

## KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

**Topic:** Knox County Board of Education Request to exceed the ten (10) percent limitation in 702 KAR 4:050 Section 4(5) and Section 5(1)

**Date:** October 2025

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

**Held In:** ☒ Full Board ☐ State Schools ☐ United We Learn

### SUMMARY OF ISSUE BEFORE THE BOARD:

Pursuant to 702 KAR 4:050 Section 4(5) and Section 5(1), the Knox County Board of Education requests that the Kentucky Board of Education (KBE) approve the proposed acquisition of a site and existing building for which the site acquisition cost exceeds ten (10) percent of the maximum project budget for the Knox County Career and Technical Center (CTC) and Central Office.

### COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the KBE approve the Knox County Board of Education's request to approve the proposed acquisition of the site and existing building for which the site acquisition cost exceeds ten (10) percent of the maximum project budget for the Knox County Career and Technical Center (CTC) and Central Office.

### APPLICABLE STATUTE OR REGULATION:

702 KAR 4:050 Section 4(5) states: "After evaluation of the submitted documentation, the chief state school officer shall issue an approval to acquire the property or disapprove the acquisition, except when approval is required by the State Board for Elementary and Secondary Education for site cost analysis survey and acquisition cost exceeding ten (10) percent of the maximum budget for the project."

702 KAR 4:050 Section 5(1) states in relevant part: "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."

### BACKGROUND:

#### *Existing Policy:*

702 KAR 4:050 Section 4(5) and Section 5(1) require approval by the KBE before a local board of education can acquire property for which the acquisition cost and the site development costs exceed ten percent (10%) of the maximum project budget.

#### *Summary of Issue:*

The Knox County Board of Education desires to acquire a 4.75 ± acre site in the City of Barbourville on which a 34,000 ± square foot building is located. The existing building was constructed as office space for General Dynamics Information Technology. A proposed amendment to the district's facilities plan (DFP) includes renovations for classrooms to serve

several career pathways, central office, and central office annex and a proposed addition for career pathways that require larger specialized spaces.

As noted below, the site acquisition cost exceeds the ten percent (10%) of the total project budget threshold established by the regulation and requires approval by the KBE.

Site Acquisition Cost	\$3,400,000.00
Total	\$12,534,250.00

$\$3,400,000.00 / \$12,534,250.00 = 27\%$

*Budget Impact:*

There is no impact to KDE's budget.

**GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:**

- Summit Architects + Engineers, D. Scott Noel, President/CEO, provided a Statement of Project Probable Cost of \$12,534,250.00 which included the acquisition cost.
- Knox County Board of Education provided certification that all reasonable sites have been reviewed and the reasons that other sites were not pursued.
- Evans Appraisal Services, Charles W. Evans, Certified General Appraiser #1870, provided an appraisal indicating that the as-is market value of the subject property as of April 10, 2025, was \$3,500,000.

**CONTACT PERSON(S):**

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**Commissioner of Education**

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