

Date of Hearing: April 10, 2019

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
AB 1303 (O'Donnell) – As Amended, April 1, 2019

SUBJECT: California Career Technical Education Incentive Grant Program: Strong Workforce Program

SUMMARY: Increases the long term, stable funding stream for career technical education programs in California's K-12 schools from \$150 million to \$450 million per year for the Career Technical Education Incentive Grant Program, and consolidates the K-12 CTE programs. Specifically, **this bill:**

- 1) Increases ongoing funding to the Career Technical Education Incentive Grant (CTEIG) program, subject to an appropriation, from \$150 million to \$450 million annually beginning in fiscal year 2019-20.
- 2) Requires a 1:1 local match for state funds from the CTEIG program.
- 3) Requires the California Department of Education (CDE) to maintain a level of professional staffing within the department dedicated to career technical education (CTE), including state level subject matter experts in key industry sectors, sufficient to effectively administer all CTE programs.
- 4) Establishes an unspecified level of funding, subject to an appropriation, for regional CTE coordinators for the provision of technical assistance and support to local education agencies (LEAs) in implementing and improving CTE courses, programs, and pathways.
- 5) Makes the Strong Workforce Program: K-12 Component inoperative on July 1, 2020, and repeals the program as of January 1, 2021, by consolidating it within the CTEIG program.
- 6) Makes other technical and clarifying changes.

EXISTING LAW:

- 1) Authorizes the CTEIG 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 (EC 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; \$200 million for 2017-18; and \$150 million per year beginning in 2018-19, and directs the 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 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) \$1.00 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, and each fiscal year thereafter.
- e) Requires applicants for the CTEIG Program, to demonstrate that their CTE programs meet all of the following minimum eligibility standards:
 - 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 and meaningful partnerships with industry and labor
 - Opportunities for pupils to participate in after-school, extended day, and out-of-school internships, competitions, leadership development opportunities, and other work-based learning opportunities
 - Connection to regional or local labor market demands and a focus 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
 - Pathway to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree
 - Staffing by skilled teachers or faculty and the provision of professional development opportunities
 - Provides opportunities for pupils with exceptional needs to participate in all programs
 - Data reporting to allow for an evaluation of the program.
- f) 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 CTE, as well as the following metrics:
 - High school cohort graduation rate

- Number of pupils completing CTE coursework
 - Number of pupils meeting academic and career-readiness standards as defined in the College/Career Indicator of the California School Dashboard
 - 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 any of the following: postsecondary education institution, a state apprenticeship program, or another form of job training program.
- g) Requires the California Workforce Pathways Joint Advisory Committee to review the data metrics annually and make recommendations on whether these data metrics remain the most appropriate metrics to evaluate program outcomes for new and renewal applicants, or whether other metrics should be included.
- 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) Requires the 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.
- j) Requires the 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:
- Serve unduplicated pupils or pupils with higher than average dropout rates
 - 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, including the Strong Workforce Program consortium operating in their areas
 - Make significant investment in CTE infrastructure, equipment, and facilities
 - Operate within rural districts

- Offer an existing high-quality regional-based career technical education program as a joint powers agency.
- k) Requires the 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.
 - l) 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) Authorizes the K-12 component of the Strong Workforce Program to create, support, or expand high-quality CTE programs at the K-12 level that are aligned with the workforce development efforts occurring through the Strong Workforce Program, and authorizes, commencing with the 2018-19 fiscal year, and subject to an annual appropriation, one hundred and fifty million dollars (\$150 million) to be apportioned annually by the Chancellor's Office to local consortia. (EC 88827)
 - 3) Federal law, the Strengthening Career and Technical Education for the 21st Century Act, reauthorizes the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins) provides federal support for CTE programs and focuses on improving the academic and technical achievement of CTE students, strengthening the connections between secondary and postsecondary education and improving accountability.

FISCAL EFFECT: Unknown

COMMENTS: This bill provides a long term, stable funding stream for high quality CTE programs in California's K-12 schools at \$450 million per year for CTEIG grants, with a 1:1 local match requirement, subject to annual budget appropriations. The bill also requires funding for technical assistance at both the state and regional levels, under the direction of CDE. AB 1303 consolidates and streamlines the K-12 CTE programs by shifting the K-12 Strong Workforce Program to the CDE and shifting the ongoing funding into the CTEIG program.

Need for the bill. According to the author, "CTE ensures that students are better prepared for life after graduation, whether that includes college or leads straight to a career. Students need multiple paths to success, not a one-size fits all model as not every quality job requires a four-year university degree. CTE programs that provide quality career exploration and guidance, and appropriate student supports prepare students to transition smoothly into ongoing education and/or directly into the workforce. Participation in CTE classes also motivates students to attend school more frequently and be more engaged, which improves their overall academic outcomes.

