



Learning that works for America

CTE[®]

State Strategies for Financing CTE



Thank You to Our Webinar Host



For Today's Webinar

- Background
- Major findings
- Live polling questions
- Q&A

Our Panelists

- **Steve Klein**, Director, Center for Career & Adult Education and Workforce Development, RTI International/Principal Investigator, NCICTE
- **Laura Rasmussen Foster**, Program Director, RTI International/NCICTE
- **Suzanne Hultin**, Program Specialist, National Conference of State Legislatures
- **Andrea Zimmermann**, State Policy Associate, NASDCTE_c

Background

- Ever-shrinking state, federal dollars
- Perkins
 - Declining revenues since FY 2010
(Title II, Sequestration)
- Important update to 2001 report:
Financing Vocational Education: A State Policymaker's Guide



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

Suzanne Hultin

National Conference of State Legislatures



Steve Klein

Laura Rasmussen Foster

National Center for Innovation in Career and Technical Education

Rationale for Study

- CTE more expensive to provide than other forms of instruction---money matters!
- Increasing federal and state policy focus on competitive funding
- Update to 2001 report, *Financing Vocational Education: A State Policymaker's Guide*

The background of the slide features a large, faint, light-blue circular seal of the U.S. Department of Education. The seal contains the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom, separated by two stars. In the center of the seal is a detailed illustration of an oak leaf and acorn.

U.S. Department of Education

**State Strategies for
Financing Career and Technical
Education**

CTE Cost Factors

- Smaller class size
- Specialized equipment and supplies
- Facility construction and maintenance costs



LIVE POLLING QUESTION #1

*Please tell us about CTE funding
in your state.*

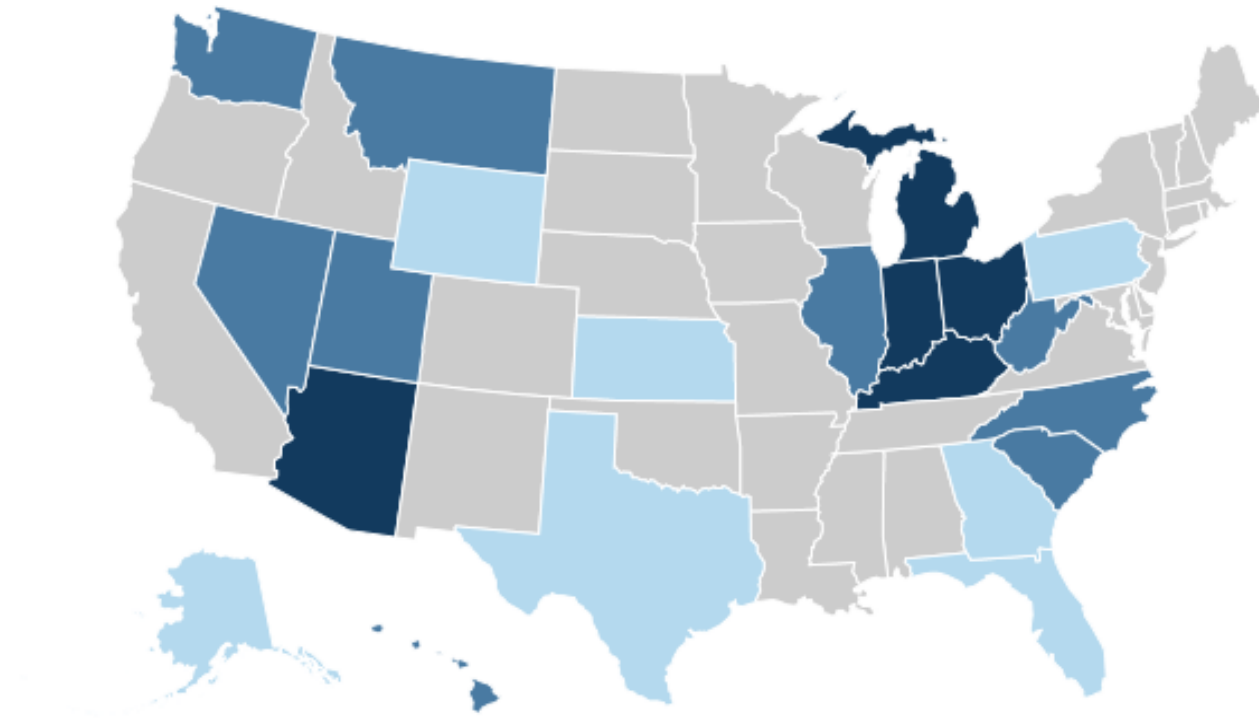
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How Are States Funding CTE?

