addendum01-mar20item03

Attachment 1

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# Attachment 1: Proposed Career Technical Education Incentive Grant Allocation Formula

Per California *Education Code* (*EC*) Section 53070: a total of $150,000,000 is available for Fiscal Year (FY) 2019–20 Career Technical Education Incentive Grant (CTEIG) applicants. As with the previous CTEIG funding cycles, 70 percent of the funding available is proposed as the base grant funding level for local education agencies (LEAs) and consortia, and 30 percent of funds is proposed as the positive consideration funding for LEAs and consortia.

The proposed allocation is based on FY 2018–19, grades seven through twelve average daily attendance (ADA) of the LEA or the consortia collectively. Applicants may apply individually and/or as part of a consortium. Applicants have their total number of ADA preloaded into the California Department of Education (CDE) Program Grants Management System. Applicants are then able to retain all of their ADA and apply with their own application or they may share their ADA with a consortium application and also apply on their own.

Grant applicants are grouped by a small, medium, or large funding category.

* 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

Each funding category base grant dollar amount is divided by the total number of ADA within each category to establish a per-pupil amount. The per-pupil amount is then multiplied by the number of ADA for each LEA to determine the base grant funding level for each LEA.

Example:

Consider a CTEIG applicant with an ADA equal to 125, placing the applicant in the small category. A total of $6,000,000 is allocated to the small category of which 70% is the Base Grant Funding. The total ADA in the small category is 1,965.77. Calculating the per-pupil base allocation in the small category is calculated as follows:

**$6,000,000 x 70% = $4,200,000 / 1,965.77= $2,136.57 Per Pupil**

To calculate the base allocation to a single applicant with an ADA of 125, the following calculation is performed:

**$2,136.57 Per Pupil x 125 = $267,071.25**

Beyond the base grants available, applicants have the opportunity to receive additional funds based on the following eight criteria for positive consideration, and are described as follows:

1. Serve unduplicated pupils as defined in *EC* Section 42238.02.

(B) Serve pupil subgroups that have higher than average dropout rates as identified by the Superintendent.

(C) Be located in an area of the state with a high unemployment rate.

(D) Successfully leverage one or both of the following:

(i) Existing structures, requirements, and resources of the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006, or its successor, California Partnership Academies, California Career Pathways Trust, or Agricultural Career Technical Education Incentive Grants.

(ii) Contributions from industry, labor, and philanthropic sources.

(E) Engage in regional collaboration with postsecondary educational institutions, including the Strong Workforce Program consortium operating in their respective geographic areas, or other local educational agencies to align career pathway instruction with postsecondary program requirements.

(F) Make significant investment in CTE infrastructure, equipment, and facilities.

(G) Operate within rural school districts.

(H) Offer an existing high-quality regional-based CTE program as a joint powers agency.

The State Board of Education is required to give the greatest weight to applicants meeting Criteria A, B, and C pursuant to *EC* Section 53075(b).

Most of the Positive Consideration criteria categories are divided by the total number of ADA within the category to provide a per-pupil amount per criteria category. The per-pupil amount is then multiplied by the number of ADA for each applicant to provide a funding level for each criterion of positive consideration. The ADA count is not used for positive consideration of unduplicated pupil count (UPC). For this positive consideration the actual UPC for each LEA is used.

Example:

Consider once again a CTEIG applicant with an ADA equal to 125, placing the applicant in the small category. Also consider this agency as meeting the criteria as a rural LEA. A total of $6,000,000 is allocated to the small category. Assigning a 2 percent weight to the rural category provides $120,000 to be shared among all rural LEAs in this category. The total ADA of all rural LEAs is 1,474.95. The per-pupil allocation for the specific positive consideration is:

**$6,000,000 x 2% = $120,000 / 1,474.95= $81.36 Per Pupil**

To calculate the amount a single applicant receives for the specific positive consideration, the following calculation is performed:

**$81.36 Per Pupil x 125 = $10,170.00**

The calculation when using the UPC positive consideration is obtained as follows. The total funds in the UPC positive consideration category is divided by the total UPC to arrive at a per-pupil amount. This per-pupil amount is then multiplied by the UPC for each LEA.

