

1 AN ACT relating to career and technical education funding, making an
2 appropriation therefor, and declaring an emergency.

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

4 ➔SECTION 1. KRS 157.069 IS REPEALED AND REENACTED TO READ
5 AS FOLLOWS:

6 (1) As used in this section:

7 (a) "Approved career and technical education dual credit" means earning a
8 grade of "C" or higher for a Kentucky Department of Education approved
9 career and technical education dual credit course equivalent to three (3)
10 hours of college credit;

11 (b) "Administrative operations costs" means costs associated with the
12 operations and staffing of a state-operated area technology center,
13 including but not limited to personnel, facility costs, building utilities and
14 maintenance, and custodial and office supplies;

15 (c) "Approved career and technical education pathway" means a four (4)
16 course career and technical education pathway approved by the Kentucky
17 Department of Education that provides a coherent, articulated sequence of
18 rigorous academic and career-related courses within a career and technical
19 education program area, and leads to an associate degree, an industry-
20 recognized certificate or license, or a baccalaureate or higher degree;

21 (d) "Concentrator" means a student who has earned at least two (2) credits for
22 no less than two (2) courses in a single career and technical education
23 pathway;

24 (e) "Converted career and technical education center" means a center
25 providing locally operated career and technical education for which a local
26 district assumed authority from the state for the management and control of
27 the center during the 2020-2021, 2021-2022, or 2022-2023 academic years;

- 1 (f) "General-cost career and technical education program" means a career
2 and technical education program or pathway in which high-cost technical
3 equipment, materials, or facilities are not required;
- 4 (g) "General-cost full-time equivalents" means the total number of secondary
5 students enrolled in general-cost career and technical education programs,
6 multiplied by the number of hours those students are enrolled, and divided
7 by six (6) hours;
- 8 (h) "High-cost career and technical education program" means a career and
9 technical education program or pathway in which high-cost equipment,
10 materials, or facilities are required;
- 11 (i) "Locally operated career and technical education" means a district
12 program that provides secondary students with one (1) or more approved
13 career and technical education pathways;
- 14 (j) "State-operated area technology center" means a state-operated secondary
15 school facility with the primary purpose of offering approved career and
16 technical education pathways;
- 17 (k) "Supplemental funding" or "supplemental funds" means moneys
18 appropriated by the General Assembly as supplemental funding to local
19 area vocational education centers;
- 20 (l) "Technical skill attainment" means earning an industry-recognized
21 certification, licensure, or credential as identified by the Kentucky
22 Workforce Innovation Board pursuant to KRS 158.6455(1)(e) or passing an
23 end-of-program assessment for articulated postsecondary credit as
24 designated by the Kentucky Department of Education Office of Career and
25 Technical Education;
- 26 (m) "Weighted high-cost full-time equivalents" means the total number of
27 secondary students enrolled in high-cost career and technical education

1 programs, multiplied by the number of credit hours in which those students
2 are enrolled, divided by six (6) hours, and multiplied by one and one-half
3 (1.5); and

4 (n) "Work-based learning program" means a cooperative education program,
5 internship, or registered apprenticeship within the student's chosen
6 approved career and technical education pathway.

7 (2) The Kentucky Department of Education shall provide funds from the
8 department's annual general fund appropriation to support the administrative
9 operations cost of state-operated area technology centers and converted career
10 and technical education centers.

11 (3) For converted career and technical education centers, beginning with fiscal year
12 2024-2025, the Kentucky Department of Education shall deduct from funds
13 designated for the state-operated area technology centers an amount equal to the
14 administrative operations costs of each converted career and technical education
15 center in the amount received by the center in the most recent fiscal year that the
16 center was under state management and control. The funds for each converted
17 career and technical education center shall be divided as follows:

18 (a) Seventy-five percent (75%) of the funds shall be sent to the local district that
19 has assumed management and control of the center; and

20 (b) Twenty-five percent (25%) of the funds shall be sent to the career and
21 technical education innovation and support fund established in subsection
22 (4) of this section.

