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HENRY COUNTY
PUBLIC SCHOOLS

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Dr. Jim Masters, Superintendent

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Office of the Superintendent

A District of Educational Excellence, The Pride of Our Community

February 23, 2023

Kentucky Department of Education
Attn: Chay Ritter
300 Sower Blvd.
Frankfort, KY 40601

Via email to chay.ritter@education.ky.gov

RE: Kentucky Board of Education Waiver request for Henry County Schools

Dear Chay:

Enclosed please find minutes from the regular meeting of the Henry County School district (the "District") held on December 19, 2022 where the local Board of Education approved the Superintendent to seek a Waiver request from the Kentucky Board of Education with regard to our District Facility Plan ("DFP"). Specifically, the waiver request is to move the construction of a new Central office from Item 4 (1) to item 2b.

The primary educational priority on the District's DFP is the construction of a new elementary school to replace the existing Campbellsburg Elementary School. That project is item 2b on our current DFP. The District's current debt structure is such that it is not financially viable to issue bonds at the current time for the new elementary school, estimated to be around \$22-\$23 million. Our debt service rolls off significantly in Fiscal 2030 with all current payments ending in 2032. Using that information, it is estimated that we would be able to issue the bonds for Campbellsburg in the Summer of 2028.

While our current debt structure prohibits us from assuming the debt service on a \$22.0 million bond issue, we would be able to support the debt service on a \$4.0 - \$5.0 million central office bond issue. In addition, and perhaps more importantly the excess revenues available after 2032 are sufficient to absorb the additional debt service on both the Central office and new elementary bonds. The issuance of central office bonds in 2023 would in no way impact our ability to issue bonds in 2028 for the new elementary school.

In light of our current bonding potential described above, our request revolves around the use of one of our outstanding SFCC offers. The 2014 offer of \$50,488 per year will roll off if not used on a bond issue by next January 2024. As indicated previously, the new Campbellsburg ES bonds will not be issued prior to next January 2024. By moving the Central office project to item 2b, we would be able to use our SFCC offers toward the debt service on that project. If the Waiver is not approved, the District will have to scramble and put together a smaller project just to use up the expiring offer. The project would likely not be a priority for the district and would be undertaken simply to allow the offer from expiring.

Unfortunately, the normal process of conducting a Finding to move the Central office is not available to the district. Section 202.2.2 of the Kentucky School Facilities Planning Manual

702 KAR 4:180 (the "Manual") states that only "Educational" facilities may be listed in Priority 2b. A central office would not be considered an educational facility.

We have discussed this matter with Chelsey Couch, the Executive Director at SFCC, and she has given her approval allowing us to use our offers toward the central office project. However, SFCC regulations require that their offers be used on a project in the highest category on the DFP. In our case that would be level 2b.

Thus, the reason for our request. We are requesting a Waiver as defined in the Manual. We are requesting a waiver of the requirements of Section 202.2.2 in the manual so we can take the steps necessary to move a non-educational central office project from Priority 4(1) to item 2(b). Granting the waiver will result in the most efficient use of our available building fund resources. More importantly, it will not at all impede our ability to complete our main educational priority the new Campbellsburg elementary school.

If you need anything further, please don't hesitate to let me know. We appreciate your consideration and look forward to hearing from you.

Sincerely,



Dr. James Masters
Henry County Schools Superintendent

Cc: Greg Dunbar – KDE Facilities (via email)
Marcus Highland – KDE Facilities (via email)
Dwight Salisbury – RSA Advisors (via email)

**HENRY COUNTY BOARD OF EDUCATION
New Castle, Kentucky**

**RECORD OF BOARD PROCEEDINGS
(Minutes)**

The Henry County Board of Education met for a Regular meeting at the Henry County Board of Education at 6:00 p.m. on the 19th day of December 2022, with the following members present:

1. Lori Abney, Chairperson
2. Miranda Arnold, Vice-Chairperson
3. Tony Whaley, Member
4. Steve Dent, Member
5. Danney Chisholm, Member

Also Present: Jim Masters, Superintendent

22/23: 135 DISTRICT FACILITY PLAN—FINDING ON CENTRAL OFFICE

Motion by Mr. Whaley, seconded by Mr. Dent that the Board request KDE to allow the Local Planning Committee to consider a "Finding" to relocate the new Central Office shown in Priority 4 to Priority 2 on the District Facility Plan. Motion passed unanimously. . .Vote: YES 5 NO 0