

The Opportunity

Across the country, Career Technical Education (CTE) leaders are setting or implementing statewide visions for CTE and identifying strategies to ensure that all CTE programs are of high-quality. As this work continues, leveraging state and federal policy and funds will be increasingly important. While the federal investment in CTE remains a small portion of the overall funds dedicated to CTE in many states, the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins) allows the federal investment to be leveraged in states in a variety of ways. This flexibility means that states can choose to direct funds toward priorities, initiatives and goals that have the most potential to improve CTE program quality.

About this Series

To help states prepare for reauthorization of the Carl D. Perkins Career and Technical Education Act of 2006, Advance CTE conducted a survey of State CTE Directors in August 2017 to gather information about how states are implementing the current law. Advance CTE is using the results of the survey to release a series of briefs that showcase promising practices across states and draw connections between the findings and *Putting Learner Success First: A Shared Vision for the Future of CTE*.

As put forward in *Putting Learner Success First: A Shared Vision for the Future of CTE*, all CTE programs should be held to the highest standards of excellence. States are taking myriad approaches to improve program quality through changes in both policy and funding.¹ However, maintaining this momentum will require a fierce commitment to quality and a strategic approach to resource allocation. Below are findings from Advance CTE's 2017 survey of State CTE Directors that illustrate how states are leveraging Perkins' flexible funding opportunities to improve program quality.^{2,3}

Leveraging the Perkins Reserve Fund

Perkins requires that the eligible agency, which is the entity that receives and manages the law's Basic State Grants, distribute 85 percent of the state's allocation to local school districts, public institutions or consortia with state-approved CTE plans. Of this 85 percent, the eligible agency can choose to dedicate up to 10 percent to a reserve fund, which can be used to award local grants to support CTE in rural areas, areas with high percentages, and/or high numbers of CTE students.⁴ In 2017, 38 states established a reserve fund with the most common focus being rural areas.

While the law dictates that the reserve fund must focus on a particular geography or population, the activities that are supported are up to the discretion of the state. Additionally, states can determine how the money is distributed. The survey data suggest that states are taking advantage of this flexibility and are distributing reserve funds in one of three ways: (1) competitively, (2) by formula and (3) a combination of formula and competitive. Similarly, states are taking advantage of the flexible nature of these funds to target them to accomplish specific policy goals. In 2017, states reported the reserve fund focused on the following:

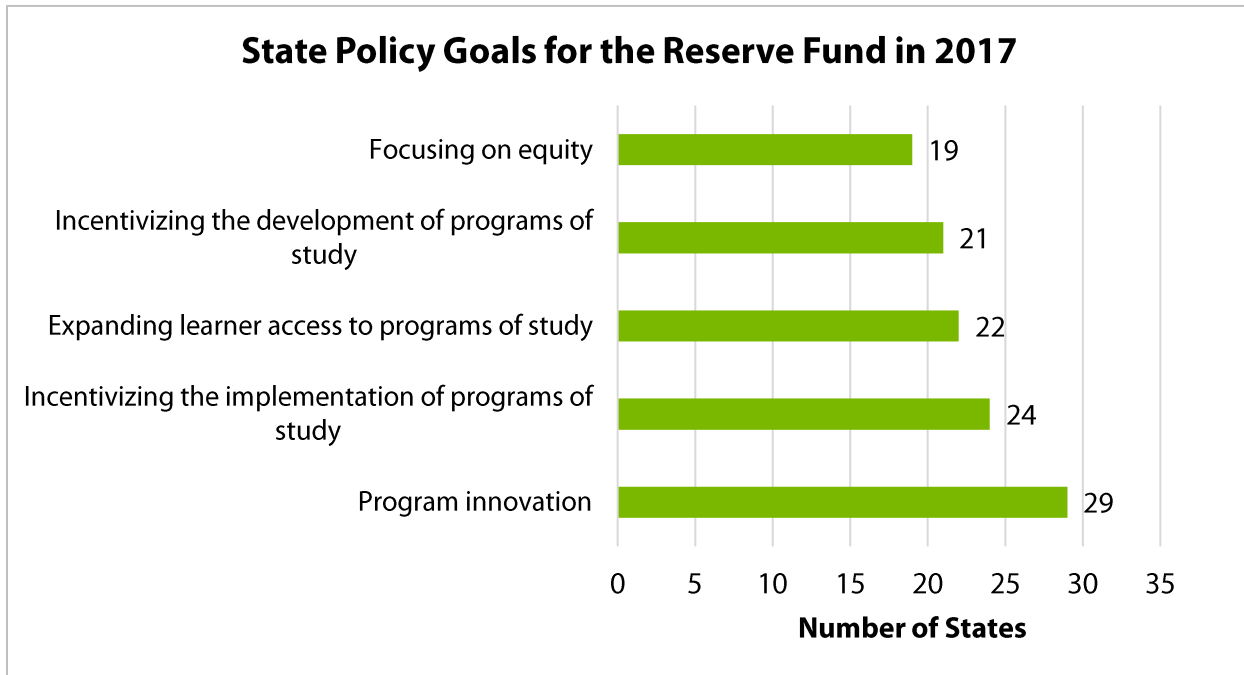
¹ Released in 2016, "Putting Learner Success First: A Shared Vision for the Future of CTE" is a result of nearly 200 leaders from the local to national levels coming together to help map the current landscape of CTE and think strategically about a path forward for the field. Advance CTE and seven co-convening organizations gathered ideas and recommendations to create the new vision. <https://careertech.org/vision>