Example:

Consider a CTEIG applicant with an ADA equal to 125 and an UPC of 90, placing the applicant in the small category. A total of $6,000,000 is allocated to the small category. Assigning a 6 percent weight to the UPC category provides $360,000 to be shared in this consideration. The total UPC for all LEAs is 2,407, the per-pupil allocation for the specific positive consideration is:

**$6,000,000 x 6% = $360,000 / 2,407 = $149.56 per pupil**

To calculate the amount a single applicant receives for this specific positive consideration, the following calculation is performed:

**$149.56 per pupil x 90 (UPC in LEA) = $13,460.40**

Adding the base amount an LEA receives for ADA and the LEAs’ proportional share of each of the areas of positive consideration establishes the Total Calculation for the LEA. This total is compared to the amount of funds an LEA is able to match. The lesser of these two numbers becomes a LEAs Eligible Amount.

Example:

Consider an applicant with a total calculation of $175,000 and a match of only $50,000. The applicant’s eligible amount would be $50,000, the maximum amount the LEA is able to match. However, if this same applicant had a match of $200,000 the eligible amount would be $175,000, the total calculation amount.

After calculating the total eligible amounts, there are often excess funds in an ADA category because some LEAs are unable to fully match the amount they are eligible to receive. Statute requires LEAs to provide a local match in the amount of two dollars for every one dollar in state funds awarded under the program.

Example:

In the small LEA category, LEAs less than or equal to 140 ADA there is a total of $6,000,000 available. Calculating the total of the eligible amounts equals $2,195,445. Subtracting this from the available funds gives $3,804,555 remaining to be distributed in this category. These excess funds are redistributed within each ADA category giving each LEA who has additional match capability a proportional share of the excess funds, but not to exceed the LEA’s ability to match those funds.

To calculate this additional share, we calculate the total Difference in Match for all LEAs capable of matching more funds.

Example:

Consider there is a total of $3,804,555 of excess funds in a category and the total difference in match ability is $350,000. An LEA with a total calculation of $175,000 and with a match of $200,000 has the ability to match an additional $25,000. This LEA’s proportional share of the excess funds is:

**$25,000 / $ 350,000 = .0714285714285714. (carried out to 12 decimal places)**

To calculate the LEA’s proportion al share:

**$3,804,555 (total excess funds) x .0714285714285714 (LEA factor) = $271,753.93**

In this example the LEA’s proportional share is greater than the ability of the LEA to match the funds, so the LEA would be funded at their match of $200,000.

If there are any funds remaining in an ADA category the funds are moved up to the next category for distribution.

A total of $6,000,000 is allocated to the small category. After calculating the funds for the small ADA category (less than 140 ADA), it was determined that 20 eligible applicants in the small ADA category could be fully funded to their match amount. With $6 million allocated to the small category, the proposed funding is $2,445,576 with an unallocated balance of $3,554,424. This unallocated balance is moved to the next category.

A total of $12,000,000 is allocated to the medium category, plus the unallocated $3,554,424 from the previous category, for a total of $15,554,424available. After calculating funds for the medium ADA category (141–550 ADA), it was determined that 52 eligible applicants in the medium ADA category could be fully funded to their available match. With $15,554,424 million available to the medium category, the proposed funding is $10,108,579 with an unallocated balance of $5,445,845. This unallocated balance is moved to the next category. The remaining balance from the medium ADA category was then added to the $132,000,000 for the large ADA category (551 and more ADA), providing $137,445,845 of available funds. After calculating funds for the large ADA category, it was determined that 21 of the 264 eligible applicants in the large ADA category could be fully funded to their match allowed and the remaining 243 LEAs would receive funds beyond their original total calculation.

This methodology described above allocates all of the total $150,000,000. Based on the methodology, the small and medium ADA categories calculated allocations receive funding up to their match. On the other hand, the large ADA category LEAs have more match left on the table than what their calculated allocations are estimated to be.

