

Date of Hearing: March 22, 2023

ASSEMBLY COMMITTEE ON EDUCATION
Al Muratsuchi, Chair
AB 377 (Muratsuchi) – As Amended March 1, 2023

[Note: This bill is double referred to the Assembly Higher Education Committee and will be heard by that Committee as it relates to issues under its jurisdiction.]

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

SUMMARY: Requires the consolidation of specified K-12 career technical education (CTE) programs, increases ongoing funding for the Career Technical Education Incentive Grant program (CTEIG), administered by the California Department of Education (CDE), to \$450 million per year; requires specified CTE staffing at the state and regional level to support local CTE programs and pathways; and deletes authorization for the K-12 Strong Workforce Program (SWP) administered by the Chancellor of the California Community Colleges (CCCCO). Also, requires the CDE to establish a stakeholder workgroup to consider improvements to the CTEIG program. Specifically, **this bill:**

- 1) Increases ongoing funding for the K-12 CTEIG program to \$450 million per year beginning in 2024-25, by rolling in ongoing funding from the K-12 SWP.
- 2) As of 2024-25, reduces the match requirement from 2:1 to 1:1 for regional programs and 1.5:1 for LEAs.
- 3) Requires the CDE to establish a stakeholder workgroup by June 30, 2024 to consider and provide recommendations to maximize career technical education opportunities for students, including:
 - a) Methods to simplify the allocation of funding under this program;
 - b) Allocating funding specifically for programs in alternative settings, including court schools, community day schools, and continuation schools, as well as at middle schools;
 - c) Evaluating the effectiveness of regional technical education programs offered by joint powers authorities or county offices of education and identifying ways to support and stabilize funding;
 - d) Providing greater stability of funding by streamlining renewal of grants or establishing multi-year contracts; and
 - e) Streamlining reporting requirements for K-12 CTE funding streams.
- 4) Authorizes the workgroup to include representatives of local education agencies (LEAs) offering high quality CTE programs, regional career technical education centers or programs; LEAs offering CTE classes or programs at alternative sites, labor organizations, and business and industry organizations.

- 5) Requires a level of professional staffing within the CDE sufficient to effectively administer the CTEIG program as well as other CTE programs.
- 6) Requires staffing at the CDE to include state-level subject matter experts in key industry sectors, who would liaise with regional CTE coordinators and provide support LEAs in the establishment and improvement of CTE programs.
- 7) Authorizes \$12 million in ongoing funding to the CDE beginning in 2024-25, subject to an appropriation for this purpose, to provide regional CTE coordinators for the provision of technical assistance and support to LEAs in implementing CTE courses, programs, and pathways, through contracts with selected county offices of education (COEs) to provide regional industry leads with proven industry expertise in CTE, as part of the Statewide System of Support.
- 8) Requires that the duties of the regional CTE coordinators include, but not be limited to the following:
 - a) Provide technical assistance and support to LEAs to implement CTE courses, programs, and pathways and integrate available local, regional, state, and nonpublic resources to ensure that students will achieve successful outcomes;
 - b) Collaborate on behalf of LEAs within the region with local community college SWP consortia, industry partners, local workforce investment boards, and other relevant agencies or organizations to support and align K-12 CTE programs;
 - c) Act as the first point of contact for LEAs, industry organizations, and employers, with the intent of assisting LEAs to respond to industry needs and facilitate industry connections with K-12 CTE programs;
 - d) Cultivate collaborative communities within key industry sectors so that LEAs and industry organizations can collaborate and provide peer-to-peer knowledge exchange in areas of common interest; and
 - e) Ensure that CTE classes, programs, and pathways meet the requirements of the CTEIG program, as specified.
- 9) Requires the Superintendent of Public Instruction (SPI) to determine the distribution of funding for regional CTE coordinators based upon the average daily attendance (ADA) of the public schools within the county, and to the extent possible, ensure the equitable geographic distribution of technical assistance coordinators throughout the state.
- 10) Deletes references to the K-12 SWP and requires that this program cease to be operative as of July 1, 2024, and requires administration of any outstanding allocations and contracts to be the responsibility of the CDE as part of the CTEIG program.

EXISTING LAW:

- 1) Authorizes the CTEIG Program as a state education, economic, and workforce development initiative with the goal of providing students in kindergarten through 12th grade with the

knowledge and skills necessary to transition to employment and postsecondary education (Education Code (EC) 53070).

