



Revenues And Expenditures For Career And Technical Education In Kentucky

Presentation To The
Education Assessment And Accountability Review Subcommittee
Kentucky Legislative Research Commission
Office Of Education Accountability
September 17th, 2019

CTE In Kentucky

- **705 KAR 3:141**
- Offer at least 5 different pathways
- Minimum of 180 students

- Comprehensive High Schools
- District-funded CTE Programs
- KCTCS – dual credit and other courses

ATCs

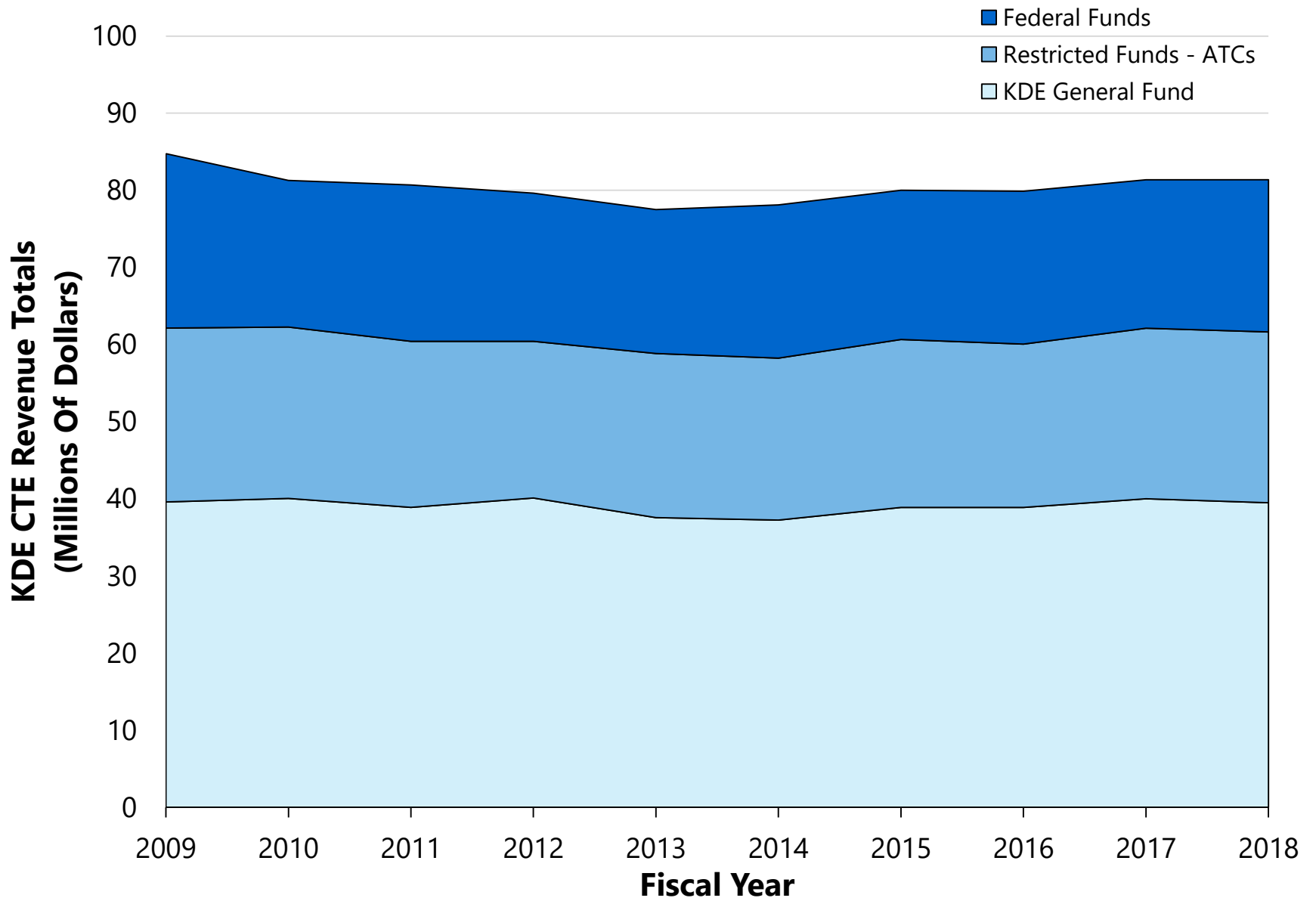
- 53 ATCs in 52 districts
- 72 districts feed into ATCs

