

**157.623 Funding urgent and critical construction needs -- Proceeds of litigation or insurance to be used for reimbursement.**

- (1) Notwithstanding KRS 157.620 and any provision included in an enacted executive branch budget, urgent and critical construction needs shall be determined by the Department of Education. The department shall provide a funding allocation to a school district for a school that has been closed to the public because it is structurally unsound as determined by a certified engineer, or is otherwise uninhabitable as determined by the commissioner of education, and has a bond that has not been retired. The commissioner of education shall determine if a school qualifying under this subsection shall receive an allocation and shall determine which of the following options is in the best interest of the Commonwealth:
  - (a) To allot funding to the school district to retire the unpaid debt on the structurally unsound or uninhabitable building; or
  - (b) To provide the semi-annual debt service payments on the current issue.
- (2) If funds are not available for the purpose set out in subsection (1) of this section, the costs shall be deemed a necessary government expense and shall be paid from the general fund surplus account under KRS 48.700 or the budget reserve trust fund under KRS 48.705.
- (3) If a school district receives an allotment under subsection (1) of this section and subsequently, as the result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received pursuant to subsection (1) of this section. If the litigation or insurance receipts are less than the amount received pursuant to subsection (1) of this section, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district's costs and legal fees in securing the judgment or payment. Any funds received in this manner shall be deposited in the budget reserve trust fund account established in KRS 48.705.

**Effective:** March 15, 2011

**History:** Created 2011 Ky. Acts ch. 32, sec. 1, effective March 15, 2011.

**2026-2028 Budget Reference.** See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, A, 27, (2) at 2065.

**2026-2028 Budget Reference.** See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, A, 27, (4) at 2066.