

AMENDMENTS TO THE 2011-12 CAREER AND TECHNICAL EDUCATION IMPROVEMENT ACT EXPENDITURE PLAN

ACTION

Presentation: José Millan, Interim Vice Chancellor, Economic Development and Workforce Preparation Division

Item 2.1

Issue

This item presents for Board of Governors approval amendments to the *2011-12 Career Technical Education Expenditure Plan*

Background

At the November 2010 Board meeting, approval was granted to the *2011-12 Career Technical Education Expenditure Plan* for the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006 (CTEA). That Expenditure Plan detailed both the allocation calculation and method and the anticipated uses of funds.

However, in anticipation of federal changes to the 2011-12 funding of CTEA, certain amendments to the expenditure plan are needed. The expected federal changes to the 2011-12 funding of CTEA include the elimination of Tech Prep, Title II, and an overall decrease in the funding of Title I.

On February 14, 2011, President Obama released his budget proposals for Fiscal Year (FY) 2012. In his budget, the president proposed to combine the Perkins Basic State Grant (Title I) and Tech Prep (Title II) programs and reduce the overall funding for these two programs to \$1 billion, resulting in a \$264 million or 21 percent cut for Perkins. President Obama's proposed 2011 budget zeroed out Tech Prep for the 35 states that chose to keep Tech Prep as a separate funding source and rolled the funding to the base allocation. On February 19, the House passed H.R. 1 by a vote of 235-189. The bill cuts the Tech Prep Program completely out of the budget. More recently, with the budget impasse in Congress, interest in reductions in domestic spending and unclear prospects in resolving the question of the final funding level of Perkins, it is clear that the California Community Colleges system needs contingency plans and amendments for the 2011-12 program year.

Analysis

The current circumstances impact the 2011-12 program year in these ways:

Because the approved Expenditure Plan stipulates that the basic Perkins CTEA allocation to the districts (Title I, Part C) will be distributed to districts on an approved allocation formula in accordance with provisions of federal law, based on the final allocation to California, no Expenditure Plan change is needed.

Due to the probable elimination of Tech Prep (Perkins CTEA Title II), an Expenditure Plan amendment is needed.

Due to the expected diminished funds available, staff recommends an amendment regarding the use of Perkins CTEA State Leadership funds.

Should federal funding reductions be less than expected for the 2011-12 program year, the Chancellor's Office will augment projects to the available funding. Should federal funding reductions be more than expected for the 2011-12 program year, the Chancellor's Office will pursue additional cuts in accordance with the discussion set forth in this agenda item.

Perkins Tech Prep and State Leadership funds will be addressed separately below.

Perkins Tech Prep

Whatever the ultimate congressional action concerning Tech Prep, staff recommends that a significant change occur, that Tech Prep be ended and a new program be initiated.

Section 112(a)(1) of the Perkins Act authorizes the Board of Governors to set aside ten percent of the Title I Basic Grant funds to establish a Reserve Fund from funds that would otherwise be distributed by formula to local eligible districts. Section 112(c) of the Perkins Act authorizes the Board of Governors to allocate the Reserve Fund to eligible districts for any allowable career and technical education activities as described in section 135 of the Perkins Act. Per the Perkins Act, eligible districts must meet one of these three criteria for participation in Reserve Fund programs:

- (1) rural areas;
- (2) areas with high percentages of career and technical education students;
- (3) areas with high numbers of career and technical education students.

The Chancellor's Office has ascertained that all districts in the system meet at least one of these criteria.

Using this Reserve Fund method, staff recommends an allocation to the districts to support activities which support student access, retention, success and employment. We suggest this program be named Career Technical Education (CTE) Transitions, in that it will focus on student transitions between secondary and postsecondary education, students' successful movement through their community college career technical education program, and students' ultimate

transition into the world of work. As a corollary to this proposal, the allocation will be particularly helpful in supporting students in the critical “STEM” (Science, Technology, Engineering, Math) areas, which are forecast to be vitally important to California’s future economy.

This proposal benefits the districts in many ways.

It is the least disruptive change possible, in light of the elimination of Tech Prep.

It relieves districts of the particularly complex accountability system of Tech Prep, and replaces it with the more direct accountability system of the Perkins Act. That accountability system has four fundamental measures: student access, retention, success, and employment.

It focuses on an aspect of the critical role that Tech Prep fulfilled – focusing on students’ successful movement through CTE programs, rather than specific course content, which is the domain of the Perkins Basic allocation to the districts.

It reforms the least cost-effective and least-successful aspect of the Tech Prep program, the generation of local, non-transferable articulation agreements with a credit transfer mechanisms, and it instead leverages the highly regarded statewide articulation agreement templates developed under the auspices of The Academic Senate for California Community Colleges, with Senate Bill 70 funding.