- Foundational funding
- Funding for area CTE centers only
- Categorical funding
 - Student-based
 - Unit-based
 - Cost reimbursement

Categorical Funding: Student-Based

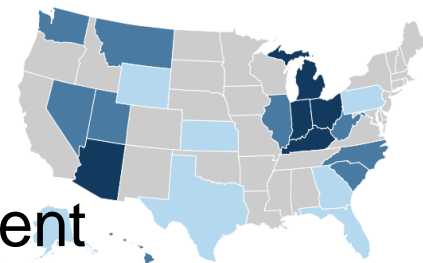


■ Proportional Allocations ■ Weighted Student Funding ■ Differential Weighting

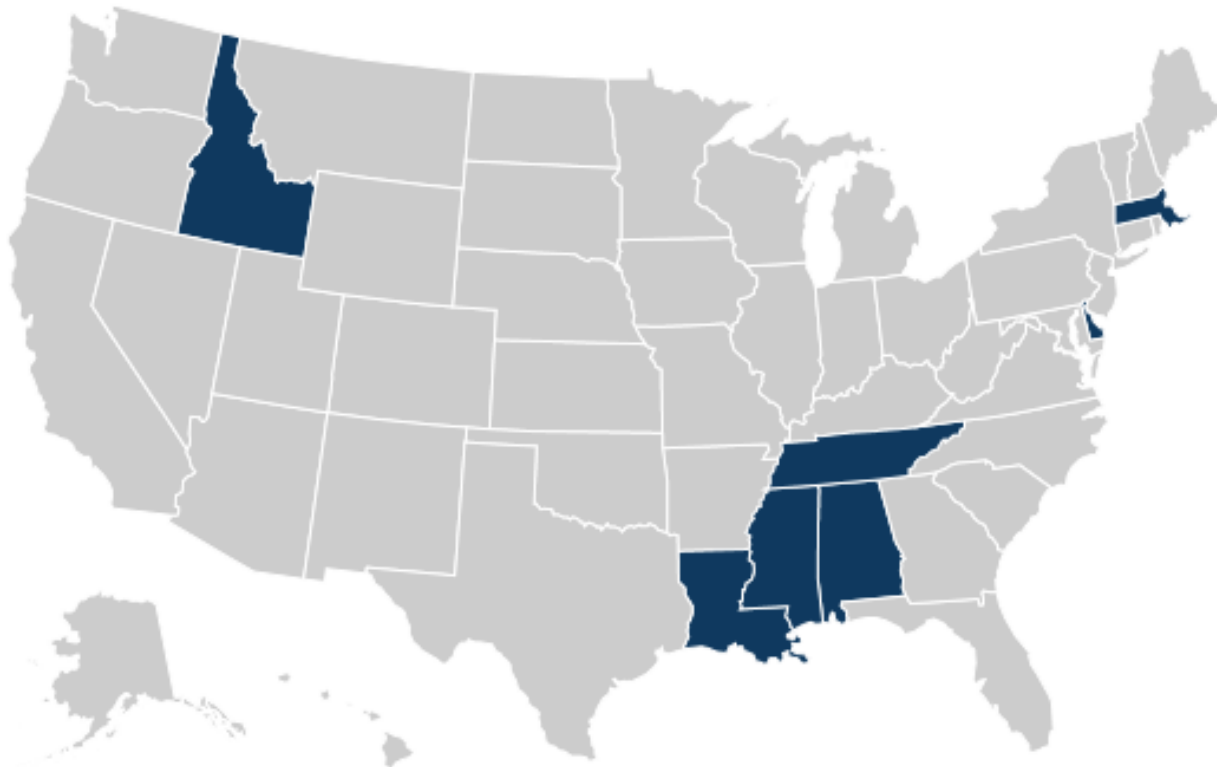
Categorical Funding: Student-Based

Determined by the number of students enrolled in a CTE program. Includes:

- Pro rata distributions based on level of student participation
- Weight for CTE students in K-12 foundational formulas
- Differential weighting based on program type or level of involvement



Categorical Funding: Unit-Based

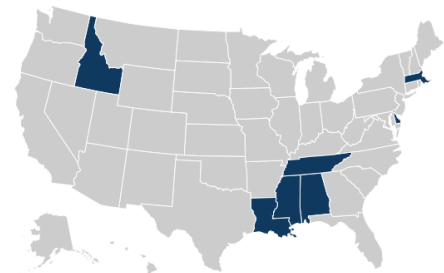


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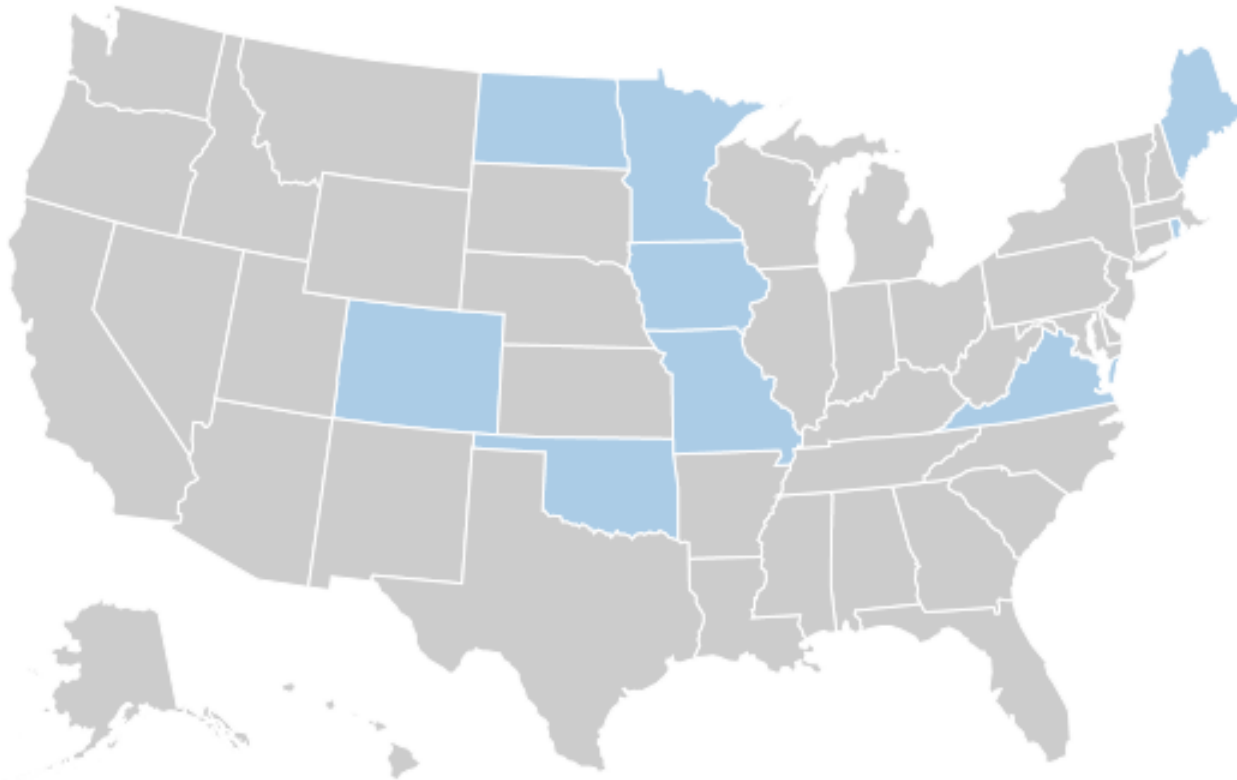
Categorical Funding: Unit-Based