- a) Identifies the purpose of the competitive CTEIG program as the encouragement and maintenance of the delivery of CTE programs by school districts and charter schools.
- b) Appropriates funding for the CTEIG program as follows: \$400 million for 2015-16; \$300 million for 2016-17; \$200 million for 2017-18; and \$150 million per year for 2018-19 to 2020-21; and \$300 million per year beginning in the 2021-22 fiscal year and every year thereafter.
- 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:
 - i) \$1.00 for every \$1 received in 2015-16;
 - ii) \$1.50 for every \$1 received in 2016-17;
 - iii) \$2.00 for every \$1 received in 2017-18, and each fiscal year thereafter; and
 - iv) As of July 1, 2021, requires the proportional match to be encumbered in the fiscal year for which the applicant is applying for a grant under the program.
- e) Requires applicants for the CTEIG Program to demonstrate that their CTE programs meet all of the following minimum eligibility standards:
 - i) High quality curriculum and instruction aligned with the California CTE Model Standards, including a sequence of courses that enable students to transition to postsecondary education, attain employment, or industry certification upon graduation from high school;
 - ii) Career exploration, guidance, and a continuum of work-based learning opportunities aligned with academic coursework, which may include paid internships;
 - iii) Student support services, including counseling and leadership development to address students' social, emotional, career, and academic needs;
 - iv) System alignment, coherence, and articulation with postsecondary institutions, allowing for dual enrollment opportunities;
 - v) Ongoing and meaningful partnerships with industry and labor;
 - vi) Opportunities for students to participate in after-school, extended day, and out-of-school internships, competitions, leadership development opportunities, and other work-based learning opportunities;

- vii) 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;
 - viii) Pathway to an industry-recognized credential or certificate, or appropriate postsecondary education or training, employment, or a postsecondary degree;
 - ix) Staffing by skilled teachers or faculty and the provision of professional development opportunities for any teachers or faculty members supporting students in those programs;
 - x) Provides opportunities for students with exceptional needs to participate in all programs; and
 - xi) Annual data reporting to allow for an evaluation of the program.
- f) Data reporting requirements for grantees including the core metrics required by the federal Strengthening Career and Technical Education for the 21st Century Act (Perkins V), the quality indicators described in the California State Plan for CTE, as well as additional specified metrics. 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.
- g) Defines grant recipients for CTEIG as one or more school districts, COEs, charter schools, regional occupational centers or programs (ROCPs) operated by joint power authorities or COEs, or any combination of these.
- h) Requires the CDE to consult with entities with career technical education expertise, including the Chancellor of the CCCO, state workforce investment organizations, and business organizations, in the development of requests for grant applications and consideration of the applications received.
- i) 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 determining proposed grant recipients, are required to give positive consideration and the greatest weight to those applicants who:
- i) Serve unduplicated students or subgroups with higher than average dropout rates;
 - ii) Are located in an area of the state with a high unemployment rate; and
 - iii) Offer an existing high-quality regional-based CTE program as a joint powers agency (JPA) or county office of education (COE).
- j) Requires the CDE and the SBE, in determining proposed grant recipients to also give positive consideration to those applicants who:

- i) Successfully leverage existing CTE resources and funding, as well as contributions from industry, labor, and philanthropic sources;
 - ii) Engage in regional collaborations with postsecondary education or other LEAs, including the SWP consortium operating in their areas, as well as pathway programs provided under an adopted California and Career Access Pathways partnership agreement;
 - iii) Make significant investment in CTE infrastructure, equipment, and facilities; and
 - iv) Operate within rural districts.
- 2) Authorizes the K-12 component of the SWP 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 SWP, and authorizes, commencing with the 2018-19 fiscal year, and subject to an annual appropriation, \$150 million to be apportioned annually by the CCCCCO to local consortia. (EC 88827)
 - 3) Establishes the California Golden State Pathways Program (GSPP) to provide LEAs with the resources to promote pathways in high-wage, high-skill, high-growth areas, including technology, health care, education, and climate-related fields that, among other things, allow students to advance seamlessly from high school to college and career and provide the workforce needed for economic growth. (EC 53020)
 - 4) 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:

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.

The bifurcation of the main K-12 CTE funding into two separate programs under the jurisdiction of the CDE and the Chancellor’s office creates unnecessary administrative burdens at the state level and additional complications at 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, and are not receiving adequate technical assistance. A recent report by the State Auditor noted that administrative shortcomings in the K-12 Strong Workforce Program limits its effectiveness supporting grant applicants, including inherent risks of conflicts of interest, as well as a lack of equal access to local support staff.

AB 377 will reduce administrative burdens at the state and local levels by consolidating the CTEIG and K-12 SWP programs and will ensure that effective K-12 CTE technical assistance is readily available to support high quality CTE programs at the local level.”

Defining Career Technical Education. 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.

