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KENTUCKY DEPARTMENT OF EDUCATION

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September 16, 2019

Mr. David Wickersham, Director
Office of Education Accountability
475 Coffee Tree Road
Frankfort, KY 40601

Re: Office of Education Accountability's (OEA) draft report on Career and Technical Education Revenues and Expenditures

Dear Mr. Wickersham:

Thank you for providing the Kentucky Department of Education (KDE) an opportunity to review OEA's draft report on Career and Technical Education (CTE) Revenues and Expenditures. Given CTE's importance to Kentucky's students, local school districts, and our Commonwealth, KDE is pleased the Education Assessment & Accountability Review Subcommittee and OEA are exploring the issues addressed in this report.

Below, please find the Department's feedback on the draft report.

CHAPTER 1

Introduction and Overview:

"These programs are made available to Kentucky students through a combination of state-operated area technology centers (ATCs), local area vocational education centers (LAVECs), and in comprehensive high schools." (page 1)

KDE Response: While KDE understands the focus of the report is on ATCs and LAVECs, it is important to clarify that these programs are offered not only at ATCs, LAVECs, and comprehensive high schools, but also at Career and Technical Centers (CTCs), KCTCS, Alternative Schools, Department of Juvenile Justice facilities, the Kentucky School for the Blind (KSB), the Kentucky School for the Deaf (KSD), and all-day career academies. LAVECs are those local centers that receive supplemental state funding.

State Funding Per CTE Student:

"The ratio of state funding per student favored ATCs at a rate of \$5.10 for every \$1 per LAVEC student." (page 2)

KDE Response: While this statement is accurate, it is important to note that LAVECs receive funding from the local district.

State-Appropriated Funding for ATCs and LAVECs:

"The 20 percent Support Education Excellence in Kentucky (SEEK) allocation required by 702 KAR 1:130 should be used for retirement of debt and/or building maintenance; however, KDE has approved use of these funds for equipment and staff salaries, as well as allowing districts to carry these revenues to future years for various projects." (page 2)

KDE Response: When a MUNIS¹ code was assigned for these funds in FY14, after the Office of Career and Technical Education (OCTE) was moved from the Education and Workforce Development Cabinet to KDE, some districts indicated that (i) there were no immediate needs of the ATC building; that (ii) there were needs that exceeded the amount of funding received on an annual basis; or that (iii) the debt on the building had already been paid. Consequently, KDE allowed districts to carry forward funds for major improvement/remodeling projects or for the purchase of large equipment and resources for student instruction. Salary expenses have only been approved in the case of time charged for a district maintenance employee while working in the building on an approved repair project. These funds have never been approved for ATC staff salaries.

State-Appropriated Funding for ATCs and LAVECs:

"Districts that house the ATCs receive additional facility funding to support their ATC building, while districts with LAVECs do not." (page 2)

KDE Response: While this statement is accurate, it fails to consider that LAVEC districts receive the entire SEEK per pupil funding for district students. Districts may then choose to spend as much or as little of that SEEK allocation on facilities.

State-Appropriated Funding for ATCs and LAVECs:

"The KDE general fund dollars allocated to ATCs are also not included in the biennial budgets as a line-item." (page 3)

KDE Response: While it is correct that ATC general funds are not included in the KDE budget as a line item, it should be noted that ATCs have never have been funded as a line item. KDE treats the ATC system similar to a district, and it is important to maintain KDE's ability to shift funding when staffing needs, enrollment, and programs change.

State-Appropriated Funding for ATCs and LAVECs:

¹ MUNIS is the financial software package used in all Kentucky school districts.

“KDE is required to compute the student full-time equivalent (FTE) counts to distribute LAVEC funding according to statutory and regulatory formulas. KDE has acknowledged it uses an internal formula to calculate the FTE counts for LAVECs.” (page 3)

KDE Response: KDE has been transparent about the issues concerning the statutory formula in KRS 157.069, which KDE believes to contain an error. If KDE strictly followed the statutory text as written, LAVECs that provided students with *more* instructional hours would receive *less* money. The regulation, 705 KAR 2:140, corrects this error. To the extent the statement above suggests that KDE does not comply with the regulatory calculation, this is incorrect. KDE complies with the 705 KAR 2:140, Section 3, in calculating the Full Time Equivalency (FTE). KDE does, however, differ from the regulation in terms of a mid-year adjustment. KDE does this in order to avoid disruptions in budget allocations for each school/district. Because KDE follows the regulatory calculation in 705 KAR 2:140, it is important to note that Table 2.3, on page 13, in Chapter 2 of the report, inaccurately describes a “KDE methodology,” as though it is outside the regulatory framework.

ATC Expenditures:

“The SEEK appropriation for ATCs should be distributed according to 702 KAR 1:130. However, staff analysis of ATC expenditure reports concluded that expenditures paid with SEEK funds do not match the budget allocations KDE publicly reports.” (page 4)

KDE Response: KDE is unclear as to what public reports are referenced. Thus, a citation to the public reports would be beneficial for clarity.

Equity Between ATCs And LAVECs

“The central theme for this report is whether or not the state-appropriated funds for ATCs are equitable relative to those for LAVECs. The conclusion is complicated by factors such as state-level budgetary limitations, different funding mechanisms for the two types of centers, and many others that will be discussed throughout this report. However, the previous reports on this topic determined that in terms of state dollars devoted strictly to CTE, the state-operated ATCs receive a much larger share of total CTE revenues than LAVECs.” (pages 8-9)

KDE Response: KDE notes that this is the way funding for the LAVEC system was designed to work. KDE receives SEEK vocational funding for ATCs, and local school districts receive SEEK funding for LAVECs. KDE receives general funds to support ATCs, and local school districts receive local tax revenues to support LAVECs. In addition, while KDE agrees with the analysis of federal funding for CTE provided on pages 14-16 of Chapter 1, KDE feels that if federal funding is discussed, local funding should also be recognized, which would allow for a more complete picture of CTE funding in the Commonwealth.

Kentucky Career and Technical Education Task Force:

“KDE also acknowledged the 96,000 students in CTE programs at 220 comprehensive high schools that do not receive any state-level CTE funding.” (page 13)

KDE Response: As a point of clarification, KDE notes that 220 is the number of schools that are not ATCs or LAVeCs that offer CTE pathways. These include not only comprehensive high schools, but also unfunded CTCs, KCTCS, Department of Juvenile Justice facilities, Alternative Schools, and schools like KSD, KSB, and iLEAD. In addition, while 96,000 students take CTE in these locations, some of the 96,000 could also be taking CTE at an ATC or LAVeC as well.

CHAPTER 2

CTE Revenues Passing Through KDE:

"The restricted funds for ATCs includes funding for ATC operations, the 20 percent SEEK allocation provided to districts that house the ATC buildings, and approximately \$1.4 million dollars paid annually to the Kentucky Career and Technical College System (KCTCS)." (page 1)

KDE Response: This is an incomplete statement regarding ATC funding. The restricted funds are allocated from the SEEK Secondary Vocational Education appropriation of approximately \$23M.

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." (page 7)

KDE Response: For context, it should be noted that, for both historic and current KETS Master Plans, all KY K-12 students, including those attending the KY K-12 vocational schools for a portion of the school day, are included in the calculation of the annual KY K-12 education technology needs. Thus, while there is not currently a separate accounting of vocational schools' average daily attendance for KETS, vocational centers may receive KETS funds pursuant to the local school district's technology plan. KETS offers of assistance funding, which is included in the biennial budget, is provided to districts by formula and spent according to the local needs. Districts use a variety of funding sources, including the KETS offers of assistance the district matching funds, to provide a variety of shared services to vocational schools, including Internet Access to the KIH3, cybersecurity and cybersafety.

Notation on Table 2.7:

"Note: Figures may not sum due to rounding. There were two more schools included on the list of unfunded schools during a presentation by KDE at the Kentucky Career and Technical Education Task Force meeting on August 21, 2019. The FTE and funding needed for these schools was not provided in the data shared by KDE. Source: Source: Staff analysis of the data from the Kentucky Department of Education." (page 16)

KDE Response: The two additional schools are Taylor County Career Center and the Ignite Institute. These two schools have submitted formal requests for LAVEC funding, but they just opened as new centers for the 2019-2020 academic year; thus, they do not yet have enrollment data within the Technical Education Database System (TEDS) that would allow KDE to project an anticipated LAVEC allocation for them. Furthermore, Ignite Institute receives a portion of LAVEC funds per HB 444 from the 2019 session, based on their new collaboration with what was formerly the Kenton County Academies.

CHAPTER 3

Cost of Career and Technical Education Introduction:

“Currently, Kentucky only funds CTE classes if a LAVEC, state-operated ATC, or comprehensive high school offer five or more CTE courses in a career pathway.” (page 1)

KDE Response: Kentucky does not fund comprehensive high schools that are not classified as a LAVEC; thus, the reference here to comprehensive high schools should be removed. Furthermore, pursuant to 705 KAR 3:141, a center or CTE department in Kentucky is defined as one that offers five or more CTE “clusters” or program areas, not five or more courses within a single pathway.

Career and Technical Expenditures:

“A detailed explanation of these coding issues can be found in Appendix B.” (page 3)

KDE Response: As KDE has not been provided with the appendices to date, KDE requests the opportunity to respond to any additional information – such as the explanation of the coding issues – when it receives the appendices.

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.” (page 3)

KDE Response: Because ATCs are state-operated, oversight for all expenditures are completed through the state E-Mars system and KDE’s Office of Finance and Operations, Division of Budget and Financial Management. Districts do not have the access to or oversight of financial data utilized by the ATCs. KDE collects financial expenditure records from local districts with location codes. However, A2 Schools are district operated technology schools and all expenditures are included in the district’s Annual Financial Reports (AFR).

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.” (page 3)

KDE Response: KDE works closely with districts and provides training and guidance in an effort to ensure the appropriate coding of all staff under the supervision of the local district for the staff data reports. KDE will continue to work with districts to improve the accuracy of their reporting. To the extent the recommendation implies that the ATC staff should also be reported through Professional Staff Data (PSD) and Classified Staff Data (CSD) reports, this presents a challenge. Staffing information for ATCs is not collected by the local districts which submit PSD/CSD files through MUNIS. Furthermore, it is not presently possible to assign, for reporting purposes, state operated school staff to a district or districts as they are employees of KDE.