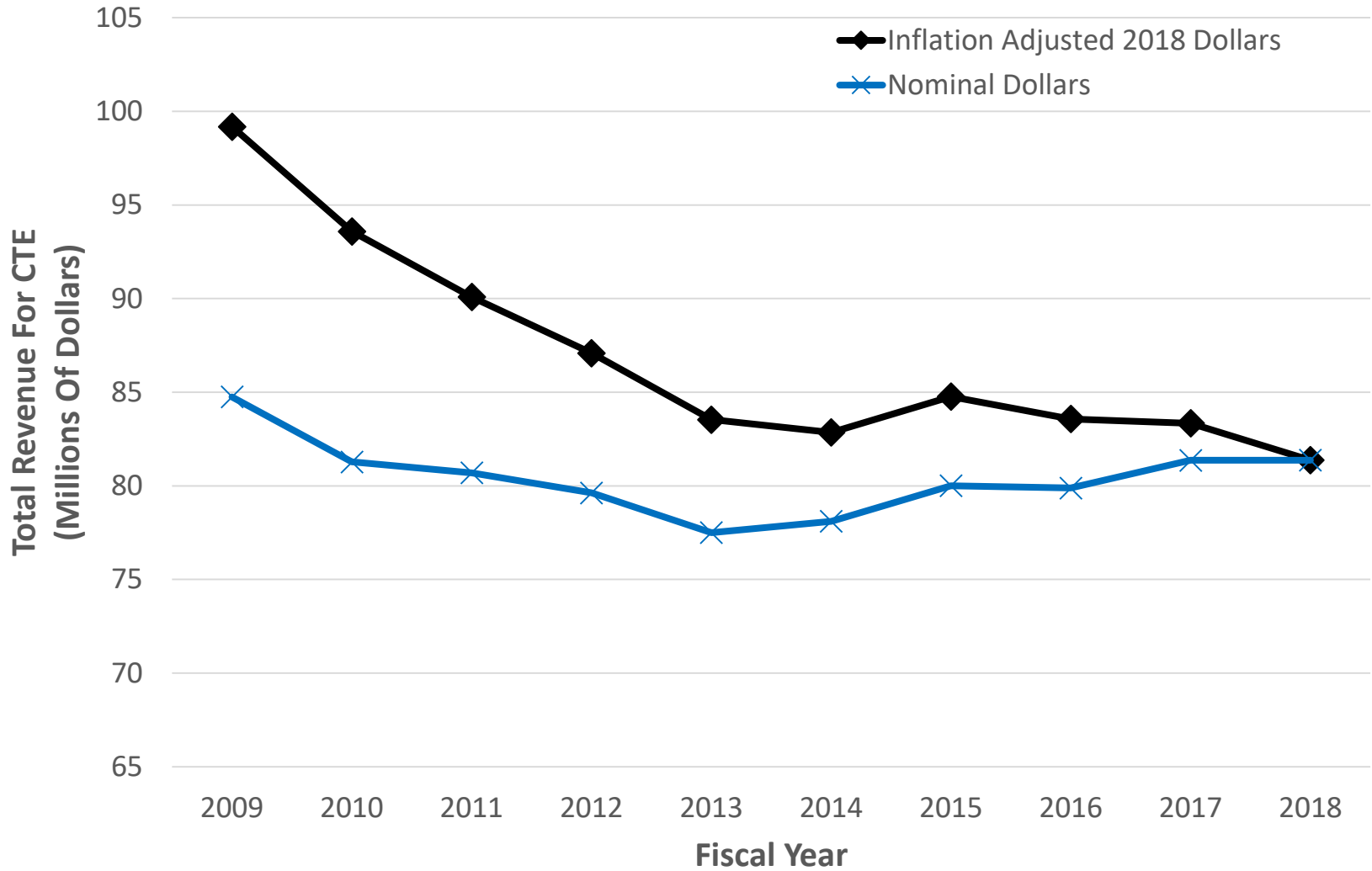
LAVECs

- 42 LAVECs in 32 districts
- 3 districts are feeders to Fayette County LAVECs

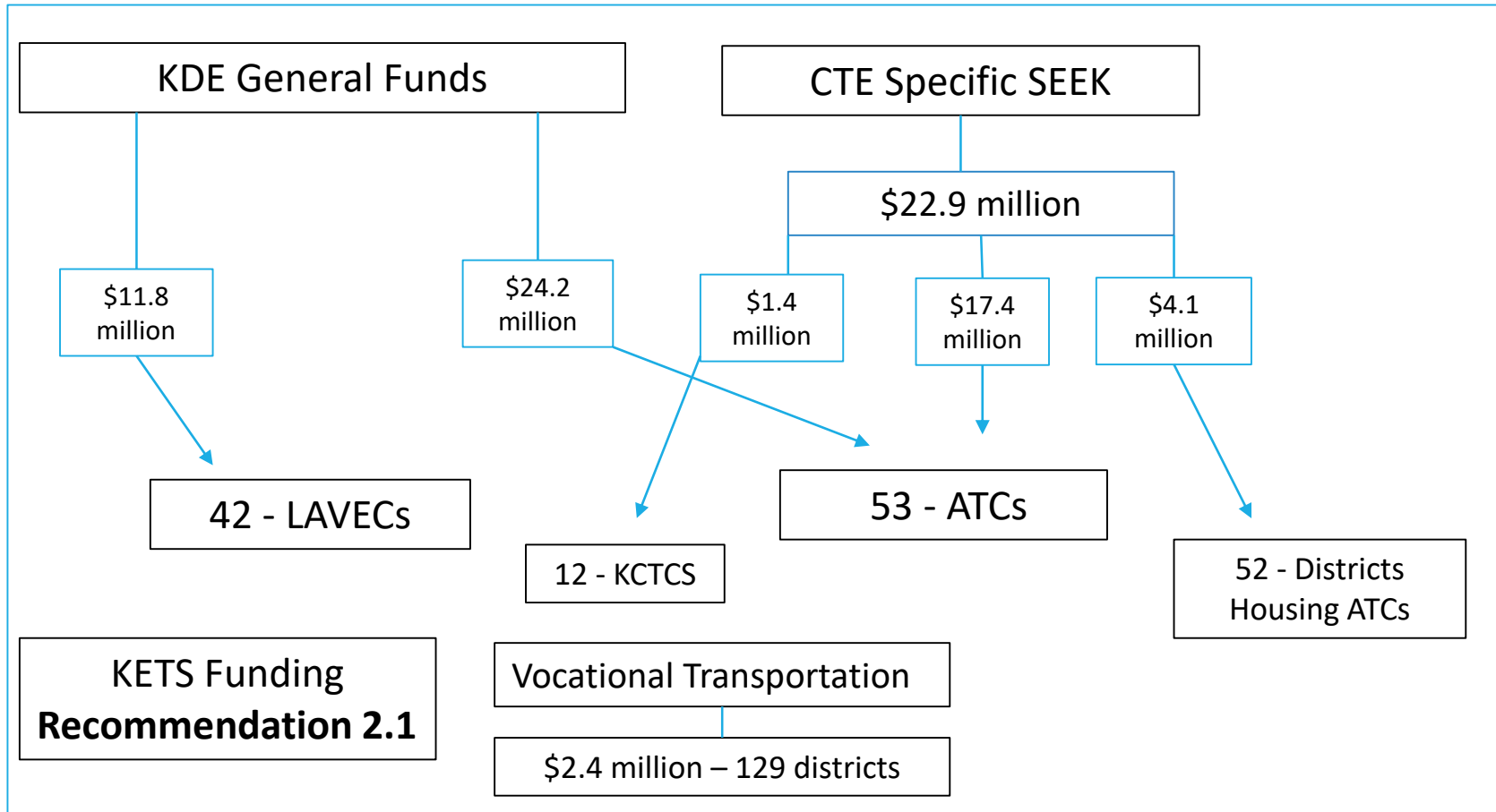
Data Used For The Report

- District-level AFR data
- State-grant allocation data
- KDE provided:
 - ATC expenditures
 - Unduplicated CTE student counts
 - LAVEC funding allocations by category
 - 10 years of total CTE funds
- OEA Surveys sent to superintendents and CTE principals





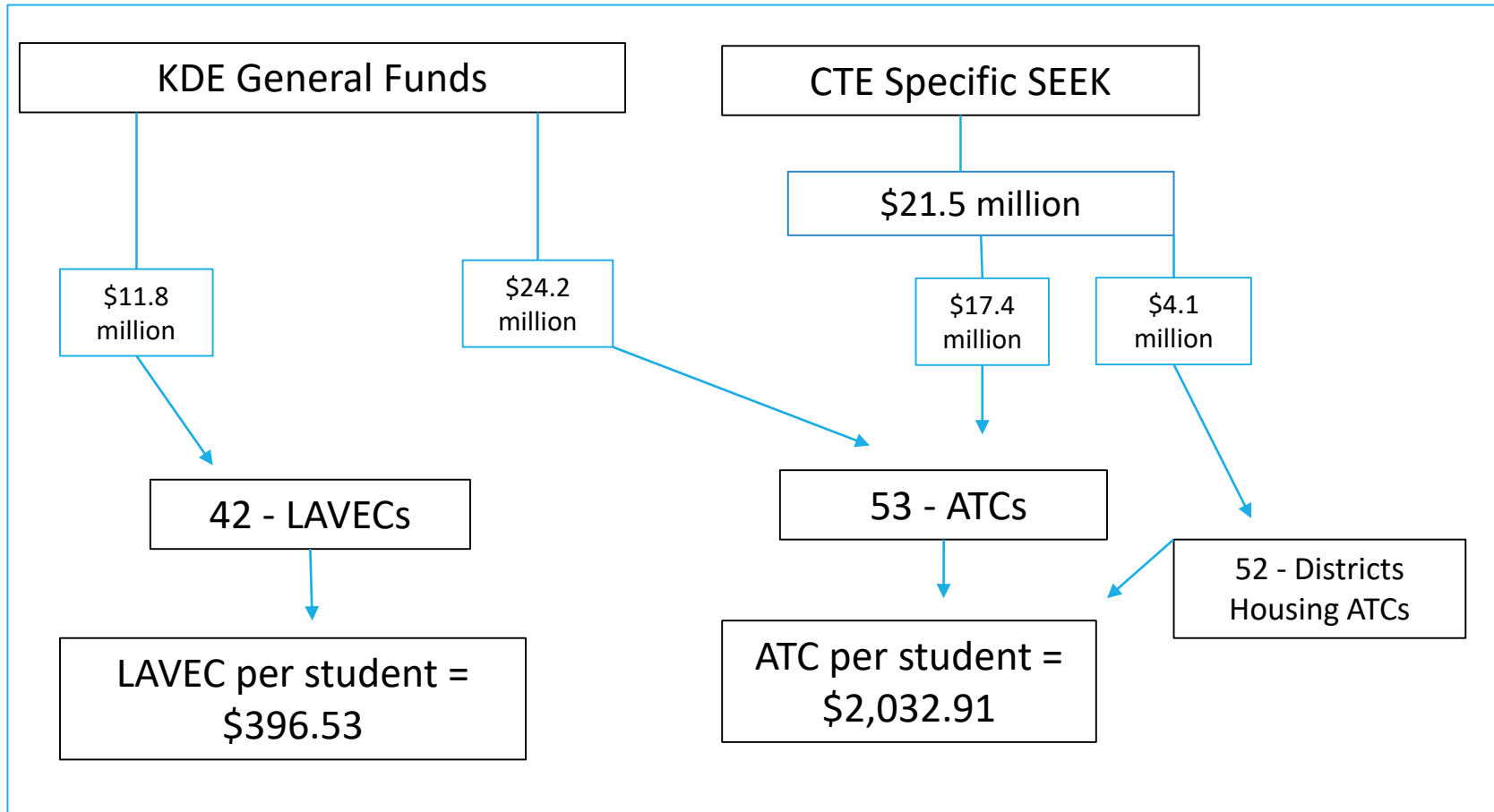
CTE Funding From State Sources



Recommendation 2.1

The School Facilities Construction Commission should work in collaboration with the Kentucky Board of Education and the Kentucky Department of Education to promulgate an administrative regulation that identifies the methodology for equating the average daily attendance of area technology centers with the average daily attendance of other local school districts to ensure that these centers receive a proper share of Kentucky Education Technology System funding.

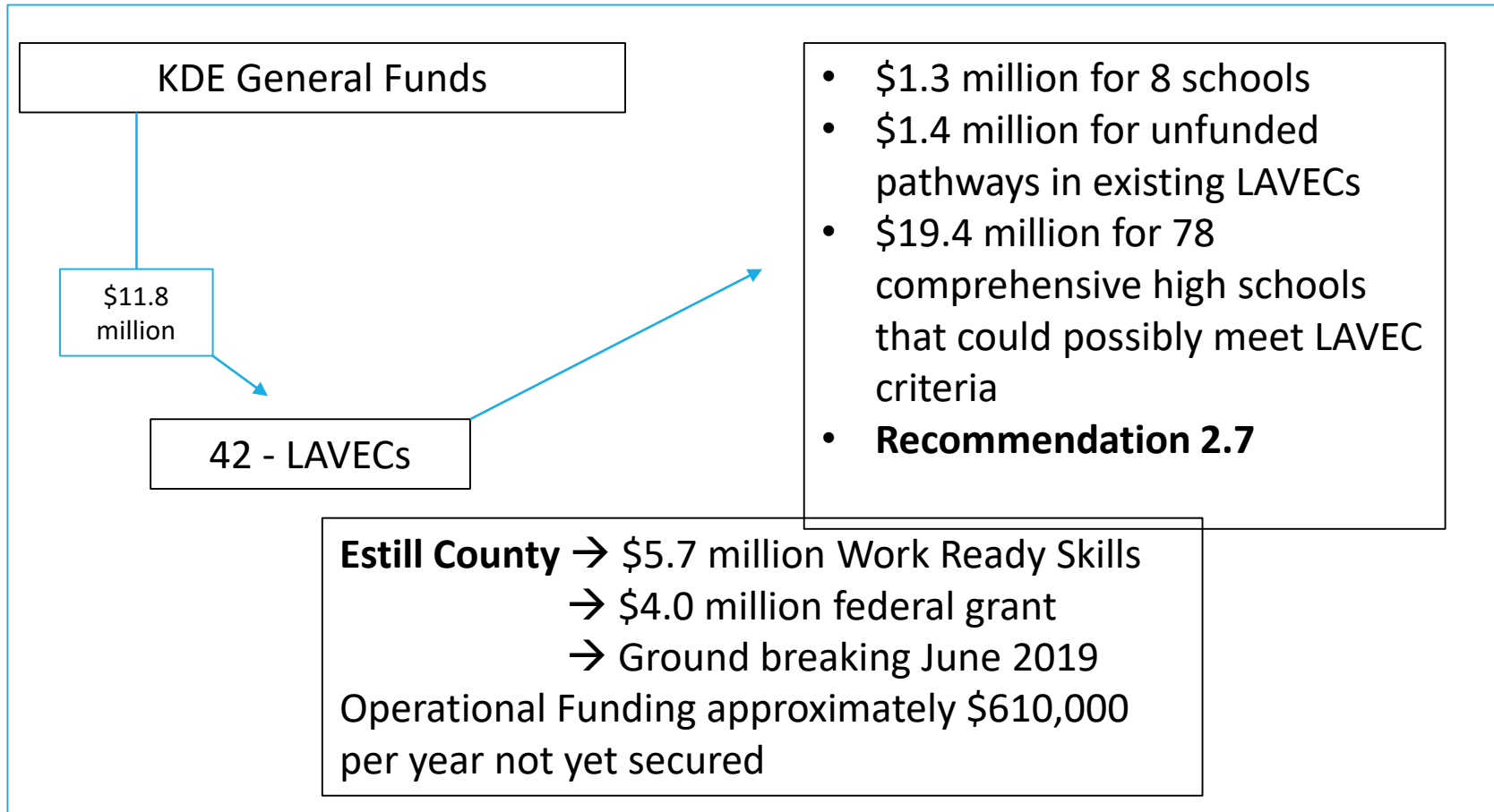
State CTE Funding Per Student



State Funding Vs. Overall Funding

- State funding proportionally higher for ATCs
- LAVECs are primarily funded with district funds
- LAVECs spend as much or more than most ATCs per student

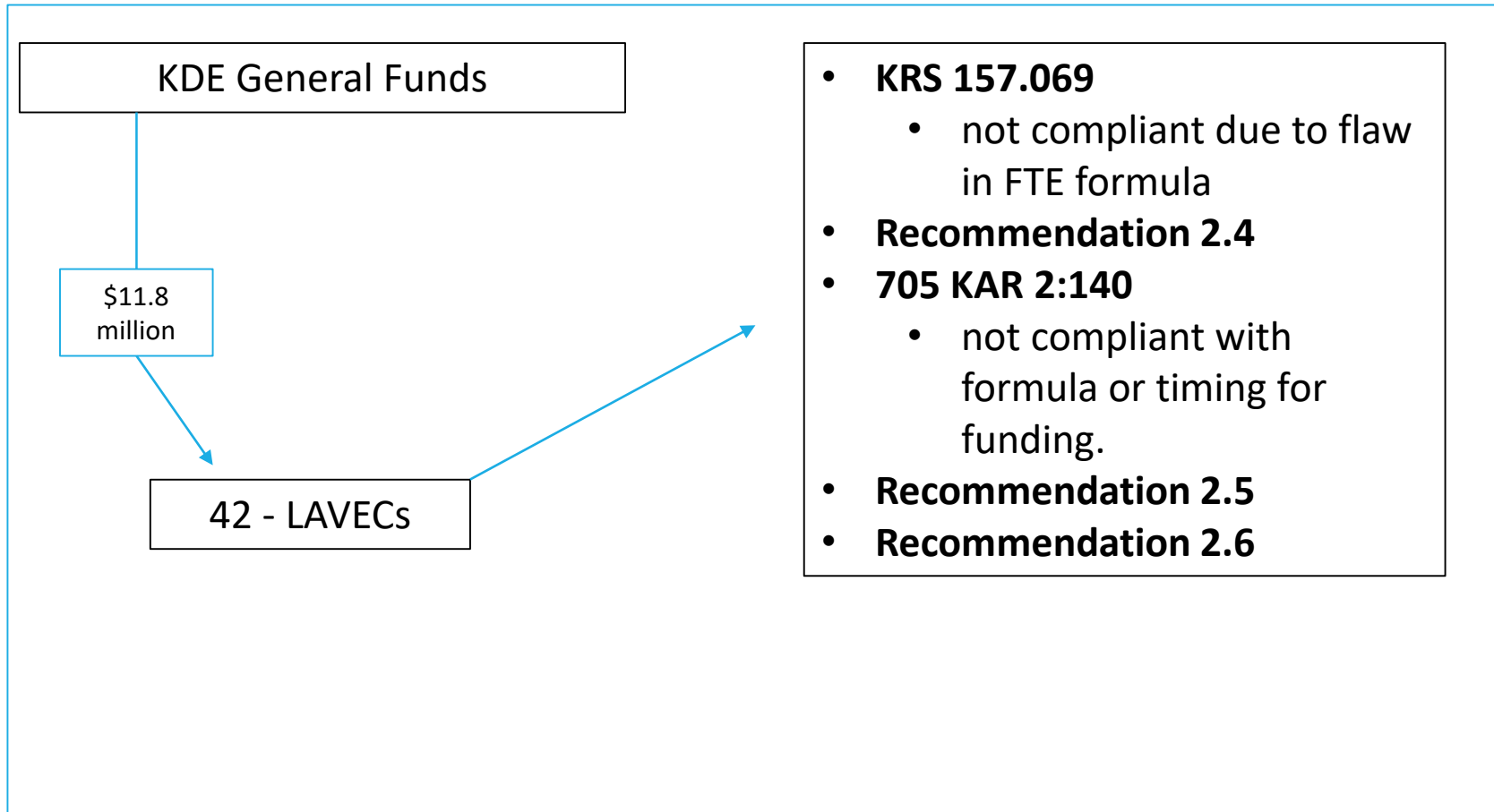
Unfunded CTE Schools And Pathways



Recommendation 2.7

The Kentucky Department of Education should fund new career and technical education programs at existing local area vocational education centers in accordance with 705 KAR 2:140, sec. 5(2) or the Kentucky Board Of Education should amend 705 KAR 2:140 sec. 5(2) to reflect current practices.

Statutory And Regulatory Compliance - LAVECs



Recommendation 2.4

The General Assembly should change the local area vocational education center (LAVEC) categorical funding formula in KRS 157.069 to reflect the proper methodology of computing category 2 and category 3 LAVEC FTE.

Recommendation 2.5

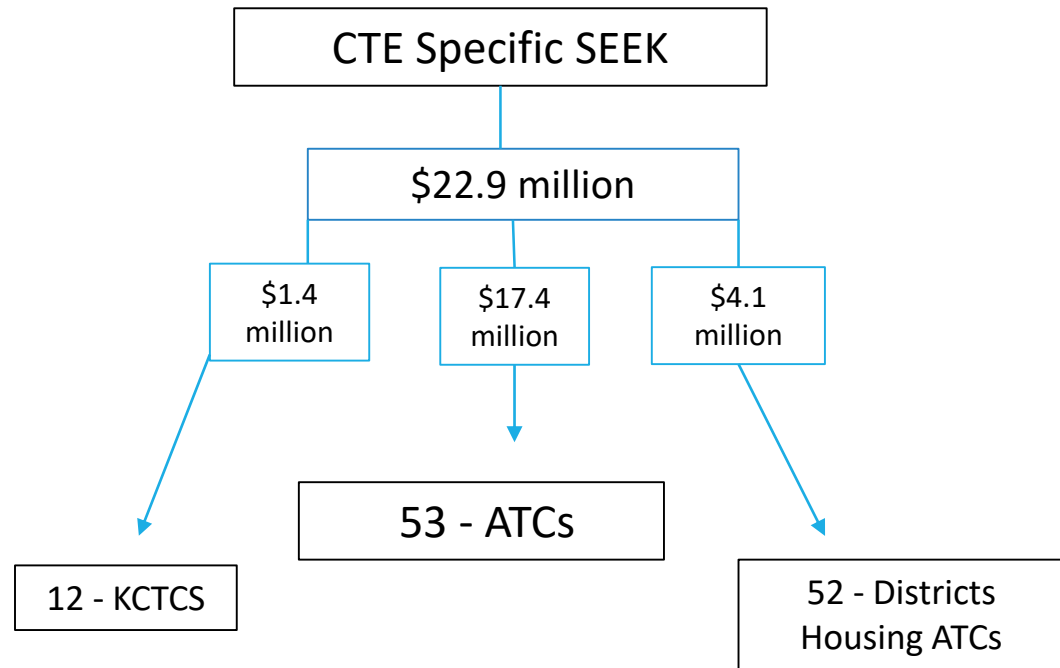
The Kentucky Board of Education should revise 705 KAR 2:140 to reflect the actual methodology used to distribute funding to Local Area Vocational Education Centers.

Recommendation 2.6

The Kentucky Department of Education should determine final allocations of local area vocational education center (LAVEC) funding by January 1 of each calendar year in accordance with 705 KAR 2:140, sec. 5(2) or the Kentucky Board Of Education should amend 705 KAR 2:140 sec. 5(2) to reflect current practices.