| **Size of Category** | **Basic Grant Calculation[[1]](#footnote-1)** |
| --- | --- |
| **Small Category** <=140 ADA  4%  $6,000,000 | **BASE GRANT**  $6,000,000 X 70% = $4,200,000 / # ADA = $ Per Pupil X LEA ADA = LEA Base Grant  **POSITIVE CONSIDERATION**   1. $6,000,000 X 6% = $360,000 / Total unduplicated pupils = $ per pupil X LEA UPC = $ LEA grant amount 2. $6,000,000 X 6% = $360,000 / Total higher dropout rate = $ per pupil X LEA ADA = $ LEA grant amount 3. $6,000,000 X 6% = $360,000 / Total high unemployment rate = $ per pupil X LEA ADA = $ LEA grant amount 4. $6,000,000 X 2% = $120,000 / Total leveraging = $ per pupil X LEA ADA = $ LEA grant amount 5. $6,000,000 X 4% = $240,000 / Total collaboration with postsecondary = $ per pupil X LEA ADA = $ LEA grant amount 6. $6,000,000 X 2% = $120,000 / Total investment in CTE = $ per pupil X LEA ADA = $ LEA grant amount 7. $6,000,000 X 2% = $120,000 / Total rural schools = $ per pupil X LEA ADA = $ LEA grant amount 8. $6,000,000 X 2% = $120,000 / Total JPA = $ per pupil X LEA ADA = $ LEA grant amount |

| **Size of Category** | **Basic Grant Calculation[[2]](#footnote-2)** |
| --- | --- |
| **Medium Category**  141–550 ADA  8%  $12,000,000 | **BASE GRANT**  $12,000,000 X 70% = $8,400,000 /# ADA = $ Per Pupil X LEA ADA = LEA Base Grant  **POSITIVE CONSIDERATION**   1. $12,000,000 X 6% = $720,000 / Total unduplicated pupils = $ per pupil X LEA UPC = $ LEA grant amount 2. $12,000,000 X 6% = $720,000 / Total higher dropout rate = $ per pupil X LEA ADA = $ LEA grant amount 3. $12,000,000 X 6% = $720.000 / Total high unemployment rate = $ per pupil X LEA ADA = $ LEA grant amount 4. $12,000,000 X 2% = $240,000 / Total leveraging = $ per pupil X LEA ADA = $ LEA grant amount 5. $12,000,000 X 4% = $480,000 / Total collaboration with postsecondary = $ per pupil X LEA ADA = $ LEA grant amount 6. $12,000,000 X 2% = $240,000 / Total investment in CTE = $ per pupil X LEA ADA = $ LEA grant amount 7. $12,000,000 X 2% = $240,000 / Total rural schools = $ per pupil X LEA ADA = $ LEA grant amount 8. $12,000,000 X 2% = $240,000 / Total JPA = $ per pupil X LEA ADA = $ LEA grant amount |

|  |  |
| --- | --- |
| **Size of Category** | **Basic Grant Calculation[[3]](#footnote-3)** |
| **Large Category**  551<=ADA  88%  $132,000,000 | **BASE GRANT**  $132,000,000 X 70% = $92,400,000 / # ADA = $ Per Pupil X LEA ADA = LEA Base Grant  **POSITIVE CONSIDERATION**   1. $132,000,000 X 6% = $7,800,000 / Total unduplicated pupils = $ per pupil X LEA UPC = $ LEA grant amount 2. $132,000,000 X 6% = $7,800,000 / Total higher dropout rate = $ per pupil X LEA ADA = $ LEA grant amount 3. $132,000,000 X 6% = $7,800,000 / Total high unemployment rate = $ per pupil X LEA ADA = $ LEA grant amount 4. $132,000,000 X 2% = $2,600,000 / Total leveraging = $ per pupil X LEA ADA = $ LEA grant amount 5. $132,000,000 X 4% =$5,200,000 / Total collaboration with postsecondary = $ per pupil X LEA ADA = $ LEA grant amount 6. $132,000,000 X 2% = $2,600,000 / Total investment in CTE = $ per pupil X LEA ADA = $ LEA grant amount   $132,000,000 X 2% = $2,600,000 / Total rural schools = $ per pupil X LEA ADA = $ LEA grant amount   1. $132,000,000 X 2% = $2,600,000 / Total JPA = $ per pupil X LEA ADA = $ LEA grant amount |

1. See narrative for an explanation of how preliminary allocations to each LEA is determined [↑](#footnote-ref-1)
2. See narrative for an explanation of how preliminary allocations to each LEA is determined [↑](#footnote-ref-2)
3. See narrative for an explanation of how preliminary allocations to each LEA is determined [↑](#footnote-ref-3)