

703 KAR 3:205. Management improvement program.

RELATES TO: KRS 158.780, 158.785

STATUTORY AUTHORITY: KRS 156.070, 156.160, 158.780, 158.785

NECESSITY, FUNCTION, AND CONFORMITY: KRS 158.780 and 158.785 require the Kentucky Board of Education to establish a program for management improvement services for school districts which demonstrate such a critical lack of efficiency or effectiveness in governance or administration that state mandated corrective action or state control of the district is required. This administrative regulation outlines the operational procedures for the management improvement program.

Section 1. (1) The Kentucky Department of Education shall collect data from local school districts pursuant to KRS 158.785(2). The data shall include instructional and operational data routinely submitted by the districts, and other information as requested by the Kentucky Department of Education.

(2) If a review of the data regarding a school district indicates significant deficiencies, the Department of Education staff shall conduct an on-site review.

(3) The on-site review shall include the examination of local school records and interviews with school district officials, staff, and community leaders. The on-site review may include an examination of school district operations in:

- (a) Governance policy and procedures;
- (b) Instructional programming and organization;
- (c) Fiscal management and accountability procedures;
- (d) The maintenance and condition of the physical plant;
- (e) Facility construction;
- (f) Student transportation; and
- (g) Community perception and support.

Section 2. (1) If the data review and school district investigation outlined in Section 1 of this administrative regulation reveal significant deficiencies, the commissioner of education shall determine whether the significant deficiencies indicate the presence of critically ineffective or inefficient management. If it does, the commissioner shall order a management audit consistent with KRS 158.785 and this administrative regulation.

(2) The comprehensive audit shall include an investigation of the district's compliance with state and federal statutes and administrative regulations and local board policies. The audit shall include an on-site review, investigation, and analysis of the governance and administration of the school district to determine if a significant lack of a pattern of efficiency and effectiveness exists in the following areas:

(a) Planning - failure to develop, adopt and implement planning processes that allow for public review and timely action by the board and administration regarding management of the administrative and business activities of the school district and of the management of the instructional program;

(b) Operational support - failure to provide the operational support services required to operate an efficient and effective school system including:

1. Maintenance and operation of the physical plants - failure of the district to maintain school building cleanliness and safety including:

a. Failure to develop and maintain an accurate record of the maintenance needs and expenditures.

b. Failure to budget and expend funds necessary to maintain the physical plant.

c. Failure to employ maintenance and operation staff who provide clean and safe school buildings.

d. Failure to make efficient use of personnel as indicated by excessive staffing when compared to school districts of similar size and funding.

e. Failure to make repairs that prevent costly and unnecessary maintenance expenditures.

f. Failure to ensure that existing facilities are adequately insured;

2. Facility construction - failure to manage a school facility construction program that is in compliance with 702 KAR Chapter 4 and is planned, executed, and completed to ensure that public funds are expended in a responsible manner including a failure to:

a. Develop and implement a planning process for identifying the need for new or improved facilities.

b. Maintain an up-to-date facility survey or ensure that regulatory approvals are secured.

c. Develop and implement plans to receive the allowable benefit from School Facilities Construction Commission.

d. Follow proper bidding requirements and develop and maintain accurate records of expenditures and authorization of expenditures on school construction projects.

e. Institute an administrative oversight process to ensure that facility construction activities are efficient and accountable for both local and state funds.

3. Maintenance and operation of the transportation system to provide and maintain an efficient transportation system including a failure to:

a. Provide training for personnel responsible for the safe transportation of children in accordance with Kentucky Board of Education administrative regulations.

b. Develop and implement policies and procedures regarding the use of district-owned vehicles.

c. Purchase and maintain equipment to safely and efficiently transport children to school.

d. Establish transportation routes that minimize public expenditure and time children spend en route to school.

e. Follow bidding requirements for the purchase of equipment and materials necessary to conduct the school's transportation program.

4. School food services - failure to develop an efficient system of school food services including a failure to:

a. Develop and maintain an accurate record of school food service expenditures.

b. Utilize federal and local resources to operate a nutritious program in a cost effective manner.

c. Employ school food service staff who provide meals in accordance with federal and state guidelines.

d. Make efficient use of personnel as indicated by excessive staffing when compared to school districts of similar size and funding;

(c) Fiscal management - failure to perform the appropriate planning, budgeting, fund management, and accounting responsibilities required for the fiscal management of the school district including a failure to:

1. Assess the need for expenditures.

2. Recommend use of available funds according to an established set of priorities.

3. Maintain accurate records of expenditures and authorization of expenditures as required for auditing purposes.

4. Comply with purchasing requirements applicable to school districts.

5. Implement investment policies to ensure that all public funds are invested safely and productively.

(d) Personnel administration - failure to ensure school district staff are prepared to perform the required professional and staff responsibilities in an effective and efficient manner, including a failure to:

1. Develop and implement employment practices and procedures that ensure the selection and placement of the most qualified personnel.

2. Train and evaluate the professional staff of the district as required by applicable laws.

(e) Instructional management - failure to develop and maintain district-level instructional policy including a failure to:

1. Maintain a curriculum consistent with 703 KAR 4:060 and applicable laws.

2. Provide the resources necessary to support the instructional program.

(3) Deficiencies identified and established in some or all of the factors listed in this section may constitute a pattern of a significant lack of effectiveness and efficiency in the governance and administration of the school district.

Section 3. (1) Following the comprehensive audit, the department staff shall prepare a report of the comprehensive audit and the commissioner shall determine if there exists a pattern of a significant lack of effectiveness and efficiency in the governance or administration of the school district.

(2) If the commissioner determines that the comprehensive audit does establish an existing pattern of a significant lack of effectiveness and efficiency and state assistance or state management is necessary to correct the inefficiencies and ineffectiveness, he shall place a recommendation to declare the district "state-assisted" or "state-managed" before the state board as specified in Section 4 of this administrative regulation.

(3) If the commissioner does not place a recommendation before the state board, the department shall convey the comprehensive report to the school district for its information and use.

(4) If the local district agrees with the commissioner's recommendation to declare the district "state-assisted" or "state-managed" and the district waives the right to participate in the hearing before the state board, the commissioner shall place this recommendation before the Kentucky Board of Education for its approval without a hearing.

Section 4. The procedure for submitting a recommendation to the state board regarding the declaration of a school district as a "state-assisted" or "state-managed" district shall include the following:

(1) The commissioner shall file with the state board his written recommendation along with supporting information, and he shall arrange the scheduling of a hearing on the matter before the state board; and

(2) The hearing procedures established in KRS Chapter 13B shall be applicable.

Section 5. (1) If a school district is declared a state-assisted or state-managed district, the district shall develop and implement an improvement plan that identifies the deficiencies and the corrective actions necessary to improve school district governance and administration. The improvement plan shall be subject to approval by the state board.

(2) The improvement plan shall include:

(a) Specific objectives and strategies to correct deficiencies in defined time frames; and

(b) The identification of local board and individual administrative staff responsibilities and activities that shall be required to improve school district governance and administration.

(3) A school district declared state-assisted shall remain a state-assisted district until:

(a) The commissioner recommends to the state board and it determines that sufficient progress has been made in implementing the improvement plan; or

(b) The state board makes a determination that the district shall be state-managed.

Section 6. The local school district declared a state-assisted or state-managed district shall provide to the commissioner monthly reports indicating the status of improvement activities in the district. (20 Ky.R. 241; eff. 9-2-1993; 23 Ky.R. 1434; 2472; eff. 12-5-1996; Crt eff. 11-16-2018.)