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# Carl D. Perkins Career and Technical Education Act of 2006: An Overview

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## Summary

The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV; P.L. 109-270) is the main federal law supporting the development of career and technical skills among students in secondary and postsecondary education. Perkins IV aims to improve academic outcomes and preparedness for higher education or the labor market among students enrolled in career and technical education (CTE) programs, previously known as vocational education programs.

The federal government has a long history of supporting programs to develop students' career and technical skills, dating back to the 19<sup>th</sup> century. Perkins IV, the most recent federal law targeting CTE, was passed in 2006 and authorized through FY2012. The authorization was extended through FY2013 under the General Education Provisions Act, and Perkins IV has continued to receive fairly constant appropriations through FY2016. The total appropriations for Perkins IV in FY2016 were approximately \$1.1 billion. This report provides a summary of Perkins IV.

The largest program authorized by Perkins IV is the Basic State Grants program. Key features of this program include the following:

- formula grants to the states to develop and improve CTE programs at the secondary and postsecondary levels;
- a state allocation formula that allocates money based on population and per capita income factors;
- a distribution of at least 85% of the funds from the states to the local level;
- state flexibility in deciding the allocation of state funds between secondary and postsecondary local CTE providers;
- requirements for states to develop and implement programs of study, which are nonduplicative sequences of courses that span the secondary and postsecondary levels and lead to an industry-recognized credential, certificate, or postsecondary degree;
- core indicators of performance for accountability purposes, with target levels of performance negotiated between each state and the Secretary of Education;
- disaggregation of performance data by special populations and subgroups defined in Title I of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act of 2015; and
- the requirement for states to prepare and implement program improvement strategies if the target levels on core indicators of performance are not met.

Perkins IV also authorizes additional programs: Tech Prep, National Programs, Tribally Controlled Postsecondary Career and Technical Institutions (TCPCTI), and Occupational Employment Information. Of these, only National Programs and TCPCTI received funding for FY2011-FY2016.

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## Introduction

The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV; P.L. 109-270) is the most recent federal law supporting career and technical education (CTE) services offered within the states<sup>1</sup> at the secondary and postsecondary education levels. CTE, which has historically been known as vocational education, comprises organized educational activities that provide individuals with the knowledge and skills needed to prepare for the labor market in general and for careers in current or emerging professions in particular. Traditionally, CTE has also included preparation of students for roles outside the paid labor market.<sup>2</sup>

The stated purpose of Perkins IV is to support the development of career and technical, as well as academic, skills among secondary and postsecondary education students enrolled in CTE programs. Perkins IV was authorized by statute through FY2012 and was automatically extended through FY2013 by the General Education Provisions Act (GEPA).<sup>3</sup> Most recently, Perkins IV was funded at \$1.1 billion for FY2016.<sup>4</sup>

As of April 2016, the House has had one hearing on reauthorization of Perkins IV in the 114<sup>th</sup> Congress. It was held by the Subcommittee on Early Childhood, Elementary, and Secondary Education of the Education and the Workforce Committee on October 27, 2015, and entitled “Improving Career and Technical Education to Help Students Succeed in the Workforce.”

This report is divided into four major sections. The first section provides an overview of career and technical education, including student participation levels. This is followed by a brief legislative history of the federal government’s involvement in CTE. The third section discusses Perkins IV in detail, including an overview of appropriations levels and state performance. The final section summarizes some of the more significant findings from the National Assessment of Career and Technical Education, which was completed in 2015.

## Career and Technical Education under Perkins

For the purposes of Perkins IV, CTE includes organized educational activities that impart technical or occupational skills at the secondary and postsecondary levels and lead to an industry-recognized credential, a certificate, or an associate’s degree. CTE courses are usually distinguished from courses in the liberal arts by being more directly tied to specific professions or occupational fields. CTE programs in a wide variety of occupations are offered at both the secondary and postsecondary levels of education. Practitioners of CTE have organized its occupations into career clusters and career pathways in order to help students understand potential sequences of academic and CTE courses they need to take in order to be best prepared

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<sup>1</sup> A “state” is defined in Perkins IV to refer to the 50 U.S. states, the District of Columbia, the Commonwealth of Puerto Rico, and the outlying areas of the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau. This definition is used for the purposes of this report.

<sup>2</sup> K. Levesque, J. Laird, E. Hensley, S.P. Choy, E.F. Cataldi, and L. Hudson, *Career and Technical Education in the United States: 1990 to 2005* (NCES 2008-035), National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, Washington, DC, 2008. p. B-2.

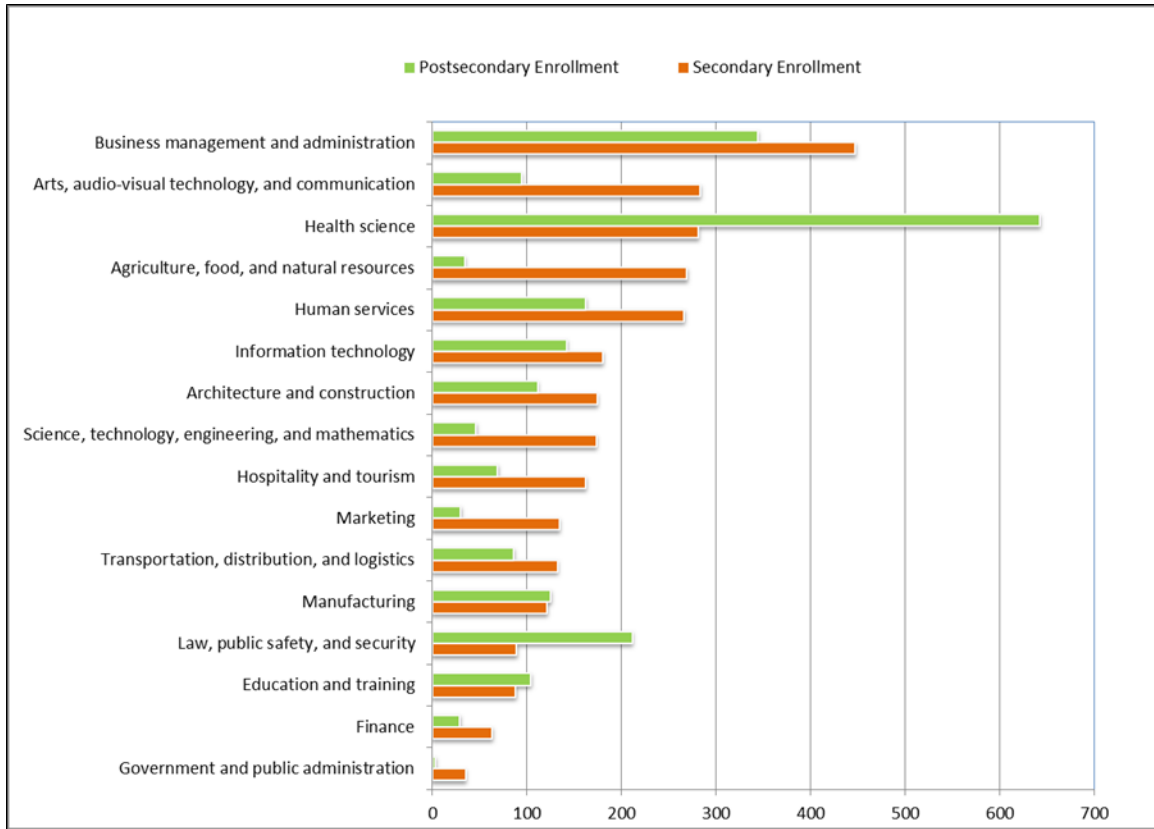
<sup>3</sup> For more information on GEPA’s contingent extension of programs, see pp. 3-4 of CRS Report R41119, *General Education Provisions Act (GEPA): Overview and Issues*, by (name redacted) and (name redacted)

<sup>4</sup> U.S. Department of Education, Department of Education Budget Tables, available at <http://www2.ed.gov/about/overview/budget/budget15/15action.pdf>.

for specific careers. **Figure 1** shows the different career clusters and student participation in those clusters at the secondary and postsecondary levels.

**Figure 1. Enrollment of CTE Concentrators by Career Cluster at the Secondary and Postsecondary Levels**

Program Year 2011-2012  
(students in thousands, sorted by secondary enrollment)



**Source:** U.S. Department of Education, Office of Career, Technical, and Adult Education, Consolidated Annual Report for the Carl D. Perkins Career and Technical Education Act of 2006 for Program Year 2011-12.

**Notes:** The number of concentrators in each career cluster is shown in thousands of students. Career clusters are based on the National Career Clusters Framework at <http://www.careertech.org/career-clusters>. Each career cluster represents a distinct grouping of occupations and industries based on the knowledge and skills CTE students require. The definitions of “CTE concentrator” at the secondary and postsecondary levels are left up to the states. For a list of state definitions of a CTE concentrator, see the Carl D. Perkins Career and Technical Education Act of 2006, Report to Congress on State Performance, Program Year 2011-12, Appendix A, Table A-1. The data provided in this table include the 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and the Republic of Palau.