² Advance CTE periodically conducts surveys of State Directors on a variety of topics, including Perkins implementation. Please note that the number of survey respondents has varied across these surveys from 49-53 states and territories.

³ Sec. 112(c), Sec. 112(a)(2) and Sec. 124(c)(10)

⁴ Sec. 112(c)(1)

- 29 states: Program innovation
- 24 states: Incentivizing the implementation of programs of study
- 22 states: Expanding learner access to programs of study
- 21 states: Incentivizing the development of programs of study
- 19 states: Focusing on equity



For example, states are using these funds to advance program innovation by focusing on new program development and the improvement of existing programs so that they better align with high-skill, high-wage, high-demand occupations. In **Nebraska**, the reserve fund was used to launch its reVISION initiative in 2012, a process that empowers local communities to work collaboratively and strategically to strengthen and improve their own career pathways.⁵ Since then, the program has been scaled to serve 87 districts across the state, with an additional 21 beginning the initiative in the 2017-2018 school year.

Twelve states are focusing their reserve funds on other state-specific policy goals such as work-based learning or aligning programs of study across secondary and postsecondary. This suggests that some states are leveraging the reserve fund to advance state-specific priorities that improve the quality of CTE programs. One important feature of the reserve fund is that the focus (both policy and demographic) and distribution can change from year to year, depending on the state's priorities. For example, in recent years, **Montana** used the reserve fund to expand dual credit course-taking opportunities in rural areas and doubled the number of small, rural high schools offering dual credit. Now, the state is shifting that focus to providing more work-based learning experiences in rural areas.⁶

⁵ https://cte.careertech.org/sites/default/files/files/resources/CTE_Frontier_Program_Quality_2017_0.pdf

⁶ <https://careertech.org/resource/cte-frontier-leveraging-federal-policy-strengthen-rural-cte>

Leveraging State Leadership Funds

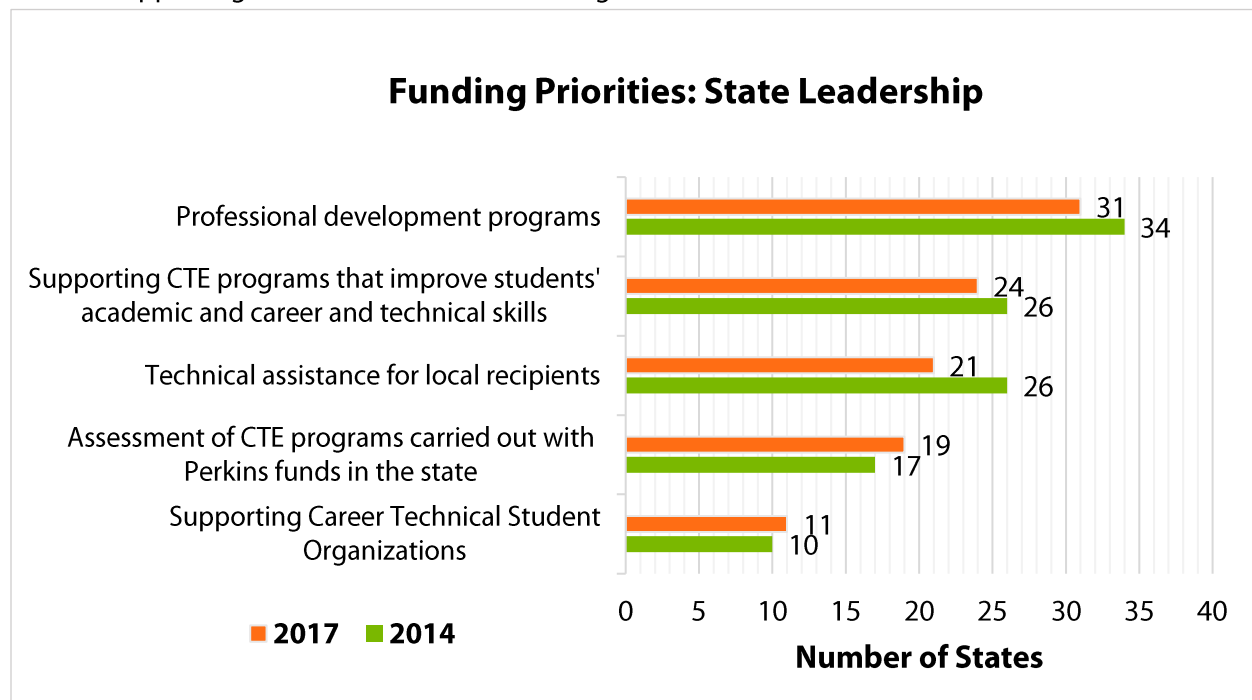
States are allowed to set aside 10 percent of their state Perkins allocation for state leadership activities, for which the law provides nine required uses for these funds and 17 permissible uses.⁷ By definition, these resources are to be dedicated to activities that are considered “leadership” and cannot be used for any administrative costs.⁸

