



## A Funding Analysis of Kentucky's Career and Technical Education System

KY CTE Advisory Committee



THOMAS P. MILLER & ASSOCIATES

June 3, 2015

# First Things First

- I. Current KY CTE Funding Policies
- II. Adequate and Equitable CTE Funding
- III. A Unified, World-Class CTE System
- IV. Critical Questions
- V. Recommendations



# Current Kentucky CTE Funding Policies



# Federal CTE Funding (Perkins) 2013-14

## **\$15,219,800 – Basic Grants**

\$7,720,598 – Secondary CTE programs (51%)

\$7,499,202 – Post Secondary CTE programs (49%)

## **\$895,282 – State Administration**

\$845,282 – KDE Central Office

\$50,000 – KCTCS

## **\$1,790,565 – State Leadership**

\$494,500 – Curriculum

\$305,000 – Professional Development

\$176,315 – Sector Work (Summer Institutes)

\$110,000 – State Institutions

\$60,000 – Nontraditional (required)

**\$17,905,647 Total**



# Federal CTE Funding (Perkins) 2013-14

## **\$15,219,800 – Basic Grants**

**\$7,720,598 – Secondary CTE programs (51%)**

\$7,499,202 – Post Secondary CTE programs (49%)

## **\$895,282 – State Administration**

\$845,282 – KDE Central Office

\$50,000 – KCTCS

## **\$1,790,565 – State Leadership**

\$494,500 – Curriculum

\$305,000 – Professional Development

\$176,315 – Sector Work (Summer Institutes)

\$110,000 – State Institutions

\$60,000 – Nontraditional (required)

**\$17,905,647 Total**



# State CTE Funding 2014-15

<b>SEEK</b>	<b>\$17, 331,366</b> – ATCs for personnel <b>\$4,142,534</b> – 20% local districts owning buildings <b>\$1,393,000</b> – KCTCS for serving secondary students
<b>General Fund</b>	<b>\$12,368,500</b> – State Grants \$11,843,500 – Local Career & Tech Centers \$275,000 – Energy Technology \$250,000 – Regional Tech HS/Early College <b>\$21,733,100</b> – Personnel \$19,000,000 – Area Technology Centers \$2,733,100 – Central Office (Frankfort) <b>\$4,774,500</b> – Operations \$3,721,455 – Area Technology Centers \$1,053,045 – Central Office (Frankfort)

# State CTE Funding 2014-15

## State Operated Area Technology Centers ATCs

**\$17,331,366 – SEEK Fund – ATC personnel**  
**\$19,000,000 – General Fund – ATC personnel**  
**\$3,721,455 – General Fund – ATC Operations**  
**\$4,142,534 – SEEK Fund – *To local districts that own ATC buildings***

**\$44,195,355 - State Funding for ATCs**

## Locally Operated Career & Tech Centers & Vocational Depts CTCs

**\$11,843,500 – General Fund – *Some schools receive additional state funds for Energy Technology and Early College pilot projects***

**\$11,843,500 - State Funding for CTCs**



# State CTE Funding 2014-15

## State Operated Area Technology Centers ATCs

- All funds managed by the state
- State funding distributed by FTE based on Oct 1 program enrollment estimates
- 91% of state funding for Personnel
- ATC employees are state employees
- Facility/utility costs covered by local schools