## Career and Technical Education at the Secondary Education Level

CTE at the secondary level has several main goals. One of these is preparing students for roles outside the paid labor market, such as family and consumer sciences education. Another is providing students with general employment skills, such as word processing and other basic computer skills, as well as so-called soft skills, which include communication, teamwork, and leadership. Finally, CTE at the secondary level also teaches skills that are specific to particular

occupations or career clusters. Depending on the field, occupational CTE may prepare students for immediate entry into the workforce or for continuation of education at the postsecondary level.

Secondary CTE providers typically include

- public and private high schools, including Bureau of Indian Education schools;
- CTE-specific schools, area CTE schools, and career academies within comprehensive high schools, which are all focused on providing occupational preparation;
- detention centers and correctional facilities; and
- cooperative programs with community or technical colleges.

CTE courses are widely available to high school students. Nearly all public high school students (95% of ninth graders in 2009) attended a school that offered CTE courses, either at the school itself or at a partnering institution. A vast majority (88.5%) of public high school graduates in 2009 attained at least one CTE credit, and 19% earned at least three CTE credits in a single occupational area,<sup>5</sup> satisfying the Department of Education’s (ED’s) non-regulatory guidance for the definition of a CTE concentrator.<sup>6</sup>

## **Career and Technical Education at the Postsecondary Education Level**

CTE at the postsecondary level is largely made up of programs designed to prepare students for specific careers and occupational fields. Completing a postsecondary CTE program may lead to an associate’s degree, an industry-recognized credential or certificate, noncredit courses to improve knowledge and skills, noncredit training customized for a particular employer, or continuing education credits required for maintaining a license or credential.

Postsecondary CTE providers typically include

- community and technical colleges;
- private two-year colleges;
- public and private four-year universities;
- vocational schools;
- employers, labor organizations, and other industry organizations that provide apprenticeship and pre-apprenticeship programs;
- adult workforce education centers; and
- correctional facilities.

In program year (PY) 2011-2012, over 75% of the 8.4 million undergraduate students seeking sub-baccalaureate CTE credentials were attending two-year institutions. In the same program

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<sup>5</sup> U.S. Department of Education, National Center for Education Statistics, CTE Statistics, Table H123 (<http://nces.ed.gov/surveys/ctes/tables/h123.asp>) and Table H124 (<http://nces.ed.gov/surveys/ctes/tables/h124.asp>), downloaded on March 9, 2016.

<sup>6</sup> The terms “CTE Participant” and “CTE Concentrator” are used throughout Perkins IV, but not defined. The definitions are left up to the states; however, in 2007 ED issued non-regulatory guidance on these definitions. This can be viewed at <https://s3.amazonaws.com/PCRN/uploads/studentdef.pdf>.

year, 5,767 institutions of higher education (IHEs),<sup>7</sup> or 80% of all postsecondary institutions, offered a postsecondary certificate or associate's degree in a CTE field.

## **History of Federal Involvement in CTE**

The federal government has a long history of supporting workforce development, including CTE.<sup>8</sup> At the secondary level, the historical goals of federal legislation included providing relevant skills for students in order to keep them enrolled in high schools, as well as attracting and retaining qualified CTE teachers with real-world professional experience.<sup>9</sup> CTE at the postsecondary level has historically been aimed at providing students in sub-baccalaureate programs with skills relevant to the requirements of specific occupations or careers, and providing an alternative to a postsecondary education with a focus on liberal arts.

### **Morrill Acts (1862 and 1890)**

The Morrill Act of 1862 (7 U.S.C. 301 et seq.) and the Second Morrill Act of 1890 (7 U.S.C. 312 et seq.) were the federal government's first legislative forays into workforce development. The acts provided for the donation of federal land and funds to help establish land-grant colleges, with the expressed goal of teaching the agricultural and mechanical arts to lower- and middle-class students.

### **Smith-Hughes Act (1917)**

The Smith-Hughes Act of 1917 (P.L. 64-347)<sup>10</sup> provided for the development of vocational education programs in agriculture, trade, industry, and home economics. It also provided funding for the preparation and salaries of teachers in those fields.

### **Vocational Education Act of 1946**

The Vocational Education Act of 1946 (P.L. 79-586) assigned specific allocations of funds to each subject within vocational education at the time. It specified that funds could be used for salaries, teacher training, development of training programs, counseling, and equipment and supplies. Under the act, states were required to match federal funds at the state and local levels.

### **Vocational Education Act of 1963 and Vocational Education Amendments of 1968**

The Vocational Education Act of 1963 (VEA; P.L. 88-210), which is the precursor of Perkins IV, and the subsequent Vocational Education Amendments of 1968 (P.L. 90-576) greatly expanded the federal role in vocational education. The VEA created vocational programs to serve special populations and expanded postsecondary and adult vocational education programs. It also

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<sup>7</sup> An IHE is defined here as one that is eligible to participate in programs under Title IV of the Higher Education Act of 1965, as amended.

<sup>8</sup> The historical material presented in this section, unless otherwise noted, is based on a review of the acts discussed and on previous CRS reports.

<sup>9</sup> M. Lazerson and W.N. Grubb, *American Education and Vocationalism: A Documentary History, 1870-1970* (New York: Teachers College Press, 1974), pp. 17-32.

<sup>10</sup> The Smith-Hughes Act was repealed by the Balanced Budget Act of 1997 (P.L. 105-33).



increased support for dedicated vocational education schools, including providing funds for their construction. Additionally, these laws provided funding for research and program development and for demonstration programs related to vocational education. Within a year of the enactment of VEA, federal appropriations for vocational education were five times greater than they had been prior to the act's passage.

The amendments also established a National Advisory Council on Vocational Education with the goals of advising the Commissioner of Education<sup>11</sup> on administration and design of programs relating to vocational education and of collecting and disseminating information about the effectiveness of such programs.

## **Perkins I**

The Carl D. Perkins Vocational Education Act of 1984 (Perkins I, P.L. 98-524)<sup>12</sup> placed a focus on vocational education programs for special populations, including students with disabilities, economically disadvantaged students, adult students, single parents and homemakers, and students in correctional institutions. Specifically, Perkins I required each state to spend 57% of its basic grant funds on activities targeting the vocational education of special populations. The remainder was to be spent on improvement of vocational education programs.

## **Perkins II**

The Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (Perkins II, P.L. 101-392) made several revisions to the Perkins program. Notably, the act created the Tech Prep program designed to coordinate secondary and postsecondary vocational education activities into a coherent sequence of courses. The law also required that at least 75% of state funds be allocated to local recipients and eliminated most of the set-asides for special populations from Perkins I. Additionally, Perkins II required states to develop and implement performance standards and measures, including measures of gains in learning and in program performance as measured, for example, by program completion or job placement rates.

## **Perkins III**

The Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III, P.L. 105-332) increased the share of state funds distributed to the local level to 85%, of which up to 8.5% could be reserved for programs in rural and other high-need areas. Perkins III also expanded state accountability, introducing core indicators of performance and adjusted levels of performance on each core indicator, to be negotiated between the state and the Secretary of Education. Sanctions based on states failing to meet performance levels were also introduced, as were incentive grants to states for exceeding performance levels.

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<sup>11</sup> Now the Secretary of Education.

<sup>12</sup> In 1984, the Vocational Education Act was renamed in honor of Carl D. Perkins (1912-1984), who was chairman of the House Committee on Education and Labor from 1967 to 1984. The Perkins Federal Student Loan Program, while authorized by entirely different acts, is also named after Carl D. Perkins, leading to occasional confusion between the two programs.

## Perkins IV

The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV; P.L. 109-270) was signed into law by President George W. Bush on August 12, 2006. The act was authorized through FY2012, which ended on September 30, 2012. The authorization was extended through FY2013 under the General Education Provisions Act, although the act continues to receive appropriations in FY2016.

Under Perkins IV, career and technical education is defined as organized educational activities that

(A) offer a sequence of courses that—

(i) provides individuals with coherent and rigorous content aligned with challenging academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current or emerging professions;

(ii) provides technical skill proficiency, an industry-recognized credential, a certificate, or an associate degree; and

(iii) may include prerequisite courses (other than a remedial course) that meet the requirements of this subparagraph; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and knowledge of all aspects of an industry, including entrepreneurship, of an individual. (Section 3(5)).

While maintaining the overall structure of its predecessors, Perkins IV introduced the following major changes:

- The act was renamed “career and technical,” replacing “vocational and technical,” education;
- separate core indicators of performance for the Basic State Grants (BSG) program were introduced for the secondary and postsecondary levels, requiring grantees to meet at least 90% of their adjusted levels of performance on each core indicator;
- state improvement plans were required if the 90% target is not met on the BSG adjusted level of performance for at least one core indicator;
- CTE provisions were explicitly linked with the academic standards required under the Elementary and Secondary Education Act (ESEA), as authorized by the No Child Left Behind Act (P.L. 107-110);
- each state was required to develop and describe programs of study, or suggested nonduplicative sequences of secondary and postsecondary courses that lead to an industry recognized credential;
- each local BSG grantee was required to offer at least one state-recognized program of study; and
- states were able to consolidate funding under the Tech Prep program with their Basic State Grants funding.

