

1 AN ACT relating to financial training requirements for local boards of education.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 160.180 is amended to read as follows:

4 (1) As used in this section, "relative" means father, mother, brother, sister, husband,
5 wife, son, and daughter.

6 (2) A person shall only be eligible for membership on a board of education if the
7 person:

8 (a) Has attained the age of twenty-four (24) years;

9 (b) Has been a citizen of Kentucky for at least three (3) years preceding the
10 election and is a voter of the district for which he or she is elected;

11 (c) Has completed at least the twelfth grade or has been issued a High School
12 Equivalency Diploma, as evidenced by:

13 1. An affidavit signed under penalty of perjury certifying completion of the
14 twelfth grade or the equivalent that has been filed with the nominating
15 petition required by KRS 118.315; or

16 2. A transcript evidencing completion of the twelfth grade or the results of
17 a twelfth grade equivalency examination that has been filed with the
18 nominating petition required by KRS 118.315;

19 (d) Does not hold any elective federal, state, county, or city office;

20 (e) Is not, at the time of his or her election, directly or indirectly interested in the
21 sale to the board of books, stationery, or any other property, materials,
22 supplies, equipment, or services for which school funds are expended;

23 (f) Has not been removed from membership on a board of education for cause;
24 and

25 (g) Does not have a relative employed by the school district, in the case of a
26 person elected after July 13, 1990. This shall not apply to a board member
27 holding office on July 13, 1990, whose relative was not initially hired by the

1 district during the tenure of the board member.

2 (3) (a) A member of a board of education shall be subject to removal from office
3 pursuant to KRS 415.050 and 415.060 if, after the election the member:

6 2. Moves his or her residence from the division for which he or she was
7 chosen;

10 4. Is convicted of a felony;

11 5. Performs acts of malfeasance in performance of duties prescribed by
12 law;

13 6. Willfully misuses, converts, or misappropriates public property or funds;

14 or

15 7. Does anything that would render the member ineligible for reelection.

16 (b) In accordance with KRS 7.410, the Office of Education Accountability shall
17 have the duty and responsibility to investigate current local board of education
18 members for allegations of conduct prohibited by paragraph (a) of this
19 subsection. After review and investigation, the Office of Education
20 Accountability shall refer appropriate matters to the Attorney General.

21 (4) A member of a board of education shall be eligible for reelection unless he or she
22 becomes disqualified.

23 (5) **(a)** The annual in-service training requirements for all members of boards of
24 education in office as of December 31, 2014, shall be as follows:

25 1.(a) Twelve (12) hours for members with zero to three (3) years of
26 experience;

27. 2. (b)} Eight (8) hours for members with four (4) to seven (7) years of

1 experience; and

4 (b) The in-service training requirements of this subsection shall include a
5 minimum of:

6. 1. One (1) hour of ethics training every year;

7 2. One (1) hour of open meetings and open records training every four
8 (4) years; and

9 **3. Two (2) hours of finance training every two (2) years.**

10 The Kentucky Board of Education shall identify the criteria for fulfilling this
11 requirement.]

12 (6) For all members of boards of education who begin their initial service on or
13 after January 1, 2015, the in-service training requirements shall be:

16 1.[a.] One (1) hour of ethics training each year; ~~[and]~~

17 **2. b. } One (1) hour of open meetings and open records training within**
18 **the first twelve (12) months of initial service and at least once**
19 **every four (4) years thereafter; { and }**

20 3. Three (3) hours of finance training within the first two (2) years
21 of initial service and two (2) hours of finance training at least
22 once every two (2) years thereafter; and

23 4. One (1) hour of superintendent evaluation within the first two
24 (2) years of service; and

1 2.~~b~~One (1) hour of open meetings and open records training at least
2 once every four (4) years; **and**

3 3. **Two (2) hours of finance training at least once every two (2)**
4 **years.**

5 5. **(7) The Kentucky Board of Education shall identify the criteria for fulfilling the**
6 **requirements of subsections (5) and (6) of this section.** }

7 7. (b) Training topics for members under this subsection with less than two (2) years
8 8. of consecutive service shall include three (3) hours of finance and one (1) hour of
9 9. superintendent evaluation within the first two (2) years of service. The Kentucky Board
10 10. of Education shall identify criteria for fulfilling this requirement.]

