

California Department of Education

Executive Office

SBE-003 (REV. 11/2017)

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# California State Board of EducationMarch 2020 AgendaItem #03

## Subject

Approval of the Fiscal Year 2019–20 Career Technical Education Incentive Grant Allocations, Including the Allocation Formula; Specific Funding Amounts and Number of Grant Awards; Purposes for Grant Fund Use; and Allowable and Non-Allowable Expenditures.

## Type of Action

Action, Information

## Summary of the Issue(s)

California *Education Code* (*EC*) Section 53076 requires that the California Department of Education (CDE), in collaboration with the Executive Director of the State Board of Education (SBE), determine and make public at a regularly scheduled meeting of the SBE, the allocation formula used to allocate grant awards for the Career Technical Education Incentive Grant (CTEIG). In addition to the formula used for this competitive grant, the CDE must present preliminary grant award amounts; the number of grants to be awarded; the purposes for which grant funds may be used; and allowable and non-allowable expenditures.

The total amount of CTEIG funds available for allocation to school districts is $150 million for the Fiscal Year (FY) 2019–20. An item was originally posted for the January 2020 SBE meeting, but was pulled by the CDE and was not heard by the SBE. A memo was sent to the SBE in February addressing the CTEIG program and concerns posed by stakeholders. This memo is located at <https://www.cde.ca.gov/be/pn/im/documents/feb20memocctd01.docx>.

**Recommendation**

The CDE recommends that the SBE review and approve the following information:

* Proposed CTEIG Allocation Formula (Attachment 1)
* Specific Proposed Funding Amounts and Number of Grant Awards (Attachment 2)
* Purposes for which grant funds may be used/minimum eligibility standards
* Allowable and non-allowable expenditures

## Brief History of Key Issues

The Budget Act of 2015 established the California CTEIG, as one-time funding, administered by the CDE, with the purpose of encouraging and maintaining the delivery of career technical education (CTE) programs during transition to full implementation of the school district and charter school local control funding formula. *EC* Section 53070 appropriated specified amounts for the CTEIG for the General Fund for the 2015–16, 2016–17, and 2017–18 fiscal years, and provided minimum eligibility standards for grant applicants.

The Budget Act of 2018 (Assembly Bill 1808) amended the *EC* sections 53070–53076.4, and established the CTEIG as an annual state-funded program with the goal of providing pupils in kindergarten and grades one through twelve, inclusive, with the knowledge and skills necessary to transition to employment and postsecondary education. The purpose of this program is to encourage and maintain the delivery of high-quality career technical education programs.

AB 1808 (Statutes of 2018) specifies that, upon appropriation by the Legislature, $150,000,000 shall be made available for the program to the department for the 2018–19 fiscal year and each fiscal year thereafter, and requires a grant applicant to demonstrate a proportional 2:1 match.

In addition to the CTEIG program, a companion program, the K–12 Strong Workforce Program (K–12 SWP), was created and appropriated $150,000,000. An additional $13,500,000 was appropriated to the California Community College’s Chancellor’s Office to provide technical assistance to local educational agencies (LEAs) for both the CTEIG and K–12 SWP.

The CTEIG is a competitive grant for which state funding has decreased from $400 million one-time funds in 2015–16 to $150 million ongoing funds starting in 2018–19. The 2019–20 funding cycle is the second year of ongoing funds, and there is not a cap on the number of LEAs that can apply or the amount that each LEA may request. LEAs are required to apply for this grant annually and must meet a 2 to 1 match requirement. The number of applicants has remained steady, however, the funding amount requested by LEAs has increased from $300 million in 2018–19 to $900 million in 2019–20. This reflects an increase in demand of 2.65 times the amount that was requested last year. All applicants may not be eligible to be funded, and due to demand, applicants who satisfy the eligibility and funding requirements may not be funded in full.

Statute requires three size distribution categories for funding based on Average Daily Attendance (ADA):

* Small: LEAs with an ADA of less than or equal to 140
* Medium: LEAs with an ADA of 141 to 550
* Large: LEAs with an ADA of more than 550

*EC* Section 53073 states that in order for a CTEIG applicant to be eligible for a renewal grant, the applicant must meet the minimum eligibility standards and be evaluated and deemed successful by the State Superintendent of Public Instruction (SSPI) in collaboration with the SBE, based on the program metrics. The data for these metrics are collected using a survey as this data collection has been hampered by the inability to collect data in the California Longitudinal Pupil Achievement Data System (CALPADS) and disaggregate it by specific funding program. The Career and College Transition Division is currently working with the CALPADS office to resolve this issue and to be able to provide this metric data. Currently, data is being collected for the fiscal year 2018–19 and will be ready in the summer of 2020. The CDE will provide an update on the data collection to the SBE in July 2020 when the additional analysis is complete.