23 (4) (a) There is hereby established in the State Treasury a restricted fund to be
24 known as the career and technical education innovation and support fund
25 to receive the funds allocated under subsection (3)(b) of this section. The
26 fund shall consist of moneys received from state appropriations, gifts,
27 grants, and federal funds. The fund shall be administered by the Office of

Career and Technical Education. Amounts deposited in the fund shall be used for:

1. Supporting innovation in new or emerging career fields;
2. Supporting state-operated area technology centers that may experience hardship or natural disasters;
3. Personnel costs to provide technical assistance to local districts providing locally operated career and technical education, including technical assistance relating to the monitoring and oversight on the use of supplemental career and technical education funding; and
4. Any other purposes reasonably related to improving student outcomes in career and technical education.

(b) Notwithstanding KRS 45.229, fund amounts not expended at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.

(5) Beginning with the 2024-2025 fiscal year and for each fiscal year thereafter, the Kentucky Department of Education shall distribute to local boards of education providing locally operated career and technical education and state-operated area technology centers all general funds designated to supplement career and technical education programs, subject to the following:

(a) A local district providing locally operated career and technical education or a state-operated area technology center shall maintain eligibility for receipt of federal funding pursuant to the Strengthening Career and Technical Education for the 21st Century Act, Pub. L. No. 115-224, to be eligible to receive supplemental funding pursuant to this subsection;

(b) All supplemental funds distributed pursuant to this subsection shall be used to improve student outcomes in career and technical education pathways for students in grades nine (9) through twelve (12), including but not limited to

1 student supplies, resources, materials, and equipment that is designed for
2 enhanced quality of instruction in a career and technical education
3 pathway, the purchase and maintenance of industry standard equipment,
4 assisting students with achieving technical skill attainment, and supporting
5 career and technical student organization participation;

6 (c) 1. Supplemental funds for career and technical education shall be
7 divided and allocated to each local district providing locally operated
8 career and technical education and each state-operated area
9 technology center with sixty percent (60%) dedicated for enrollment-
10 based funding and forty percent (40%) for incentive-based funding.

11 2. The sixty percent (60%) enrollment-based funding shall be based on a
12 statewide full-time equivalent calculation of the total weighted high-
13 cost full-time equivalents and general cost full-time equivalents during
14 the prior school year, subject to the following:

15 a. The department shall then distribute the enrollment-based funds
16 for each state-operated area technology center or local district
17 providing locally operated career and technical education based
18 on the center's or district's proportional share of the combined
19 weighted high-cost full-time equivalents and general-cost full-
20 time equivalents of the prior year;

21 b. The department shall distribute the state-operated area
22 technology center fund portion to the respective state-operated
23 area technology centers and the local district fund portion to the
24 respective local districts; and

25 c. The department shall classify qualifying programs as either a
26 high-cost career and technical education program or a general-
27 cost career and technical education program.

1 3. The forty percent (40%) incentives-based funding shall be based on an
2 annual statewide calculation of the total number of qualifying student
3 incentives. The calculation shall only use students that are in grade
4 twelve (12) and use the total incentives earned by those students
5 during secondary education at a state-operated area technology center
6 or within a local district. Once a student has been included in a year's
7 calculation, that student shall not be included in any subsequent
8 year's calculation, subject to the following:

9 a. Qualifying student incentives for students in their grade twelve
10 (12) year shall include:

11 i. Reaching the designation of a concentrator;

12 ii. Technical skill attainment;

13 iii. Completing a required number of hours or achieving a
14 benchmark within a work-based learning program; and

15 iv. Earning an approved career and technical education dual
16 credit;

17 b. The incentives in subdivision a. of this subparagraph shall be
18 allotted to the state-operated area technology center or local
19 district in which it was earned. Each type of incentive shall only
20 be counted once per student at state-operated area technology
21 centers and once per student at local districts for a maximum of
22 four (4) incentives per student at state-operated area technology
23 centers and four (4) incentives at local districts throughout their
24 secondary career and technical education. For incentive criteria
25 that is achieved more than once at state-operated area
26 technology centers, the incentive shall be counted for the state-
27 operated area technology center where it was first achieved. For

1 incentive criteria that is achieved more than once at local
2 districts, the incentive shall be counted for the local district
3 where it was first achieved;

4 c. The department shall distribute incentives-based funds for each
5 state-operated area technology center or local district based on
6 the center's or district's proportional share of the combined
7 number of qualifying student incentives achieved by students in
8 grade twelve (12) at a state-operated area technology center or
9 within a local district throughout their secondary career and
10 technical education. The incentives-based funds shall be
11 distributed to the state-operated area technology center or local
12 district in which the incentive was achieved; and

