

KENTUCKY CAREER AND TECHNICAL EDUCATION TASK FORCE

Minutes of the 4th Meeting of the 2019 Interim

September 11, 2019

Call to Order and Roll Call

The 4th meeting of the Kentucky Career and Technical Education Task Force was held on Wednesday, September 11, 2019, at 10:00 a.m. in Room 129 of the Capitol Annex. Representative Bobby McCool, Co-Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Bobby McCool, Co-Chair; Senators David P. Givens, Jimmy Higdon, and Johnny Ray Turner; Representative Kevin D. Bratcher; and Steven Thomas.

LRC Staff: Jo Carole Ellis, Yvette Perry, Lauren Busch, Seth Dawson, Chuck Truesdell, and Christal White.

Approval of Minutes – August 21, 2019

On a motion by Representative Bratcher and a second by Senator Turner, the minutes of the August 21, 2019, meeting were adopted.

Shared-Time Technology Centers: A Study of Six State Funding Systems

Stephen Pruitt, Ph.D., President, Southern Regional Education Board (SREB), introduced staff members Debra Lamothe, School Improvement Leadership Coach, and Lee Posey, Vice President for State Services. Dr. Pruitt presented the “Shared-Time Technology Centers – A Study of Six State Funding Systems” report.

SREB provided an overview of Career and Technical Education (CTE) funding mechanisms from states that either border Kentucky or operate several shared-time technology centers. With Kentucky being the only state to develop state-centered CTE programs through Area Technology Centers (ATCs), Dr. Pruitt said finding a comparable state was challenging. The report offers a brief discussion of the importance of CTE and a review of each state’s CTE programs - fast facts, labor market snapshots, CTE facts, Perkins eligible agency and annual funding, each state’s funding method, additional notes on funding, and considerations for review.

The complete report, “Shared-Time Technology Centers – A Study of Six State Funding Systems” and the power point presentation may be accessed at

<https://apps.legislature.ky.gov/CommitteeDocuments/329/> by selecting the following options: Committees/Special Committees/ KCTE/Meeting Materials.

By 2020, Dr. Pruitt said SREB has determined the dependent portion of the population, defined as children through traditional college-age young adults and people who qualify for Social Security and Medicare, is expected to nearly equal the working-age population, those between the ages of 25 and 64. In 2017, the dependent population represented 48 percent of SREB's regional population and predictions indicate that by 2030, for every 51 dependent people, only 47 working-age adults will provide for or contribute to economic viability.

With automation changing the workplace, it is important to consider the needs of the future workforce and develop learning experiences that will prepare young people with anticipated competencies. Five percent of Kentucky's jobs are completely automatable and 44 percent of all work activities have automation potential. The top five potential industries are food preparation and serving, sales, office and administration, production, and transportation. SREB determined that without action from state and business leaders some 1.9 million workers in Kentucky could be affected by automation in the coming decades.

Dr. Pruitt said high-quality CTE programs must be relevant to specific areas, require effective training in project-based learning and rigorous coursework, and actively involve employers in the training and education of youth. The Kentucky Department of Education (KDE), the Workforce Innovation Boards, and an incredible data system provide a great opportunity for partnership.

Critical aspects of a high-quality CTE include access and equity in securing and leveraging resources to close CTE opportunity gaps, working with regional stakeholders to expand geographic access to CTE, and dismantling barriers that prevent learners from entering CTE programs. Common barriers may include geography and availability, funding and resources, at-home factors, academic preparation, awareness and advising, cultural awareness, and physical and learning disabilities.

CTE funding methods fall into one of three categories. 1) The "Foundation Funding Only" approach is used in local CTE programs financed out of general state aid formulas that provide no earmark for CTEs; 2) "Funding for Shared-Time Technology Centers" provides dedicated funds to support programming at high schools or community technical colleges and is supported through specific earmarking through a funding formula; and 3) "Categorical Funding" is funding dedicated for CTE programs distributed to local education agencies or institutions of higher education to support career-related instructional services and may include student-based, cost-based, and/or unit-based formulas.