### Proposed Allocation Formula

The proposed allocation formula is presented as Attachment 1.

### Specific Funding Amounts and Number of Grant Awards

*EC* Section 53070(d) requires that 4 percent ($6 million) is designated for applicants with an average daily attendance (ADA) of less than or equal to 140, 8 percent ($12 million) is designated for applicants with an ADA of more than 140 and less than or equal to 550, and 88 percent ($132 million) is designated for applicants with an ADA of more than 550, unless otherwise determined by the SSPI in collaboration with the Executive Director of the SBE.

A total of 378 applications were submitted, requesting over $900 million in funding. Three standards were set to evaluate applications per *EC* Sections 53071 and 53073:

* The evaluation of high-quality CTE programs using a self-evaluation and reviewers’ scores,
* Evaluation of application narrative including budget narrative and three-year budget plan, and
* The relationship between the grant proposal and goals, actions, and services in the LEA’s adopted Local Control and Accountability Plan (LCAP).

All applicants were reviewed and evaluated by a team of scorers using the criteria set forth in the rubric (Attachment 1: High Quality CTE Program Evaluation).

The application review process was used to determine whether applications for renewal grants met the requirements of *EC* Section 53071 and 53073, which state that the Superintendent, in collaboration with the state board, must determine if a renewal grant is eligible for funding based on the metrics specified in the legislation.

Of the 378 total applications received in FY 2019–20, there were 288 that had applied in the previous year. The CDE reviewed the applications for the elements set forth in *EC* Section 53071(c)(1)-(10), and verified that all LEAs submitting a renewal application submitted the data required by 53071(c)(11). Data for the FY 2017–18 applicants were collected by way of a survey and was shared with the California Workforce Pathways Joint Advisory Committee (CWPJAC) in the fall of 2019. Data for FY 2018–19 is currently being collected, a significant portion of which is being directly submitted through the CALPADS. CDE Staff anticipates collecting all data for FY 2019–20 using CALPADS which will provide a more comprehensive data set to review prior to awarding future funds. This data will be considered the base year data, and in FY 21- 22 the CDE will be able to review two years of data for purposes of evaluating the efficacy of the LEAs program or whether different or additional data is needed for this purpose.

The CDE recommends the SBE approve a total of 336 grants to be awarded for fiscal year 2019–20. The specific proposed funding amount for each grantee is presented in Attachment 2 and the total number of proposed grant awards by small, medium, and large funding categories based on ADA levels.

### Minimum Eligibility Standards

*EC* Section 53071(c) specifies that an eligible applicant meet the following eligibility standards in order to receive funding:

1. Offers high quality curriculum and instruction aligned with the California Career Technical Education Model Curriculum Standards, including, but not limited to, providing a coherent sequence of CTE courses that enable pupils to transition to postsecondary education programs that lead to a career pathway or attain employment upon graduation from high school;
2. Provides pupils with quality career exploration and guidance;
3. Provides pupil support services, including counseling and leadership development;
4. Provides for system alignment, coherence, and articulation, including ongoing and structural regional or local partnerships with postsecondary educational institutions, documented through formal written agreements;
5. Forms ongoing and meaningful industry and labor partnerships, evidenced by written agreements and through participation on advisory committees and collaboration with business and labor organizations to provide opportunities for pupils to gain access to pre-apprenticeships, internships, industry certifications, and work-based learning opportunities as well as opportunities for industry to provide input to the CTE programs and curriculum;
6. Provides opportunities for pupils to participate in after school, extended day, and out-of-school internships, competitions, leadership development opportunities, career and technical student organizations, and other work-based learning opportunities;
7. Reflects regional or local labor market demands, and focuses on current or emerging high-skill, high-wage, or high-demand occupations, and is informed by the regional plan of the local Strong Workforce Program Consortium;
8. Leads to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree;
9. Is staffed by skilled teachers or faculty; and provides professional development opportunities for teachers or faculty members;
10. Provides opportunities for pupils who are individuals with exceptional needs to participate in all programs; and
11. Reports data to the SSPI no later than November 1 of each fiscal year, as a program participation requirement, to allow for an evaluation of the program.