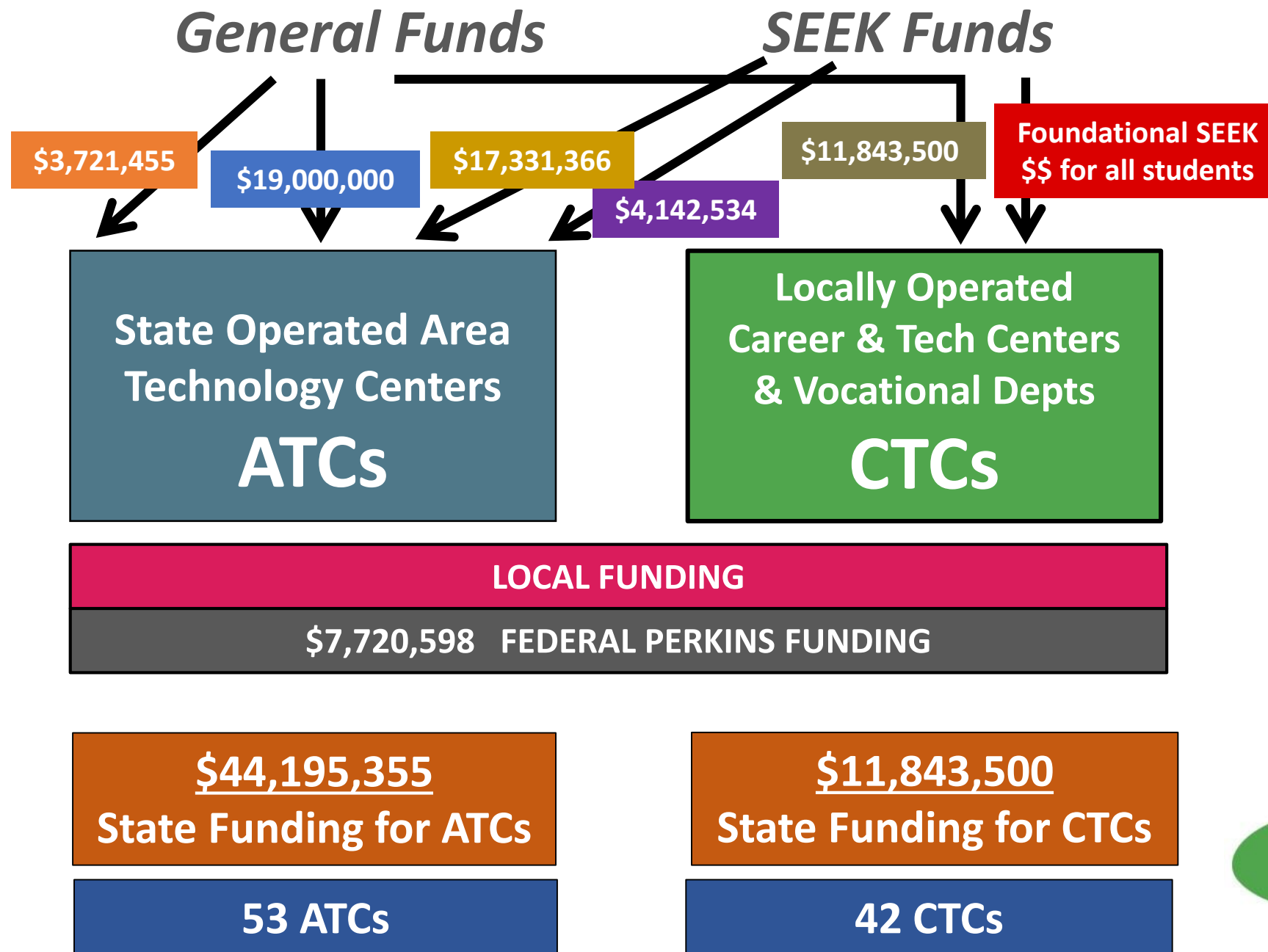
## Locally Operated Career & Tech Centers & Vocational Depts CTCs

- All funding managed locally
- State funding distributed by FTE calculation of student enrollment & attendance in designated course categories weighted based on costs of CTE program & operation