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 are 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 courses and pathways may be offered in comprehensive high schools with CTE programs, as well as through regional CTE programs or centers operated by JPAs or COEs. Some CTE programs are blended with academic programs in what is known as a “linked learning model.” Community colleges and technical institutes also offer CTE at the postsecondary level.

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%, compared to an average national graduation rate of 80%;
- Students taking more CTE classes are just as likely to pursue a four-year degree as their peers;
- 91% of high school graduates who earned 2-3 CTE credits enrolled in college;
- CTE provides the greatest boost to students who need it most – boys and students from low-income families; and
- 80% of students taking a college preparatory academic curriculum with rigorous CTE met college and career readiness goals, compared to only 63% 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; and

- 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.

Current K-12 CTE programs. There are a number of initiatives supporting K-12 CTE programs supported by state and federal funds, including two large competitive grant programs:

- 1) **The Career Technical Education Incentive Grant (CTEIG) Program** was originally established in 2015 as a one-time investment of \$900 million to cover a three-year span, and acted as a bridge for LEAs to support CTE programs until the Local Control Funding Formula (LCFF) was fully funded. It was created as a state education, economic, and workforce development initiative to provide students in kindergarten through grade twelve with the knowledge and skills necessary to transition from secondary education to postsecondary education and living-wage employment. The purpose of the program is to encourage, maintain, and strengthen the delivery of high-quality CTE programs. The program is administered by the CDE. In 2018, ongoing funding of \$150 million for CTEIG was appropriated. In 2021, the annual funding for CTEIG was increased to \$300 million.

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

Grants are awarded under the CTEIG program by CDE, in consultation with the SBE, in response to applications submitted by LEAs outlining the ways in which they meet the statutorily defined requirements, including a 2:1 match of local to state funding. For the 2022-23 fiscal year, the CDE received 383 applications from LEAs. A total of \$266 million has been allocated to the 375 eligible applicants. A second round of funding allocated an additional \$2.3 million to 5 eligible applicants.

- 2) **The K-12 Strong Workforce Program (K-12 SWP)** was established in 2018 as a component of the Community Colleges' SWP to create, support, or expand high-quality CTE programs at the secondary level that are aligned with the workforce development efforts occurring through the SWP. As is the case for CTEIG, the K-12 SWP is meant to support the overall development of high-quality K-12 CTE programs, courses, course sequences, programs of study, and pathways. The program is administered by the CCCCO. The program is currently funded at \$150 million per year.

Unlike the CTEIG program, which is administered at the state level, the CCCCO allocates K-12 SWP grant funding to eight regional consortia according to a statutory formula. Each regional consortium is required to administer a competitive grant program it receives to

LEAs in the region. Each consortium establishes a selection committee made up of individuals with expertise in K-12 CTE and workforce development, including teachers, administrators, community college faculty or administrators, and other K-12 education stakeholders. Employees of LEAs applying for grants under the program may serve as members of the selection committees. Each selection committee has exclusive authority under state law to determine the recipients of K-12 SWP grants in its region and the specific amount for each grant.

For the 2022-23 fiscal year, 224 individual pathways were funded for a total allocation of \$143.7 million.

CTE technical assistance. Prior to the establishment of the K-12 SWP, CDE was responsible for providing oversight and technical support for the CTEIG and other CTE programs. In addition to state level staff at the CDE, through state level funding provided through the CTEIG program, CDE had 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 expired at the end of June 2019.

The state currently provides \$12 million annually through the CCCCO to fund two categories of positions to support both the CTEIG and the K-12 SWP. These include eight technical assistance providers (TAP), one for each regional consortium, and one workforce pathway coordinator for each of the 72 community college districts. TAPs are meant to serve as consultants to the selection committees by supporting their application review processes and training selection committee members.

State Auditor identifies numerous weaknesses with the K-12 SWP. In February 2022, the State Auditor released a report on the K-12 SWP noting that “state and regional administrative shortcomings limit the program’s effectiveness in supporting grant applicants.” Key findings of the audit include the following:

- The Chancellor’s Office has not directed applicants to provide sufficient detail to demonstrate that their CTE programs will meet regional needs;
- The Chancellor’s Office has not given applicants sufficient information about the criteria that regional committees will use to select grant applications;
- LEAs do not have equal access to the support staff who help them pursue grants because each community college district receives one support position regardless of how many LEAs that district includes;
- \$2.6 million appropriated to fund support staff in fiscal year 2018-19 remains unused and has not been allocated to the regional consortia as required by state law; and

- Most regional consortia of community college districts have not ensured that selection committees adopt strong safeguards against unfair grant award decisions, including potential conflicts of interest, as well as a common criterion for identifying scores from individual reviewers that vary significantly and introduces inconsistency into the application review process.