Interestingly, in 2017, each of the 17 permissible uses of funds was used by at least three states, demonstrating that states have a variety of priorities for these funds and that no state is using these funds in exactly the same way. On average, states dedicated funds to 10 of the 17 permissible uses, with some investing in as few as two activities and others investing in all 17. That being said, between 2014 and 2017, states consistently invested in five areas:

- 50 states: supporting or improving new CTE courses or initiatives
- 50 states: improving career guidance and academic advisement
- 42 states: establishing agreements between secondary and postsecondary CTE programs
- 42 states: partnerships between educational institutions and businesses.
- 41 states: CTE programs that offer work-based learning opportunities

Similarly, when asked which activities received the most funding out of all 26 required and permissible uses of funds, states reported the same ones in 2014 and 2017:

- Professional development (Required)
- Supporting CTE programs that improve academic and career and technical skills of CTE students (Required)
- Technical assistance for local recipients (Required)
- Assessment of CTE programs carried out with Perkins funds in the state (Required)
- Supporting Career Technical Student Organizations (Permissible)



⁷ Sec. 124(b)(1-9) and (c)(1-17)

⁸ Sec. 112(3)

Supporting Non-traditional and Disadvantaged Populations

Beyond the required uses of state leadership funds, the only other requirement for the use of these funds is that states must dedicate between \$60,000 and \$150,000 for services that prepare individuals for non-traditional fields (Sec. 112(a)(2)(B)). States also have the flexibility to decide to dedicate up to one percent of the state allocation from their state leadership funds to serve individuals in state correctional institutions and institutions that serve individuals with disabilities. In 2017, 48 states reported doing so (Section 112(2)).

As states determine how to best invest state leadership funds, it is critical to be intentional and keep in mind that they can be leveraged in a variety of ways to demand excellence and ensure more learners are on a pathway to success.

States are consistently investing heavily in activities like professional development and technical assistance, which have clear potential to improve the quality of their CTE programs and demonstrate a clear understanding of a strong state role.

A Unique Model: The Workforce Training and Education Coordinating Board (Workforce Board) is statutorily designated as the State Board of Vocational Education and is Washington's eligible agency for the Carl D. Perkins federal funds for career and technical and workforce education. The Workforce Board distributes Perkins funding, by formula, to the Office of the Superintendent of Public Instruction, Washington's department of education, and the State Board for Community and Technical Colleges, which oversees 34 community and technical colleges. In turn, these two agencies sub-award Perkins funding to eligible school districts and colleges on an allocation and/or competitive basis. Local applications awarded Perkins' Basic Grant, Reserve, and/or Leadership dollars are expected to align their educational and training efforts with *Talent and Prosperity for All*, the state's strategic plan for workforce development and service delivery, and result in high skill, high wage, in demand jobs that lead to economic self-sufficiency.⁹

Innovative Uses of Perkins Leadership Funds: Leadership funds were used at the postsecondary level to support professional development through an intensive CTE "Boot Camp" for 44 new college instructors transitioning from industry to instruction. Colleges competing for Leadership funding resulted in awards for projects such as Expanding Your Horizons, an all-day, on campus event, empowering students to see themselves as scientists through interactive experiences and opportunities to engage, in person, with real-world scientists. Perkins funds also supported developing new curriculum in Advanced Avionics with industry, (Boeing), and the Center of Excellence for Aerospace and Advanced Manufacturing. At the secondary level, leadership dollars outfitted a satellite classroom for horticulture students training to operate commercial greenhouses and preparing for Master Gardener Certification through Washington State University Extension. Another program trained students learning the basics of coding for the purpose of creating apps.