## Structure and Purpose of the Act

Perkins IV authorizes funding for five separate programs:

- the Basic State Grants program;<sup>13</sup>
- Tech Prep;<sup>14</sup>
- National Programs;<sup>15</sup>
- the Tribally Controlled Postsecondary Career and Technical Institutions (TCPCTI) Program;<sup>16</sup> and
- Occupational and Employment Information.<sup>17</sup>

Perkins IV provides the main source of direct federal funding for CTE programs.<sup>18</sup> The stated purpose of Perkins IV is to develop more fully the academic and career and technical skills of CTE students in secondary and postsecondary education.

## **Title I—Basic State Grants Program**

The Basic State Grants (BSG) program is a formula grant program that typically makes up over 90% of the funds appropriated under Perkins IV. The uses of BSG funds are closely aligned with the stated purpose of Perkins IV and include, for example, developing students' CTE skills, developing and expanding CTE programs, providing professional development for CTE instructors, acquiring equipment and supplies, integrating academic and CTE standards, and linking CTE education at the secondary and postsecondary levels through nonduplicative programs of study and career pathways.

The following sections of this report describe the BSG program funding allocation formulas, planning activities at the state and local levels, uses of funds, and reporting and accountability requirements.

### **Reservations and State Allocations**

After several set-asides for outlying territories and Native American and Native Hawaiian programs, funds are allocated to states according to a formula based primarily on states' average per capita incomes and populations of individuals aged between 15 and 65 years. Each state subsequently determines the portion of its allocation that goes to CTE programs at the secondary level and the portion that goes to postsecondary CTE programs. Additional formulas, discussed later in this report, determine the size of subgrants awarded to grantees at the local level.

Of the funds appropriated for the BSG program, the Secretary is required to make several reservations of funds before the rest is allocated to the states by formula.

### ***Assistance to the Outlying Areas***<sup>19</sup>

The total set-aside for outlying areas<sup>20</sup> is 0.13% of the amount appropriated for BSG. Of these, Guam receives an initial allotment of \$660,000; American Samoa and the Northern Mariana

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<sup>13</sup> Perkins IV, Title I.

<sup>14</sup> Perkins IV, Title II.

<sup>15</sup> Perkins IV, Section 114.

<sup>16</sup> Perkins IV, Section 117.

<sup>17</sup> Perkins IV, Section 118.

<sup>18</sup> Student participation in CTE programs is also supported by the federal government at the postsecondary level through federal student aid.

<sup>19</sup> Perkins IV, Section 115.

Islands receive \$350,000 each; and the Republic of Palau receives \$160,000.<sup>21</sup> The remainder of the set-aside is divided equally among the outlying areas. Since FY2008, the levels of appropriations have been insufficient for meeting these initial allotments. When this is the case, a ratable reduction is triggered. The final, ratably reduced, allotments to the outlying areas are shown in the state allotment table in **Appendix B**.

### *Native American and Native Hawaiian Programs*<sup>22</sup>

The Secretary is required to reserve 1.25% of BSG funds for the Native American Career and Technical Education Program (NACTEP). Eligible entities for NACTEP funds include federally organized Indian tribes, tribal organizations, Alaska Native entities, and consortia of such.<sup>23</sup> NACTEP funds may be used to carry out CTE programs and services or to provide direct assistance to CTE students.<sup>24</sup>

The Native Hawaiian Program, which receives a 0.25% reservation, requires the Secretary to award grants to community-based organizations serving Native Hawaiians to plan and administer CTE programs that benefit Native Hawaiians.<sup>25</sup>

### *State Allocation Formula*<sup>26</sup>

After reservations for outlying areas and the Native American and Native Hawaiian CTE Programs, Basic State Grants funds are awarded to the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The state allocation formula awards proportionally larger grants to states with larger populations in the age range traditionally targeted by CTE programs (15 to 19 years old) and to states with lower than average per capita incomes (PCI).

In the calculation of initial state allocations, 58.8% of the funds are distributed in proportion to each state's share of the national population of individuals aged 15 to 19; 23.5% in proportion to each state's share of individuals aged 20 to 24; and 17.6% in proportion to each state's share of individuals aged 25 to 65.<sup>27</sup> These population-based allotments are adjusted based on states' PCI, with the allotment ratios bounded between 0.4 (for states with PCIs substantially higher than the

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(...continued)

<sup>20</sup> Perkins IV defines outlying areas in Section 3(21) to refer to the U. S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau. The U.S. Virgin Islands are defined as a state for the purposes of the Basic State Grants formula (Section 111(d)) and receives funds under that formula.

<sup>21</sup> The Republic of Palau has been eligible to receive funding under Perkins IV according to the 1986 Compact of Free Association with the United States, which expired in 2009. The ratification of a new Compact by Congress would make the Republic of Palau ineligible for its allotment. Pending its approval of the renewal agreement, Congress has extended the 1986 provisions annually.

<sup>22</sup> Perkins IV, Section 116.

<sup>23</sup> Additionally, schools that are funded by the Bureau of Indian Education (BIE) are also eligible for NACTEP funds, but not for carrying out secondary-level CTE programs, since those already receive money through the states.

<sup>24</sup> ED awarded 31 two-year grants under NACTEP starting with academic year (AY) 2013-2014. These grants were extended for an additional two years in 2015. The grantees include 15 tribally controlled colleges or universities, 14 tribes, one tribal school board, and one other tribal organization. See <http://cte.ed.gov/grants/native-american-career-and-technical-education-program>.

<sup>25</sup> Seven two-year grants totaling \$2.8 million were awarded to ALU LIKE, Inc. for academic years 2013-2014 and 2014-2015. These grants were extended for an additional two years in 2015. See <http://cte.ed.gov/grants/native-hawaiian-career-and-technical-education-program>.

<sup>26</sup> See **Appendix A** for a detailed explanation of the state allocation formula.

<sup>27</sup> Percentages may not add to 100%, due to rounding.

national average) and 0.6 (for states with PCIs significantly lower than the national average).<sup>28</sup> In accordance with statutory provisions, a state's PCI is defined as that state's average PCI over the most recent three years for which data are available.

Incorporated into the formula are certain features that guarantee minimum funding levels. The first one of these features is a FY1998 hold harmless provision, which ensures that states receive at least the amount they were awarded in FY1998. Additionally, each state grant must be no less than a minimum equal to 0.5% of the total amount available for state grants, subject to a special rule adjustment. The special rule calculates two quantities for each state:

1. 150% of its prior-year grant, and
2. the state population of 15- to 65-year-olds in the prior year multiplied by 150% of the national average per pupil payment (NAPPP) for the current year.<sup>29</sup>

Based on these calculations, an adjusted 0.5% minimum is calculated for each state as the lesser of the 0.5% minimum or the smaller of the two amounts calculated under the special rule. The larger of a state's adjusted minimum or its FY1998 hold harmless amount becomes that state's minimum allocation. Because of this adjusted 0.5% minimum, some states receive allocations that are lower than 0.5% of the total amount available for state grants.<sup>30</sup> See **Appendix B** for the FY2016 BSG state allocations.

## **Allocation of State and Local Funds**

Perkins IV requires states to allocate

- at least 85% to the local level,
- up to 10% for state leadership activities, and
- up to 5% or \$250,000 (whichever is greater) for program administration.<sup>31</sup>

Additionally, up to 10% of the funds distributed to the local level may be awarded to local CTE providers that are in rural areas, areas with high percentages of CTE students, and areas with high numbers of CTE students. The statute does not specify how the states are to allocate these reserve funds to eligible recipients.<sup>32</sup>

## **Within-State Distribution**

Under Perkins IV, states decide the split of local level funds between CTE providers at the secondary and postsecondary levels.<sup>33</sup>

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<sup>28</sup> The allotment ratios for Puerto Rico and the Virgin Islands are automatically set to 0.6.

<sup>29</sup> The NAPPP is determined for each state by dividing the total amount allocated to all states by the total population aged 15 to 65 in all states.

<sup>30</sup> In the event that the Basic State Grants appropriation exceeds the FY2006 level, the Perkins IV formula includes provisions that would allow all states to eventually achieve a minimum allocation of at least 0.5% of the total amount available for state grants.

<sup>31</sup> Perkins IV, Section 112.

<sup>32</sup> In FY2015, 40 states chose to reserve some funds under this provision. Of these, 21 states reserved the maximum amount of 10%. Perkins Collaborative Resource Network data (<http://cte.ed.gov/grants/state-profiles>), compiled by CRS.

<sup>33</sup> In academic year 2014-2015, states allocated 62% of their funds, on average, to secondary education providers. The largest secondary level allocation share was Rhode Island's 90%, while the smallest was Colorado's 40%. Perkins Collaborative Resource Network data (<http://cte.ed.gov/grants/state-profiles>), compiled by CRS.

