

750 KAR 1:030. Emergency and Targeted Investment Fund.

RELATES TO: KRS 157.618

STATUTORY AUTHORITY: KRS 157.617, 157.618, 157.622

NECESSITY, FUNCTION, AND CONFORMITY: KRS 157.618(5) requires the School Facilities Construction Commission to promulgate administrative regulations to establish the process to apply for and receive funds from the Emergency and Targeted Investment Fund. This administrative regulation establishes the application procedure and requirements for the commission to determine eligibility for funding from the emergency and targeted investment fund due to an unforeseen emergency or the expectation that the facility will be rendered structurally uninhabitable.

Section 1. Definitions.

- (1) "Applicant" means any local public school district that has submitted an application to the authority for an offer of assistance from the emergency and targeted investment fund and meets the definition of a "common school" under KRS 158.030.
- (2) "Application" means the information submitted by an applicant to obtain an offer of assistance, including the need for a specific project and financial information necessary to determine eligibility for assistance from the emergency and targeted investment fund.
- (3) "Available local revenues" is defined by KRS 157.615(1).
- (4) "Commission" means the School Facilities Construction Commission.
- (5) "Core academic facility" means a public elementary or secondary educational institution that is under the administrative control of a principal and is not a program or part of another school, except for district-operated schools that are exclusively:
 - (a) Vocational-technical, special education, or preschool programs;
 - (b) Instructional programs operated in institutions or schools outside of the district; or
 - (c) Alternative schools designed to provide services to at-risk populations with unique needs.
- (6) "Offer of assistance" means a direct loan or grant made to the applicant from the emergency and targeted investment fund.

Section 2. Eligible Applicants. A local public school district may submit a cover letter and the information requested in Section 3(2) of this administrative regulation for an offer of assistance from the emergency and targeted investment fund if any of the district's core academic facilities meet the criteria set forth in KRS 157.618(3).

Section 3. Submission Requirements.

- (1) The commission shall accept applications for offers of assistance from the emergency and targeted investment fund from local public school districts throughout the commission's fiscal year.
- (2) Applications for offers of assistance from the fund shall include:
 - (a) Information about the school facility to which the offer of assistance would be applied and an explanation of any events that contributed to the facility's physical condition;
 - (b) Certification from local officials, engineers, or the commissioner of education that the facility meets the criteria in KRS 157.618(3);
 - (c) A proposed timeline for bidding and awarding contracts, planning and design, construction, and equipping the facility;
 - (d) A copy of a motion or resolution from the local board of education approving the request for an offer of assistance from the fund;
 - (e) An estimate from a financial advisor hired by the applicant of the amount of funding necessary to bring the facility to the Kentucky Department of Education's current standards; and

(f) Certification from the applicant that the project shall adhere to the Kentucky Department of Education's best practice guidelines.

(3)

(a) Offers of assistance shall be limited to the total cost of the project minus the applicant's available local revenues.

(b) In addition to the provisions in Section 1(3) of this administrative regulation, available local revenues shall also include any unexpected funds in accounts for projects that have been completed when an application is submitted to receive an offer of assistance from the emergency and targeted investment fund.

(4) All information submitted as application for offers of assistance from the fund shall be submitted to the School Facilities Construction Commission at 229 West Main Street, Suite 102, Frankfort, Kentucky 40601. The supporting documentation required by this section shall be accompanied with a letter from the district's superintendent to the commission requesting assistance and summarizing the district's facility needs.

Section 4. Project Execution.

(1) Applicants that receive offers of assistance from the emergency and targeted investment fund shall follow the process established in 750 KAR 1:010, Sections 6, 7(1), (3), and (4), 8, and 10, concerning allowable expenditure of funds, bond issuance procedures, and refinancing savings. 750 KAR 1:010, Section 7(2), shall not apply to this administrative regulation. Emergency and Targeted Investment funds available for a project shall be expended for the project that is identified in the application and any balance of funds remaining after completion of the project shall be applied toward the associated bonds. If the commission's offer of assistance takes the form of a cash grant or loan, any unexpended funds shall be returned to the emergency and targeted investment fund.

(2) Applicants who wish to utilize alternative bond structures shall contact the School Facilities Construction Commission for approval. The executive director shall approve or disapprove the alternative bond structure based on the proposed structure's financial and economic viability.

(3) If a school district receives an offer of assistance from the emergency and targeted investment fund and subsequently, as a result of litigation or insurance, receives funds for the original facility, the district shall reimburse the emergency and targeted investment fund pursuant to KRS 157.618(4).

(41 Ky.R. 680; 1340; eff. 1-5-2015; 43 Ky.R. 1673; 1949; eff. 6-2-2017; Cert eff. 4-29-2024.)