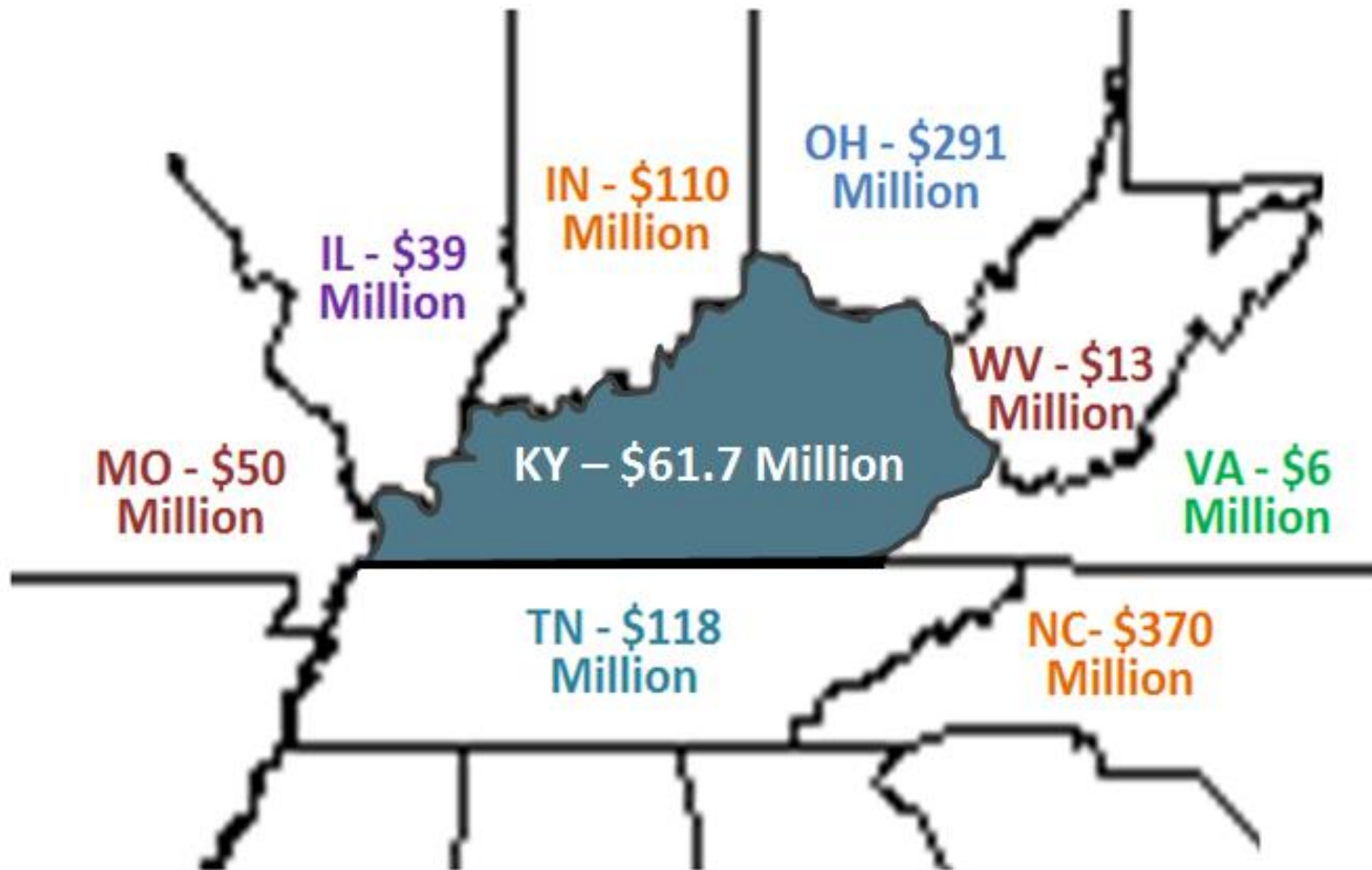
# State CTE Funding 2014-15



Floyd County ATC – Supplies Budget	
Air Conditioning Technology	\$10,000
Automotive Technology	\$12,000
Business & Marketing Education	\$5,000
Construction Carpentry (2 programs @ \$12,000)	\$24,000
Electrical	\$10,000
Health Science (2 programs @ \$7,000)	\$14,000
Information Technology	\$5,000
Welding Technology	\$15,000
Math	\$2,000
General Maintenance/Office Supplies	\$10,000
Total Supplies Budget Needs	\$107,000
Actual Allocation	\$30,155
Supplies Budget Shortfall	<u>\$76,845</u>

Ballard County CTC	
Salaries	\$519,938
Benefits	\$14,682
Facilities/Utilities	\$70,817
Equipment/Supplies	\$10,264
Course materials	\$11,072
Software	0
Other supplies	\$3,814
Prof. Dev.	\$5,969
Total Budget Needs	\$636,556
Actual Allocation (\$90,821 State/\$14,508 Federal)	\$105,329
Budget Shortfall (Local Board)	<u>\$531,227</u>

# State CTE Funding - KY vs Other States



# State CTE Funding Mechanisms

*State Strategies for Financing Career and Technical Education*

- 1. Foundational Funding**
- 2. CTE Center Funding**
- 3. Categorical Funding**



# State CTE Funding Mechanisms

*State Strategies for Financing Career and Technical Education*

## 1. Foundational Funding

## 2. CTE Center Funding

## 3. Categorical Funding

- **Student-Based (KY)**

- ✓ *Determined by CTE enrollments*

- ✓ *For CTCs, additional weight if:*

- *Category II – Technical Skill Program (X 1.0)*

- *Category III – High Cost Tech Skill (X 1.5)*

- **Unit-Based**

- **Cost Reimbursement**



# Adequate and Equitable CTE Funding



# Adequate Funding

- **SEEK Court Decision definition of “Adequate”**

*...providing sufficient funding for each school in the state to deploy powerful enough educational strategies to meet the state’s...goals which are to have all students performing at or above the proficiency level on the state’s student testing system.*



# Adequate Funding

## **Interviewee/Survey Respondent Definitions:**

- *The amount [of funding] needed to operate and maintain a technical skills program to train students with the materials and equipment valued by regional business and industry*
- *Aligning technical education with industry standards*
- *Enabling centers to provide the latest technology and resources for students to be successful in either continued education or entering the workforce*
- *All equipment and supplies necessary for the student to be judged career ready, especially by the industry*