### ***Distribution at the Secondary Education Level***

Eligible recipients of funds at the secondary education level are LEAs, including public charter schools that operate as LEAs, Bureau of Indian Education (BIE)-funded schools, area CTE schools providing secondary education, educational service agencies,<sup>34</sup> or consortia of such.

The formula for distributing money to the secondary level<sup>35</sup> is

- 70% of the funds are allocated based on each local recipient's share of individuals aged 5 through 17 living below the poverty line, compared to the total population of individuals aged 5 through 17 living below the poverty line in the entire state, and
- 30% of the funds are allocated based on each local recipient's share of all individuals aged 5 through 17.<sup>36</sup>

If a state chooses to distribute 15% or less of its total allocation to the secondary education level, that state may allocate funds on a competitive basis or using any alternative method.<sup>37</sup>

If a secondary level local recipient's calculated allotment is less than \$15,000, the recipient has to form a consortium with other eligible secondary level recipients in order to meet the minimum grant requirement. This requirement can be waived if the recipient is unable to enter into a consortium and is either located in a rural, sparsely populated area or is a public charter school operating a CTE program.

### ***Distribution at the Postsecondary Education Level***

Eligible recipients of funds at the postsecondary education level are public or nonprofit IHEs, LEAs providing postsecondary education, area CTE schools providing postsecondary education, tribally controlled colleges and universities, educational service agencies, and consortia of such.

Funds are distributed to eligible local recipients at the postsecondary level based on their share of recipients of Pell Grants and recipients of assistance from the BIE who are enrolled in CTE programs.<sup>38</sup> The minimum grant amount is \$50,000.

If a state chooses to distribute 15% or less of its total allocation to the postsecondary level, that state may allocate funds on a competitive basis or using any alternative method.<sup>39</sup>

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<sup>34</sup> An educational service agency is a regional public multiservice agency authorized by state statute to develop, manage, and provide services or programs to LEAs.

<sup>35</sup> Perkins IV, Section 131.

<sup>36</sup> The Secretary may permit a state to use an alternative secondary distribution formula if that formula "more effectively targets funds on the basis of poverty."

<sup>37</sup> In academic year 2014-2015, no state allocated 15% or less of its funds to secondary providers. Perkins Collaborative Resource Network data (<http://cte.ed.gov/grants/state-profiles>), compiled by CRS.

<sup>38</sup> The Secretary may permit a state to use an alternative secondary distribution formula if that formula "more effectively targets funds on the basis of poverty."

<sup>39</sup> In academic year 2014-2015, seven states allocated 15% or less of their funds to postsecondary level providers. Perkins Collaborative Resource Network data, <http://cte.ed.gov/grants/state-profiles>, compiled by CRS.

## Activities at the State Level

### *State Plan*

In order to receive funding, each state eligible agency<sup>40</sup> must submit a six-year state plan to the Secretary of Education. The plan must be developed through public hearings and consultation with stakeholders, including CTE teachers, faculty, and administrators; career guidance and academic counselors; eligible recipients; parents and students; representatives of special populations;<sup>41</sup> representatives of business and industry; and representatives of labor organizations in the state. The plan contents must include such information as the description of

- supported CTE activities, and how these activities will help the state meet its performance targets;<sup>42</sup>
- CTE programs of study to be offered by the state;<sup>43</sup>
- professional development, recruitment, and retention strategies for CTE teachers, faculty, administrators, and career and guidance counselors;
- efforts to facilitate the successful transition of CTE students from sub-baccalaureate programs into baccalaureate degree programs at IHEs;
- the process for improving the academic skills of CTE students;
- how the state will annually evaluate the effectiveness of its CTE programs; and
- the state's CTE programs aimed at members of special populations.

As an alternative to the state plan described above, a state may submit a state plan as part of the combined plan submitted under Section 103 of the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128).<sup>44</sup> The state plan is approved by the Secretary unless it does not meet the requirements of Perkins IV or if the state's proposed levels of performance on the core indicators of performance are not approved.<sup>45</sup>

### *State Leadership Activities*

States may reserve up to 10% of their allotments for state leadership activities. Of these funds, up to 10% (or 1% of the total state allotment) must be used for individuals in state correctional institutions or institutions serving individuals with disabilities. Additionally, between \$60,000 and \$150,000 must be reserved for services preparing individuals for nontraditional fields.<sup>46</sup>

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<sup>40</sup> An eligible agency is defined in Section 3(12) of Perkins IV as a state board designated or created consistent with state law as the sole state agency responsible for the administration of CTE in the state or for the supervision of the administration of CTE in the state.

<sup>41</sup> The term "special populations" is defined in Section 3(29) of Perkins IV.

<sup>42</sup> For more information about state performance measures, see the section on Accountability below.

<sup>43</sup> For more information on programs of study, see the box below.

<sup>44</sup> The section of the combined state plan that relates to CTE would still have to follow the same requirements as a single plan. For more information on WIOA, see CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*, by (name redacted) .

<sup>45</sup> For more detailed information on the core indicators or performance, see the section "Accountability, Data Reporting, and Sanctions" below.

<sup>46</sup> Nontraditional fields are defined in Perkins IV as occupations in which individuals from one gender comprise less than 25% of the employees. In 2014, the Department of Labor listed occupations such as roofers, carpenters, and firefighters as nontraditional for women. Nontraditional occupations for men included dental hygienists, registered (continued...)

There are nine required uses of state leadership funds:

- provide assessment of CTE programs;
- improve and expand the use of technology in CTE;
- provide professional development opportunities for CTE teachers, administrators, and counselors;
- support programs that improve students' academic and technical skills through the integration of academics with CTE;
- provide preparation for nontraditional employment;
- support partnerships among local providers of CTE and others, such as employers and labor organizations, to enable students to achieve state academic standards and CTE skills, or to complete CTE programs of study;
- serve individuals in state institutions, such as correctional institutions and institutions for individuals with disabilities;
- support programs for special populations that lead to high-skill, high-wage, or high-demand occupations; and
- provide technical assistance to local providers.

In addition to these required activities, there are several permissible state leadership activities outlined in Section 124. These include support for academic and career guidance counseling, establishment of articulation agreements<sup>47</sup> between secondary and postsecondary education providers, support for career and technical student organizations, incentive grants for local providers, and enhancing data collection systems to collect data on education and employment outcomes. State leadership funds may not be used for program administration. Another state leadership activity is the development of programs of study.

*Programs of Study (POS)* were introduced in Perkins IV as a compact way to describe the necessary CTE and academic skills and a nonduplicative sequence of courses spanning secondary and postsecondary levels that would lead to a recognized credential in a specific occupational field. As defined in Perkins IV, a POS must

- incorporate elements of secondary and postsecondary education;
- include coherent and rigorous content aligned with academic standards;
- provide a coordinated, nonduplicative progression of courses that align secondary with postsecondary education; and
- lead to an industry-recognized credential or certificate at the postsecondary level, or an associate or baccalaureate degree.

A POS may include the opportunity for secondary education students to acquire postsecondary credits through dual or concurrent enrollment programs or in other ways.

Eligible CTE providers at the local level must offer the elements of at least one POS that is described by the state in its state plan.

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(...continued)

nurses, and librarians. See [http://www.dol.gov/wb/stats/nontra\\_traditional\\_occupations.htm](http://www.dol.gov/wb/stats/nontra_traditional_occupations.htm).

<sup>47</sup> An articulation agreement is defined in Perkins IV as a written commitment between a secondary and a postsecondary institution to a program providing a nonduplicative sequence of courses leading to technical skill proficiency, a credential, a certificate, or a degree. As part of an articulation agreement, the institutions must also enter into a credit transfer agreement.



## **Activities at the Local Level**

### ***Local Plan***

In order to receive Perkins funding, an eligible recipient at the local level must submit a local plan to the state eligible agency. The local plan contents must include such information as the description of

- CTE programs that are to be carried out, and how these programs will support meeting the state and local adjusted levels of performance;
- at least one state-approved CTE program of study that will be adopted;
- the integration of academics with CTE courses in order to ensure improved student learning and attainment of technical skills and academic proficiency;
- professional development activities for CTE teachers, administrators, and career guidance and academic counselors;
- how students will gain experience in and knowledge of all aspects of an industry;
- efforts to improve CTE outcomes of members of special populations and individuals in nontraditional fields; and
- any other requirements established by the state eligible agency.

### ***Local Uses of Funds***

As they do at the state level, eligible grant recipients at the local level have a list of required uses of funds (outlined in Section 135). Funds must be used by eligible recipients to

- strengthen academic and technical skills of CTE students;
- link CTE at the secondary and postsecondary levels, including by offering the relevant elements of at least one state-approved program of study;
- provide students with experience in and understanding of all aspects of an industry;
- develop, improve, or expand the use of technology in CTE;
- provide professional development programs for CTE personnel;
- develop and implement evaluations of CTE programs; and
- provide CTE activities for members of special populations to prepare them for high-skill, high-wage, or high-demand occupations.