Leveraging State Leadership Funds toward Incentive Grants

One of the 17 permissible uses of Perkins state leadership funds is awarding incentive grants to eligible recipients.¹⁰ In 2014, no states dedicated leadership funds to awarding incentive grants, but in 2017, 10 states reported doing so in some way. While this is a promising increase, this opportunity is often misinterpreted as being just a performance-based incentive. However, the law is more flexible, as it outlines that the awards must be based on:

⁹ <http://wtb.wa.gov/WAWorkforcePlan.asp>

¹⁰ Section 124(c)(1)

1. Exceeding performance targets;
2. Developing connections between secondary and postsecondary education and training;
3. Adopting and integrating coherent and rigorous content aligned with challenging academic standards and technical coursework;
4. Progress in having special populations who participate in CTE meet local performance targets
5. Other factors related to performance of eligible recipients; **or**
6. Reward eligible recipients that elect to pool funds.¹¹

These six options can be used to incentivize: innovation, collaboration across systems, improvement of program quality, equity and other performance-related factors for eligible recipients. These grants provide an important opportunity to incentivize shifts needed to advance efforts to improve the quality of CTE programs. Investing Perkins state leadership funds in incentive grants is an area that is ripe for state innovation.

Pooling of Funds

States may use Perkins state leadership funds to award incentive grants to local eligible recipients that are pooling their funds for certain uses, such as implementing CTE programs of study or providing professional development for CTE teachers, administrators and faculty. In 2017, seven states reported using state leadership funds to incentivize pooling of funds. At the local level, local eligible recipients may elect to pool a portion of their Perkins funds with other eligible recipients for similar uses, even if they are not awarded an incentive grant from the state (Sec. 135(c)(19)).

Conclusion

As the survey results indicate, states are beginning to leverage the flexible portions of Perkins funding – notably the reserve fund and state leadership funds – to advance their state’s vision for CTE and ensure that all CTE programs meet the highest standards of excellence. More states are distributing the reserve fund competitively to encourage efforts that are aligned to state priorities and states are beginning to leverage state leadership funds to advance the development and revision of their CTE programs with a few beginning to distribute some of these funds through incentive grants. Sustaining this momentum will require a state’s steadfast commitment to regularly re-visiting its decisions about how best to use Perkins to ensure they are effectively being leveraged to make progress toward your state’s vision for CTE.

Questions for Consideration

When states consider how to advance high-quality CTE programs and improve program quality, we encourage you to take stock of past decisions regarding use of the reserve fund and state leadership funds. It is important to note that a state’s decisions about how to invest and leverage these funds, including their focus and distribution methodology, can change annually. Advance CTE asked about the use, focus and policy goals of the reserve fund and about states’ use of leadership funds in the Advance CTE 2017 Perkins Implementation Survey. It may be helpful to reference your responses to those questions as you consider the questions below and begin to evaluate how to strategically invest these funds in your state.

¹¹ Section 135(c)(19)(c) permits local eligible recipients to pool a portion of their funds with other eligible recipients for innovative initiatives.

Reserve Fund

- How does your state make the determination about whether or not to dedicate any portion of Perkins toward a reserve fund?
- If your state sets aside any portion of Perkins for a reserve fund:
 - What is the current focus of the reserve fund grants? A focus population? Geographic region? Policy priority?
 - Has the focus of your reserve fund grants changed over the course of Perkins IV implementation (the decisions can change annually)?
 - Has it been effective and how do you know?
 - Are decisions about how to direct your reserve fund informed by data?
 - How does your reserve fund aim to close achievement, equity or opportunity gaps?
 - Is the reserve fund used to incubate innovation?
 - If yes, what has your state learned from these investments?
 - How are you measuring the impact and reach of the reserve fund?
 - How are you scaling successes?

State Leadership Funds

- What is your theory of change with your state leadership funds? What are you trying to accomplish with these investments?
- What are your state's leadership funds used to support? Do you fund every allowable activity?
 - What information/data drives your allocation of state leadership funds?
- Do you invest any state leadership funds in corrections?
 - What does this money go toward and how do you know it is effective?
- How much do you invest in non-traditional education and training (\$60,000 - \$150,000)?
 - What does this money go toward and how do you know it is effective?
- How often do you review your plan for expenditure of state leadership funds?
 - How can you adjust these expenditures to advance high-quality CTE
- Do you use any of your state leadership funds to award mini-grants or contracts?
 - Are these distributed competitively or by some formula?

Incentive Grants

- How does your state determine whether or not to award incentive grants?
- Has your state ever used state leadership dollars to provide incentive grants?
 - If yes:
 - How much and what was the focus?
 - How do those grants align to other investments being made (e.g. reserve funds)?
- Did you evaluate whether the incentive has been an effective tool for leveraging change/building momentum and support for change?