Allocates funding based on educational inputs to offset programmatic costs. Factors include:

- Average or minimum class size
- # of CTE instructors
- Other (salary/benefits, materials and equipment)



Categorical Funding: Cost Reimbursement

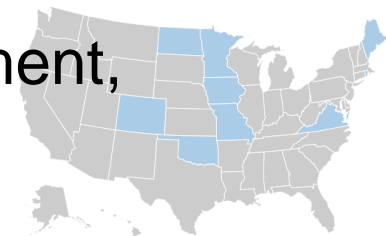


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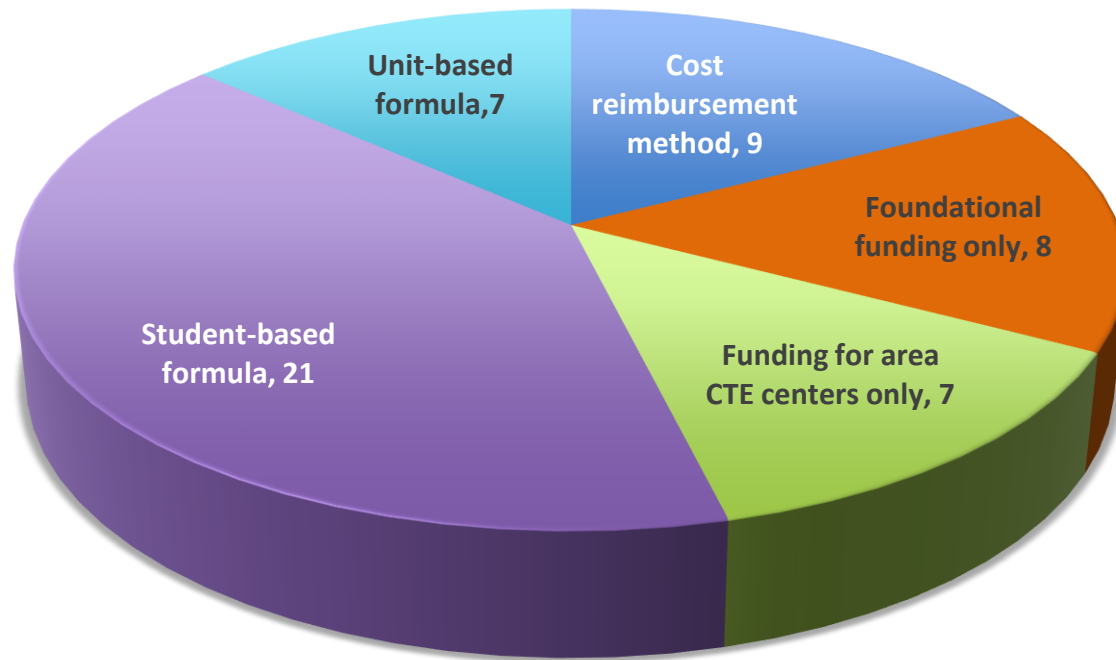
Categorical Funding: Cost Reimbursement

