

Date of Hearing: April 7, 2021

ASSEMBLY COMMITTEE ON EDUCATION  
Patrick O'Donnell, Chair  
AB 839 (O'Donnell) – As Amended March 25, 2021

**SUBJECT:** Career technical education: California Career Technical Education Incentive Grant Program

**SUMMARY:** Increases the ongoing annual funding for the California Career Technical Education Incentive Grant (CTEIG) program to \$300 million as of the 2021-22 fiscal year. Specifically, **this bill:**

- 1) Increases the ongoing annual funding for the CTEIG program to \$300 million as of the 2021-22 fiscal year.
- 2) Clarifies that a regional-based career technical education (CTE) program may be operated through a county office of education (COE), as well as a joint powers agency (JPA).
- 3) Requires that the annual report the California Department of Education (CDE) must provide to the Legislature on the CTEIG program include information on supporting the ongoing provision of high-quality, industry-valued CTE and workforce development opportunities.

**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 12<sup>th</sup> grade with the knowledge and skills necessary to transition to employment and postsecondary education (Education Code (EC) 53070).
- 2) Requires the CDE to administer the program as a competitive grant and identifies the purpose of the CTEIG program as encouraging, maintaining, and strengthening the delivery of CTE programs.
- 3) Appropriates funding for the CTE Incentive Grant Program, as follows:
  - a) \$400 million for 2015-16;
  - b) \$300 million for 2016-17;
  - c) \$200 million for 2017-18; and
  - d) \$150 million per year beginning in 2018-19.
- 4) Specifies the distribution of the funds appropriated, by the average daily attendance (ADA) of pupils in grades 7 to 12, 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, unless otherwise determined by the Superintendent of Public Instruction (SPI) in collaboration with the State Board of Education (SBE).
- 5) Requires that applicants demonstrate the ability to provide local matching funds to support the program for which they are awarded a CTEIG grant as follows:

- a) \$1.00 for every \$1 received in 2015-16;
  - b) \$1.50 for every \$1 received in 2016-17; and
  - c) \$2.00 for every \$1 received in 2017-18, and each fiscal year thereafter (EC 53071).
- 6) Requires applicants for the CTEIG Program to submit a three-year plan and 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, career and technical education student organizations, and other work-based learning opportunities;
  - Reflects 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; and
  - Data reporting to allow for an evaluation of the program (EC 53071).
- 7) Data reporting requirements for grantees including the core metrics required by the federal Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (Perkins V), the quality indicators described in the California State Plan for CTE, as well as the following metrics:
- High school 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; and
  - Number of former pupils enrolled in any of the following: postsecondary education institution, a state apprenticeship program, or another form of job training program.
- 8) 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.
- 9) 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 JPAs or COEs, or any combination of these (EC 53072).
- 10) Requires the CDE to consult with entities with CTE 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 (EC 53074).
- 11) Requires the CDE to annually submit the list of recommended new and renewal grant recipients to the 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:
- a) Serve unduplicated pupils or pupils with higher than average dropout rates;
  - b) Located in an area of the state with a high unemployment rate;
  - c) Successfully leverage existing CTE resources and funding, as well as contributions from industry, labor, and philanthropic sources;
  - d) Engage in regional collaborations with postsecondary education or other local education agencies, including the Strong Workforce Program consortium operating in their areas;
  - e) Make significant investment in CTE infrastructure, equipment, and facilities;
  - f) Operate within rural districts; and
  - g) Offer an existing high-quality regional-based career technical education program as a joint powers agency (EC 53075).

- 12) 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 (EC 53076).
- 13) 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 (EC 53076).
- 14) 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, \$150 million to be apportioned annually by the California Community College Chancellor's Office to local consortia (EC 88827).
- 15) 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, "Current levels of funding for high quality K-12 CTE programs is insufficient to meet the needs of students and the state's labor force, as only approximately 50% of funding requests have been fulfilled in recent years.

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."

***Legislature has prioritized funding for CTE for many 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. Other K-12 CTE programs include the Agricultural CTE Incentive Grant Program, currently funded at \$4.1 million per year; and the California Partnership Academies.

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 (ROCPs), which were funded at approximately \$400 million at the time. This funding was folded into the Local

Control Funding Formula (LCFF), increasing the base rate for high schools by 2.6%. However, there was no requirement that the additional funds be spent on CTE programs.

***Funding for K-12 CTE programs has failed to meet the demand.*** Despite the allocation made by the Legislature to date, funding for two key K-12 CTE programs continues to be insufficient to meet the demand, as shown here:

<b>Total requests for funding</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
CTEIG	\$344,664,322	\$311,392,320	\$305,577,101
K-12 SWP	\$268,501,130	\$248,574,537	\$221,543,026
<b>Total</b>	<b>\$613,165,452</b>	<b>\$559,966,857</b>	<b>\$527,120,127</b>
Funding available	\$300,000,000	\$300,000,000	\$300,000,000

This bill would add an additional \$150 million per year to the CTEIG program, bringing total annual funding for these two K-12 CTE programs to \$450 million.

