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## Your Question:

You asked:

- How does state CTE funding flow?
- What accountability measures have states set up to ensure schools offer high quality CTE?

## Our Response:

This response addresses CTE funding on pp. 1-3 and CTE accountability on pp. 3-6.

### CTE Funding

The funding landscape for CTE programs in states is a web of both federal and state policies, intersecting on many fronts. These policies are constantly shifting and evolving as states create and refine their CTE programs.

In 2016, 42 states carried out a total of 139 policy actions relevant to CTE, including laws, executive orders, board of education actions, budget provisions and ballot initiatives ([ACTE and Advance CTE](#)). The action of 28 of those 42 states centered on how CTE programs are funded.

### Overlap with Federal Funding

There are two main federal initiatives for CTE programs – Perkins and the Workforce Innovation and Opportunity Act (WIOA). Although Perkins failed to be reauthorized this year, Perkins IV (passed in 2006) authorizes five main programs, including the Basic State grants, the Tech Prep grant program, the Tribally Controlled Postsecondary Career and Technical Institutions grant program, National Programs, and Occupational and Employment Information. The Basic State grants comprise of over [90 percent of Perkins appropriated funds](#).

WIOA offers states opportunities to align workforce programming and funding sources with secondary and postsecondary CTE delivery systems. Specifically, WIOA encourages states to use common performance measures across core programs and to share data, coordinate career pathway development and leverage workforce development boards to set the workforce development and training agenda at the state level.

### Additional data & links

State Policies Impacting CTE:  
2016 Year In Review  
[http://www.acteonline.org/uploadedFiles/Resources/Publications/2016\\_State\\_Policy\\_Review.pdf](http://www.acteonline.org/uploadedFiles/Resources/Publications/2016_State_Policy_Review.pdf)

State Strategies for Financing Career and Technical Education, U.S. Department of Education (RTI International)  
[http://s3.amazonaws.com/NCICTE/pdf/NCICTE\\_CTE\\_Finance\\_Study.pdf](http://s3.amazonaws.com/NCICTE/pdf/NCICTE_CTE_Finance_Study.pdf)

ACTE 50 state profiles on CTE programs:  
<https://www.acteonline.org/stateprofiles.aspx>

## **State Funding Action**

In 2016, 28 states took action to financially support CTE activities, including new sources of funding, redirected funds, scholarships and incentives. New grant programs supporting CTE were established in several states, including California, Massachusetts, and Oregon.

[This report](#) from the U.S. Department of Education provides an overview of the various methods states use to fund CTE programs. There are two main ways in which states allocate money to CTE programs: categorical funding at the k-12 level and at the postsecondary level, each divided into multiple subsets.

### **FUNDING FOR CTE PROGRAMS USING STATE K-12 FUNDING FORMULAS**

There are three ways that states fund CTE at the K-12 level:

1. Student-based formula (21 states)—Funds are distributed relative to the number of CTE students enrolled in an LEA. States typically use one of three approaches: (1) proportional allocations, in which LEAs or programs receive a funding allocation relative to the number of students enrolled; (2) weighted student funding, which provides supplemental funding for CTE students in state basic aid formulas; and (3) differential weighting, which allocates funding for CTE students based on the program type in which they participate or to align with state instructional priorities.
2. Unit-based formulas (seven states)—Allocations are based on a set of educational inputs used to deliver CTE services, such as the number of instructors or administrators employed by an LEA or the equipment used to deliver instruction.
3. Cost-based formulas (nine states)—LEAs are compensated for CTE services based on their actual reported costs from the prior academic year. States may cap or limit the rate at which eligible expenses are reimbursed, meaning that only a portion of an LEA's expenditures may be covered.

### **FUNDING FOR CTE PROGRAMS AT THE POSTSECONDARY LEVEL**

There are two ways that states fund CTE at the postsecondary level:

1. Student-based formulas (two states)—As in secondary education, states use this approach to distribute funds based on the number of students enrolled in CTE programs. Both states weight CTE student participation according to program type.
2. Unit-based formulas (three states)—Three states tie state funding to CTE instructional units as a way to fund the differential costs of course delivery. An instructional unit is defined as the ratio of CTE instructors to student credit hours.