It focuses the impact of the funding on the needs of prospective or enrolled community college students and their subsequent post-enrollment employment. Unlike Tech Prep, this proposal does not anticipate professional development or equipment sub-grants to the secondary education segment.

It uses an allocation system that better reflects implementation costs. Chancellor’s Office staff analysis notes that if the Perkins Basic Grant allocations were used (a per-student allocation), both a disproportionate under-funding of small districts as well as a disproportionate over-funding of large districts would occur. In general, experience has shown that support of student transitions is independent of student population size as such support has relatively equal fixed costs.

Funding will be based on an allocation application which provides these options for district implementation:

Emphasis on facilitating transition from secondary to postsecondary to occupation:

1. Outreach/Career Exploration
 - Programs of Study
 - STEM (Science, Technology, Engineering, Math)
 - CTE programs, certificates and degrees
 - SB1440 Transfer templates
2. Validation - not origination - of articulation agreements (using templates and other existing resources.)
3. Support for “credit by examination” mechanisms
 - Testing
 - Registrars
4. Support for concurrent enrollment options (but not direct instructional costs.)
 - Registrars
 - Text book options
5. Support for coordination of work-based learning/internships/placement.

To minimize disruptions, for the upcoming program year – a transition year, the current Tech Prep college-based consortia infrastructure will be used. For the few consortia which use a fiscal agent other than a community college or district, the Chancellor’s Office will continue to assist changing the fiscal agent to within the California Community College system. That change has the additional benefit of marginally reducing Chancellor’s Office staff workload by eliminating multiple payment types.

Finally, community college system stakeholders and current Tech Prep coordinators have been provided with an overview of this proposal, and it has been well received, with minor modifications already included.

The funding level will be contingent upon the ultimate federal budget authorization for the Perkins Act.

Statewide Leadership Projects

As detailed in the prior Expenditure Plan, state leadership funds support a variety of projects, but the largest portion of the funds supports three types of significant projects:

The current general allocation pattern for the largest Leadership Projects is as follows:

Advisory Committees (10)	\$380,000
Regional Consortia (7)	\$1,580,000
Statewide Collaborative (10)	\$2,350,000

Unfortunately, with the possible reduction in total Perkins funds, some re-calibration of State Leadership funding will be needed. For the few projects outside of these large projects, Chancellor's Office staff will need to analyze whether the funding levels are mandated or negotiable. For the core projects above, a simple flat reduction is not viable if projects are to maximize their strategic impact. Therefore, staff recommendations are below:

Advisory Committees

At \$38,000 per committee, advisory committees don't have much elasticity on travel costs, to achieve some objectives on statewide face-to-face meetings to obtain industry input, with a certain minimum size of committee and number of meetings. Based on cost estimates and the importance of industry input, staff recommends that funding be held at the full level.

Regional Consortia

Regional Consortia are part of the title 5 program approval process, and as such, need to remain operational. Additionally, they represent one of the crucial ways districts and colleges can collaborate regionally, and offer opportunities for increased efficiencies or regrettably, one of the venues for arranging "teach-out" arrangement for programs going into hiatus or termination. Staff recommends that funding be held at 90 percent of the full level.

Statewide Collaboratives

While these entities have done important and good work in the past, their work plans are most easily trimmed, albeit with impact to the system. As generators of model curriculum updates or program enhancements, their scope can be increased or truncated as funding varies. Staff recommends that funding be held at 80 percent of the full level.

Since the drafting of the original Expenditure Plan, a unique opportunity has presented itself. City College of San Francisco (CCSF) is currently the only community college in the U.S. to host two National Science Foundation (NSF) Advanced Technological Education (ATE) Centers. In addition to Biolink, an NSF-funded ATE National Center for Biotechnology, CCSF also hosts The Mid-Pacific Information and Communications Technology (MPICT) Center. MPICT is a four year, \$3 million NSF grant to create a Regional Center to coordinate, improve and promote information and communications technologies education and workforce development. However, the geographic scope of MPICT is northern California, southern Oregon, northern Nevada, Hawaii and the Pacific Territories. The Chancellor's Office is in discussion with MPICT to provide a small, leveraging "Appending Grant" to extend the service to southern California, as this industry promises to continue growing in importance to California's economy. For example, Qualcomm is the largest private-sector technology employer (excluding hospitals) in San Diego County. With this "Appending Grant" the Chancellor's Office hopes to extend faculty professional opportunities and related services at a modest cost. Staff recommends that funding be authorized for this objective.

Recommended Action

That the Board approve these amendments to the *2011-12 Career Technical Education Expenditure Plan*, as presented, and provide authorization for any additional funding reductions in accordance with the discussion set forth in this agenda item, should an unexpected drop in available funding occur. Such authorization would be the least disruptive to district operations for the upcoming year, and the Board would be again consulted regarding future expenditure plans or interim plans

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