

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

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

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 KRS 157.069 IS REPEALED AND REENACTED TO READ  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

6 *(1) As used in this section:*

7 *(a) "Approved career and technical education dual credit" means earning a*  
8 *grade of "C" or higher for a Kentucky Department of Education approved*  
9 *career and technical education dual credit course equivalent to three (3)*  
10 *hours of college credit;*

11 *(b) "Administrative operations costs" means costs associated with the*  
12 *operations and staffing of a state-operated area technology center,*  
13 *including but not limited to personnel, facility costs, building utilities and*  
14 *maintenance, and custodial and office supplies;*

15 *(c) "Approved career and technical education pathway" means a four (4)*  
16 *course career and technical education pathway approved by the Kentucky*  
17 *Department of Education that provides a coherent, articulated sequence of*  
18 *rigorous academic and career-related courses within a career and technical*  
19 *education program area, and leads to an associate degree, an industry-*  
20 *recognized certificate or license, or a baccalaureate or higher degree;*

21 *(d) "Concentrator" means a student who has earned at least two (2) credits for*  
22 *no less than two (2) courses in a single career and technical education*  
23 *pathway;*

24 *(e) "Converted career and technical education center" means a center*  
25 *providing locally operated career and technical education for which a local*  
26 *district assumed authority from the state for the management and control of*  
27 *the center during the 2020-2021, 2021-2022, or 2022-2023 academic years;*

- 1        (f) "General-cost career and technical education program" means a career  
2        and technical education program or pathway in which high-cost technical  
3        equipment, materials, or facilities are not required;
- 4        (g) "General-cost full-time equivalents" means the total number of secondary  
5        students enrolled in general-cost career and technical education programs,  
6        multiplied by the number of hours those students are enrolled, and divided  
7        by six (6) hours;
- 8        (h) "High-cost career and technical education program" means a career and  
9        technical education program or pathway in which high-cost equipment,  
10       materials, or facilities are required;
- 11       (i) "Locally operated career and technical education" means a district  
12       program that provides secondary students with one (1) or more approved  
13       career and technical education pathways;
- 14       (j) "State-operated area technology center" means a state-operated secondary  
15       school facility with the primary purpose of offering approved career and  
16       technical education pathways;
- 17       (k) "Technical skill attainment" means earning an industry-recognized  
18       certification, licensure, or credential as identified by the Kentucky  
19       Workforce Innovation Board pursuant to KRS 158.6455(1)(e) or passing an  
20       end-of-program assessment for articulated postsecondary credit as  
21       designated by the Kentucky Department of Education Office of Career and  
22       Technical Education;
- 23       (l) "Weighted high-cost full-time equivalents" means the total number of  
24       secondary students enrolled in high-cost career and technical education  
25       programs, multiplied by the number of credit hours in which those students  
26       are enrolled, divided by six (6) hours, and multiplied by one and one-half  
27       (1.5); and

1 (m) "Work-based learning program" means a cooperative education program,  
2 internship, or registered apprenticeship within the student's chosen  
3 approved career and technical education pathway.

4 (2) The Kentucky Department of Education shall provide funds from the  
5 department's annual general fund appropriation to support the administrative  
6 operations cost of area technology centers and converted career and technical  
7 education centers.

8 (3) For converted career and technical education centers, beginning with fiscal year  
9 2024-2025, the Kentucky Department of Education shall deduct from funds  
10 designated for the area technology centers an amount equal to the administrative  
11 operations costs of each converted career and technical education center in the  
12 amount received by the center in the most recent fiscal year that the center was  
13 under state management and control. The funds for each converted career and  
14 technical education center shall be divided as follows:

15 (a) Seventy-five percent (75%) of the funds shall be sent to the local district that  
16 has assumed management and control of the center; and

17 (b) Twenty-five percent (25%) of the funds shall be sent to the career and  
18 technical education innovation and support fund established in subsection  
19 (4) of this section.

20 (4) (a) There is hereby established in the State Treasury a restricted fund to be  
21 known as the career and technical education innovation and support fund  
22 to receive the funds allocated under subsection (3)(b) of this section. The  
23 fund shall consist of moneys received from state appropriations, gifts,  
24 grants, and federal funds. The fund shall be administered by the Office of  
25 Career and Technical Education. Amounts deposited in the fund shall be  
26 used for:

27 1. Supporting innovation in new or emerging career fields;

- 1           2. Supporting state-operated area technology centers that may  
2           experience hardship or natural disasters;
- 3           3. Personnel costs to provide technical assistance to local districts  
4           providing locally operated career and technical education, including  
5           technical assistance relating to the monitoring and oversight on the  
6           use of supplemental career and technical education funding; and
- 7           4. Any other purposes reasonably related to improving student outcomes  
8           in career and technical education.
- 9           (b) Notwithstanding KRS 45.229, fund amounts not expended at the close of a  
10           fiscal year shall not lapse but shall be carried forward into the next fiscal  
11           year.
- 12           (c) Moneys deposited in the fund are hereby appropriated for the purposes set  
13           forth in paragraph (a) of this subsection and shall not be appropriated or  
14           transferred by the General Assembly for any other purposes.
- 15           (5) Beginning with the 2024-2025 fiscal year and for each fiscal year thereafter, the  
16           Kentucky Department of Education shall distribute to local boards of education  
17           providing locally operated career and technical education and state-operated area  
18           technology centers all general funds designated to supplement career and  
19           technical education programs.
- 20           (a) A local district providing locally operated career and technical education or  
21           a state-operated area technology center shall maintain eligibility for receipt  
22           of federal funding pursuant to the Strengthening Career and Technical  
23           Education for the 21st Century Act, Pub. L. No. 115-224, to be eligible to  
24           receive supplemental funding pursuant to this subsection.
- 25           (b) All supplemental funds distributed pursuant to this subsection shall be used  
26           to improve student outcomes in career and technical education pathways for  
27           students in grades nine (9) through twelve (12), including but not limited to

1 student supplies, resources, materials, and equipment that is designed for  
2 enhanced quality of instruction in a career and technical education  
3 pathway, the purchase and maintenance of industry standard equipment,  
4 assisting students with achieving technical skill attainment, and supporting  
5 career and technical student organization participation.

