

STATE DIRECTORS

National Association of State Directors
of Career Technical Education Consortium

A Look Inside: A Synopsis of CTE Trends
A Four-Part Series Analyzing State CTE Data and Initiatives
Focus: Funding
November 2010

CTE Funding

Part III of this series discusses the trends in federal, state and local career technical education (CTE) funding. CTE programs at the secondary, postsecondary and adult levels receive federal funds via the Carl D. Perkins Career and Technical Education Act (Perkins). Perkins funding is the largest programmatic federal investment in high schools (not including American Reinvestment and Recovery funds or Race to the Top funds) as well as the largest federal source of institutional support for community colleges.ⁱ

Programs that receive Perkins funds touch every corner of our nation, every sector of our economy and diverse student populations ranging from middle school through adults seeking to upgrade his or her skills. As the demand for a skilled workforce continues to rise and will not stop for the foreseeable future, a new infusion of funding dedicated to the nation's CTE programs is necessary.

Key Findings

- 1) Education funding has seen a substantial increase in recent years, however Perkins funding has remained flat. As a result, Perkins funding is now a smaller percentage of the overall federal education funding.
- 2) Since 2002 Perkins has been flat funded by Congress. Due to inflation, the value of the U.S. dollar has decreased by 21.4 percent,ⁱⁱ resulting in a \$40 million decrease in Perkins funding. As the overall federal budget grows tighter, this funding is being stretched at a time when program enrollments have grown to record levelsⁱⁱⁱ as youth and adults seek more advanced training and new CTE initiatives are being implemented.

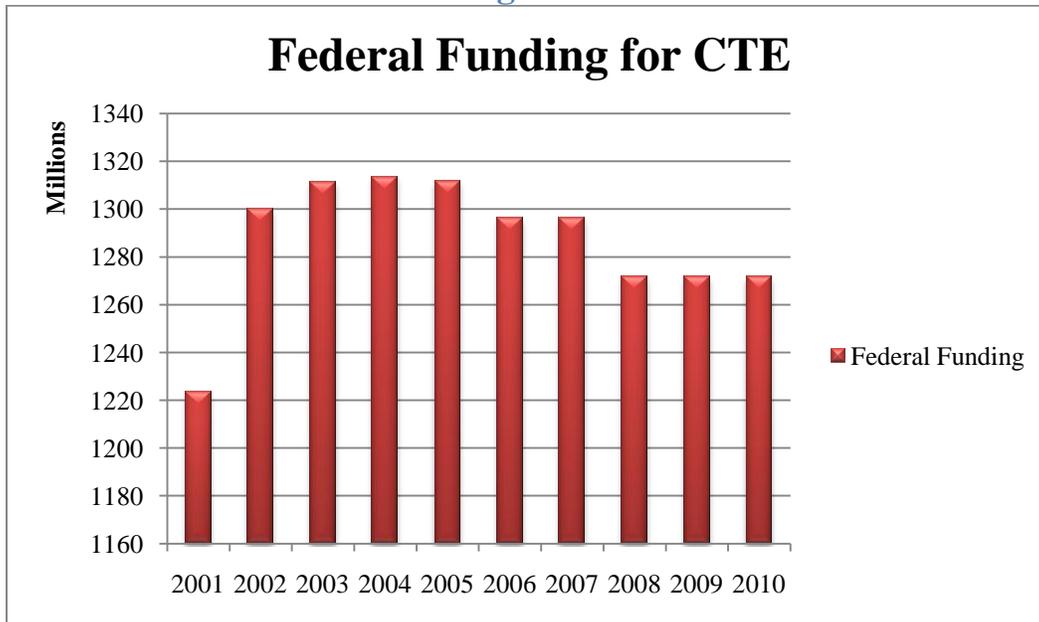
Federal Funding

In fiscal year (FY) 2002, Perkins received \$1.3 billion or 10.5 percent of the overall \$12 billion in total education funding.^{iv} However, as overall federal spending on education continues to climb, Perkins funding has remained flat causing CTE to receive a smaller percentage of the overall educational budget.