13 d. The department shall distribute the state-operated area
14 technology center fund portion to the respective state-operated
15 area technology centers and the local district fund portion to the
16 respective local districts;

17 (d) There shall be no mid-year adjustment to the allocation of career and
18 technical education supplemental funding for a center or local district; and

19 (e) Notwithstanding the restriction in paragraph (b) of this subsection, a district
20 may submit a waiver request to the Office of Career and Technical
21 Education to use a portion of its allocation of supplemental funds for career
22 and technical education programming for students in grades (5) through
23 eight (8). The district shall submit a request which details the district's plan
24 for career and technical education programming for students in grades five
25 (5) through eight (8). In reviewing the request, the Office of Career and
26 Technical Education shall consider whether:

27 1. The district details a plan for orientation and exploration of broad-

1 based industries by giving students knowledge and experience
2 regarding careers within these industries and exploratory or hands-on
3 skills used in the industry;

4 2. There is direct alignment between middle and secondary career and
5 technical education pathways within the requesting district; and

6 3. Such designation of supplemental funding for programming for
7 students in grades five (5) through eight (8) does not have a
8 significant detrimental impact on the programming available for
9 students in secondary grades.

10 (6) The Office of Career and Technical Education shall monitor and provide
11 oversight of state funds distributed pursuant to this section to ensure that the use
12 of funding by eligible recipients meets the approved criteria as described in this
13 section.

14 (7) The Kentucky Board of Education shall promulgate such administrative
15 regulations in accordance with KRS Chapter 13A as may be needed in the
16 administration of this section and for disbursement of moneys from the funds.

17 (8) The Kentucky Department of Education shall publish on the department's
18 website:

19 (a) The list of all career and technical education programs available to students
20 and the program's designation as a high-cost career and technical
21 education program or as a general-cost career and technical education
22 program;

23 (b) A report of the supplemental funding amounts provided to each state-
24 operated area technology center and to each local district, including an
25 explanation of the amount designated as enrollment-based funding and as
26 incentives-based funding; and

27 (c) A report of the administrative operations costs provided to each state-

operated area technology center and to each converted career and technical education center, as well as the amount contributed toward the career and technical education innovation and support fund.

➔Section 2. (1) To the extent that funds are made available for this purpose, a local board of education shall provide a one-time award to any employee of a converted career and technical education center as defined in subsection (1)(e) of Section 1 of this Act who was employed by the converted career and technical education center at the time of conversion and who remains employed by the same local board of education that assumed operational control. The one-time award shall be an amount up to 14.48 percent of the employee's salary at the time of conversion, which is based on the raises subsequently provided for executive branch state employees and shall provide the qualifying employees what they would have received had the career and technical education center remained under state operation. The award amount shall be calculated by the Kentucky Department of Education for each qualifying employee.

(2) A local board of education shall request reimbursement for the amount of one-time award payments made pursuant to this section from the fund to support education excellence in Kentucky established in KRS 157.330. If the amount appropriated for reimbursement of award payments is insufficient, then each award shall be reduced proportionally.

(3) The Kentucky Department of Education shall ensure equitable distribution of funds under this section.

(4) Notwithstanding the payment provided in subsection (1) of this section being a one-time award, a local board of education may recognize the one-time award amount as reflective of the appropriate annual salary for an employee receiving the award under the conditions established by subsection (1) of this section, and may use resources available to the local board of education to increase an employee's annual salary accordingly.

1 ➔Section 3. There is hereby appropriated General Fund moneys in the amount of
2 \$170,000 in fiscal year 2023-2024 to the fund to support education excellence in
3 Kentucky established in KRS 157.330 to support the payment of awards set forth in
4 Section 2 of this Act.

5 ➔Section 4. Whereas it is critical to ensure that funding for career and technical
6 education is equitable across the state, aligns with fiscal years, reflects student
7 enrollment, and fosters successful outcomes in workforce preparation, an emergency is
8 declared to exist, and Section 2 and 3 of this Act take effect upon its passage and
9 approval by the Governor or upon its otherwise becoming a law, and Section 1 of this Act
10 takes effect on July 1, 2024.