In addition to required uses, Section 135 outlines a number of permissible uses for Perkins funds at the local level. These include the use of funds to support efforts to involve business and labor organizations and parents in the design, implementation, and evaluation of CTE programs; career guidance and academic counseling; work-related experiences for students, such as internships and job shadowing; career and technical student organizations; the purchase or upgrade of equipment; and dual and concurrent enrollment programs. Each eligible recipient may use up to 5% of its local funds for administrative costs.

## **Accountability, Data Reporting, and Sanctions**

Under Perkins IV, states and local CTE providers that receive Perkins funds are required to satisfy certain accountability requirements based on student outcomes. The accountability requirements

are intended to enhance the return on investment of federal CTE funds. The Perkins accountability system, first introduced in Perkins II and enhanced in Perkins III and IV, requires that states and local providers meet goals or targets on a set of core indicators of performance. There are six indicators at the secondary level and five at the postsecondary level listed in Section 113.

### ***Core Indicators of Performance***

The core indicators of performance at the secondary level are

- student attainment of state academic performance standards on the mathematics, language arts, and science assessments, as determined by the state in accordance with Title I of the Elementary and Secondary Education Act (ESEA);
- student attainment of career and technical skill proficiencies;
- rates of student attainment of secondary school diplomas; GED<sup>48</sup> credentials or other state-recognized equivalents; and proficiency credentials, certificates, or degrees, in conjunction with a secondary school diploma;
- student graduation rates, as described in Title I of ESEA;
- student placement in postsecondary education or advanced training, in military service, or in employment; and
- student participation in, and completion of, CTE programs that lead to nontraditional fields.

The core indicators of performance at the postsecondary level are

- student attainment of career and technical skill proficiencies;
- student attainment of an industry-recognized credential, a certificate, or a degree;
- student retention in postsecondary education or transfer to a baccalaureate degree program;
- student placement in military service, apprenticeship programs, or employment; and
- student participation in, and completion of, CTE programs that lead to nontraditional fields.

ED issued nonregulatory guidance describing suggested ways to calculate values for each of the core indicators of performance in order to help align definitions.<sup>49</sup> In addition to these required indicators, states may use other indicators of performance as well.

### ***Adjusted Levels of Performance***

Local and state recipients of funds under Perkins IV have to establish annual targets or goals for each of the core indicators of performance. These goals are called *adjusted levels of performance* and are described in Section 113 of Perkins IV. At the state level, they are established through negotiations between the state and the Secretary of Education, with input from local recipients. The adjusted levels of performance are required to reflect continual progress toward improved

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<sup>48</sup> General Education Development.

<sup>49</sup> The nonregulatory guidance is available at the website of the Perkins Collaborative Resource Network (PCRN): [https://s3.amazonaws.com/PCRN/docs/Nonregulatory\\_Guidance-Perkins\\_IV\\_Definitions\\_and\\_Measures.docx](https://s3.amazonaws.com/PCRN/docs/Nonregulatory_Guidance-Perkins_IV_Definitions_and_Measures.docx).

performance by the state's CTE students. Initially, the state and the Secretary must reach agreement on adjusted levels of performance for the first two program years. New adjusted levels of performance are to be agreed upon prior to the third and fifth years of the program. The levels of performance on additional indicators do not require approval from the Secretary. In exceptional circumstances, such as extreme demographic shifts or economic hardship, a state may request a revision of its adjusted levels of performance.

Each eligible recipient at the local level may either accept the state adjusted levels of performance or negotiate with the state to establish new local adjusted levels of performance. Additionally, each local provider may establish local levels of performance for each of the state's additional indicators of performance.

### ***Data Reporting and Disaggregation***

States must annually report to the Secretary on the levels of performance achieved by their CTE students on each of the core indicators of performance, as well as on the additional indicators of performance. Each indicator must be disaggregated by special populations<sup>50</sup> and by ESEA Title I subgroups.<sup>51</sup> The annual state reports, known as Consolidated Annual Reports, are publicly disseminated by the Secretary. State performance data are also included in the annual report to Congress produced by the Secretary in accordance with Section 114 of Perkins IV. While state performance data are reported with disaggregation by subgroup, only the aggregate performance levels for each core indicator of performance are used for accountability purposes.

### ***Sanctions***

States that do not meet 90% of a state adjusted level of performance for any of the core indicators of performance in a given year are required to develop and implement a program improvement plan during the following program year. The plan is to be developed with input from various stakeholders. The Secretary must provide technical assistance to the state if it is determined that the state is not making substantial progress. The Secretary may withhold all, or a portion of, a state's leadership and administrative funds if any of the following occurs:

- the state fails to implement a program improvement plan;
- the state fails to make any improvement in meeting any of the adjusted levels of performance for the core indicators in the first year of the implementation of the program improvement plan; or
- the state fails to meet at least 90% of an adjusted level of performance for the same core indicator of performance for three consecutive years.

The Secretary must use the withheld funds to provide technical assistance or other improvement assistance to the state. The Secretary may waive these sanctions due to exceptional or uncontrollable circumstances.

Similarly, a local provider that does not meet at least 90% of its adjusted performance levels on at least one core indicator of performance must also develop a program improvement plan. If no

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<sup>50</sup> As defined in Perkins IV, special populations include students with disabilities, economically disadvantaged students, students preparing for nontraditional fields, single parents, displaced homemakers, and limited English proficient students.

<sup>51</sup> These include each major racial and ethnic group, economically disadvantaged students, children with disabilities, and English learners. Performance data must also be disaggregated by gender and migrant status.

improvement occurs, the state may take away some or all of the local provider’s funding and use it to provide CTE services for the affected students through alternative means.

## **Other Programs under Title I**

### *National Programs*<sup>52</sup>

Perkins IV authorizes the Secretary to carry out the following national activities:

- collect performance information on the state of CTE and on the effectiveness of state and local CTE programs;
- provide an annual report to Congress on the state of CTE and on state and local performance of Perkins CTE programs;<sup>53</sup>
- direct the National Center for Education Statistics (NCES) to collect information on CTE for a nationally representative sample of students as part of its regular assessments;<sup>54</sup>
- carry out research, development, dissemination, evaluation, and assessment of CTE activities under Perkins IV based on a single plan developed by the Secretary;
- conduct an “independent evaluation and assessment” of programs under this act and submit a report to Congress summarizing all studies related to the assessment;<sup>55</sup>
- appoint an independent advisory panel to conduct an analysis of the findings and recommendations resulting from the assessment described above;<sup>56</sup>
- collect and disseminate information regarding state efforts to meet their performance standards;<sup>57</sup>
- establish a national center for research on career and technical education;<sup>58</sup> and
- carry out demonstration CTE programs and disseminate information about best practices for providing CTE programs under this act.

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<sup>52</sup> Perkins IV, Section 114.

<sup>53</sup> The Perkins IV Report to Congress for Program Year 2011-12 is available at [https://s3.amazonaws.com/PCRN/uploads/Perkins\\_RTC\\_2011-12.pdf](https://s3.amazonaws.com/PCRN/uploads/Perkins_RTC_2011-12.pdf).

<sup>54</sup> The NCES website summarizing CTE statistics is available at <http://nces.ed.gov/surveys/ctes/>.

<sup>55</sup> The final report to Congress, known as the National Assessment of Career and Technical Education (NACTE), was published in 2014 and is available at [https://s3.amazonaws.com/PCRN/uploads/NACTE\\_FinalReport2014.pdf](https://s3.amazonaws.com/PCRN/uploads/NACTE_FinalReport2014.pdf).

<sup>56</sup> The advisory panel’s final report is available at [https://s3.amazonaws.com/PCRN/uploads/NACTE\\_IAP\\_Report\\_2014.pdf](https://s3.amazonaws.com/PCRN/uploads/NACTE_IAP_Report_2014.pdf).

<sup>57</sup> This information, collectively known as states’ Consolidated Annual Reports, is aggregated by ED’s Perkins Collaborative Resource Network and is available at <http://cte.ed.gov/grants/state-profiles>.

<sup>58</sup> A contract was awarded to RTI (formerly Research Triangle Institute) for FY2013-FY2016 for a total of \$8.9 million to establish and operate the National Center for Innovation in Career and Technical Education (NCICTE). More information about NCICTE’s activities is available at <http://ctecenter.ed.gov/>.

### ***Tribally Controlled Postsecondary Career and Technical Institutions Program (TCPCTIP)***<sup>59</sup>

Section 117 authorizes grants to provide support for the education and training of Indian students attending tribally controlled postsecondary career and technical institutions that are not eligible for assistance under Title I of the Tribally Controlled Colleges and Universities Assistance Act of 1978<sup>60</sup> or the Navajo Community College Act.<sup>61</sup> There are two IHEs that qualify for funding under TCPCTIP: the United Tribes Technical College in North Dakota and the Navajo Technical College in New Mexico. These two IHEs are also the only recipients of funds from the Department of Interior's Tribal Technical Colleges program.<sup>62</sup>

Funds provided under TCPCTIP may be used by recipients for expenses associated with CTE programs for Indian students, including program development costs; operations and maintenance of facilities; equipment, transportation, daycare, and family support programs for students; and student stipends.<sup>63</sup>

### ***Occupational and Employment Information***<sup>64</sup>

Section 118 of Perkins IV authorizes the Secretary to provide assistance to state-designated entities that collect and disseminate occupational and employment information. Funds under this section may be used to support career guidance and academic counseling and to improve access to information and resources related to career preparation, as well as information on occupational supply and demand. Funds may also be used to improve coordination and communication among administrators of Perkins IV programs and by Section 15 of the Wagner-Peyser Act<sup>65</sup> to avoid duplication of efforts and promote the sharing of information and data. Section 118 has not been funded under Perkins IV.

