A Look Inside: A Synopsis of CTE Trends

A Four-Part Series Analyzing State CTE Data and Initiatives
Focus: Funding

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Brought to you by the National Association of State Directors of Career Technical Education (NASDCTEc)

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Overview

Every other year, the National Association of State Directors of Career Technical Education Consortium (NASDCTEc) conducts a survey of the membership to gauge trends in Career Technical Education (CTE) across the country. Based on analyses of this year's survey results from 50 states and territories, and comparisons to surveys administered in 2008 and 2010, NASDCTEc has authored a series of synopsis papers that describe trends in four key areas: Career Clusters™ and Programs of Study; CTE Teacher/Faculty Shortages; Governance; and CTE Funding. This paper, the final in the series, reports on CTE funding.

The Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins IV) is the primary source of federal funding for CTE programs across the nation. The funds reach diverse student populations – from middle school to high schools to postsecondary and adult workforce programs – and provide education and training opportunities that prepare students to work in nearly every sector of the economy.

Though the most recent version of Perkins was passed in 2006, federal support for CTE has reached as far back as 1917. At that time, the Smith-Hughes Act was passed to provide funding to address a lack of skilled workers in agriculture and manufacturing, and to prepare the workforce for increasing industrialization of the economy.[i] The Smith-Hughes Act evolved into the Perkins Act, which later included Tech Prep, to focus on improving students' academic achievement and closing the achievement gap, in addition to the original intent of preparing the workforce.[ii]

Perkins IV authorizes five main programs, including the Basic State grants, the Tech Prep grant program, as well as the Tribally Controlled Postsecondary Career and Technical Institutions grant program, National Programs, and Occupational and Employment Information. The Basic State grants comprise of over 90 percent of Perkins appropriated funds. Tech Prep was created to help students transition from high school to postsecondary education and the workforce, but implementation and effectiveness across states was inconsistent. As a result, Perkins IV allowed states to consolidate Tech Prep into the Basic State Grant. Remove: DCongress defunded Tech Prep in 2011 due to insufficient supporting data of consistent positive impact.[iii]

The lengthy history of federal funding for CTE illustrates the importance of CTE to students, communities, and the economy. CTE has largely been a bipartisan issue in Congress because of its widespread positive impact on both individuals and the economy. Members of Congress have shown their support for CTE by initiating a Congressional CTE Caucus. Started in 2007, the Caucus has had over 65 members and continues to be a critical presence on Capitol Hill for CTE.

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Key Findings from 2012 Survey:

- *Federal Funding:* Since FY 2003, Perkins funding has experienced an overall decline in funding of approximately 188 million dollars.[iv]
- *State Funding - Secondary CTE:* Most states reported that their state funding for secondary CTE was maintained.
- *State Funding - Postsecondary CTE:* Thirty-eight percent of states reported a decrease in postsecondary state funding for CTE, down from 50 percent in 2010.
- *Local Funding - Secondary CTE:* Nearly half of states reported a decline in local funding for secondary CTE.
- *Local Funding - Postsecondary CTE:* Nine percent of states reported increased local funding for CTE at the postsecondary level, while nearly 40 percent of states received the same amount of local funding as they did in 2010.

Federal Funding for CTE:

Over the last decade, Perkins funding has declined by approximately 188 million dollars, worsened by the elimination of Tech Prep funding in 2011. Though federal funding of CTE has continued to decrease, interest in CTE has increased and Perkins programs are in even greater need of additional funds to accommodate the increased number of students served.

States receive varying amounts of Perkins funding based on formula funding. Though Perkins funding accounts for less than 2 percent of the overall U.S. Department of Education budget, it serves more than 14 million CTE students nationwide including those at high schools, area technical centers, community colleges, and other institutions.[v] Perkins programs are also the largest source of federal institutional support for community colleges. Clearly, CTE has an expansive presence in the nation's education system, and increased federal funding will be essential to meet the demand of our nation's students and employers.

