

## CHAPTER 210

## ( HB 499 )

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

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

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 KRS 157.069 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

(1) *As used in this section:*

- (a) *"Administrative operations costs" means costs associated with the operations and staffing of a state-operated area technology center, including but not limited to personnel, facility costs, building utilities and maintenance, and custodial and office supplies;*
- (b) *"Approved career and technical education dual credit" means earning a grade of "C" or higher for a Kentucky Department of Education-approved career and technical education dual credit course equivalent to three (3) hours of college credit;*
- (c) *"Approved career and technical education pathway" means a four (4) course career and technical education pathway approved by the Kentucky Department of Education that provides a coherent, articulated sequence of rigorous academic and career-related courses within a career and technical education program area, and leads to an associate degree, an industry-recognized certificate or license, or a baccalaureate or higher degree;*
- (d) *"Concentrator" means a student who has earned at least two (2) credits for no less than two (2) courses in a single career and technical education pathway;*
- (e) *"Converted career and technical education center" means a center providing locally operated career and technical education for which a local district assumed authority from the state for the management and control of the center during the 2020-2021, 2021-2022, or 2022-2023 academic years;*
- (f) *"General-cost career and technical education program" means a career and technical education program or pathway in which high-cost technical equipment, materials, or facilities are not required;*
- (g) *"General-cost full-time equivalents" means the total number of secondary students enrolled in general-cost career and technical education programs, multiplied by the number of hours those students are enrolled, and divided by six (6) hours;*
- (h) *"High-cost career and technical education program" means a career and technical education program or pathway in which high-cost equipment, materials, or facilities are required;*
- (i) *"Locally operated career and technical education" means a district program that provides secondary students with one (1) or more approved career and technical education pathways;*
- (j) *"State-operated area technology center" means a state-operated secondary school facility with the primary purpose of offering approved career and technical education pathways;*
- (k) *"Supplemental funding" or "supplemental funds" means moneys appropriated by the General Assembly to support qualifying locally operated career and technical education centers and programs and state-operated area technology centers and programs based on enrollment and incentive criteria;*
- (l) *"Technical skill attainment" means earning an industry-recognized certification, licensure, or credential as identified by the Kentucky Workforce Innovation Board pursuant to KRS 158.6455(1)(e) or passing an end-of-program assessment for articulated postsecondary credit as designated by the Kentucky Department of Education Office of Career and Technical Education;*
- (m) *"Weighted high-cost full-time equivalents" means the total number of secondary students enrolled in high-cost career and technical education programs, multiplied by the number of credit hours in which those students are enrolled, divided by six (6) hours, and multiplied by one and one-half (1.5); and*

- (n) *"Work-based learning program" means a cooperative education program, internship, or registered apprenticeship within the student's chosen approved career and technical education pathway.*
- (2) *The Kentucky Department of Education shall provide funds from the department's annual general fund appropriation to support the administrative operations costs of state-operated area technology centers and converted career and technical education centers.*
- (3) *For converted career and technical education centers, beginning with fiscal year 2024-2025, the Kentucky Department of Education shall deduct from funds designated for the state-operated area technology centers an amount equal to the administrative operations costs of each converted career and technical education center in the amount received by the center in the most recent fiscal year that the center was under state management and control. The funds for each converted career and technical education center shall be divided as follows:*
- (a) *Seventy-five percent (75%) of the funds shall be sent to the local district that has assumed management and control of the center; and*
- (b) *Twenty-five percent (25%) of the funds shall be sent to the career and technical education innovation and support fund established in subsection (4) of this section.*
- (4) (a) *There is hereby established in the State Treasury a restricted fund to be known as the career and technical education innovation and support fund to receive the funds allocated under subsection (3)(b) of this section. The fund shall consist of moneys received from state appropriations, gifts, 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 districts providing locally operated career and technical education and to state-operated area technology centers all general funds designated as supplemental funds to 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 student supplies, resources, materials, and equipment that is designed for enhanced quality of instruction in a career and technical education pathway, the purchase and maintenance of industry standard equipment, assisting students with achieving technical skill attainment, and supporting career and technical student organization participation;*
- (c) 1. *Supplemental funds for career and technical education shall be divided and allocated to each local district providing locally operated career and technical education and to each state-operated area technology center, with sixty percent (60%) dedicated for enrollment-based funding and forty percent (40%) for incentive-based funding.*
2. *The sixty percent (60%) enrollment-based funding shall be based on a statewide full-time equivalent calculation of the total weighted high-cost full-time equivalents and general-cost full-time equivalents during the prior school year, subject to the following:*