## **ONLINE CTE PROGRAMS**

While some states fund students who are primarily enrolled in online education differently than students who are enrolled in a brick-and-mortar school, there is little evidence that this differentiation carries over to CTE programs. For example, Colorado applies a slightly lower base per-pupil funding amount to online students in its K-12 funding formula. For CTE education, the state reimburses LEAs for CTE expenses, above what is covered in the state funding formula.

Many community colleges offer a hybrid of online and in-person CTE programs, but there is little evidence that hybrid or online CTE programs receive a different amount of state funding than purely in-person programs. For example, in Pennsylvania, Lehigh Carbon Community College offers a blend of online and on-site courses at the LCCC campus. However, regardless of the makeup of online vs. in-person courses, CTE courses receive an additional 1.5 weight per FTE.

## State Examples

### TEXAS

[Texas](#) is one of the 21 states which uses a student-based formula to fund CTE students at the K-12 level. Specifically, Texas uses a weighted funding system for CTE students, which provides supplemental funding for CTE students in state basic aid formulas. Each FTE CTE students in grades 9-12 generates an annual allocation of 35 percent more than the FTE base amount.

At the postsecondary level, Texas ties state funding to the CTE instructional costs to account for differences in programs costs. Institutions are funded through a weighted contact hour formula that differs by program type, which the state determines by calculating the median cost per contact hour based on data from 26 programs offered across all institutions.

### NEW JERSEY

[New Jersey](#), along with seven other states, funds CTE through CTE centers at the secondary level. Under this model, one CTE center can serve multiple schools or even multiple school districts. The state also provides an additional 31 percent for students attending area CTE centers.

### MINNESOTA

[Minnesota](#) reimburses local LEAs for their CTE expenses from the prior year. Districts report their actual costs for CTE programs each year with the expectation that they will be reimbursed for all or a portion of these expenses. Minnesota provides categorical state funding to reimburse LEAs for their program costs. Cost-reimbursement funding is dependent on the availability of state funds, meaning that most states reimburse LEAs for only a percentage of their prior year's expenditures.

In Minnesota, programs are eligible for reimbursement of up to 35 percent of approved expenditures from the previous school year. Approved expenditures include instructional salaries, contracted services, travel, curriculum development, and instructional supplies.

## CTE Accountability

### State Approaches to Ensuring Quality

We recommend [this testimony](#) that proposes ten key state policy actions to ensure quality CTE programs.

### Career & Technical Education in State Accountability Systems

As states complete and submit their ESSA state plans, Education Commission of the States has tracked the indicators selected to measure school quality/student success (SQSS, or fifth indicator) in state accountability systems. College and career readiness-related (CCR) measures are a common selection for high school SQSS indicators, and these often include some measure of participation in CTE.

Education Commission of the States has recently collected 50-state information on states' accountability statutes and regulations, as well as their accountability systems as described by ESSA plan submissions. Below we have provided the common ways states incorporate CTE into their accountability systems, based on our most recent

review of state ESSA plans. We have also provided state examples of college and career readiness indicators that include CTE both in current policy and ESSA plans.

Based on Education Commission of the States' review of the most recent, publicly available ESSA plans, states incorporate CTE participation into CCR indicators using the following measures of CTE participation and achievement:

- **Successful completion of the ACT WorkKeys** – At least five states (AL, AK, AR, NM, NC)
- **Completion of CTE courses, a career program of study, or a career pathway** – At least 13 states (AZ, CT, GA, KY, MI, MS, MT, NH, NM, SD, UT, VT, WY)
- **Earning industry recognized certification or credential** – At least 15 states (AZ, DE, GA, ID, IL, IN, LA, MD, NC, OH, RI, SD, TN, TX, WY)
- **Completion of an internship, apprenticeship, or work-based learning program** – At least six states (AZ, DE, GA, ID, IL, MD)

### State Examples of CTE in Accountability – Current Policy

#### **MINNESOTA - M.S.A. § 120B.35**

The school accountability system must report on the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities, including whether students have successfully completed, among other measures of college and career readiness, industry certification courses or programs.