For FY 2011, President Obama proposed increasing education funding by \$3.5 billion (7.5 percent), representing the largest dollar increase for education since 2002. Unfortunately, Perkins will not benefit from these proposed record increases. In the President’s FY 2011 budget, Perkins is projected to receive \$1.2 billion or just 2.6 percent of the proposed \$49.7 billion to be given to education.^v

Additionally, due to the decrease in value of the U.S. dollar between 2002 and 2010, Perkins has seen an overall decrease in funding, as shown in Figure 1. As the call for college and career ready students gains momentum, the trend of flat funding for CTE must change.

Figure 1



State Funding

While every state receives federal funding, the amount of funding state legislatures dedicate to CTE varies significantly. Forty-eight percent of State Directors surveyed in 2010 indicated a decrease in state funding on the secondary level while 50 percent of State Directors indicated a decrease in funding on the postsecondary level. In addition, fewer states on both levels reported seeing an increase in funding from 2008 to 2010.

Some states (particularly rural ones) have very small budgets to work with and provide only enough dollars to match the Perkins state administration funds. This accounts for two states on the secondary and five states on the postsecondary level. In these instances, State Directors indicated “not applicable” for state funding on the graphs below.

Figure 2

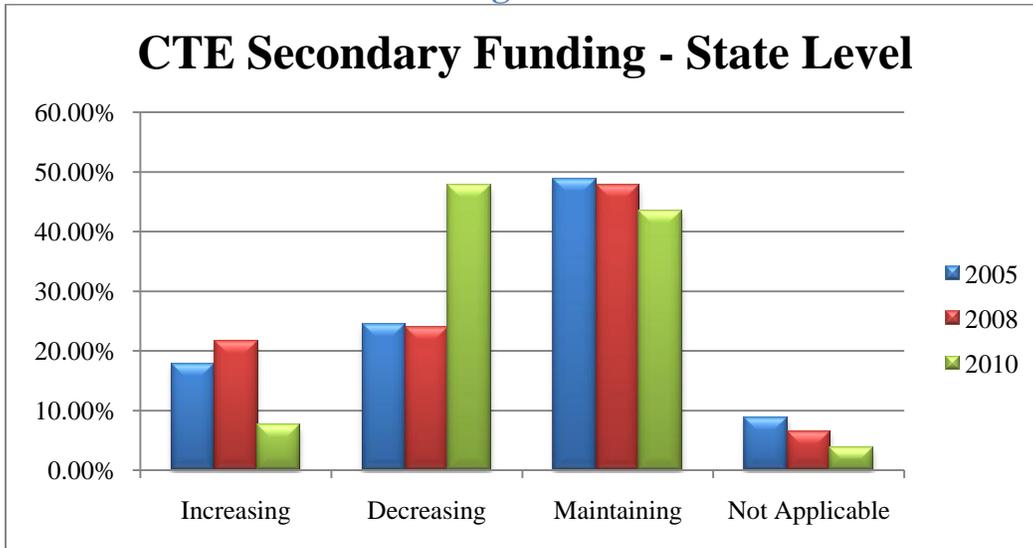
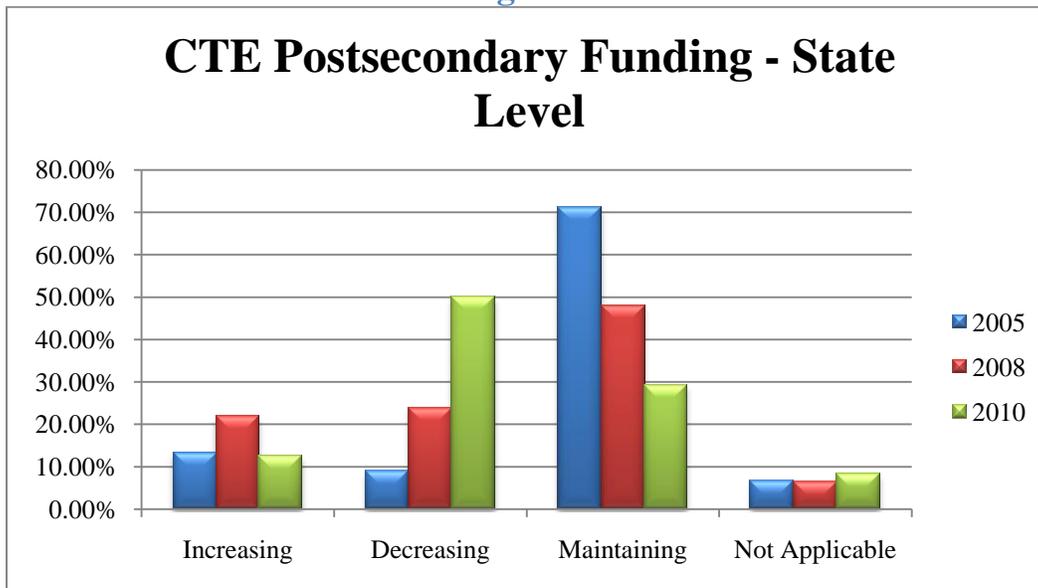


