

158.785 Collection and review of management data -- Management audit -- Conditions for designation as state assisted or state managed district -- Actions required.

- (1) The Kentucky Board of Education shall establish a program to improve specific aspects of the management of local school districts as described in KRS 158.780.
- (2) The State Department of Education shall, pursuant to administrative regulations promulgated by the Kentucky Board of Education, collect and review data relative to the instructional and operational performance of local school districts. When a review of the data or of any other information, including site investigations of local management practices, indicates the presence of critically ineffective or inefficient management, the chief state school officer shall order a management audit of the governance and administration of the district. A local school board or superintendent may also request a management audit of the district.
- (3) If a management audit, conducted for any of the reasons set forth in subsection (2) of this section, indicates that there is a pattern of a significant lack of efficiency and effectiveness in the governance or administration of a school district, the chief state school officer shall recommend the district to the Kentucky Board of Education either as a "state assisted district" or a "state managed district."
- (4) The Kentucky Board of Education shall promulgate an administrative regulation establishing a procedure for considering the recommendation of the chief state school officer to declare a district a "state assisted district" or a "state managed district." This procedure shall fully comply with the procedures for administrative hearings established in KRS Chapter 13B.
- (5) When the chief state school officer presents a recommendation to the state board for designation as a "state assisted district" or a "state managed district," he shall establish the following:
 - (a) Existence of a pattern of a significant lack of efficiency and effectiveness in the governance or administration of the school district;
 - (b) The pattern of a significant lack of efficiency and effectiveness in the governance or administration of the school district continues to exist; and
 - (c) State assistance or state management is necessary to correct the inefficiencies and ineffectiveness.
- (6) When a district is designated a "state assisted district" under subsection (4) of this section, the following actions shall be required of the chief state school officer:
 - (a) Management assistance shall be provided to the district to develop and implement a plan to correct deficiencies found in the management audit.
 - (b) The Department of Education shall monitor the development and implementation of the correctional plan to improve the governance or administration of the school district. If the chief state school officer determines that the plan is being inadequately developed or implemented, he shall make a recommendation to the Kentucky Board of Education to declare the district a "state managed district."
- (7) If the state board designates a district a "state managed district" under subsection (4)

of this section, the following actions shall be required of the chief state school officer:

- (a) All administrative, operational, financial, personnel, and instructional aspects of the management of the school district formerly exercised by the local school board and the superintendent shall be exercised by the chief state school officer or his designee.
 - (b) The local superintendent may be removed from office by the Kentucky Board of Education pursuant to KRS 156.132.
 - (c) Notwithstanding any statute to the contrary, after thirty (30) days after a district becomes a "state managed district" any appointment to an administrative position may be revoked by the chief state school officer and the individual employee may be reassigned to any duty for which that person is qualified. The chief state school officer shall provide to the reassigned employee written reasons for the reassignment. The individual shall not be dismissed from subsequent employment except as provided by KRS 156.132 and 161.790.
 - (d) The chief state school officer shall make the administrative appointments as necessary to exercise full and complete control of all aspects of the management of the district. The chief state school officer, through the appointments, may make any and all decisions previously made by the local school board and the local superintendent. The chief state school officer shall retain clear supervisory and monitoring powers over the operation and management of the district.
- (8) A school district shall be designated as a "state managed district" until the Kentucky Board of Education determines that the pattern of ineffective and inefficient governance or administration and the specific deficiencies determined by the management audit have been corrected. Each year following the school year in which the designation of a "state managed district" was made, the chief state school officer shall report the status of the corrective action being taken to the Kentucky Board of Education. No local school district shall remain in the status of a "state managed district" longer than three (3) consecutive school years unless the Kentucky Board of Education extends the time after a complete review of a new management audit. Any judicial review of actions taken by the chief state school officer or the board under KRS 158.780 or this section shall be in accordance with the provisions for conducting judicial review of administrative hearings outlined in KRS Chapter 13B.

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History: Amended 2021 Ky. Acts ch. 144, sec. 3, effective June 29, 2021. -- Amended 1996 Ky. Acts ch. 32, sec. 2, effective July 15, 1996; and ch. 362, sec. 6, effective July 15, 1996. -- Amended 1992 Ky. Acts ch. 184, sec. 2, effective July 14, 1992. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 408, effective July 13, 1990. -- Created 1985 (1st Extra. Sess.) Ky. Acts ch. 10, secs. 17 and 18, effective October 18, 1985.