### Allowable and Non-allowable Expenditures

1. Allowable Activities and Costs - Funds provided under the CTEIG grant may be used for, but are not limited to, the following:
	1. Purchase and/or develop evidence-based, standards-based curriculum and instructional materials that focus on career technical pathway courses through a collaborative effort with secondary, postsecondary, and industry. This could include the development of updated or new career technical pathway courses, articulated and dual credit courses, curriculum to support leadership and work-based learning, and/or the development of curriculum and activities that lead to industry-recognized certifications or credentials;
	2. CTE Professional development to enhance teaching and learning;
	3. Training and planning meetings between district CTE Advisory Committee personnel, including counselors, parents, college faculty, and business leaders, to support program sustainability and build local and regional awareness on the benefits of having such programs;
	4. Purchase of CTE equipment and materials needed to maintain industry standards;
	5. Transportation and other expenses that enable CTE leadership and work-based learning activities, including after-school, extended day, and out-of-school opportunities;
	6. Food and refreshments for CTE conference travel, student field trips and special events, and working CTE Advisory Committee and partnership meetings;
	7. Pupil support services;
	8. Facility repair for use of CTE program specific course equipment for industry skills attainment; and
	9. Purchase or rent vehicles exclusively for CTE use and available for use by all CTE programs. Capital outlay requests for vehicle purchases must be submitted to the regional CDE Consultant for review and approval. All vehicle purchases must demonstrate a direct two to one match, with every one dollar of CTEIG funds matched by two dollars of LEA funds (not including other Federal and/or state grant funds).
2. Non-allowable Activities and Costs-Funds provided under the CTEIG grant may not be used to:
	1. Supplant existing funding or efforts, including costs otherwise necessary to operate a school or program without this grant.
	2. Acquire or utilize CTE equipment for administrative or personal use.
	3. Purchase furniture (e.g., bookcases, chairs, desks, file cabinets, tables).
	4. Purchase or remodel facilities unless directly related to accessibility to CTE pathways, instruction or services for students with disabilities.
	5. Travel outside of the United States or to banned states, as specified by state travel rules. Note: State law restricts the use of state general funds to pay for travel costs to states that have laws that discriminate based on sexual orientation, gender identity, and gender expression.

## Summary of Previous State Board of Education Discussion and Action

February 2020: A memo was sent to the SBE to explain the CTEIG allocation methodology. This memo is located at <https://www.cde.ca.gov/be/pn/im/documents/feb20memocctd01.docx>.

May 2019: The SBE approved the Specific Proposed CTEIG awards including a proposed increase of $816,288 to the Large C Category for the Fiscal Year 2018–19 (Item 14), located at <https://www.cde.ca.gov/be/ag/ag/yr19/agenda201905.asp>.

March 2019: The SBE approved the allocation formula, preliminary funding allocations and number of grant awards, purposes for which the CTEIG funds may be used, and allowable and non-allowable expenditures, for the fiscal year 2018–19 (Item 4), located at <https://www.cde.ca.gov/be/ag/ag/main201903.asp>.

September 2018: The CDE provided an update of initiatives to provide ongoing funding to create, expand, and improve CTE programs throughout the State of California (Item 10), located at <https://www.cde.ca.gov/be/ag/ag/yr18/agenda201809.asp>.

March 2018: The SBE approved the CTEIG Grantee List (Item 11) for the fiscal year 2017–18, located at <https://www.cde.ca.gov/be/ag/ag/main201803.asp>.

March 2016: The SBE approved the CTEIG Grantee List (Item 5) for the fiscal year 2016–17, located at <https://www.cde.ca.gov/be/ag/ag/yr16/agenda201603.asp>.

January 2016: The SBE approved the CTEIG list of grantees (Item 13), for the fiscal year 2015–16, located at <https://www.cde.ca.gov/be/ag/ag/main201601.asp>.

December 2015: The CDE provided an information memorandum regarding the implementation of the California CTEIG administered by the Career and College Transition Division, located at <https://www.cde.ca.gov/be/pn/im/documents/memo-ilsb-cctd-dec15item01.doc>.

## **Fiscal Analysis (as appropriate)**

Funds for the CTEIG are appropriated to the CDE from the General Fund for the amount of $150 million in the 2019–20 fiscal year. The $150 million will be made available to the CDE each fiscal year thereafter, upon appropriation by the Legislature in the annual Budget Act or another statute.

## Attachment(s)

* Attachment 1: Proposed Career Technical Education Incentive Grant Allocation Formula (5 pages)
* Attachment 2: Specific Proposed Funding Amounts and Number of Grant Awards (11 pages)
* Attachment 3: California *Education Code* sections 53070–53076.4 (9 pages)