## **Title II—Tech Prep**

The Tech Prep program, originally introduced in Perkins II, is a separate formula grant program authorized in Title II of Perkins IV. Tech Prep aims to encourage collaborations between secondary and postsecondary institutions by awarding funds to consortia that include at least one participant from each level. Consortia use their Tech Prep funds to develop coherent sequences of CTE courses spanning the last two years of secondary education and two years of postsecondary education, known as the “2+2” model.

Secondary level institutions that are eligible to be members of consortia under Tech Prep are the same as eligible secondary level local providers under the Basic State Grants program. Eligible postsecondary level providers are nonprofit IHEs that offer a two-year associate's degree, two-

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<sup>59</sup> Perkins IV, Section 117.

<sup>60</sup> TCCUAA; 25 U.S.C. 1801 et seq.

<sup>61</sup> 25 U.S.C. 640a et seq.

<sup>62</sup> TCCUAA Title IV; 25 U.S.C. 1861 et seq.

<sup>63</sup> For FY2015, \$7.7 million was appropriated for TCPCTIP. Note that appropriations for the TCPCTIP are provided through the Higher Education account of the annual appropriations act, rather than through the Career, Technical, and Adult Education account.

<sup>64</sup> Perkins IV, Section 118.

<sup>65</sup> Section 15 of the Wagner-Peyser Act, as amended by the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128), requires the development and maintenance of a nationwide employment statistics database.

year certificate, or two-year apprenticeship program; or proprietary IHEs that offer a two-year associate's degree program. A consortium may also include IHEs that grant baccalaureate degrees, employers and other members of the business community, and labor organizations.

The secondary and postsecondary consortium members have to participate in an articulation agreement that includes a credit transfer agreement. The "2+2" program developed by a consortium has to lead to an associate's degree or a postsecondary certificate in a specific occupational field and meet state academic standards. Additionally, Tech Prep programs are required to provide professional development programs for teachers, faculty, administrators, and counselors.

Tech Prep funds are allocated to the states using the same formula as that used by the Basic State Grants program in Title I, but without the minimum state grant provisions. States may choose to operate Tech Prep as a separate program, or to combine Tech Prep funds with their Basic State Grants funds. Tech Prep was last funded in FY2010.<sup>66</sup>

## **Additional Provisions**

Title III of Perkins IV specifies general provisions, including federal and state administrative provisions. The following subsections describe a few key provisions.

### **Supplement Not Supplant/Maintenance of Effort<sup>67</sup>**

The Supplement Not Supplant provision requires states and local education providers to supplement, not supplant, non-federal funds to carry out CTE activities. Supplanting occurs if a state or an eligible recipient uses Perkins IV funds to provide services that the state or recipient

- is required to provide under other federal, state, or local laws;<sup>68</sup>
- provided with nonfederal funds in the prior year; or
- provides with nonfederal funds for non-CTE students but charges to Perkins IV funds.

These criteria may be rebutted if the state or eligible recipient can demonstrate that it would not have provided the services in question with nonfederal funds if the Perkins IV funds had not been available.

The Maintenance of Effort (MOE) provision states that, in order to receive Perkins funds, a state's CTE expenditures per student or aggregate CTE expenditures for the preceding fiscal year must be equal to or greater than the corresponding expenditures from the fiscal year before that. However, if total appropriations for Perkins IV decrease by a certain percentage, states may decrease their CTE expenditures by the same percentage. The Secretary may reduce the MOE requirement by at most 5% for one fiscal year in case of exceptional circumstances.

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<sup>66</sup> In FY2010, Tech Prep received appropriations of \$102.9 million. That year, 28 states chose to combine their Tech Prep funds with their Basic State Grants funds.

<sup>67</sup> Perkins IV, Section 311.

<sup>68</sup> An exception to this, listed in Section 324(c) of Perkins IV, states that Perkins funds may be used to pay for the costs of CTE services required in an individualized education program developed pursuant to Section 614(d) of the Individuals with Disabilities Education Act and services necessary to meet the requirements of Section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to CTE.

### Limitation for Certain Students<sup>69</sup>

Section 315 prohibits Perkins IV funds from being used to provide CTE programs for students prior to the 7<sup>th</sup> grade.

### Private Schools Staff and Students<sup>70</sup>

This section requires state and local CTE providers to include, “to the extent practicable upon written request,” teachers and other personnel at nonprofit private schools in local CTE professional development activities. Similarly, this section allows for the “meaningful participation” of students attending nonprofit private schools in local CTE programs funded by Perkins IV.

## Authorizations and Appropriations

Perkins IV contains five separate authorizations of funds: Basic State Grants, National Programs, Tribally Controlled Postsecondary Career and Technical Institutions (TCPCTIP), Occupational and Employment Information, and Tech Prep. The authorized appropriations level in Perkins IV for each of these activities is such sums as may be necessary for each of FY2007-FY2012.

As shown in **Table 1**, total appropriations for Perkins IV have gradually decreased from a high of \$1.304 billion in FY2007 to a low of \$1.080 billion in FY2013, before rebounding slightly to \$1.133 billion for FY2014 and FY2015.

The Basic State Grants receive two separate appropriation amounts:

- an appropriation for the current fiscal year (funds that are to be obligated during FY2015 are appropriated in the FY2015 appropriations act); and
- an advance appropriation for the subsequent fiscal year (e.g., appropriated funds that are to be obligated in FY2015 are appropriated in the FY2014 appropriations act).<sup>71</sup>

The Tech Prep program was funded at around \$100 million through FY2010, but it has not been funded since. The Occupational and Employment Information program has not been funded under Perkins IV.

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<sup>69</sup> Perkins IV, Section 315.

<sup>70</sup> Perkins IV, Section 317.

<sup>71</sup> For example, of the \$1.118 billion available for Basic State Grants in FY2015, \$327 million was obligated in July 2015 and the remaining \$791 million was obligated through advance appropriations in October 2014. For more information on advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*, by (name redacted) .

**Table I. Perkins IV Appropriations, FY2007-FY2015**

(\$ in thousands)

<b>Program</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Basic State Grants (Title I)	1,181,553	1,160,911	1,160,911	1,160,911	1,122,164	1,123,030	1,064,446	1,117,598	1,117,598
National Programs (Section 114)	10,000	7,860	7,860	7,860	7,844	7,829	7,421	7,421	7,421
Tribally Controlled Postsecondary Career and Technical Institutions (Section 117)	7,366	7,546	7,773	8,162	8,146	8,131	7,705	7,705	7,705
Occupational and Employment Information (Section 118)	0	0	0	0	0	0	0	0	0
<i>Subtotal, Title I</i>	<i>1,198,919</i>	<i>1,176,317</i>	<i>1,176,544</i>	<i>1,176,933</i>	<i>1,138,154</i>	<i>1,138,990</i>	<i>1,079,572</i>	<i>1,132,724</i>	<i>1,143,724</i>
<i>Tech Prep (Title II)</i>	<i>104,753</i>	<i>102,923</i>	<i>102,923</i>	<i>102,923</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total, Perkins IV</b>	<b>1,303,672</b>	<b>1,279,240</b>	<b>1,279,467</b>	<b>1,279,856</b>	<b>1,138,154</b>	<b>1,138,990</b>	<b>1,079,572</b>	<b>1,132,724</b>	<b>1,132,724</b>

**Source:** U.S. Department of Education, Department of Education Budget Tables, <http://www2.ed.gov/about/overview/budget/tables.html?src=rt> .



## State Performance on Core Indicators

**Table 2** shows state performance on the core indicators of performance for PY2011-2012. For the secondary education level core indicators of performance, 24 states met or exceeded 90% of their adjusted performance levels for all indicators. This means that 31 states needed to submit program improvement plans for the following program year for at least one secondary core indicator of performance.<sup>72</sup> States were most successful on the core indicator for student graduation rates, with all 55 states that reported data achieving at least 90% of their adjusted performance levels, and 49% meeting or exceeding 100% of their adjusted performance levels on that indicator. States were least successful on nontraditional completion. Forty-two states reached 90% of their nontraditional completion adjusted performance levels.

At the postsecondary education level, 28 states met or exceeded 90% of their adjusted performance levels for all indicators, meaning that 27 states had to submit program improvement plans. All 55 states reached 90% of their adjusted performance levels for the technical skill attainment core indicator. States were least successful on the postsecondary core indicator for credential, certificate, or degree attainment, with only 41 states attaining 90% of their adjusted performance levels on that indicator.