# Most Critical Funding Priorities

	Priority	Gap
Equipment	1	2
Curricular/course materials	2	
Teacher salaries and benefits	3	1
Computer/technology hardware	4	
Facilities/utilities	5	3
Software	6	
Student assessments/certifications	7	
Professional development/training	8	
CTE student orgs/events	9	
Other	10	



# Additional Challenges

## ✓ **Budget Limitations**

- Caps discourage new programs, higher enrollments
- Lack of guidance on funding priorities
- LAVEC funding has not kept up with growth
- CTC and voc center leaders feel funding is “bare bones”

## ✓ **CTC Biannual Budgeting Process**

- Budget planning required twice each year
- Creates unpredictability



# Equitable Funding

- MANY definitions
- SEEK funding addresses equitability across districts and counties
- Funding variances between CTCs and ATCs give the appearance of inequity



# Equitable Funding

## **Interviewee suggestions:**

- *Base funding on student enrollment*
- *Use an “estimated cost average” across the state*
- *Consider performance-based funding*



# Equitable Funding

## Survey respondent's suggestions:

- *CTCs and ATCs should receive the same amount of support regardless of their district...the calculations should be...based on the same funding formula*
- *...prorate the distribution. I would set up amounts according to the amount of industry within a community [and] amounts spent on each CTE program*
- *Base it on population number of students served and numbers of students earning certifications*



# A Unified, World-Class CTE System



# World-Class CTE System Components

1. Rigorous academic learning
2. Rigorous technical skill development
3. Employability skills development
4. Work-based learning experiences
5. Opportunities for earning college credits, post-secondary credentials and industry certifications
6. Engaging students in pathways
7. Student supports
8. Instructor supports
9. Financial and material supports
10. Dynamic vision
11. Action planning
12. Accountability and incentives



# World-Class CTE System Components

1. Rigorous academic learning
2. Rigorous technical skill development
3. Employability skills development
4. Work-based learning experiences
5. Opportunities for earning college credits, post-secondary credentials and industry certifications
6. Engaging students in pathways
7. Student supports
8. Instructor supports
9. Financial and material supports
10. Dynamic vision
11. Action planning
12. Accountability and incentives





# World-Class CTE System Components

2. Rigorous technical skill development
3. Employability skills development
5. Opportunities for earning college credits, post-secondary credentials and industry certifications
6. Engaging students in pathways
7. Student supports
8. Instructor supports
9. Financial and material supports
12. Accountability and incentives



# World-Class CTE System Components

- 6. Engaging students in pathways
- 9. Financial and material supports



# World-Class CTE System Components

## 6. Engaging Students in Pathways

- Because state funding levels for technical centers are fixed, adding or expanding pathways pulls funding from all other programs
- Financial resources are needed to expand enrollments in existing pathways and build new pathways in schools and centers around the state
- Critical



# World-Class CTE System Components

## 9. Financial and Material Supports

- Funding for teacher salaries, equipment (purchasing new & maintaining current equipment) and basic facility operation and management are the most frequently mentioned needs of ATCs, CTCs & schools
- Interviews and survey responses point to a significant need for higher levels of state funding for new equipment, equipment and material upgrades, ongoing support for maintenance and higher state funding to cover facility and operations costs
- Critical



# Critical Questions



## Critical Questions

1. How much additional state funding is required to reach adequate funding levels for Kentucky's CTE programs?
2. What changes are needed to equitably fund both locally operated tech centers (CTCs) and state operated centers (ATCs)?
3. What gaps in instruction, support or leadership should become state priorities?



## Critical Questions

4. How committed is KY to a unified world-class CTE system?
5. How can innovation and expansion of high quality CTE programs be achieved given state budget limitations?
6. What is the state's responsibility for funding CTE vs local support from business, industry and community?



# Recommendations





# Recommendations

1. **Base funding for Career and Technical Education on state goals and business and industry needs**
2. **Convene a committee to explore ways of funding state operated and locally operated centers equally**
3. **Provide adequate funding for CTE in order to accomplish state determined priorities**



## Recommendations

4. Create a proactive, intentional process of funding large equipment purchases and maintaining/upgrading current equipment
5. Allow locally operated centers and schools to set a budget for the entire school year
6. Consider an additional per-pupil funding formula weight tied to state-prioritized occupational and program areas based on state and regional industry needs



# Recommendations

## 7. Explore CTE performance funding



# Questions/Comments



# THANK YOU

**Matt Fleck, TPMA Senior Advisor**

[mfleck@tpma-inc.com](mailto:mfleck@tpma-inc.com)

(317) 748-0108

**Owen McNeill, TPMA Project Manager**

[omcneill@tpma-inc.com](mailto:omcneill@tpma-inc.com)

(502) 753-9383