Current levels of funding for high quality CTE programs is insufficient to meet the needs of students and the state's labor force. In addition, the bifurcation of the K-12 CTE funding into two separate programs under the jurisdiction of CDE and the Chancellor's office creates unnecessary administrative burdens at the state level and the local level. Schools are currently required to apply to two separate programs for funding of CTE programs, each with unique eligibility and reporting requirements. Finally, there is a need to ensure that schools have ready access to technical assistance from individuals who understand both the relevant industry sector as well as

the needs of K-12 students and schools, in order to support the development and growth of high quality K-12 career pathways.”

Defining Career Technical Education. 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. A wide body of research indicates that involvement in CTE coursework provides improved academic outcomes and other benefits to students with findings, such as the following:

- Students with greater exposure to CTE are more likely to graduate from high school, enroll in a two-year college, be employed, and earn higher wages.
- The average high school graduation rate for students concentrating in CTE programs is 93 percent, compared to an average national graduation rate of 80 percent.
- Students taking more CTE classes are just as likely to pursue a four-year degree as their peers.
- 91 percent of high school graduates who earned 2-3 CTE credits enrolled in college.
- Students who focus their CTE coursework are more likely to graduate high school by 21% compared to otherwise similar students.
- CTE provides the greatest boost to students who need it most – boys and students from low-income families.
- 80 percent of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63 percent of students taking the same academic core who did not experience rigorous CTE.

Importance of CTE to California’s economy. Career Tech 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.

College and career readiness is a state priority. Each LEA's Local Control and Accountability Plan (LCAP) must demonstrate, among other priorities, how they are ensuring that all students are being prepared to be college and career ready. The College and Career Readiness Index displayed on each LEA's dashboard includes data on the number of students completing a CTE pathway. CDE notes that over 90% of districts report that CTE is now embedded into their LCAP.

Legislature has prioritized funding for CTE in recent years. Legislative actions in recent years have allocated \$500 million for the California Career Pathways Trust (CCPT) grant program, as well as \$900 million for the CTEIG program for the first three years of the program. Beginning in 2018-19, the Legislature appropriated \$150 million in ongoing funds for CTEIG, as well as establishing the K-12 component of the Strong Workforce Program (SWP), administered through the Office of the Chancellor of the Community Colleges.

Prior to the adoption of the LCFF, the state provided funding for CTE through a number of categorical programs, including the Regional Occupational Center/Programs (ROCP), which was funded at \$400 million at the time. This funding was folded into LCFF, increasing the base rate for high schools by 2.6 percent.

A total of 379 applications to the CTEIG program for the 2018-19 round of funding were recently received by CDE, with total grant requests of \$352 million. The SBE approved funding of \$150 million for 337 of the applications. The K-12 SWP recently received 478 applications totaling \$266 million for the 2018-19 round of funding. Allocation decisions have yet to be made. These requests for K-12 CTE grant funding totaled \$618 million, however only \$300 million is available, through the two programs, to fund these programs.

Successful implementation of CTE. CDE reports the funding for the CTEIG program was fully allocated for the first three years. The funds are distributed on a proportional share basis to all grantees and are allocated to all regions of the state. They also note that CTE enrollment increased by 12 percent during the three-year period of funding through the CTEIG program. The majority of CTEIG funds were used to bring CTE programs up to current industry standards in equipment with capital outlay dollars being used for state-of-the-art equipment such as ultrasound machines for veterinary and animal husbandry agriculture programs, ambulance simulators for emergency medicine health science programs, and laser cutters for manufacturing programs. According to CDE, for most programs this was the first significant investment in industry standard equipment since before the recession. CTEIG funds were also used to provide professional development for CTE teachers and CTE leaders and counselors.

CTE technical assistance provided through County Offices of Education (COEs). Through state level funding provided through the CTEIG program, CDE established seven COEs as regional technical assistance providers. The seven centers were chosen for the leadership and expertise in the delivery of K-12 CTE as well as their understanding of the K-12 environment. These seven centers provide technical assistance and professional development based on the unique regional and statewide needs of K-12 CTE, including CTE Model Curriculum Standards, integration of K-12 general education courses and CTE, Career Student Leadership Organizations, and college and career pathway development as defined in the state plans for both

the federal Perkins Act as well as the Every Student Succeeds Act (ESSA). Funding for these contractors is due to expire at the end of June 2019. This bill includes an unspecified amount to provide funding for this technical assistance.

