

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Waiver of Section 5(2) of 705 KAR 2:140, Equalization of funding for locally-operated area vocational centers and vocational departments

Date: July 2020

Action Requested: ☐ Review ☐ Action/Consent ☒ Action/Discussion

Held In: ☒ Full Board ☐ Curriculum, Instruction and Assessment ☐ Operations

SUMMARY OF ISSUE BEFORE THE BOARD:

To request a waiver of section 5(2) of administrative regulation 705 KAR 2:140, in light of COVID-19 and the potential funding impact on local school districts. Pursuant to KRS 156.852, the Kentucky Board of Education (KBE) is vested with the authority to carry out all purposes of Career and Technical Education (CTE) programs and the provisions of the Acts of Congress related thereto.

APPLICABLE STATUTE OR REGULATION:

KRS 156.852, 157.069

BACKGROUND:

Existing Policy:

Beginning in 2001, KRS 157.069 established a general fund appropriation, funding formula and eligibility criteria for locally-operated area vocational centers (LAVECs) or vocational departments in Kentucky. 705 KAR 2:140 then was promulgated by the KBE to further define the funding formula and the process for distribution of appropriated funds to local school districts. Currently, there are 43 LAVECs that receive state supplemental funding pursuant to this statute and administrative regulation.

Summary of Issue:

Provisions within Section 5 of this administrative regulation require the Kentucky Department of Education (KDE) to notify a local school district of its tentative LAVEC allocation for the following school year by June 30 of each year. Pursuant to this requirement, the KDE has provided all 43 of the currently-funded LAVECs with their 2020-2021 tentative allocations. The regulation then requires that final allocations shall be determined by January 1, based on current year full-time equivalent (FTE) enrollments with adjustments made for new programs.

The KDE Office of Career and Technical Education proposes a waiver of Section 5(2) of this regulation that establishes the requirement for final allocation adjustments by January 1. Should this waiver be granted, funded school districts would receive their June 30 allocation for the entire 2020-2021 year, with no mid-year adjustment. Mid-year adjustments often create the possibility for districts to take major funding cuts in the middle of the academic year, due to changes in program offerings from other LAVEC schools that are outside of their control. This waiver would eliminate LAVEC budget uncertainties for the 2020-2021 academic year and allow

school districts to know their final budget prior to the start of the school year. In light of the continued impact of COVID-19 and other potential budget reductions that may be looming, this waiver provides necessary support to districts during this time of crisis.

Budget Impact:

The proposed waiver of Section 5(2) of 705 KAR 2:140 has no fiscal impact on state funds and removes budget uncertainties for the local school districts impacted during the 2020-2021 academic year.

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:

This waiver proposal was presented to the Career and Technical Education (CTE) State Advisory Committee at its regular meeting on June 9, 2020. Members of the committee expressed support for the waiver request to the KBE.

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