6 (c) 1. Supplemental funds for career and technical education shall be  
7 divided and allocated to each local district providing locally operated  
8 career and technical education and each area technology center with  
9 sixty percent (60%) dedicated for enrollment-based funding and forty  
10 percent (40%) for incentive-based funding.

11 2. The sixty percent (60%) enrollment-based funding shall be based on a  
12 statewide full-time equivalent calculation of the total weighted high-  
13 cost full-time equivalents and general cost full-time equivalents during  
14 the prior school year.

15 a. The department shall then distribute the enrollment-based funds  
16 for each area technology center or local district providing locally  
17 operated career and technical education based on the center's or  
18 district's proportional share of the combined weighted high-cost  
19 full-time equivalents and general-cost full-time equivalents of  
20 the prior year.

21 b. The department shall distribute the area technology center fund  
22 portion to the respective area technology centers and the local  
23 district fund portion to the respective local districts.

24 c. The department shall classify qualifying programs as either a  
25 high-cost career and technical education program or a general-  
26 cost career and technical education program.

27 3. The forty percent (40%) incentives-based funding shall be based on an

1 annual statewide calculation of the total number of qualifying student  
2 incentives. The calculation shall only use students that are in grade  
3 twelve (12) and use the total incentives earned by those students  
4 during secondary education at a state-operated area technology center  
5 or within a local district. Once a student has been included in a year's  
6 calculation, that student shall not be included in any subsequent  
7 year's calculation.

8 a. Qualifying student incentives for students in their grade twelve  
9 (12) year shall include:

10 i. Reaching the designation of a concentrator;

11 ii. Technical skill attainment;

12 iii. Completing a required number of hours or achieving a  
13 benchmark within a work-based learning program; and

14 iv. Earning an approved career and technical education dual  
15 credit.

16 b. The incentives in subdivision a. of this subparagraph shall be  
17 allotted to the area technology center or local district in which it  
18 was earned. Each type of incentive shall only be counted once  
19 per student at state-operated area technology centers and once  
20 per student at local districts for a maximum of four (4) incentives  
21 per student at state-operated area technology centers and four  
22 (4) incentives at local districts throughout their secondary career  
23 and technical education. For incentive criteria that is achieved  
24 more than once at area technology centers, the incentive shall be  
25 counted for the area technology center where it was first  
26 achieved. For incentive criteria that is achieved more than once  
27 at local districts, the incentive shall be counted for the local

1 district where it was first achieved.

2 c. The department shall distribute incentives-based funds for each  
3 area technology center or local district based on the center's or  
4 district's proportional share of the combined number of  
5 qualifying student incentives achieved by students in grade  
6 twelve (12) at a state-operated area technology center or within a  
7 local district throughout their secondary career and technical  
8 education. The incentives-based funds shall be distributed to the  
9 area technology center or local district in which the incentive  
10 was achieved.

11 d. The department shall distribute the area technology center fund  
12 portion to the respective area technology centers and the local  
13 district fund portion to the respective local districts.

14 (d) There shall be no mid-year adjustment to the allocation of career and  
15 technical education supplemental funding for a center or local district.

16 (e) Notwithstanding the restriction in paragraph (b) of this subsection, a district  
17 may submit a waiver request to the Office of Career and Technical  
18 Education to use a portion of its allocation of supplemental funds for career  
19 and technical education programming for students in grades (5) through  
20 eight (8). The district shall submit a request which details the district's plan  
21 for career and technical education programming for students in grades five  
22 (5) through eight (8). In reviewing the request, the Office of Career and  
23 Technical Education shall consider whether:

24 1. The district details a plan for orientation and exploration of broad-  
25 based industries by giving students knowledge and experience  
26 regarding careers within these industries and exploratory or hands-on  
27 skills used in the industry;

1            2. There is direct alignment between middle and secondary career and  
2            technical education pathways within the requesting district; and

3            3. Such designation of supplemental funding for programming for  
4            students in grades five (5) through eight (8) does not have a  
5            significant detrimental impact on the programming available for  
6            students in secondary grades.

7            (6) The Office of Career and Technical Education shall monitor and provide  
8            oversight of state funds distributed pursuant to this section to ensure that the use  
9            of funding by eligible recipients meets the approved criteria as described in this  
10           section.

11           (7) The Kentucky Board of Education shall promulgate such administrative  
12           regulations in accordance with KRS Chapter 13A as may be needed in the  
13           administration of this section and for disbursement of moneys from the funds.

14           ➔Section 2. Whereas it is critical to ensure that funding for career and technical  
15 education reflects student enrollment and successful outcomes in workforce preparation,  
16 an emergency is declared to exist, and this Act takes effect on July 1, 2024.