#### **TEXAS - V.T.C.A., EDUCATION CODE § 39.053**

In its current accountability system for determining school and district performance, Texas incorporates several measures of high school student participation in CTE:

- Students earning industry certifications;
- Students admitted into postsecondary industry certification programs that require as a prerequisite for entrance successful performance at the secondary level;
- The percentage of students who completed a coherent sequence of career and technical courses.

### State Examples of CTE in Accountability – ESSA Plans

#### Delaware

Delaware's CCR indicator includes a college preparedness option and a career preparedness option, as well as optional bonus points. The Career Preparedness option includes CTE measures:

- College Preparedness:
  - AP (3 or better)
  - IB (4 or better)
  - Postsecondary credit attainment with a B or higher outside of a state-approved program of study
  - SAT College- and Career-Readiness Benchmark (SAT Essay)
- Career Preparedness:
  - **DDOE-approved industry credential**
  - Certificate of Multiliteracy: high school students (grades 9-12) who have attained high levels of proficiency in one or more world languages in addition to English; based on any nationally recognized assessment of language proficiency such as AAPPL, AP World Language and Culture, or IB Language exam, in conjunction with demonstration of English proficiency (Smarter/SAT score of 3+, ACCESS score of 5.0)

- Postsecondary credit attainment with a B or higher within a state-approved program of study
- **Successful completion of an approved co-operative education and/or work-based learning extension**
- Armed Forces Vocational Aptitude Battery (ASVAB) AFQT score of 50+
- Bonus: College and Career Preparedness Option: One college *and* one career preparedness option from above will receive bonus points.

### Arizona

Arizona's college and career readiness indicator awards points for certain CTE measures:

College and Career Readiness Rubric

Indicator Points	Indicators
1.25	Earns a Grand Canyon Diploma or International Baccalaureate Diploma- <b>Blue</b>
1.25	Completes a CTE sequence and passes the Arizona Technical Skills Assessment for that sequence - <b>Red</b>
.5 per exam	Passing score on AzMERIT Algebra 2 or ELA 11 - <b>Blue</b>
.35 per exam	Meets cut score on ACT English, math, reading or science exam- <b>Blue</b>
.5 per exam	Meets cut score on SAT English or math exam - <b>Blue</b>
.5 per exam	Meets cut score on any AP exam - <b>Blue</b>
.3	Completes the FAFSA - <b>Red</b> or <b>Blue</b>
.5 per course	Passes a college level career pathway (CTE) course for which college credit can be earned with an A, B, or C (i.e. dual enrollment and concurrent enrollment) - <b>Red</b>
.5 per course	Passes a college level English, math, science, social studies, or foreign language course for which college credit can be earned with an A, B, or C (i.e. dual enrollment and concurrent enrollment) - <b>Blue</b>
.25 per course	Completes a CTE course with an A, B, or C (outside of completed sequence referenced above) - <b>Red</b>
.5	Meets benchmarks for ASVAB - <b>Red</b>
.5	Meets benchmarks for ACT WorkKeys - <b>Red</b>
.35 per exam	Meets cut score on ACCUPLACER, ALEKS, COMPASS (or any nationally recognized college placement exam currently used by an Arizona institution), or Cambridge IGCSE English, reading, writing, math, social studies, science, or foreign language exam - <b>Blue</b>
.5 per exam	Meets cut score on CLEP, Cambridge A or AS, or IB English, math, social studies, science, or foreign language exam - <b>Blue</b>
.5 per credential, certificate, or license	Earns an Industry-Recognized Credential, Certificate, or License - <b>Red</b>  <b>No more than one point may be awarded in this indicator.</b>
1	Completes well-defined Work-Based Learning (i.e. internship) of at least 120 hours - <b>Red</b>
1	Meet all 16 Arizona Board of Regents program of study requirements - <b>Blue</b>



## North Dakota

Appendix J to North Dakota's ESSA plan provides the follow graphic explaining the Choice Ready indicator:

