

CHAPTER 40

(SB 101)

AN ACT relating to career and technical education and declaring an emergency.

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

➔Section 1. KRS 157.069 is amended to read as follows:

- (1) As used in this section:
 - (a) "Secondary area technology center" or "secondary area center" means a school facility dedicated to the primary purpose of offering five (5) or more technical preparation programs that lead to skill development focused on specific occupational areas. An area center may be called a "magnet technology center" or "career center" or may be assigned another working title by the parent agency. An area center may be either state or locally operated; and
 - (b) "Vocational department" means a portion of a school facility that has five (5) or more technical preparation programs that lead to skill development focused on specific occupational areas.
- (2) ***Except as described in subsection (5) of this section***, the Kentucky Department of Education shall distribute all general funds designated for locally operated secondary area centers and vocational departments ~~which received~~ ~~have been receiving~~ state supplemental funds ***in fiscal year 2020-2021*** ~~prior to June 21, 2001,~~ by a weighted formula ~~specified~~ in an administrative regulation promulgated by the Kentucky Board of Education. The formula shall take into account the differences in cost of operating specific programs. The commissioner of education shall determine programs to be assigned to categories based on the descriptions found in paragraphs (a) to (c) of this subsection. Programs in Categories III and II shall be eligible for funding.
 - (a) Category III--High-cost technical programs: Programs in which students develop highly technical skills in specific occupational areas and that require high-cost equipment, materials, and facilities. This category may include selected industrial technology Level III programs as defined by the Department of Education and programs in other occupational areas as deemed appropriate.
 - (b) Category II--Technical skill programs: Programs in which students develop technical skills focused in occupational areas and that require technical equipment but high-cost equipment, facilities, or materials are not necessary to operate the programs. This category may include selected industrial technology Level III programs as defined by the Department of Education and programs in other occupational areas as deemed appropriate.
 - (c) Category I--Orientation and career exploration programs: Programs that provide orientation and exploration of broad-based industries by giving students knowledge and experience regarding careers within these industries and develop some exploratory or hands-on skills used in the industry.

Notwithstanding paragraphs (a) and (b) of subsection (1) of this section, the Department of Education shall approve the combining of eligible secondary vocational programs into a single vocational department for purposes of funding for a school district that has been receiving state supplemental funds and has distributed its vocational programs, previously located in area centers, among magnet career academies.
- (3) For calculation purposes and after categorizing the programs as described in subsection (2) of this section, a weight shall be applied as a percentage of the base guarantee per pupil in average daily attendance as defined by KRS 157.320 under the Support Education Excellence in Kentucky Program, which shall be applied to full-time equivalent students in Categories II and III. Category I programs shall receive no weight. The full-time equivalent students shall be calculated on the basis of the total program enrollment ***multiplied*** ~~divided~~ by the length of the class period divided by six (6).
- (4) (a) If a school district has a locally operated secondary area center that has been receiving state supplemental funds, and the district moves the center as part of a collaborative project agreement between two (2) or more school districts, then the Kentucky Department of Education may, subject to approval by the commissioner of education, distribute the general funds designated for the district's locally operated secondary area center to the district for the purpose of supporting the collaborative project for the district's full-time equivalent students in Category II and III programs.

- (b) If the commissioner of education approves the distribution of funds under paragraph (a) of this subsection:
1. For the first year of the collaborative project agreement, the department shall distribute an amount equal to the final allotted amount of general funds from the prior fiscal year designated for the district's locally operated secondary area center; and
 2. For any successive year of the collaborative project agreement, the department shall calculate the amount of general funds to distribute pursuant to subsections (2) and (3) of this section. The amount distributed shall not exceed the amount distributed under subparagraph 1. of this paragraph.
- (5) ***If a local board of education assumes authority for the management and control of a state-operated secondary vocational education and technology center for the 2020-2021, 2021-2022, or 2022-2023 academic year and notifies the Kentucky Department of Education of the planned transfer on or before December 31, 2021:***
- (a) ***For the first year under the management and control of the local board of education, the locally operated center shall receive funding in an amount equal to one hundred percent (100%) of the annual state general fund appropriation allocated to the center for on-site direct costs for the most recent fiscal year under state management and control, including any amount allocated directly to the local district for use of district-owned facilities;***
 - (b) ***For each fiscal year thereafter, the center shall receive seventy-five percent (75%) of the amount allocated to it under paragraph (a) of this subsection;***
 - (c) ***The remaining twenty-five percent (25%) of funds previously allocated to a center as described in paragraph (b) of this subsection shall annually be allocated, in accordance with the formula described in subsection (2) of this section, to locally operated secondary area centers and vocational departments that did not receive state supplemental funds under subsection (2) of this section and were not otherwise appropriated funds by the General Assembly for the current fiscal year;***
 - (d) ***If no locally operated secondary area centers and vocational departments are eligible for funding under paragraph (c) of this subsection, the remaining twenty-five percent (25%) of funds shall be allocated, in accordance with the formula described in subsection (2) of this section, to all locally operated secondary area centers and vocational departments that received funds for the current fiscal year; and.***
 - (e) ***Locally operated centers described in paragraph (a) or (b) of this subsection shall not receive additional funds under paragraph (d) of this subsection.***

➔Section 2. KRS 156.844 is amended to read as follows:

- (1) (a) A local board of education may submit a request to the commissioner of education to assume authority for the management and control of a state-operated secondary vocational education and technology center. Upon agreement between the commissioner of education and the local board of education for the transfer of a state-operated secondary vocational education and technology center, all personnel, equipment, and supplies shall be transferred to the local board of education and shall be utilized for the operation of the locally operated vocational center.
- (b) ***Beginning with the effective date of this Act, if a state-operated secondary vocational education and technology center serves more than one (1) school district, any agreement under paragraph (a) of this subsection shall require the local board to continue to serve the additional school district or districts through a memorandum of understanding. The executed memorandum of understanding shall be submitted to the commissioner of education at the same time as the request to assume authority for management and control of the state-operated secondary vocational education and technology center.***
- (2) A certified employee who is affected by a transfer to the local board of education under subsection (1) of this section shall be granted a one (1) year limited contract by the local board of education, ***except as provided in subsection (5) of this section***, and shall be employed on the local district salary schedule. A classified employee shall be guaranteed employment equal to his or her present status for at least one (1) complete school term, ***except as provided in subsection (5) of this section***. A transferred employee shall be provided the benefits of comparable employees in the district and shall be subject to all rules and policies of the local board

of education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the district for any other employee in the district during a contract period.

- (3) A transferred employee who has accrued annual leave and compensatory time shall be paid a lump sum for the accrued time at the effective date of the transfer by the Department of Education. The employee shall be granted credit for accrued sick leave up to the maximum allowed for transfers of teachers between school districts. Sick leave credit shall be awarded to a classified employee based on the local board policy. Any excess sick leave that a classified or certified employee has earned that the district will not accept in the transfer may be requested to be held in escrow by the appropriate state personnel system under KRS Chapter 18A or KRS 156.800 to 156.860, and the sick leave balance shall be restored to the employee if the employee returns to a state government position.
- (4) An employee who is to be transferred to a local board of education under provisions of this section but who chooses not to accept a one (1) year limited contract with the board shall be separated from the state system and the employee's position shall be abolished. The employee may apply for any state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the vocational education and technology center. An employee who refuses a contract with the local board shall be provided a lump-sum payment for accrued annual leave and compensatory time, and the employee's sick leave balance shall be placed in escrow by the appropriate state personnel system under KRS Chapter 18A or KRS 156.800 to 156.860. The sick leave balance shall be restored to the employee if the employee returns to a state government position.
- (5) A certified employee~~[, other than a principal,]~~ who has earned continuing status in the state certified personnel system under KRS 156.800 to 156.860 ~~shall~~~~[may]~~ be granted *a continuing service contract as defined in KRS 161.720 upon transfer to a local board of education under subsection (1) of this section*~~[tenure under the provisions of KRS 161.740(1)(c)]~~. A principal *who has earned continuing status prior to transfer shall*~~[may]~~ be granted *a continuing service contract*~~[tenure as a teacher]~~, but the provisions relating to demotion of the principal under KRS 161.765 shall apply. *A classified employee who has four (4) years of continuous active service in the state certified personnel system under KRS 156.800 to 156.860 at the time of transfer shall be offered an employment contract at the time of transfer that shall be considered a continuing service contract as defined in KRS 161.720 for a minimum of five (5) complete school terms.*
- (6) An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Kentucky Teachers' Retirement System.
- (7) After the effective date of the transfer, the local board of education shall receive funding for the support of the local board of education center operations pursuant to KRS 157.069. In addition, the local board of education shall receive one hundred percent (100%) of the Support Education Excellence in Kentucky program funds from the Department of Education that are generated from students enrolled in the center.

➔Section 3. Whereas Section 1(5) of this Act codifies previously non-codified actions of the General Assembly set forth in Ky. Acts ch. 92, Section 1(5) of this Act shall be retroactive to April 15, 2020.

➔Section 4. Whereas the provisions of this Act require timely enactment to provide for the administration of and budgeting for locally operated secondary area centers, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor March 18, 2021.