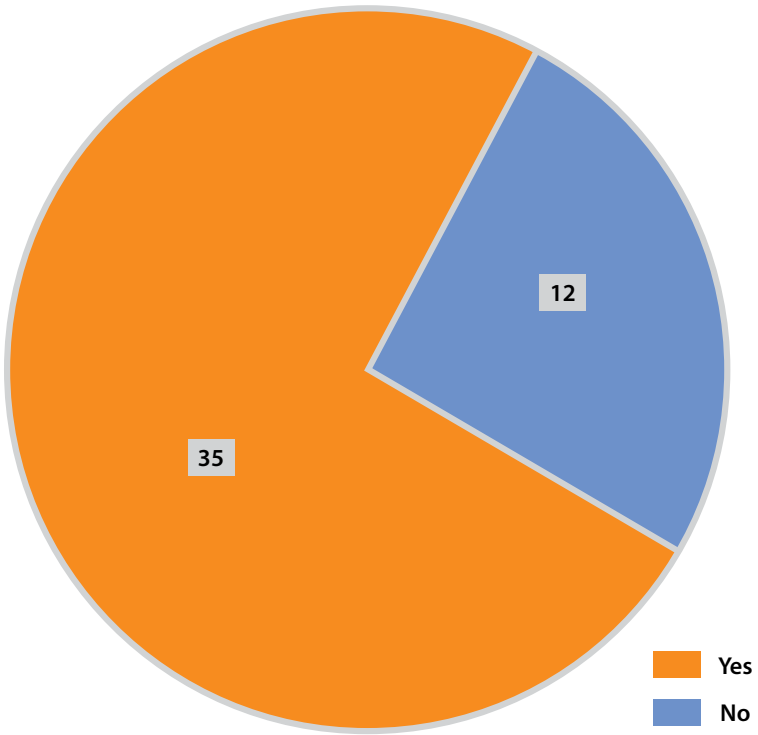
In fiscal year 2011, Perkins was cut by $140.2 million, or 11 percent, bringing total appropriations to $1.1 billion. Though President Barack Obama committed to increasing U.S. Department of Education funding by $2 billion in his FY 2012 budget, he proposed cuts to Perkins that would bring FY 2012 appropriations down to $1 billion. Fortunately, CTE was level funded in FY 2012, and President Obama proposed level funding for CTE in his FY 2013 budget as well. However, long-term projections for Perkins funding and other federal programs are uncertain given issues such as sequestration and the debt ceiling debates, and continued advocacy for CTE and Perkins funding be necessary.

The General Education Provisions Act has extended the authorization of Perkins through FY 2013, and Perkins will be eligible for reauthorization by Congress this summer.

State Funding for CTE:

Though each state receives federal Perkins dollars, state legislatures have recognized the value of CTE programs and the need to fund them to a greater extent. The most recent analysis of funds spent on CTE shows that federal funds account for 5 percent CTE expenditures. State and local governments provide the remaining funds. States can match up to five percent of the state administrative funding provided through Perkins, and the balance of the five percent is returned to the state's formula funding. If states choose to match only one percent of state administrative funding, for example, the remaining 4 percent would not be provided for state administrative needs but would be returned to the state's formula funding for local schools and programs. Beyond this match, the amount of funding contributed by each state varies significantly.

Does your state provide funding for CTE beyond the state administrative match required by Perkins?