- a. *The department shall then distribute the enrollment-based funds for each state-operated area technology center or local district providing locally operated career and technical education based on the center's or district's proportional share of the combined weighted high-cost full-time equivalents and general-cost full-time equivalents of the prior year;*
  - b. *The department shall distribute the state-operated area technology center fund portion to the respective state-operated area technology centers and the local district fund portion to the respective local districts; and*
  - c. *The department shall classify qualifying programs as either a high-cost career and technical education program or a general-cost career and technical education program.*
3. *The forty percent (40%) incentives-based funding shall be based on an annual statewide calculation of the total number of qualifying student incentives. The calculation shall only use students that are in grade twelve (12) and use the total incentives earned by those students during secondary education at a state-operated area technology center or within a local district. Once a student has been included in a year's calculation, that student shall not be included in any subsequent year's calculation, subject to the following:*
- a. *Qualifying student incentives for students in their grade twelve (12) year shall include:*
    - i. *Reaching the designation of a concentrator;*
    - ii. *Technical skill attainment;*
    - iii. *Completing a required number of hours or achieving a benchmark within a work-based learning program; and*
    - iv. *Earning an approved career and technical education dual credit;*
  - b. *The incentives in subdivision a. of this subparagraph shall be allotted to the state-operated area technology center or local district in which it was earned. Each type of incentive shall only be counted once per student at state-operated area technology centers and once per student at local districts for a maximum of four (4) incentives per student at state-operated area technology centers and four (4) incentives at local districts throughout their secondary career and technical education. For incentive criteria that is achieved more than once at state-operated area technology centers, the incentive shall be counted for the state-operated area technology center where it was first achieved. For incentive criteria that is achieved more than once at local districts, the incentive shall be counted for the local district where it was first achieved;*
  - c. *The department shall distribute incentives-based funds for each state-operated area technology center or local district based on the center's or district's proportional share of the combined number of qualifying student incentives achieved by students in grade twelve (12) at a state-operated area technology center or within a local district throughout their secondary career and technical education. The incentives-based funds shall be distributed to the state-operated area technology center or local district in which the incentive was achieved; and*
  - d. *The department shall distribute the state-operated area technology center fund portion to the respective state-operated area technology centers and the local district fund portion to the respective local districts;*
- (d) *There shall be no mid-year adjustment to the allocation of career and technical education supplemental funding for a center or local district; and*
- (e) *Notwithstanding the restriction in paragraph (b) of this subsection, a district may submit a waiver request to the Office of Career and Technical Education to use a portion of its allocation of supplemental funds for career and technical education programming for students in grades (5) through eight (8). The district shall submit a request which details the district's plan for career and technical education programming for students in grades five (5) through eight (8). In reviewing the request, the Office of Career and Technical Education shall consider whether:*

1. *The district details a plan for orientation and exploration of broad-based industries by giving students knowledge and experience regarding careers within these industries and exploratory or hands-on skills used in the industry;*
  2. *There is direct alignment between middle and secondary career and technical education pathways within the requesting district; and*
  3. *Such designation of supplemental funding for programming for students in grades five (5) through eight (8) does not have a significant detrimental impact on the programming available for students in secondary grades.*
- (6) *The Office of Career and Technical Education shall monitor and provide oversight of state funds distributed pursuant to this section to ensure that the use of funding by eligible recipients meets the approved criteria as described in this section.*
  - (7) *The Kentucky Board of Education shall promulgate administrative regulations in accordance with KRS Chapter 13A as may be needed in the administration of this section and for disbursement of moneys.*
  - (8) *The Kentucky Department of Education shall publish on the department's website:*
    - (a) *The list of all career and technical education programs available to students and the program's designation as a high-cost career and technical education program or as a general-cost career and technical education program;*
    - (b) *A report of the supplemental funding amounts provided to each local district and to each state-operated area technology center, including an explanation of the amount designated as enrollment-based funding and as incentives-based funding; and*
    - (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.

➔Section 3. There is hereby appropriated General Fund moneys in the amount of \$170,000 in fiscal year 2023-2024 to the Learning and Results Services budget unit to support the payment of awards set forth in Section 2 of this Act.

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

**Signed by Governor April 18, 2024.**