Statutory And Regulatory Compliance – ATCs SEEK Funding

- **702 KAR 1:130** – CTE SEEK allocation
- SEEK allocations do not match SEEK expenditures
- Variation Across ATCs
- 20 percent SEEK not spent according to regulation
- No statutory or regulatory obligation for KCTCS portion
- **Recommendation 2.2**
- **Recommendation 2.3**
- **Recommendation 3.4**



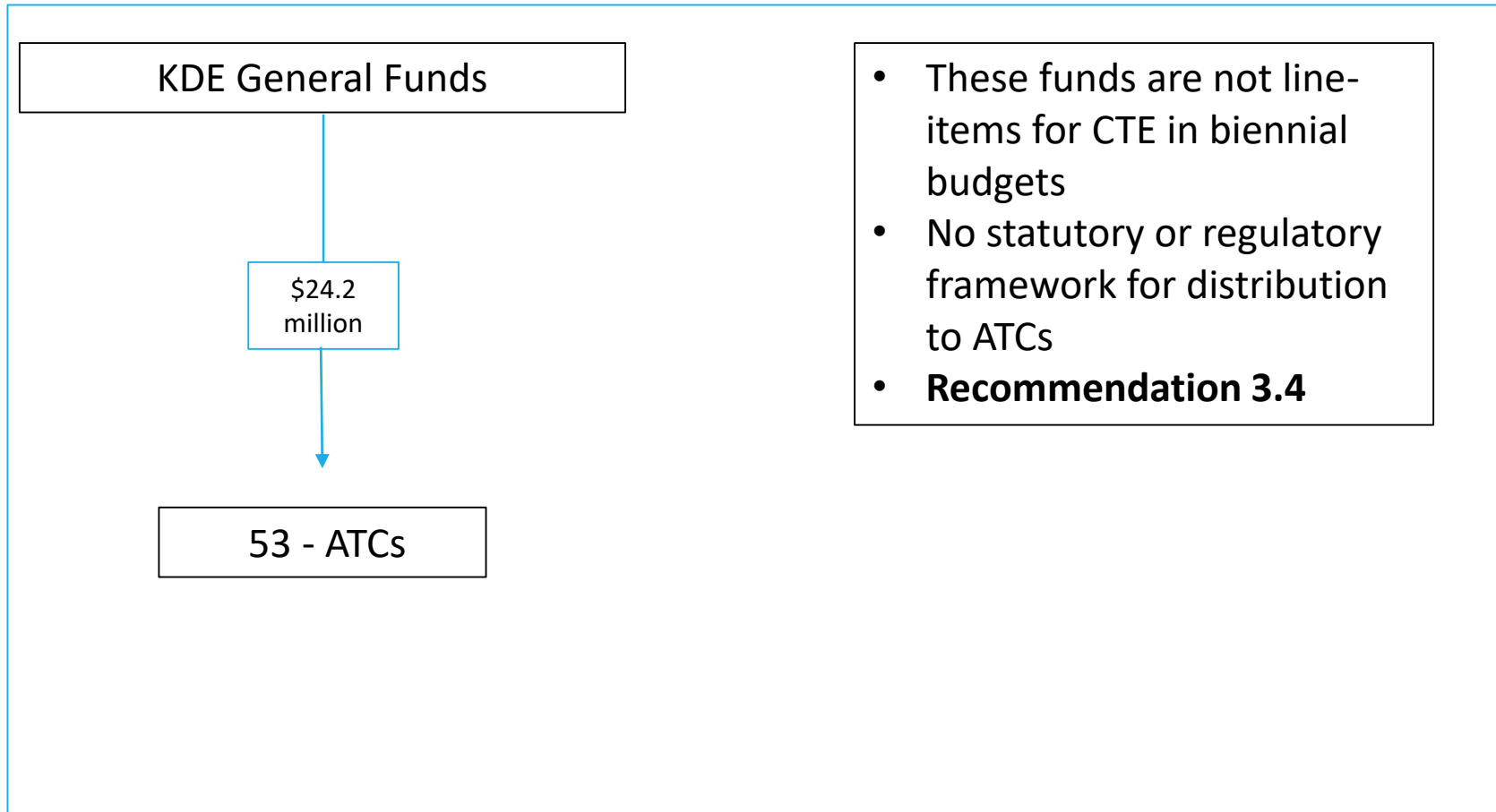
Recommendation 2.2

The Kentucky Department of Education should comply with all provisions of 702 KAR 1:130 for ATC funding as written or the Kentucky Board Of Education should align 702 KAR 1:130 to reflect current practices.

Recommendation 2.3

If the General Assembly wants the Kentucky Department of Education (KDE) to continue allocating funds for secondary CTE programs at the Kentucky Community and Technical College System, then the General Assembly should include language in subsequent budget bills directing KDE to do so.

KDE General Fund Allocations To ATCs



Recommendation 3.4

The Kentucky Board of Education should promulgate regulations concerning the distribution of area technology center (ATC) funding. These regulations should address both general fund and SEEK funding for ATCs.