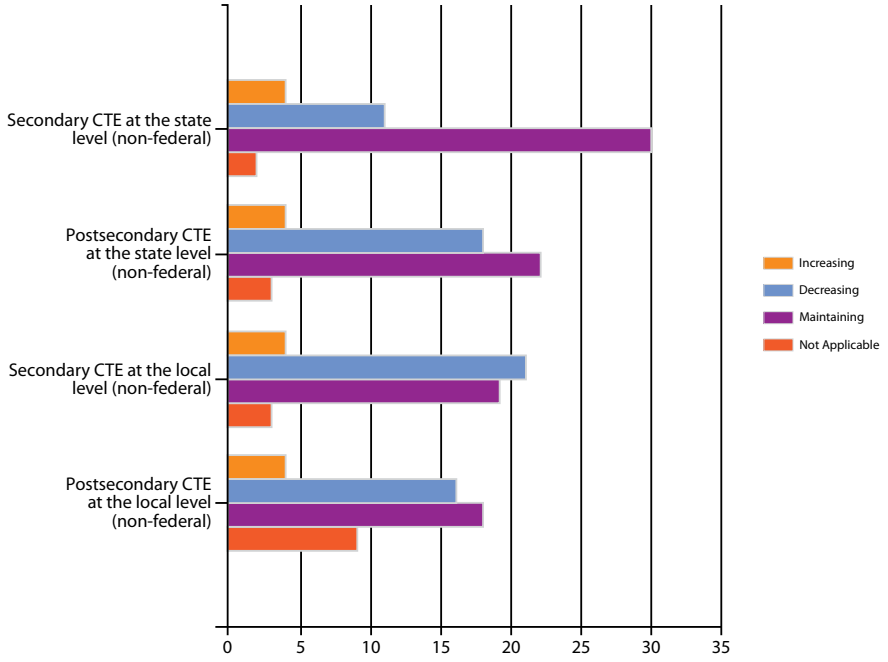


Another lever requiring states to maintain their fiscal effort for CTE programs is the maintenance of effort (MOE) provision mandated in federal education laws. MOE, a prerequisite for states administering federal education grants, requires that a state spend at least as much in non-federal funds for a program in the preceding year as spent in non-federal funds for that program two years before. Specifically, the Perkins MOE provision requires that states meet 100 percent of the previous year's non-federal funding levels in order to receive Perkins funding. The MOE remains a crucial provision as several states rely on this strict interpretation to preserve their state funding for CTE. In other states, however, MOE has posed a challenge because of statewide across the board cuts. The Department of Education has been working with states to try to avoid MOE violations, given the tumultuous economy.

Most states reported this year that their state funding for secondary CTE was maintained. While in 2010, forty-eight percent of State Directors reported a decrease in state funding on the secondary level, far fewer states experienced cuts in 2012. Just 23 percent of survey respondents reported a decrease in funding for secondary education.[vi] Though fewer states decreased secondary CTE funding in 2012, only four states increased funding. Sixty-four percent of respondents reported that their state maintained funding levels for secondary CTE in 2012. Given the dire fiscal condition in many states, maintaining state funding is a strong sign of commitment to CTE.

In regards to postsecondary funding, thirty-eight percent of states reported a decrease in such state funding for CTE in 2012, down from 50 percent in 2010. Again, most state legislatures chose to maintain funding for CTE at the postsecondary level. While many CTE programs struggle even with the current level of funds received, states' commitment to maintain funding levels for secondary and postsecondary CTE in this difficult fiscal environment is indeed a testament to the value of CTE programs to state and local economies.

CTE Funding Trends (2012)



State Example: Nebraska

Limited funds at the federal, state, or local levels are motivating some states to support creative advocacy efforts for CTE. In one case, CTE student organizations took to the helm to advance state legislation for CTE funding using social media.

In 2009, the Nebraska legislature introduced an act to adopt the Center for Student Leadership and Extended Learning Act.[vii] The bill would provide support for establishing a Center for Student Leadership and Extended Learning to support CTE student organizations and offer expanded opportunities for students to participate in activities outside of the classroom.

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Faced with limited funding for CTE, ACTE of Nebraska moved forward with an initiative to promote the legislation through social media. They assembled leadership teams of CTSO advisors, state offices, and students by legislative district and secured a marketing company to create a social media strategy.

The group created a Facebook page identifying the issue and presenting key facts about CTE. In just two weeks, the Facebook page received 20,000 "likes" in support of CTE and the proposed legislation.