Figure 3



State Example: Texas

Despite the current economic recession, **Texas** has recognized the importance of CTE and has been able to increase state funding. In 2010, the Texas legislature provided CTE programs with a total of \$50 million in new funding to be split evenly between secondary and postsecondary CTE. This new money is intended to go towards high skill, high wage and high demand CTE programs.

On the secondary level, the \$25 million will be used to increase the number of students taking certification exams by paying for the initial fees. Moreover, the legislature wants to create a focus on completion of these high skill, high wage and high demand CTE programs by providing programs with \$50 for every student enrolled in the most advanced courses.

On the postsecondary level, the money will be split between three major initiatives:

- \$10 million in grants for innovative and successful nonprofit programs.
- \$10 million in grants for startup funding for CTE programs.
- \$5 million in grants for scholarships for community and technical college students.^{vi}

While it is remarkable that these states have allocated new money to CTE, it is unclear how much of this funding can be maintained in the coming years due to tight state budgets.

Local Funding

Local investment also accounts for a portion of CTE funding. While local governments and industries do attempt to provide funding support for CTE, since 2005, the number states on the secondary level that have reported a decrease in local funding has jumped by 23 percent, while the number at the postsecondary level has risen by 26 percent. With the tightening of both federal and state budgets this means that states are seeing even less money and are struggling to provide the best quality programs that will prepare students to enter into a competitive workforce.

Figure 4

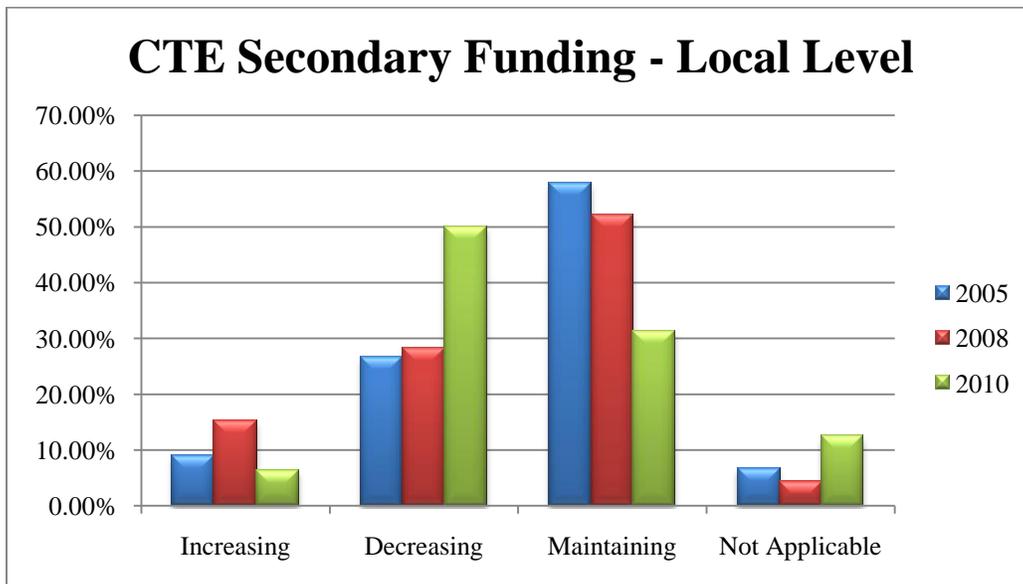
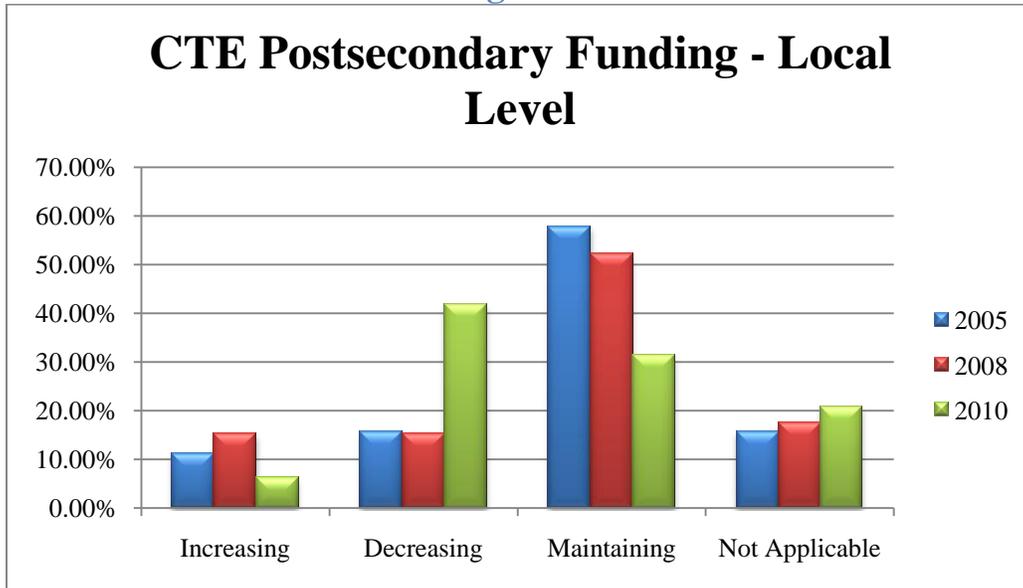