Arguments in support. The Association of Career and College Readiness Organizations states, “We firmly believe it was the intent of the Governor and the Legislature that the funds provided in the 2018 Budget Act, while portioned between the California Community Colleges Chancellor’s Office SWP and the California Department of Education’s CTEIG for implementation and distribution, would support quality K-12 CTE programs. However, there are distinct differences between the programs, that appear to be unresolvable, that will clearly prevent that intent from being implemented. It is clear that the implementation of the SWP, to date, will not ensure that quality K-12 programs can or will choose to participate. There are numerous problems that make community college administration of the SWP incompatible with K-12 programs. These problems and others have led many K-12 entities to choose not to apply for funds under the SWP, and most others to completely lose faith in the original intent that the K-12 SWP be administered to support quality CTE at the K-12 level. This bill proposes to shift the \$150 million currently administered by the community college’s K-12 SWP to CTEIG, which is overseen by the CDE, and also adds another \$150 million in ongoing funding to the program, bringing the total amount of funding for CTE programs in the state to \$450 million. These funds are critical to ensuring our students continue to receive a quality, well-rounded education.”

The California Manufacturers and Technology Association states, “the demand of middle-skilled jobs continues to drive the need for trained workers in all California’s industries. These jobs require more than a high school diploma but less than a four-year degree and often a higher level of technical training. Such occupations can be found in all industries, including culinary arts, allied health, advanced manufacturing, information technology, construction, agriculture and administrative and professional services. AB 1303 builds on the integrity and proven success of the CTEIG by ensuring the program has the resources and structure to support the increasing demand for these life-changing programs. We must continue to make workforce development a priority in California and make significant investments in training programs that will prepare many more Californians for entry into either career and post-secondary education.”

Prior and related legislation.

AB 1808 (Education Omnibus Trailer Bill) Chapter 32, Statutes of 2018 appropriates in the 2018–19 fiscal year and each fiscal year thereafter, \$150,000,000 to the CTEIG program administered through CDE. Also establishes a K–12 component of the Strong Workforce Program to create, support, or expand high-quality CTE programs at the K–12 level aligned with the workforce development efforts and, commencing with the 2018–19 fiscal year, requires the Chancellor of the California Community Colleges to allocate \$150,000,000 for this program to regional CTE consortia.

AB 1743 (O’Donnell) of the 2017-18 Session would have extended funding for the Career Technical Education Incentive Grant (CTEIG) Program by providing ongoing funding of \$500 million per year with a 1:1 local match as well as \$12 million per year for regional K-12 CTE coordinators to provide technical assistance and support to local CTE providers. This bill was held in the Senate Education Committee.

AB 104 (Education Omnibus Trailer Bill) Chapter 13, Statutes of 2015 established the CTEIG, 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.

REGISTERED SUPPORT / OPPOSITION:**Support**

Agricultural Council Of California
Alameda Unified School District
Anderson Union High School District
Association Of California School Administrators
Association of Career and College Readiness Organizations
Automotive Service Councils Of California
Baldy View Regional Occupational Program
Berkeley Unified School District
California Advancing Pathways
California Association Of Regional Occupational Centers And Programs
California Association Of Sheet Metal & Air Conditioning Contractors National Association
California Autobody Association
California Automotive Business Coalition
California Business Education Association
California Hospital Association
California League Of Food Producers
California Manufacturers & Technology Association
California New Car Dealers Association
California School Boards Association
California State PTA
Capistrano Unified School District
Career Technical Education Joint Power Authority Coalition
Castro Valley Unified School District
Chaffey Joint Union High School District
Chino Valley Unified School District
Claremont Unified School District
Coastline Regional Occupational Program
College And Career Advantage
Colton-Redlands-Yucaipa ROP
Contra Costa County Superintendents Coalition
East San Gabriel Valley Regional Occupational Program And Technical Center
Eden Area ROP
Family Business Association Of California
Gateway Unified School District
Laguna Beach Unified School District
Metropolitan Education District
Mission Trails ROP
Mission Valley ROP
Newport-Mesa Unified School District

North Orange County ROP
Oakland Unified School District
Orange County Department Of Education
Palm Springs Unified School District
Project Lead The Way Inc.
San Antonio ROP
San Bernardino County District Advocates For Better Schools
San Francisco Unified School District
Schools For Sound Finance
Shasta-Trinity Regional Occupational Program
SIATech, Inc.
SoCal ROC
State Building And Construction Trades Council
Tri-Cities Regional Occupational Program
Tri-Valley Regional Occupational Program
Upland Unified School District
Valley Regional Occupational Program

Opposition

None on file

Analysis Prepared by: Debbie Look / ED. / (916) 319-2087