The audit report recommended actions that the CCCCCO should take to enhance the quality of information the selection committees have available when determining whether applications best meet the workforce program's goals, including providing additional detail in the RFA on how to demonstrate compliance with eligibility criteria, and how local selection committees will allocate funding if demand exceeds available funding. The audit also recommends that the CCCCCO establish a process to modify the areas that its workforce pathway coordinators are assigned to serve to improve the equality of LEAs' access to technical assistance. The report also made recommendations for individual regional consortia to improve consistency in selection processes, to avoid potential conflicts of interest, and to establish a standard approach for addressing score variations.

Arguments in support. The Coalition for Career Technical Education in California states, "AB 377 would consolidate into one program the two major existing state funding programs for K-12 CTE programs in California. This will resolve problems that have confronted local educators across the state as they have struggled with inconsistent application processes and criteria, and uneven and excessive reporting requirements. AB 377 would also establish a much-needed technical assistance capacity to support local educators as they work to establish and improve their local CTE programs and pathways."

The CTE Coalition consists of school districts, county offices of education, and charter schools across the state. We greatly appreciate the commitment of the Legislature and the Governor to provide state support for quality CTE programs. We are confident that consolidating and aligning that state support, combined with quality technical assistance, will strengthen the quality of college and career opportunities for students throughout California."

Related legislation. AB 1189 (Gipson) of the 2023-24 Session requires school districts serving students in grades 9 to 12 to offer CTE.

AB 2058 (O'Donnell) of the 2021-22 Session was substantially similar to this bill. The bill was held in the Senate Education Committee.

AB 181 (Committee on Budget) Chapter 52, Statutes of 2022, appropriates \$500 million in one-time Proposition 98 funding for the Golden State Pathways Program to support the development and implementation of college and career educational pathways in critically needed sectors of the economy. Authorizes the CDE to contract with up to 10 LEAs for the provision of technical assistance to LEAs, applicants, and grant recipients.

AB 1923 (Mathis) Chapter 114, Statutes of 2022, requires the SPI to prioritize proposals for new California Partnership Academies based on a school district's enrollment of socioeconomically disadvantaged students, and for school districts located in a rural or economically disadvantaged area.

AB 130 (Committee on Budget) Chapter 44, Statutes of 2021, provides that, for the 2021–22 fiscal year and each fiscal year thereafter, \$300 million would be made available to the CDE, upon appropriation for the CTEIG program. Also makes adjustments to program provisions relating to eligibility requirements for grant applicants, and for ensuring compliance with program requirements.

AB 1808 (Committee on Budget) Chapter 32, Statutes of 2018, appropriates in the 2018–19 fiscal year and each fiscal year thereafter, \$150 million to the CTEIG program administered through CDE. Also establishes a K–12 component of the SWP 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 CCCCO to allocate \$150 million for this program to regional CTE consortia.

AB 1743 (O’Donnell) of the 2017-18 Session would have extended funding for 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 (Committee on Budget) Chapter 13, Statutes of 2015, establishes 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

Automotive Service Councils of California
Baldy View Regional Occupational Program
California Association of School Business Officials
California Association of Sheet Metal & Air Conditioning Contractors National Association
California Autobody Association
California Automotive Business Coalition
California High Schools Coalition
California Manufacturers and Technology Association
California Renewable Transportation Alliance
Campbell Union High School District
CAROCP - the Association of Career and College Readiness Organizations
Coalinga Huron Unified School District
Coalition for Career Technical Education
Coastline Regional Occupational Program
Colton-Redlands-Yucaipa Regional Occupational Program
Edvoice
Family and Consumer Science Teachers Association of California
Fresno County Superintendent of Schools
Grossmont Union High School District
Lake County Office of Education
Los Angeles County Office of Education
Los Gatos- Saratoga Union High School District

Metropolitan Education District
Milpitas Unified School District
Modesto City Schools District
Monterey County Office of Education
Murrieta Valley Unified School District
Office of The Riverside County Superintendent of Schools
Orange County Department of Education
Oxnard Union High School District
Plumas County Office of Education/unified School District
Project Lead the Way
Riverside County Public K-12 School District Superintendents
Rocklin Unified School District
San Bernardino County District Advocates for Better Schools
San Jose Unified School District
Santa Clara County School Boards Association
Santa Clara Unified School District
Sonoma County Office of Education
State Building & Construction Trades Council of California
Sutter County Superintendent of Schools
Ventura County Office of Education
Wheatland School District
Work2future

Opposition

None on file

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