

2026 Property Insurance Replacement Cost Guidelines

Pursuant to Section 2 of **702 KAR 3:030 Insurance Requirements**, the 2026 estimated replacement costs for the following buildings owned by local boards of education follow:

| <u>Building Classification</u> | <u>Cost per square foot</u> |
|---------------------------------------|------------------------------------|
| • Elementary school | \$357.49 |
| • Middle school | \$365.18 |
| • High school | \$390.17 |
| • K -12 school | \$390.17 |
| • Alternative school | \$365.18 |
| • Early childhood center | \$357.49 |
| • Vocational school* | \$359.42 |
| • Central office* | \$352.55 |
| • Storage building* | \$194.59 |
| • Bus garage* | \$293.03 |

Ancillary structures such as temporary/modular or portable classrooms, greenhouses, head houses, barns, dugouts, press boxes, and sheds shall be insured at 100% replacement value as determined and agreed upon by the local board of education in consultation with their insurance provider.

Please carefully review 702 KAR 3:030. Section 1 requires that, “Each such building and its contents shall be insured for an amount equal to 100 percent of the replacement cost thereof as shown on the schedule of values, and each policy covering such buildings and contents shall provide an agreed amount endorsement. The replacement cost of the building shall include the increased cost of construction brought about by code and regulatory changes that have occurred since the original structure was built and which would be required to be incorporated within the rebuilt structure.”

Please note:

- The 3/4 national average cost of building construction benchmark historically provided in R. S. Means Construction Cost Data is no longer available due to changes made by the publisher. This benchmark, which consists of the cost of materials, labor and contractor’s overhead and profit is referenced in The Kentucky School Facilities Planning Manual (Planning Manual) incorporated by reference in 702 KAR 4:180. KDE adjusts this cost to include “soft costs” such as A/E fees, CM fees, contingencies and equipment, site development and site acquisition to estimate total project costs related to planning and insurance replacement cost purposes.
- KDE used the costs provided in the Planning Manual (June 2008) and the “Producer Price Index (PPI) by Industry: New School Building Construction” updated January 30, 2026, from the Federal Reserve Economic Data (FRED) providing the 2025 end of year PPI to calculate the above replacement costs.

The replacement costs of facilities noted with an asterisk () were calculated using KDE’s February 2011 published costs and the applicable FRED PPI.