**Table 2. State Performance on the Core Indicators of Performance, Program Year 2011-2012**

<b>Core Indicator of Performance</b>	<b>Number of States that Met at Least 90% of Their Adjusted Levels of Performance, 2011-2012</b>	<b>Number of States that Met or Exceeded 100% of Their Adjusted Levels of Performance, 2011-2012</b>
<i>Secondary Level</i>		
Academic attainment in reading/ language arts	46	32
Academic attainment in mathematics	43	30
Technical skill attainment	51	38
Secondary school completion	53	43
Student graduation rates	55	49
Secondary placement	47	30
Nontraditional participation	47	35
Nontraditional completion	42	34
All secondary core indicators of performance	24	4
<i>Postsecondary Level</i>		
Technical skill attainment	55	37
Credential, certificate, or degree	41	24
Student retention	49	27
Student placement	45	20

<sup>72</sup> In addition to the 50 U.S. states, the District of Columbia, Guam, Puerto Rico, the Republic of Palau, and the U.S. Virgin Islands are treated as states for these purposes.

Core Indicator of Performance	Number of States that Met at Least 90% of Their Adjusted Levels of Performance, 2011-2012	Number of States that Met or Exceeded 100% of Their Adjusted Levels of Performance, 2011-2012
Nontraditional participation	47	36
Nontraditional completion	42	32
All postsecondary core indicators of performance	28	6

**Source:** Carl D. Perkins Career and Technical Education Act of 2006, Report to Congress on State Performance, Program Year 2011-2012

**Notes:** For the purposes of this table, the term “state” includes the 50 states of the United States; the District of Columbia; the Commonwealth of Puerto Rico; and the outlying areas of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau. The core indicators of performance are as specified in Section 113(b)(2)(B) of Perkins IV. The states were required to report data and information under Perkins IV for PY2011-2012. American Samoa and the Commonwealth of the Northern Mariana Islands did not submit data or information for CTE programs because they consolidated their Perkins IV allotments with funds under other formula programs and used these funds for allowable program purposes rather than for CTE. Therefore, this table represents data for 55 of the 57 states that received Perkins IV funding in PY2011-2012.

## National Assessment of Career and Technical Education

Section 114(d)(2) of Perkins IV authorized funds to conduct an independent evaluation and assessment of CTE programs under the act. Results of this study were published by the Department of Education in 2014 as the National Assessment of Career and Technical Education (NACTE). This section of the report provides a concise summary of some NACTE findings about the state of CTE in the United States and the implementation of Perkins IV. Several of these findings have received considerable attention in the CTE researcher and practitioner communities.

- Federal appropriations for Perkins IV have fallen since the 2006 reauthorization. Adjusting for inflation, total Perkins funding declined by 24% from FY2007 to FY2014. Declines in allocations for individual states have ranged from 6% to 30%.
- In PY2008-2009, the most common uses of Perkins funds reported by local providers were purchasing equipment and providing career guidance and academic counseling to students.
- When surveyed about the implementation of programs of study (POS) in Perkins IV, nearly half of all state secondary and postsecondary CTE directors (23 of each) reported in PY2008-2009 that CTE teachers and faculty did not have a good understanding of POS, suggesting that the POS concept was unclear to the instructors of CTE.
- Flexibility in the Perkins IV definitions of core indicators of performance and the resulting variety of definitions used by the states precludes the ability to use performance data reported by the states for valid comparison of performance between states or for aggregating data across states to examine national progress and trends in CTE over time.

- The percentage of high school graduates completing four-year college preparatory coursework nearly doubled from 1990 to 2009, and CTE students showed larger increases than did non-CTE students. This trend can be interpreted to indicate that participating in CTE programs can increase students' chances of completing college preparatory coursework. However, this may reflect changes in who participated in CTE rather than the impact of CTE.
- College-going and completion rates varied considerably by CTE concentration field, as did continuation in the same CTE field at the postsecondary level. For example, as of 2006,<sup>73</sup> college-attendance rates for 2004 high school graduates, examined by CTE concentration field, ranged from 84% for CTE students who had concentrated in computer and information sciences to 52% for concentrators in repair and transportation.

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<sup>73</sup> Most recent available data.

## Appendix A. Basic State Grants Allocation Formula

This appendix provides a detailed description of the formula used for allocating Perkins IV Basic State Grant funds to the states after set-asides for the outlying areas, the Native American CTE Program, and the Native Hawaiian CTE Program have been reserved.

### Initial Allocation

After reservations for outlying areas and the Native American and Native Hawaiian CTE Programs, Basic State Grants funds are awarded to the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The base formula for state allocations was historically designed to target funds toward states with higher proportions of aged 15 to 19. States with lower per capita incomes are also targeted by the initial allocation formula.

The base formula depends on three population groups in each state: persons aged 15 to 19, 20 to 24, and 25 to 65. Each of these populations is then weighted in the calculation of initial allocations.<sup>74</sup> The largest weight (0.5) is assigned to the 15 to 19 age group. The 20 to 24 age group is weighted 0.2, while the 25 to 65 age group is weighted 0.15. Note that these weights differ from those stated in the body of the report, because this section provides a higher level of detail about the formula calculations.

The second factor for calculating the initial allocation is the state's allotment ratio. This is calculated by dividing a state's per capita income (PCI)<sup>75</sup> by the national average PCI. That quotient is then multiplied by 0.5 and subtracted from 1.

$$\text{Allotment Ratio} = 1 - \left(0.5 \times \frac{\text{State PCI}}{\text{National PCI}}\right)$$

This calculation results in higher allotment ratio values for states with low PCIs and lower allotment ratio values for states with high PCIs. No state may have an allotment ratio higher than 0.6 or lower than 0.4.<sup>76</sup> Allotment ratios for states with higher or lower calculated ratios are set to either 0.6 or 0.4, respectively.

Each state's initial allocation is then calculated by adding four quantities based on weighted populations in the three age groups and allotment ratios.

$$\begin{aligned} \text{Initial Allocation} \\ &= (\text{Allocation}_{15-19} + \text{Allocation}_{20-24} + \text{Allocation}_{25-65} \\ &+ \text{Allocation}_{prop}) \times (\text{Total Appropriations} - \text{set asides}) \end{aligned}$$

The first three components of the sum are calculated by multiplying a state's allotment ratio by its population in the given age group, and then dividing the result by the sum of all such products across all the states. That number is then multiplied by the weight corresponding to the particular age group:

<sup>74</sup> CTE state grants have been weighted based on these population groups since the Vocational Education Act of 1963 (P.L. 88-210).

<sup>75</sup> For the purposes of this formula, a state's per capita income is defined as the average of that state's per capita income values for which data are available. A state's per capita income for a given year is calculated by dividing the total personal income in that state by the state's population.

<sup>76</sup> The U.S. Virgin Islands and Puerto Rico are automatically assigned allotment ratios of 0.6.

$$\begin{aligned} & Allocation_{15-19} \\ & = 0.5 \times \frac{State\ Allotment\ Ratio \times State\ Population_{15-19}}{Sum\ of\ (State\ Allotment\ Ratio \times State\ Population_{15-19})\ for\ all\ states} \end{aligned}$$

where 0.5 is the weight factor associated with the 15 to 19 population group.

Correspondingly, the allocations associated with the 20 to 24 and 25 to 65 population groups are calculated as follows:

$$\begin{aligned} & Allocation_{20-24} \\ & = 0.2 \times \frac{State\ Allotment\ Ratio \times State\ Population_{20-24}}{Sum\ of\ (State\ Allotment\ Ratio \times State\ Population_{20-24})\ for\ all\ states} \end{aligned}$$

where 0.2 is the weight factor associated with the age 20 to 24 population group, and

$$\begin{aligned} & Allocation_{25-65} \\ & = 0.15 \times \frac{State\ Allotment\ Ratio \times State\ Population_{25-65}}{Sum\ of\ (State\ Allotment\ Ratio \times State\ Population_{25-65})\ for\ all\ states} \end{aligned}$$

where 0.15 is the weight factor associated with the 25 to 65 population group.

The fourth component of a state's initial allocation,  $Allocation_{prop}$  in the above formula, is calculated as that state's proportion of the total funding determined by the sum of the first three formulas. This last component is given a weight of 0.15. As a result,  $Allocation_{prop}$  is calculated as follows:

$$\begin{aligned} & Allocation_{prop} \\ & = 0.15 \times \frac{Allocation_{15-19} + Allocation_{20-24} + Allocation_{25-65}}{Sum\ of\ (Allocation_{15-19} + Allocation_{20-24} + Allocation_{25-65})\ for\ all\ states} \end{aligned}$$

To recap, the largest proportion (50%) of each state's initial allocation under the Basic State Grants formula is assigned based on the number of persons aged 15 to 19, which is the traditional target population for CTE programs. The inclusion of PCI in the formula helps states with lower PCIs receive a greater share of available funds. Thus, states with lower PCIs and higher numbers of persons aged 15 to 19 will get the highest initial allocations.