Figure 5



Conclusion

According to a recent report from Anthony Carnevale at the Georgetown Center on Education and the Workforce, the number of college graduates required to meet workforce needs will fall 3 million short by 2018.^{vii} As the need for qualified and skilled workers increases, CTE funding is decreasing on all levels – federal, state and local. It is crucial for federal, state and local governments to see and understand the value that these types of programs have in preparing students and adults for both college and careers which will in turn put more qualified workers back into the economy.

While Perkins has been flat funded since 2002, some states have been able to support CTE with new dollars to expand curriculum, provide improved technologies and facilities, and hire qualified and specialized instructors and counselors.

One of the major initiatives of the National Association of State Directors of Career Technical Education Consortium (NASDCTEc) is the implementation of the National Career Clusters model, funded through the Perkins Act as well as state and local dollars. Career Clusters is the model which NASDCTEc believes all of CTE should adopt as a way to develop programs that reflect the demands of the global economy. Part IV of this series highlights the Career Clusters model by providing a background of the model as well as implementation trends over the last five years.

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ⁱ American Association of Community Colleges, *2009 Community College Federal Legislative Priorities*. <http://www.aacc.nche.edu/Advocacy/Documents/111agenda.pdf>

ⁱⁱ U.S. Inflation Calculator. <http://www.usinflationcalculator.com/>

ⁱⁱⁱ The Office of Vocational and Adult Education at the U.S. Department of Education reported that more than 15 million students were enrolled in CTE courses at the high school and postsecondary levels during the 2006-2007 program year. U.S. Department of Education, Office of Vocational and Adult Education, *Report to Congress on State Performance, Program Year 2006-2007*, http://cte.ed.gov/docs/Rpt_to_Congress/perkinsrpt0607.pdf

^{iv} H. R. 3061, Labor, Health and Human Services, and Education Appropriations, 107th Congress, 2002. http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_bills&docid=f:h3061enr.txt.pdf

^v U.S. Department of Education, *Fiscal Year 2011 Budget Summary*. <http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section1.html>

^{vi} Texas Comptroller of Public Accounts, *Jobs and Education for Texans (JET) Program*. <http://webcache.googleusercontent.com/search?q=cache:5NZ-qzYr2uUJ:www.literacytexas.org/documents/Advocacy%2520JET%2520Program.ppt+Jobs+and+Education+for+texans&cd=2&hl=en&ct=clnk&gl=us&client=firefox-a>

^{vii} The Georgetown University Center on Education and the Workforce, *Projections of Jobs and Education Requirements Through 2018*. <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/FullReport.pdf>