Recommendation 3.4:

“There were 657 students who attended Martin County ATC in school year 2018.” (page 6)

KDE Response: KDE is unsure of the source of this data, and the data does not appear to be accurate. Martin County ATC is a single-feeder ATC, serving only students from Sheldon Clark High School. Based on KDE’s school report card data for 2017-2018, Sheldon Clark High School had a total student body enrollment of 519 students; thus, making it impossible for the Martin County ATC to have a student enrollment of 657 students. The FTE counts provided within Table 3.4 (page 7) of this section are accurate and based on data that was provided to OEA from KDE; however, the unique student count does not appear to be correct. KDE provided data to OEA on July 5, 2019, showing an unduplicated student count for Martin County ATC of 288.

Recommendation 3.4:

“There were 488 students who attended Meade County ATC in school year 2018.” (page 6)

KDE Response: KDE is unsure of the source of this data, and the data does not appear to be accurate. Data from TEDS indicates that the Meade County ATC had a unique student enrollment count of 634 students in 2017-2018, with duplicate enrollments totaling 688. KDE provided this data to OEA on July 5, 2019. The FTE counts provided within Table 3.4 (page 7) of this section are accurate and based on data that was provided to OEA from KDE OCTEST; however, the unique student count does not appear to be correct.

Recommendation 3.4:

“Upon further examination, OEA found that KDE also counted students who attend local CTE programs housed at Meade County ATC. There are a total of nine ATCs that have at least one locally operated center housed at the ATC center.” (page 6)

KDE Response: As stated by KDE during an in-person meeting with OEA on September 3, 2019, these programs are, in fact, ATC programs; thus, they would and should be included in the ATC enrollment data. In these instances, the instructor is a certified district employee assigned to an ATC pursuant to a Memorandum of Agreement between the district and KDE; however, said instructor does not typically only serve local district students, but rather may serve any

student attending the ATC from any feeder district. In turn, the program is still part of a state-operated ATC which is open to all students in the feeder districts that are served by the school (where applicable).

Recommendation 3.4:

"KDE is also paying for a math teacher housed in Martin County." (page 6)

KDE Response: KDE recently discontinued funding for this position, beginning in the 2019-2020 academic year.

Teacher Salaries:

"Due to the two different types of career and technical centers in K-12 education, ATC teachers are paid by the KDE on a state salary schedule. LAVEC teachers are paid according to districts' salary schedules. In 2017, KBE amended 780 KAR 3:080 to alter the school calendar for the number of days a teacher and a principal worked in state operated career and technical centers. It also amended their term from 10.5 months in a school year to 12 months, like a school district. As of the 2018 school year, ATC teachers worked at least 190 days and district CTC teachers worked at least 185 days." (page 14)

KDE Response: KDE believes that when calculating and comparing daily pay rates for teachers, one must include the total number of paid days when using annual salaries. KDE notes that salaries in ATCs are based on 190 days, plus 12 paid holidays, for a total of 202 days, which would make the actual daily rates lower for ATCs. For example, when applied to the denominator, the "Rank III, 0 years" daily rate for ATC teachers becomes \$206 per day (versus \$220 per day), and the "Rank I, 20 years" daily rate for ATCs becomes \$282 per day (the lowest of the samples).

Class Size:

"KRS 157.360 sets the number of pupils enrolled in a class for students in grades 7 to 12 to no more than 31 students per class. Table 3.12 shows the average number of students in each class listed for the 2019 school year. The average number of pupils per class were lower in the selected CTE courses than they were in the selected academic courses. The largest class sizes for the CTE courses were all at or below the number of pupils per class allowed by KRS 157.360." (page 16)

KDE Response: 705 KAR 4:231 explicitly addresses caps on CTE courses. Section 15 provides, "(1) The maximum number of students per class shall be based on the class setting. (a) For a classroom setting, the maximum enrollment shall be thirty-one (31). (b) For a laboratory or shop setting, the number of students enrolled in a class shall not exceed the number of work stations available in the facility." Because many CTE courses are lab-based in nature and require technical equipment (like the examples provided in Table 3.12), the caps on these courses are smaller to ensure safety and an adequate training environment.

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KDE appreciates the opportunity to submit the foregoing information to OEA. On behalf of KDE, we appreciate the work your office does for students in the Commonwealth.

If additional information is needed, please contact General Counsel Deanna Durrett at (502) 564-4474 or Deanna.Durrett@education.ky.gov. Thank you for your consideration.

Sincerely,



Wayne D. Lewis, Ph.D.
Commissioner of Education

CC: Sen. Max Wise, Co-Chair, EAARS
Rep. Brandon Reed, Co-Chair, EAARS
Sen. Alice Forgy Kerr
Sen. Gerald A. Neal
Sen. Mike Wilson
Rep. Regina Huff
Rep. Steve Riley
Dr. Bart Liguori, LRC