The states reviewed in the report, Arkansas, Indiana, Ohio, Oklahoma, South Carolina, and West Virginia, use a combination of these approaches to fund CTE programs.

Arkansas provides a total categorical state funding for CTE of \$20,136,383 with 28 local education agencies and 21 locations on postsecondary campuses. Funding flows from the state to the centers through vocational center aid and training fees. Vocational center aid is based on enrollment during the previous school year. In Arkansas, each school district annually distributes a fixed-rate of \$3250 for full-time equivalent (FTE) students attending a secondary career center. Allocations are capped at 60 percent if more than 60 percent of students come from a single high school and funds are distributed based on actual enrollments per semester. The Arkansas Office for Skills Development (AOSD) reimburses the districts for funds distributed to secondary career centers for the previous school year, amounting roughly to \$10 to \$11 million annually. School districts benefit from receiving quarterly payments; however, legislative audit issues arise due to accounts not being reconciled until the end of the school year. The AOSD disburses \$9 to \$10 million to districts to alleviate waiting on funds from the state.

In Indiana, the CTE total categorical state funding is \$130 million. Additional pupil funding for CTE is distributed through a weighted formula based on credit hours and student enrollment in state-approved CTE programs. The regionally managed programs have a differential weighted formula based on labor market data. Programs preparing students for careers in industries that require a more than moderate number of future employees and pay high wages receiving the largest weight. Advanced CTE course funding levels are categorized by value, with high-value programs receiving \$680; moderate value programs receiving \$400; and less than moderate value programs receiving \$200 per credit hour. Other CTE course funding level reimbursements per pupil are \$300 for introductory programs and \$150 for apprenticeship programs, cooperative education courses, foundational, work-based learning, and area participation programs. The complexity of this method is described in detail in the link to the report on page 2.

Ohio's total categorical state funding for CTE is \$290,782,399. All 612 school districts are connected to one of 93 CTE planning districts, using three models: city districts, compacted districts, and Joint Vocational School Districts (JVSD). Each model is based on a regional approach within each district. The majority of city districts are found in larger cities; compact districts are formed of several districts uniting to offer CTE at one of the high schools; and JVSD districts, a consortium of 36 districts supporting four career centers, allow students to elect to attend one-half or one full school day. The JVSD acts as a local education agency with a superintendent, business office, and appointed boards including industry and community members. Each model has the ability to levy additional taxes to support CTE. Tuition per-pupil allocation rates differ among the chosen pathways, ranging from \$1,308 to \$5,192, with the most demanding occupations or the greatest cost of supporting the program being at the top of the scale. A breakdown of each category is provided in the full report.

The total categorical state funding for Oklahoma's CTE is \$20 million and includes a statewide network of 29 technology center districts and 58 campuses. A constitutional amendment established "area vocational-technical schools." Oklahoma Technology Centers act as their own school districts, are created and administered by a local board elected by area voters, and state funding depends on the millage levies approved by district voters. Oklahoma's technology centers are adapting schedules and pursuing additional avenues to provide students the opportunity and flexibility to attend. In the evenings, the centers provide education for 10,000 adults. On a statewide average, technology centers receive about two-thirds of their funding at the local level and the remaining is a mixture of state and federal funds. A separate system within the Oklahoma Department of Education is specific to CTE, similar to what Kentucky had before the merger. In Oklahoma, CTEs are available only to junior and senior students and are not available within high schools buildings. High admission requirements include good attendance, good grades, and no disciplinary issues. Dr. Pruitt said the disciplinary requirement could create a barrier in Kentucky since many students with behavioral issues could benefit the most from CTE. He also said there is a concern with the transfer of credits in Oklahoma due to the difficulty of having dual enrollment at a career center and a community college.