Determines program allocations based on previous year's expenditures

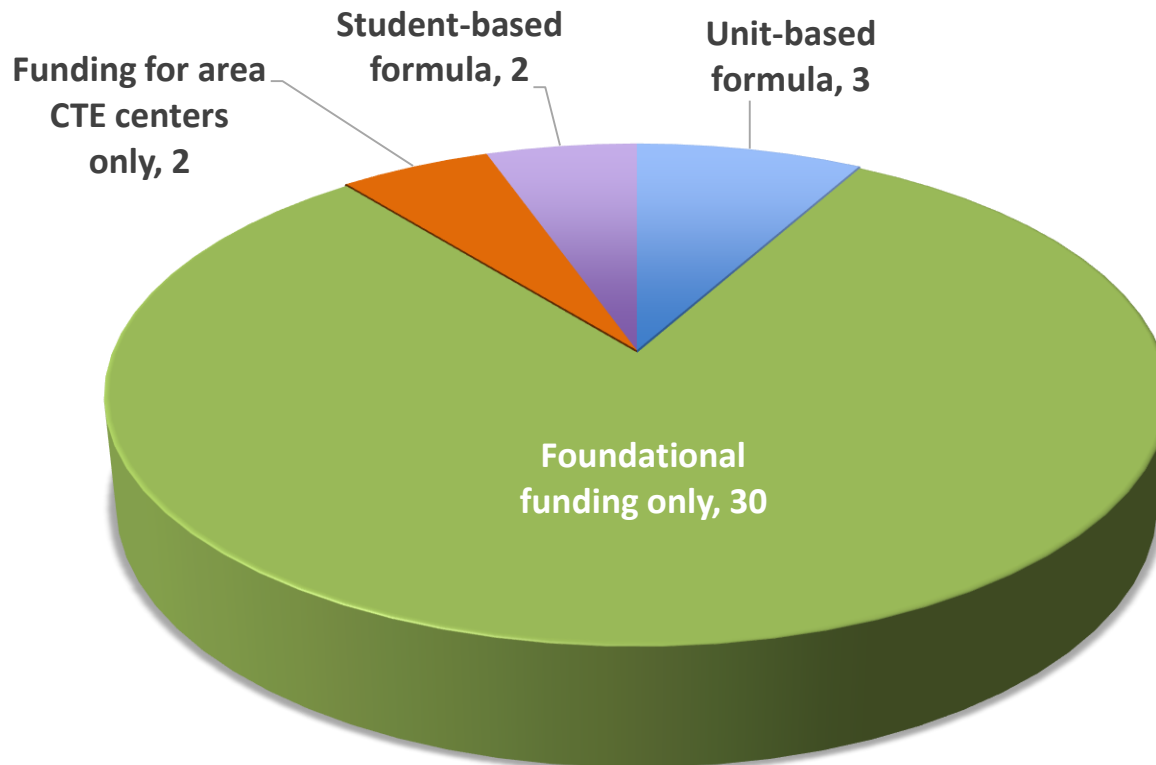
- Reimbursement rates established by state depending on availability of resources
- Eligible expenditures range from equipment and materials to instructor salaries, transportation, curriculum development, and student support services



State Funding Approaches: Secondary



State Funding Approaches: Postsecondary



Competitive Funding Strategies

- Performance-based funding: an approach to distributing funds conditioned on student or program performance
- Pay-for-success or social impact bonds: an initial private investment that gets repaid by government agencies if positive outcomes are achieved

States' Use of PBF in CTE

	# of States Using PBF	
	... for Federal Funds	... for State Funds
Secondary	2	5
Postsecondary	0	4

Measures include CTE completion, credential attainment, placement in PS or employment, graduation rates, credit attainment, and more.

Other Findings

- States have no or limited experience with pay-for-success models
- States are interested in adopting PBF strategies
- States require training on PBF formula development and implementation

LIVE POLLING QUESTION #2

Performance-based Funding

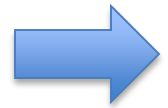
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QUESTIONS?



Submit your question via the chat box on the right-hand side of the screen!

For More Information

- CTE Finance
 - [Interactive Report](#)
 - [State Matrixes \(Appendix\)](#)
- Competitive Funding
 - [PBF Tutorials](#)

Webinar recording and slides will be posted soon!
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NCICTE Training



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[Online training on CTE consortia](#)

Based on new NCICTE study, "Consortia Formation and Characteristics Under the Carl D. Perkins Career and Technical Education Act of 2006"

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Thank You!



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