

**EDUCATION AND LABOR CABINET**  
**Board of Education**  
**Department of Education**  
**(Amended at ARRS Committee)**

**702 KAR 3:340. Approval of school district lease agreements.**

RELATES TO: KRS Chapter 45A, 65.944, 65.946, 156.070, 160.160, 424.260, Ky. Const. Sec.177

STATUTORY AUTHORITY: KRS 65.944(1)(b), 156.070, 156.160

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070 and 156.160 require the Kentucky Board of Education to promulgate administrative regulations concerning the management of the school districts. KRS 65.944(1)(b) requires the Kentucky Board of Education to promulgate administrative regulations to implement requirements for lease approval by the Commissioner of Education. This administrative regulation establishes requirements for approval of school district lease agreements.

**Section 1. Administrative Guidelines.**

- (1) To request approval of a lease agreement in excess of \$100,000 from the Commissioner of Education pursuant to KRS 65.944(1)(b), the district shall submit a copy of the proposed lease and a completed Local Board Attorney Certification form to the Department of Education prior to finalization of the lease agreement.
- (2) The school district shall submit the proposed lease to the Department of Education who shall approve or disapprove the lease within thirty (30) business days.
- (3) During the evaluation process, the Department of Education may request additional documentation to properly evaluate the proposed lease agreement.

**Section 2. Final Approval and Reconsideration.**

- (1) Final approval of a proposed school district lease agreement in excess of \$100,000 shall be granted by the Commissioner of Education before the agreement takes effect.
- (2) Upon receiving written approval from the Commissioner of Education, a school district may enter into the lease.
- (3)
  - (a) The Commissioner of Education shall send written notification to the school district if the agreement is not approved.
  - (b) The notice shall contain the reasons the agreement was not approved.
  - (c) A school district may request reconsideration by the Commissioner of Education if alterations are made to the proposed lease which alleviate the concerns expressed by the Commissioner of Education.

**Section 3. Incorporation by Reference.**

- (1) "Local Board Attorney Certification", November 2023, is incorporated by reference.
- (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, Monday through Friday, 8:00 a.m. through 4:30 p.m. This material may be viewed at: <https://education.ky.gov/districts/legal/Pages/Kentucky-Revised-Statutes.aspx>.  
(50 Ky.R. 755; eff. 3-5-2024.)

*This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).*

FILED WITH LRC: November 9, 2023

CONTACT PERSON: Todd G. Allen, General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, Kentucky 40601, phone 502-564-4474, fax 502-564-9321, email [regcomments@education.ky.gov](mailto:regcomments@education.ky.gov).