Limitations For Comprehensive Comparison Of Expenditures

KDE Chart of Accounts Issues

- Districts not being advised to use proper program codes for all CTE expenses

Inconsistent Reporting

- Districts not accurately reporting expenditures on AFRs and PSDs

Federal Reporting

- KDE not reporting revenue and expenditures to NCES
- KDE and districts not reporting CTE teachers properly

- Prevents comparison of expenditures across districts
- **Recommendation 3.1**
- **Recommendation 3.2**
- **Recommendation 3.3**

Recommendation 3.1

The Kentucky Department of Education (KDE) should review the chart of accounts and change how ROTC, SBDM, and board paid expenditures are captured so that all schools are reporting career and technical education expenditures to program series of 300. In addition, KDE should work with district staff to ensure all career and technical expenditures are coded correctly on the annual financial reports.

Recommendation 3.2

The Kentucky Department of Education (KDE) should ensure that districts' A2 and area technology center (ATC) career and technical school expenditures are coded to a KDE A2 or ATC location code or a district assigned school number.

Recommendation 3.3

The Kentucky Department of Education (KDE) should work with districts to ensure that all career and technical education teaching and administrative staff are coded correctly on the professional and classified staff data reports. In addition, when reporting the total number of career and technical education staff to the United States Department of Education, KDE should include the total number of career and technical teachers, administrators, and other staff working at state-run area technology centers.

ATC/LAVEC Comparison

Fund	LAVEC			ATC		
	Fayette Total Expenditures	Fayette Per-Pupil	Fayette Per-FTE	Madison Total Expenditures	Madison Per-Pupil	Madison Per-FTE
KDE General Fund	\$0	\$0	\$0	\$580,805	\$935	\$3,533
KDE SEEK	0	0	0	452,750	729	2,754
KDE 20% Vocational	0	0	0	104,434	168	635
LAVEC Grant	371,655	536	1,443	0	0	0
KDE pays On-Behalf	262,841	379	1,021	0	0	0
District General Fund	1,293,406	1,864	5,023	1,450	2.34	8.85
Perkins	19,354	28	75	46,687	75	284
Activity/Agency Funds	0	0	0	11,177	18	68
Private Donations	0	0	0	2,930	5	18
KTIP/KETS/PD	3,937.82	6	15	0	0	0
Total	\$1,951,194	\$2,847	\$7,577	\$1,200,233	\$1,932	\$7,301

ATC Comparisons

ATCs With Satellite Locations

- 16 ATCs utilize 26 satellite teachers
- Cost is paid by KDE
- Only available to ATC districts
- Disparities in expenditures per FTE and per student

Highest Per FTE vs. Lowest Per FTE

- Martin County ATC → \$11,171 per FTE
- Meade County ATC → \$ 4,145 per FTE
- Meade County funds 6 programs at the ATC
 - Those students counted in FTE counts
- Potential disadvantage for districts that don't pay for programs with district funding

CTE Teachers Sample Comparison

ATC Teachers

- Paid by KDE
- At least 190 working days

LAVEC Teachers

- District paid
- At least 185 working days

Beginning CTE Teacher Salaries

- Majority of ATC teachers earn more than district-paid teachers

CTE Teachers With 20 Years Experience

- Majority of district-paid earn more than ATC teachers for all ranks

Special Education Services

- Special education teachers were more likely to be employed at a stand-alone LAVEC than at an ATC

CTE Classroom Costs

- CTE classes have lower student to teacher ratios than traditional academic classes
- Some CTE programs require costly equipment
- Some CTE programs require consumables

CTE Equipment: Superintendent Comment

“when I meet with industry leaders they note that the equipment at the ATC is so old compared to what they are using in their company. On a side note...our community appreciates the ATC and recognizes the importance it plays for regional business/industry.”

Estimated New CTE Program Cost

Expense Category	Agricultural Power, Structural, and Technical Systems	Culinary & Food Service	Digital Design & Game Development	Truck Service Technology Technician
Equipment	\$30,600	\$130,000	\$49,030	\$266,300
Mid-year teacher salary	49,433	49,433	49,433	49,433
Materials	8,100	5,000	0	2,000
Teacher Certification	0	0	0	165
Program Certification	500	0	0	1,700
Equipment inspection	0	0	0	600
Increased Utility Cost	10,000	10,000	1,000	4,800
Total	\$98,633	\$194,433	\$99,463	\$324,998

CTE Facilities

- Many of the ATCs were built and/or remodeled during the 1960's and 1970's
- Some districts have newer facilities
- Staff analysis of district facility plans found:
 - 25 districts reported need for new CTE building
 - 66 districts reported need for facility upgrades

Conclusion

- Total funding for CTE remained steady the last 10 years
 - CTE funds adjusted for inflation show lost purchasing power
- State funding proportionally favors ATCs relative to LAVECs
 - Districts with LAVECs make up the difference with district-level funding
- Issues with compliance and transparency for existing CTE funding structure make comparisons difficult

End