The social media effort was successful, and the legislation was passed with a $450,000 allocation for the first year of implementation. The legislation is now in its third year of operation. This example illustrates the power of social media for delivering a timely, impactful message. Also apparent was the natural connection between students and the businesses and taxpayers (often students' parents) that were influenced by their message to support CTE.

Local Funding for CTE:

In addition to federal Perkins funding and state funding, some local governments and industries also provide support for CTE. The 2010 survey showed a decline in local CTE funding for secondary education – a drop that has continued over the last two years. In 2012, nearly half of states reported a decline in local funding for secondary CTE.

At the postsecondary level, the 2010 survey results showed that 25 percent of states experienced increased local funding for CTE. In 2012, however, only 9 percent of states reported increased local funding for CTE at the postsecondary level, while nearly 40 percent of states received the same amount of local funding as they did in 2010.

Since many local governments and industries cannot afford additional funding for CTE at this time, partnerships among employers and educational institutions are especially critical for ensuring the efficiency and relevance of all CTE programs to local and regional economies. CTE State Directors continue to work to provide high-quality CTE programs despite these budgetary shortfalls.

Conclusion

As the country works through its economic recovery, policymakers are faced with the challenge of directing limited funds toward programs that work. CTE is commonly recognized for its ability to efficiently address many of today's most challenging education and workforce issues. CTE programs increase student engagement, provide a clear, deliberate connection between education and the workforce, and link the content being taught in schools directly to the employment needs of regional business and industries. From a macro perspective, CTE helps to ensure that Americans are prepared for and have access to jobs with family-sustaining wages and the economy is supported by a dynamic workforce. Research on the return on investment of CTE indicates positive results; thus, CTE is proving to be a positive investment for states and communities despite the broader challenges faced by the country.

Due to lack of funding, some CTE programs are struggling to meet increasing demand for these highly-relevant programs. Fortunately, policymakers across

the country are recognizing the value of CTE in helping to fill highly-skilled job openings and meeting the needs of local economies. For example, U.S. Senator Chuck Schumer of New York recently proposed legislation that would make available high school diplomas specifically in CTE areas.[viii] Sen. Schumer recognizes that CTE students graduate with a high level of knowledge and skills, and believes that a CTE diploma will help employers to more readily see the skill sets of these students – a win-win situation for New York students and employers.

And, despite budget shortfalls, states such as Nebraska are leveraging students' voices to show state legislators the importance of funding CTE. Policymakers are recognizing that CTE works – for students and employers – and creative solutions such as Nebraska's will help CTE gain continued support and funding. While long-term projections on Perkins funding levels are uncertain – due, in part, to issues like the threat of sequestration and the debt ceiling debates – a vigilant focus on high-quality CTE programs, data-driven decision making, and return on investment will best position CTE to ward off as many additional funding cuts as possible.

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i The career pathways effect: Linking education and economic prosperity. (2012). Waco, TX: CORD Communications.
ii The Carl D. Perkins Vocational and Applied Technology Education Act of 1990, Public Law 101-392.
iii Congressional Research Service. (2012). Carl D. Perkins Career and Technical Education Act of 2006: Implementation Issues. Retrieved from: http://www.fas.org/sgp//crs/misc/R42858.pdf
iv Note: FY2003 $1.311 billion minus FY 2012 $1.123 billion. Inflation is not included.
v U.S. Department of Education. (2012). Department of Education Fiscal Year 2012 Congressional Action, June 21, 2012. Retrieved from: http://www2.ed.gov/about/overview/budget/budget12/12action.pdf
vi Note: A total of 47 states and territories responded.
vii Legislature of Nebraska. Bill 476. Retrieved from: http://files.statesurge.com/file/1001511
viii Schumer launches initiative to connect thousands of upstate NYers with today's local jobs; Urges NYS Board of Regents to swiftly approve two new high school diplomas based on math and science, career skills. November 14, 2012. Retrieved from: http://www.schumer.senate.gov/Newsroom/record.cfm?id=337921&&&search_field=diploma