11 11. ➔Section 2. KRS 160.160 is amended to read as follows:

12 12. (1) Each school district shall be under the management and control of a board of
13 13. education consisting of five (5) members, except in counties containing a city of the
14 14. first class wherein a merger pursuant to KRS 160.041 shall have been accomplished
15 15. which shall have seven (7) members elected from the divisions and in the manner
16 16. prescribed by KRS 160.210(5), to be known as the "Board of Education of,
17 17. Kentucky." Each board of education shall be a body politic and corporate with
18 18. perpetual succession. It may sue and be sued; make contracts; expend funds
19 19. necessary for liability insurance premiums and for the defense of any civil action
20 20. brought against an individual board member in his official or individual capacity, or
21 21. both, on account of an act made in the scope and course of his performance of legal
22 22. duties as a board member; purchase, receive, hold, and sell property; issue its bonds
23 23. to build and construct improvements; and do all things necessary to accomplish the
24 24. purposes for which it is created. Each board of education shall elect a
25 25. **chair**~~chairman~~ and vice **chair**~~chairman~~ from its membership in a manner and for
26 26. a term prescribed by the board not to exceed two (2) years. **Upon the election of a**
27 27. **chair and vice chair, each board of education shall review, with the**

1 *superintendent and the school finance officer, the specific procedures and*
2 *responsibilities of the board and district employees relating to the district budget.*
3 *The review shall not count toward the annual in-service training requirements*
4 *established in Section 1 of this Act.*

5 (2) No board of education shall participate in any financing of school buildings, school
6 improvements, appurtenances thereto, or furnishing and equipment, including
7 education technology equipment without:
8 (a) First establishing the cost of the project in advance of financing, based on the
9 receipt of advertised, public, and competitive bids for such project, in
10 accordance with KRS Chapter 424; and
11 (b) Establishing the cost of financing in advance of the sale of any bonds,
12 certificates of participation in any leases, or other evidences of financial
13 commitments issued by or on behalf of such board. Any bonds, leases,
14 participations, or other financial arrangements shall not involve a final
15 commitment of the board until the purchaser or lender involved shall have
16 been determined by public advertising in accordance with KRS Chapter 424.
17 (3) No board of education shall make a mortgage, lien, or other encumbrance upon any
18 school building owned by the board, or transfer title to any such school building as
19 part of any financing arrangement, without the specific approval of the Department
20 of Education, and without the transaction being entered into pursuant to a detailed
21 plan or procedure specifically authorized by Kentucky statute.
22 (4) Without the approval of the Department of Education, no board may lease, as
23 lessee, a building or public facility that has been or is to be financed at the request
24 of the board or on its behalf through the issuance of bonds by another public body
25 or by a nonprofit corporation serving as an agency and instrumentality of the board,
26 or by a leasing corporation. Any lease, participation, or other financial arrangement
27 shall not involve a final commitment of the board unless and until the purchaser or

1 lender involved in same shall have been determined by public advertising in
2 accordance with KRS Chapter 424. No transaction shall be entered into by the
3 board except upon the basis of public advertising and competitive bidding in
4 accordance with KRS Chapter 424.

5 (5) A school district may issue general obligation bonds in accordance with KRS
6 Chapter 66.

7 (6) Rental payments due by a board under a lease approved by the Department of
8 Education in accordance with subsection (4) of this section, and debt service
9 payments under a general obligation bond issued in accordance with this section,
10 shall be due and payable not less than ten (10) days prior to the interest due date for
11 the bonds, notes, or other debt obligations issued to finance the building or public
12 facility. If a board fails to make a rental payment when due under a lease or a debt
13 service payment when due for a general obligation bond issue, upon notification to
14 the Department of Education by the paying agent, bond registrar, or trustee for the
15 bonds not less than three (3) days prior to the interest due date, the Department of
16 Education shall withhold or intercept any funds then due the board to the extent of
17 the amount of the required payment on the bonds and remit the amount to the
18 paying agent, bond registrar, or trustee as appropriate. Thereafter, the Department of
19 Education shall resolve the matter with the board and adjust remittances to the
20 board to the extent of the amount paid by the Department of Education on the
21 board's behalf.

22 (7) Bonds, notes, or leases negotiated to provide education technology shall not be sold
23 for longer than seven (7) years or the useful life of the equipment as established by
24 the state technology master plan, whichever is less.

25 (8) Notwithstanding any requirements of public advertising, competitive bidding, or
26 approval by the Department of Education, or any administrative regulation
27 promulgated pursuant to KRS 156.160(1)(o), a local board may authorize the

1 transfer or sale of the district's real or personal property to another governmental or
2 quasi-governmental agency in exchange for money or a similar type of property that
3 equals or exceeds the fair market value of the district property as determined by an
4 independent appraisal conducted by:
5 (a) An individual or organization not affiliated with the district or its officers or
6 employees, using a generally accepted national or professional standard; or
7 (b) A district's officers or employees using a nationally published valuation of
8 property based on the most recent edition of the publication.