South Carolina's total categorical state funding for CTE is \$20 million. Funds are allocated in support of CTE programs for the cost of equipment, supplies, industry certifications, work-based learning activities, and continuous school improvement strategies. South Carolina has 79 school districts and 27 career centers serving a single district and operated by local boards of education. The district receives federal Perkins funding as well as state CTE funding, and the funds are shared with the career centers. South Carolina's Office of CTE provides local educational agencies with guidance and assistance through administrative provisions for success and compliance. Twelve multi-district career centers serve students from more than one area. Multi-district career centers receive federal funding through consortium agreements with feeder districts and state CTE funding. Federal funding is allocated based on a formula defined by legislation; state funding is allocated based on enrollment in CTE programs; and local school districts and multi-district career centers are required to submit a local application and adhere to state and federal laws and regulations. South Carolina has more ability to shape what goes on in CTE through approvals but are not involved in the day-to-day operations of the schools.

The total categorical state funding for CTE in West Virginia is \$18 million with 22 shared-time county technical centers and 7 multi-county shared-time technical centers. Secondary CTE funds are distributed in four categories: 1) secondary block grants; 2) travel; 3) equipment replacement; and 4) multi-county grant funding. The CTEs are governed by administrative councils made up of superintendents, a county-board member from each participating county, and a representative from the Associate State Superintendent of Schools. Funds are intended to offset the additional costs of providing CTE services, defined by the state as extended employment for instructional and

administrative staff, supplies, instructional materials, equipment, and placement services. To be eligible for block funds, providers must assign oversight of technical programs and those offering more than five CTE programs must appoint a certified program administrator.

SREB provided the following considerations for Kentucky moving forward: 1) determine the characteristics and competencies the workforce of 2035 should possess; 2) select a governance model that drives Kentucky's funding approach and not allow the funding model to determine the state's governance structure; 3) establish goals for CTE program completers; 4) identify criteria for high-quality CTE programs; and 5) address access and equity when determining the funding model.

In response to Senator Higdon's question, Ms. Lamothe said reimbursements are calculated per year, per student, per category identification. Mr. Pruitt said reimbursement rates differentiate depending on the number and value of the categories for which a student may qualify.

Responding to Representative McCool's question, Dr. Pruitt said although state rankings are not available, the "Fast Facts" section in the SREB report offers indicators on percentages of CTE concentrator graduation rates; continuation to postsecondary education; and placement in employment, military, or apprenticeship programs within six months of completion. Dr. Pruitt said comparisons of strengths and weaknesses is difficult due to each states' differences. He said aspects of each of the six states and perhaps states not included in the study may deserve consideration as legislation is written and funding mechanisms are developed. Ms. Lamothe said broadening the selection of the study would have provided differences of various CTE structures and funding mechanisms. With the use of Perkins V dollars, Ms. Lamothe said federal rankings are most likely available to ensure governance and funding structures meet indicators for students.

Senator Turner thanked Dr. Pruitt for the outstanding job in Kentucky and for his dedication through SREB.

Responding to a question by Senator Higdon, Dr. Pruitt said Kentucky is the only state-managed CTE with a robust data system that provides valuable information to ensure funding and governance structures will meet regional needs. The commonality among the states in the SREB study identify regional coordination and management. Business and industry labor markets partnering with workforce development regions as part of a consortium will determine if Kentucky partnerships and priorities are being fully maximized. KDE Associate Commissioner David Horseman said Kentucky has several academies with inter-local district agreements in place.

Responding to Representative Bratcher's request for final words of wisdom, Dr. Pruitt suggested a systemic approach to education and workforce automation. He said

taking a very deliberate look across the board to ensure alignment of federal funding mechanisms with a unified vision to balance the workforce needs for today and the future is crucial. He said the Workforce Innovation Boards, local Chambers of Commerce, and legislators have the ability to ask pertinent questions to determine future workforce expectations for unprepared and unaware students.

Dr. Pruitt said opportunities in Kentucky are incredible due to robust engagement among the General Assembly and KDE through a rare collection of data in Kentucky that is unseen in other states and the ability to identify the top five industries per region. He suggested Kentucky look where our CTE system needs to be, build the pieces, and identify issues to achieve those goals. Dr. Pruitt said it is important to have a unified vision of workforce needs to meet the needs as automation and technology changes and to provide CTE-based skills that evolve as jobs and markets change.

Representative McCool announced the next meeting of the task force will be October 2, 2019.

There being no further business before the task force, the meeting adjourned at 11 a.m.