***Defining Career Technical Education.*** 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 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 21<sup>st</sup> 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%, 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;

- 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; 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, have 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.

**Growing interest in CTE courses by students.** Between 2015-16 and 2018-19, data from CDE demonstrates that enrollment in CTE courses in California public schools grew by 11% over this 3-year period with the availability of the CTEIG funding. Courses showing the largest increases in enrollment included the Health Sciences and Medical Technology Pathways, as well as the Arts, Media and Entertainment Pathway, while some other sectors showed declining enrollment over this period.

As labor market trends evolve and student interest changes, schools must adapt to these changes by amending their course offerings. Providing new or expanded course offerings in many of these fields requires significant investments in facilities, equipment, and supplies, as well as professional development for teachers. As a result, demand for financial support for CTE continues to grow.

CTE Subject	2015-16 Total course enrollment	2018-19 Total course enrollment	% Change
Agriculture & Natural Resources	96,236	110,626	+15%
Arts, Media, & Entertainment	189,946	231,437	+22%
Building & Construction Trades	43,160	40,619	-6%

CTE Subject	2015-16 Total course enrollment	2018-19 Total course enrollment	% Change
Business & Finance	67,710	51,566	-24%
Education, Child Development, and Family Services	52,617	33,036	-37%
Energy & Utilities	7,032	8,124	+16%
Engineering & Architecture	64,766	73,882	+14%
Fashion & Interior Design	7,568	6,493	-14%
Health Sciences & Medical Technology	72,735	100,196	+38%
Hospitality, Tourism, & Recreation	66,796	73,402	+10%
Information & Communications Technologies	99,188	82,154	-17%
Manufacturing & Product Development	36,739	24,053	-35%
Marketing, Sales, & Service	21,591	18,677	-13%
Multiple Industry Sectors		66,785	
Public Services	30,765	36,263	+18%
Transportation	36,679	34,680	-5%
<b>Totals</b>	<b>893,528</b>	<b>991,993</b>	<b>+11%</b>

**Arguments in support.** According to the Napa County Office of Education, “It is more urgent than ever that we have well-prepared graduates who are able to obtain and keep high-skill, high-wage jobs. All students, including the college bound, should engage in CTE courses if we hope to develop a workforce that can contribute to rebuilding California’s economy. California’s K-12 regional CTE programs have been an integral part of California’s educational system for over 50 years. CTE is, and should continue to be, a part of the core curriculum provided to every K-12 student, as research has shown that quality CTE programs increase high school graduation rates and help students move on to rewarding college and career opportunities. CTE programs require partnerships with business, labor and local colleges so students can select pathways that provide the skills and certifications they will need to be successful. To remain relevant, many of these pathways require expensive equipment and technology that must be kept current if they are to provide real-world career preparation. Additionally, inadequate and varying state funding has made it increasingly difficult to recruit and retain skilled teachers who are proficient in high-demand fields like health care, technology, and advanced manufacturing. AB 839 will help us meet the needs of our California students and our economy.”

**Related legislation.** AB 1303 (O’Donnell) of the 2018-19 Session would have consolidated the K-12 CTE programs and increased the annual ongoing funding for the CTEIG program to \$450 million. This bill was later chaptered with different content.

AB 1808 (Education Omnibus Trailer Bill) 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 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 million for this program to regional CTE consortia.

AB 1743 (O'Donnell) of the 2017-18 Session would have extended funding for the 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 provided \$400 million in 2015-16, \$300 million in 2016-17, and \$200 million in 2017-18 for this program.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

American Automobile Association of Northern California, Nevada & Utah  
 American Council of Engineering Companies of California  
 Automobile Club of Southern California  
 Baldy View Regional Occupational Program  
 Calaveras County Office of Education  
 California Agricultural Teachers' Association  
 California Department of Education  
 California School Boards Association  
 California State PTA  
 Career Technical Education Joint Power Authority Coalition  
 Carocp-the Association of Careers and College Readiness Organizations  
 Coalition for Career Technical Education  
 Coastline Regional Occupational Program  
 College and Career Advantage, JPA ROP  
 Contra Costa County Office of Education  
 Dublin Unified School District  
 East San Gabriel Valley Regional Occupational Program and Technical Center  
 Eden Area ROP  
 Edvoice  
 El Dorado Union High School District  
 Grossmont Union High School District  
 Inyo County Office of Education  
 Lake County Office of Education  
 Livermore Valley Joint Unified School District  
 Los Angeles County Superintendent of Schools, Dr. Debra Duardo  
 Modesto City Schools District  
 Moreno Valley Unified School District



Napa County Office of Education  
Ojai Unified School District  
Oxnard Union High School District  
Pasadena Unified School District  
Pittsburg Unified School District  
Plumas County Office of Education/unified School District  
Project Lead the Way INC.  
Small School Districts Association  
Sonoma County Office of Education  
State Building and Construction Trades Council of Ca  
Tri-cities Regional Occupational Program  
Tri-valley Regional Occupational Program  
Union Roofing Contractors Association  
Ventura Unified School District

**Opposition**

None on file

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