

Date of Hearing: April 05, 2017

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
AB 445 (Cunningham) – As Amended March 29, 2017

SUBJECT: Career technical education: the California Career Technical Education Grant Program

SUMMARY: Changes the name of an existing program to the California Career Technical Education Grant Program, increases funding for the program in 2017-18 and extends funding for an additional three years at a specified level. Specifically, *this bill*:

- 1) Changes the name of the California Career Technical Education Incentive Grant Program to the California Career Technical Education Grant Program.
- 2) Increases the allocation for the program from \$200 million to \$300 million for the 2017-18 fiscal year and for the following three fiscal years.
- 3) Reduces the required matching funds for applicants applying to the California Career Technical Education Grant Program from \$2 for every dollar received to \$1 for every dollar received, beginning in 2017-18.
- 4) Specifies that existing grantees may apply for renewal grants through the 2019-20 fiscal year, if they have complied with the requirements of the program.

EXISTING LAW:

- 1) Authorizes the California Career Technical Education (CTE) Incentive Grant Program as a state education, economic, and workforce development initiative with the goal of providing pupils in kindergarten through 12th grade with the knowledge and skills necessary to transition to employment and postsecondary education (ECS 53070).
 - a) Identifies the purpose of the CTE Incentive Grant Program as the encouragement and maintenance of the delivery of CTE programs by school districts and charter schools during the implementation of the Local Control Funding Formula (LCFF).
 - b) Appropriates funding for the CTE Incentive Grant Program for three years, as follows: \$400 million for 2015-16; \$300 million for 2016-17; and \$200 million for 2017-18 and directs the California Department of Education (CDE) to administer the program as a competitive grant.
 - c) Specifies the distribution of the funds appropriated by school size as follows: 4% to applicants with an Average Daily Attendance (ADA) of 140 or less; 8% to applicants with ADA of 141 to 550; and 88% to applicants with ADA of more than 550.
 - d) Requires that applicants demonstrate the ability to provide local matching funds as follows:
 - a) \$1 for every \$1 received in 2015-16
 - b) \$1.50 for every \$1 received in 2016-17

- c) \$2.00 for every \$1 received in 2017-18.
- e) Specifies that these local matching funds may include funding from LCFF apportionments, federal Carl D. Perkins Career and Technical Education Improvement Act, California Partnership Academies, Agricultural Career Technical Education Incentive Grant, or other sources.
- f) Requires, in addition to a demonstration of matching funds, applicants for the CTE Incentive Grant Program, must demonstrate:
- a plan for continued support of career technical education programs, for a minimum of three years, upon expiration of the grant funds
 - high quality curriculum and instruction aligned with the California CTE Model Standards
 - career exploration and guidance services to pupils
 - pupil support services, including counseling and leadership development
 - system alignment, coherence, and articulation with postsecondary institutions
 - ongoing partnerships with industry and labor
 - opportunities for pupils to participate in after-school, extended day, and out-of-school internships, competitions, and other work-based learning opportunities
 - connection to regional or local labor market demands and focuses on current or emerging high-skill, high-wage, or high-demand occupations
 - pathway to an industry-recognized credential or certificate, or appropriate postsecondary training or employment
 - staffing by skilled teachers or faculty and the provision of professional development opportunities
 - data reporting to allow for an evaluation of the program.
- g) Data reporting requirements for grantees including the core metrics required by the federal Workforce Innovation and Opportunity Act, the quality indicators described in the California State Plan for Career Technical Education, as well as the following metrics:
- number of pupils completing high school
 - number of pupils completing CTE coursework
 - number of pupils obtaining an industry-recognized credential, certificate, license, or other measure of technical skill attainment
 - number of former pupils employed by type of businesses
 - number of former pupils enrolled in postsecondary education institution, a state apprenticeship program, or another form of job training.
- h) Defines grant recipients for CTE Incentive Grants as one or more school districts, county offices of education, charter schools, regional occupational centers or programs operated by joint power authorities, or any combination of these.
- i) Specifies that an applicant receiving a grant in 2015-16 is eligible to receive renewable grants in the two subsequent years, and that an applicant that does not receive a grant in 2015-16, but receives a grant in 2016-17, is eligible to receive a renewal grant in 2017-18 but no applicant is eligible for a renewal grant in 2018-19 or beyond.

