features. Fill material will be available from the athletic fields for which construction is concurrently proposed.

The current District Facility Plan (DFP) was approved by the KBE at its December 2016 meeting. A new facility was identified as Priority 2b on that plan. A new DFP which moves this facility to Priority 1a is scheduled for review and approval at the April 2021 KBE meeting.

Site Acquisition Cost:	District owned property
Estimated Site Development Costs:	\$2,201,900.00
Estimated Projects Costs (current DFP):	\$7,022,000.00

Site Acquisition & Site Development Costs / Total Projects Cost = 31.4%

Budget Impact: Approval has no budget impact on state funds.

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:

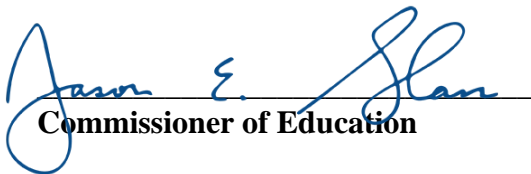
702 KAR 4:050 requires that the district consult with various entities to address the requirements regarding the proposed site acquisition and its proposed use. The district consulted with the following entities:

1. RossTarrant Architects for District Facility Planning efforts related to priority and related capital construction costs.
2. JRA Architects and Codell Construction, construction managers, for capital construction costs related to site development for the project (BG# 21-204).

After evaluating the information provided by these entities, the district determined that this site meets its need for a new ATC and has requested that the Kentucky Board of Education approve its site development costs pursuant to 702 KAR 4:050.

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Commissioner of Education

Category:	<input type="checkbox"/> Educator Workforce Diversity	<input type="checkbox"/> Portrait of a Graduate Partnerships	<input type="checkbox"/> Racial Equity Commitment
	<input type="checkbox"/> Student-Centered Accountability System	<input type="checkbox"/> Early Childhood	<input checked="" type="checkbox"/> District Support