California Department of Education

Executive Office

SBE-004 (REV. 11/2017)

addendum-jan21item07

# **ITEM ADDENDUM**

**DATE:** January 12, 2021

**TO:** MEMBERS, State Board of Education

**FROM:** TONY THURMOND, State Superintendent of Public Instruction

**SUBJECT: ITEM 07:** Approval of the Fiscal Year 2020–21 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.

## Summary of Key Issues

The Career Technical Education Incentive Grant (CTEIG) was originally established by the Budget Act of 2015 with a one-time investment of $900 million to cover a three-year span. In the 2018 Budget Act, the CTEIG was allocated $150 million annually 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 CTE programs.

Individual grants to LEAs are awarded based on an allocation formula largely driven by average daily attendance (ADA) for LEAs. The allocation formula is itself divided into two components: base funding (70 percent) and eight positive considerations (30 percent). The formula includes three ADA categories including the Small Category (<=140 ADA), Medium Category (141–550 ADA), and Large Category (550<=ADA), as specified in statute unless otherwise determined by the State Superintendent of Public Instruction in collaboration with the Executive Director of the State Board of Education. More detail is provided in the agenda item and associated attachments.

The CTEIG grant administration process includes the extraction of data from a Program Grants Management System to an Excel file to calculate the total proposed allocation awards for eligible LEAs. After posting of the CTEIG Item in December of 2020, an LEA notified the CDE during the first week of January that they were included in the wrong ADA category. The CDE analyzed the allocation Excel file and identified the error as to how the ADA data was being extracted for LEAs that applied for and may be awarded two grants (one grant as a single LEA and another grant as member of a consortium).

The error in the data extraction has been corrected by including a formula within the Excel file that now extracts and disaggregates the ADA for LEAs that are awarded two grants (one grant as a single LEA and another grant as a member of a consortium.) Correcting for this data extraction error with the allocation formula calculation will prevent a repeat of this data extraction error in the future.

The data extraction error affected the proposed preliminary allocations of 26 LEAs that applied as both a single LEA, and as a member of a consortium. Given that these LEA receive two grants, their ADA has to be apportioned accordingly and separate ADA values needed adjusting to reflect the two different ADA assignments (one grant as a single LEA and another grant as a member of a consortium.). The apportioning and reassigning of ADA values was done for each of the 26 LEAs. After making these adjustments, all grant allocations had to be updated and recalculated according to the formula-driven allocation. The new and updated calculations resulted in adjusted allocations for the 26 LEAs, with all of the other remaining 315 LEAs having their proposed allocation levels not adversely affected, that is, they remained the same or increased.

Overall, the adjustments to the allocations resulted in two LEAs being moved from the Large ADA category to the Medium ADA category, with none of the other Medium category grantees being impacted. The Medium ADA category has been updated to show 53 grantees instead of the originally posted 51 grantees in the revised Attachment 2. The Large ADA category has been updated to show a reduction of 265 grantees to 263 grantees. Additionally, 17 of 341 grantees of the Large ADA category (or 5 percent) would now receive less funds than what their originally-posted preliminary allocation had noted, as specified on page 5 of the revised Attachment 1. The Small ADA category was not impacted.

Of the 26 LEAs whose grant allocations were revised as a result of the data extraction error, nine will receive more funding and 17 will receive less. A preliminary review of the 17 LEAs that were negatively impacted shows all 17 LEAs are proposed to receive two grant awards (one as a single LEA and one as a member in a consortium) for fiscal year (FY) 2020–21. Further review of these 17 grantees shows that 12 are being proposed an increase in their combined funding (single award and consortium award) from what they were awarded in 2019–20 to what they are proposed to be awarded in 2020–21.

Five LEAs will receive less combined funding (single award and consortium award) in 2020–21 than they were awarded in 2019–20. For these five LEAs, decreases in funding are attributed to the reapportionment of the LEA’s ADA, one as a single grantee and one a member of a consortium. Moreover, it should be noted that decreased match amounts (locally determined) from LEAs results in decreased funding levels as they cannot receive grant funds that they cannot match.

CDE staff have contacted each of the affected LEAs to explain how the calculation error affected their preliminary award amount.

## Attachment(s)

# Revised Attachment 1: Proposed Career Technical Education Incentive Grant Allocation Formula. (8 Pages)

# Revised Attachment 2: Career Technical Education Incentive Grant Specific Proposed Funding Amounts and Number of Grant Awards. (11 Pages)