- j) Requires CDE to consult with entities with career technical education expertise, including the Chancellor of the California Community Colleges, state workforce investment organizations, and business organizations, in the development of request for grant applications and consideration of the applications received.
- k) Requires CDE to annually submit the list of recommended new and renewal grant recipients to the State Board of Education (SBE) for review and approval prior to making annual grant awards. CDE and SBE, in reviewing applicants, are required to give positive consideration to those applicants who:
- had not operated a career technical education program during 2014-15
 - serve unduplicated pupils
 - serve pupil subgroups with higher than average dropout rates
 - are located in an area of the state with a high unemployment rate
 - successfully leverage existing CTE resources and funding, as well as contributions from industry, labor, and philanthropic sources
 - engage in regional collaborations with postsecondary education or other local education agencies
 - make significant investment in CTE infrastructure and equipment
 - operate within rural districts
- l) Requires the Superintendent of Public Instruction (SPI) in collaboration with the SBE, to determine the specific funding amounts, number of grants, multiyear schedule for funding, oversight, and the provision of technical assistance to applicants and grantees.
- m) Requires the SPI to distribute funding on a multiyear schedule, set up a monitoring process, and annually review grant recipients' expenditures and requires grant recipients to submit program reports to the CDE.
- 2) The federal Carl D. Perkins Career and Technical Education Act of 2006 is a principal source of federal funding to states and discretionary grantees for the improvement of secondary and postsecondary career and technical education programs across the nation. The purpose of the Act is to develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.

FISCAL EFFECT: Unknown.

COMMENTS:

Need for the bill. According to the author, "this bill would extend the Career Technical Education Incentive Grant and cap funding at the 2016-17 level of \$300 million for an additional three years. It also preserves the one-to-one state-to-local match ratio and maintains the quality and accountability criteria needed to ensure relevant instruction that is in demand. This will help schools to continue to provide relevant, industry-aligned skills training and instruction to address the demand in California's rapidly-changing job market."

Defining Career Technical Education (CTE). According to the CDE, "CTE is a program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary

education and careers. CTE programs in California have been organized into 15 industry sectors, covering 58 pathways that identify the knowledge and skills students need. Partnerships are usually developed between high schools, businesses, and postsecondary schools, providing pathways to employment and associate, Bachelor's and advanced degrees.

CTE prepares students for the world of work by introducing them to workplace competencies, and makes academic content accessible to students by providing it in a hands-on context. Along the way, students develop career-relevant, real-world 21st Century skills.”

Improved outcomes for CTE students. According to the national organization, Career Tech, involvement in CTE coursework provides improved academic outcomes and other benefits to students:

- Over 970,000 high school students in California are enrolled in CTE courses
- 92% of California students concentrating in CTE graduated high school in 2013, compared to the national average of 81%
- 58% of CTE students were reported as proficient in English Language Arts in 2013-14 and 57% were proficient in mathematics
- 1/3 of CTE students, responding to a national survey reported earning college credits, a certification or degree due to their CTE coursework, while 2/3 reported having gained skills that will help them in the future

Importance of CTE to California's economy. Career Tech also points to benefits to California's economy through CTE programs in our K-12 schools:

- Middle-skill jobs account for 50% of California's labor market, but only 40% of workers in the state possess the required skills, leading to a skills gap, which CTE can address.
- If California increased the number of individuals with certificates or associate degrees by 10 percentage points, the state would have: an increase in median per capita income by \$1,462; 67,000 fewer individuals unemployed; and 267,000 fewer individuals living in poverty.

Legislature has prioritized funding for CTE in recent years. Legislative and budget actions in recent years have allocated \$500 million for the California Career Pathways Trust (CCPT) grant program as well as \$900 million for CTE Incentive Grants.

CDE reports the 2015-16 funding for the CTE Incentive Grants was fully allocated. The department is in the process of distributing the 2016-17 funds to those LEAs that were approved for renewal by the SBE. LEAs have until June 30, 2019 to expend these funds. The funds are distributed on a proportional share basis to all grantees and are allocated to all regions of the state.

There has not been a study of the impact of the CTE incentive grant program to date. Anecdotal information provided to CDE includes reports that more students are participating in CTE

courses, LEAs have been able to pass bonds to refurbish or build CTE buildings and are using the grant funding to purchase necessary equipment and to provide professional development for CTE teachers, including externship opportunities. It is also reported that LEAs are working with business partners to ensure that equipment and resources meet current industry standards.

The California Commission on Teacher Credentialing reports an increase in the number of teachers receiving preliminary CTE designated subject credentials in recent years:

- 2009-10: 864
- 2010-11: 880
- 2011-12: 809
- 2012-13: 863
- 2013-14: 987
- 2015-16: 1,424

Arguments in support. Supporters note that, by implementing high quality CTE programs, we are equipping our students with the knowledge and skills they need in the global economy. Not only are students learning math and science, but they are learning how to apply math and science as tools to solve problems. They are learning to think critically, solve problems, and work together – skills needed for workforce and life.