Perkins IV has two different formulas for adjusting state initial allocations. The determination of which formula is used is based on how the total amount of funding available for state grants compares with the amount available in FY2006, which was \$1,115,902,206.

## Formula for Funding at FY2006 Level or Lower

Under Perkins IV, there are actually two formulas that are authorized for use in making state grant allocations. The first formula applies if the total amount of funding available for Basic State Grants is equal to or less than the amount that was available in FY2006. This formula has been used to calculate state allocations each year from FY2007 to FY2016.

Under this formula, the initial state allocations can be altered to ensure that each state's allocation meets certain minimum state grant provisions. There are three separate possible minimum grant conditions calculated for each state:

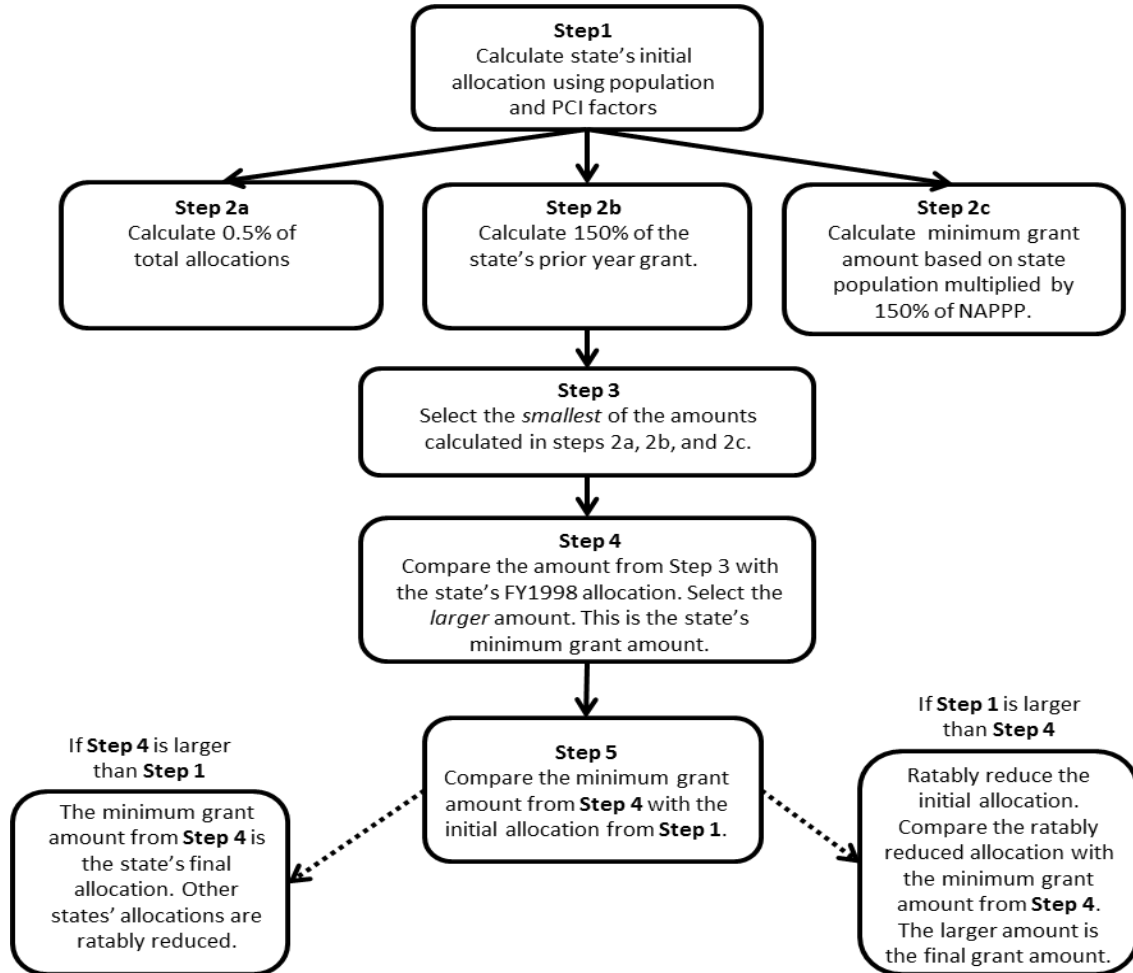
1. 0.5% of the total allocated to states;
2. 150% of a state's prior-year grant;

3. 150% of a state’s population aged 15 to 65 multiplied by the national average per pupil payment (NAPPP). The NAPPP is calculated by dividing the total amount allocated to all states by the total national population of persons aged 15 to 65.

The *smallest* of these three possible minimum grant amounts is then compared with the state’s FY1998 allocation.<sup>77</sup> The *larger* of these two amounts is then considered the state’s minimum grant amount.

If a state’s initial allocation is lower than its minimum grant amount, that state’s allocation is increased to equal its minimum grant amount. For any state whose initial allocation exceeds its minimum grant amount, its initial allocation is ratably reduced to ensure that all states have met their minimum grant amounts. If the resulting allocations put some of the states whose allocations were ratably reduced below their minimum grant amounts, then additional ratable reductions can take place until every state has met its minimum grant amount. **Figure A-1** summarizes the process of determining state allocations when appropriations are at the FY2006 level or lower.

**Figure A-1. Overview of Perkins IV Basic State Grants Formula for Determining State Allocations when Appropriations Are at the FY2006 Level or Lower**



Source: Figure prepared by CRS.

<sup>77</sup> This is commonly referred to as the FY1998 hold harmless provision.

## **Formula for Funding at Higher than FY2006 Level**

A different formula for state allocations of Perkins IV Basic State Grants funds applies when total appropriations are greater than those from FY2006. Under that formula, initial allocations are calculated in the same way as in the formula described in the previous section of this report. Once initial allocations are calculated, state grants are adjusted using only one of the three possible minimum grant rules: the state minimum grant equal to 0.5% of total allocations. Additionally, a special rule is introduced for the distribution of “new money,” which is defined as the amount by which the current year’s funding available to states exceeds the total funding available to states in FY2006.

The formula for state allocations when total funding exceeds FY2006 levels would allot up to one-third of the new money to bring states with allocations below 0.5% of total allocations up to the 0.5% level.<sup>78</sup> The new money would be allotted in such a way that states that are furthest below the 0.5% mark would receive proportionately larger shares of the new money than states that are closer to, but still below, the 0.5% minimum. As a result, none of the states with initial allocations below 0.5% of the total could end up with final allocations above 0.5%. If total appropriations are sufficiently high, then each state should be able to reach the 0.5% minimum allocation.

The remaining funds—at least two-thirds of the new money and the funds left over from bringing the smaller states up to the 0.5% minimum—would be allocated to the remaining states in proportion to their initial allocations, except that no state, including those at or below the 0.5% minimum, would receive a grant less than its FY1998 allocation.

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<sup>78</sup> The new money would not be used to bring the U.S. Virgin Islands’ allocation to the 0.5% level, according to Paragraph 111(a)(4)(D)(ii) of Perkins IV.

## Appendix B. Basic State Grants Allocation Table

**Table B-1. Carl D. Perkins Career and Technical Education Act of 2006  
Basic State Grant Allocations, FY2015**

(\$ in thousands)

State	FY2015 Allocation	State	FY2015 Allocation
Alabama	19,175	Nebraska	6,817
Alaska	4,215	Nevada	9,742
Arizona	25,382	New Hampshire	5,497
Arkansas	11,404	New Jersey	22,347
California	120,257	New Mexico	8,099
Colorado	16,064	New York	51,362
Connecticut	9,508	North Carolina	36,161
Delaware	4,726	North Dakota	4,215
District of Columbia	4,215	Ohio	42,750
Florida	62,409	Oklahoma	15,094
Georgia	38,556	Oregon	13,549
Hawaii	5,497	Pennsylvania	40,723
Idaho	6,395	Rhode Island	5,497
Illinois	40,366	South Carolina	18,477
Indiana	24,934	South Dakota	4,215
Iowa	11,964	Tennessee	23,122
Kansas	10,245	Texas	92,114
Kentucky	17,906	Utah	12,501
Louisiana	21,042	Vermont	4,215
Maine	5,497	Virginia	23,956
Maryland	15,182	Washington	20,611
Massachusetts	17,759	West Virginia	8,429
Michigan	37,153	Wisconsin	20,242
Minnesota	16,685	Wyoming	4,215
Mississippi	13,364	Puerto Rico	18,458
Missouri	21,345	Virgin Islands	568
Montana	5,167		
State Grants Subtotal			1,099,381
American Samoa	335	Northern Mariana Islands	335
Guam	631	Republic of Palau	153
Outlying Areas Subtotal			1,453



State	FY2015 Allocation	State	FY2015 Allocation
Native American and Native Hawaiian Programs Subtotal			16,764
Total			1,117,598

**Source:** U.S. Department of Education, Budget Service, <http://www2.ed.gov/about/overview/budget/statetables/17stbyprogram.pdf>, accessed on March 26, 2016.

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