They note that the inclusion of the CTE Incentive Grant Program in the 2015 State Budget was critical to ensuring the continuation of high-quality, industry-relevant CTE programs that equip students with the skill necessary to compete for the middle-skill positions, such as those provided by the construction industry. The need for ongoing state funding remains great, as demonstrated by the demand for the initial rounds of the grant program. LEA's committed \$971 million in matching dollars for the \$400 million in state-funded grants. This response shows the magnitude of the demand for career-inspiring programs and also demonstrates the willingness of LEAs to provide high-quality programs with support from the state.

The ongoing funding of high quality CTE programs in our schools is essential to meet the labor market demands in this state. Programs that provide quality career exploration and guidance, student supports, and system alignment and articulation will help ensure we prepare students to transition smoothly into ongoing education and or into the workforce.

Prior legislation. AB 104 (Education Omnibus Trailer Bill), Chapter 13, Statutes of 2015 established the California Career Technical Education Incentive Grant Program, a competitive grant program administered by the CDE to provide support for career technical education in grades K-12, and provides \$400 million in 2015-16, \$300 million in 2016-17, and \$200 million in 2017-18 for this program.

SB 1123 (Leyva), Chapter 53, Statutes of 2016 extends for five years the sunset on the option for students to fulfill a high school graduation requirement by successfully completing a CTE course.

AB 1330 (Furutani), Chapter 621, Statutes of 2011 adds CTE as an option for pupils to fulfill the existing high school graduation requirement to complete a course in visual or performing arts or

foreign language, and requires school districts that elect this option to notify parents, teachers, pupils and the public. Includes a sunset on July 1, 2017.

AB 86 Chapter 48, Statutes of 2013, created the California Career Pathway Trust (CCPT). The 2013 Budget Act provided \$250 million in Proposition 98 General Fund for the SPI to award one-time regional and local implementation grants to school districts, county offices, charter schools and community colleges for the CCPT program.

SB 858, Chapter 32, Statutes of 2014 appropriated an additional \$250 million for a second round of CCPT grant awards.

REGISTERED SUPPORT / OPPOSITION:

Support

California Manufacturers and Technology Association (Sponsor)
State Building and Construction Trades of California (Sponsor)
African American Farmers of California
Agricultural Council of California
Associated General Contractors
Baldry View Regional Occupational Program
California Agricultural Teachers' Association, Inc.
California Association of Nurseries and Garden Centers
California Association of Regional Occupational Centers and Programs
California Association of Sheet Metal and Air Conditioning Contractors
California Automotive Wholesalers Association
California Budget and Policy Center
California Business Education Association
California Business Properties Association
California Chamber of Commerce
California Citrus Mutual
California Construction and Industrial Materials Association
California Cotton Ginner and Growers Association, Inc.
California Edge Coalition
California Farm Bureau Federation
California Hospital Association
California Labor Federation, AFL-CIO
California Small Business Association
California Workforce Association
Capistrano Unified School District
Career Ladders Project for the California Community Colleges
Chemical Industry Council of California
Coastline Regional Occupational Program
College and Career Advantage
Colton Redlands Yucaipa Regional Occupational Program
Compton Unified School District
Computing Technology Industry Association
Family Business Association of California

Far West Equipment Dealers Association
Hesperia Chamber of Commerce
La Puente Valley Regional Occupational Program
Lindsay Unified School District
Los Angeles Chamber of Commerce
Metropolitan Education District
Mission Trails Regional Occupational Program
Mission Valley Regional Occupational Program
National Council of La Raza
National Federation of Independent Business
Nisei Farmers League
North Orange County Chamber of Commerce
North Orange County Regional Occupational Program
Northern Rural Training and Employment Consortium
Orange County Business Council
Policy Link
Project Lead the Way
Rancho Cordova Chamber of Commerce
Sacramento Regional Builders Exchange
San Fernando Valley Chamber of Commerce
San Gabriel Valley Economic Partnership
School for Integrated Academics & Technologies (SIATech)
Shasta-Trinity Regional Occupational Program
Southern California Leadership Council
Southwest California Legislative Council
TechNet
Torrance Chamber of Commerce
Tulare Joint Union High School District
United Way of California
Valley Regional Occupational Program
Western Agricultural Processors Association
Western Plant Health Association
Yuba Sutter Chamber of Commerce

Opposition

None on file

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