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The 2015-16 Budget: CTE Pathways Initiative and Apprenticeship Programs

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Kevin McCarty, Chair





Background on CTE Pathways Program



Program Aims to Improve Career Pathways

- A career pathway is sequence of courses aligned across secondary and postsecondary career technical education (CTE) programs in a specific industry area.
- Provides grants to consortia that must include community colleges and high school districts and typically involve regional business and labor organizations.
- Goal is to help regions develop ongoing policies and infrastructure to improve CTE pathways.
- To qualify for funding, grantees must work toward eight specific objectives set forth in the program's authorizing legislation, such as providing professional development to facilitate CTE partnerships and increasing the number of students who engage in work experience programs.



Original Program Created in 2005, Reauthorized Program to Sunset at End of 2014-15

- Original CTE Pathways Program also provided funding to align CTE between secondary and postsecondary providers. (Under that program, the state provided more than \$380 million over eight years.)
- The program's 2012 reauthorization modified the program to strengthen regional collaboration requirements and accountability for performance (for example, it required annual reporting on student outcomes).



Background on CTE Pathways Program

(Continued)



California Department of Education and California Community Colleges (CCC) Chancellor's Office Jointly Allocate Funding

- The CTE Pathways Program provided \$48 million to 20 programs in 2013-14 and another \$48 million to 27 programs in 2015.
- Grants were awarded both to ongoing programs and initiatives with specific, one-time goals.



Governor's Proposal

- Governor Proposes Extending \$48 Million Grant Program for One Additional Year**
 - Funds could cover existing grants or fund new grants.
 - CCC indicates it would fund 19 programs.



LAO Assessment and Recommendation

- Justification for Extending CTE Pathways Program Unclear**
 - Continuing to fund a categorical program set to expire perpetuates already fragmented CTE funding and runs counter to state's goal of better coordination.

- Recommend Legislature Reject CTE Pathways Extension**
 - Instead focus on collecting outcome data about students' transitions across segments and into the workforce.



Background on Apprenticeship Program



Apprenticeships Provide On the Job Training in a Specific Trade

- Pairs adult students with skilled workers for supervised, hands on learning, typically in the skilled trades (such as plumbing and firefighting).
- Sponsored by businesses or labor unions that help design and support the programs and recruit apprentices.



Apprenticeships Also Have a Classroom Component

- Apprentices take classes relevant to their trade, known as related supplemental instruction (RSI).
- State funding helps support some costs of RSI by providing about \$5 per student for every hour of instruction.
- Apprenticeship program sponsors must partner with a school district or community college and be approved by the state's Division of Apprenticeship Standards to qualify for state RSI funding.



State Funds RSI Through CCC Categorical Program

- State provided \$23 million in 2014-15 for apprenticeship RSI.
- Funds are appropriated to CCC and passed through to school districts and community colleges that provide the instruction.

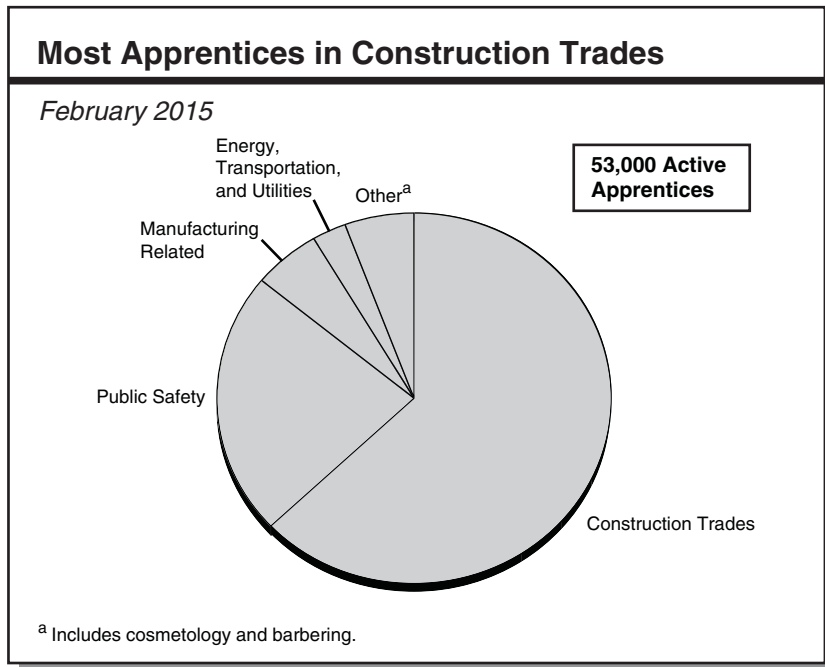


Background on Apprenticeship Program (Continued)



More than 50,000 Apprentices in Various Trades

- Apprenticeships in 47 trades, with the most common in the construction trades and public safety.





Governor's Proposal



Governor Proposes \$29 Million to Augment Apprenticeship Programs

- \$14 million for existing apprenticeships.
 - Would bring enrollment for existing apprenticeships back to prerecession levels and increase the reimbursement rates from \$5.04 to \$5.46 to match the CCC noncredit hourly rate.
- \$15 million to create new apprenticeship programs.
 - Would support new apprenticeships in emerging industries, such as healthcare, advanced manufacturing, and information technology.
 - Proposal allows CCC to use these funds for purposes other than reimbursing providers for RSI, such as developing aligned coursework, marketing and piloting new programs, and conducting studies to determine regional needs for apprentices in emerging industries.



LAO Assessment and Recommendation



Apprenticeship Categorical Program Is Inconsistent With Coordinated Workforce Approach

- Apprenticeship already is one of the five areas that the adult education block grant would support.



Consider Folding Apprenticeship Funds Into Adult Education Block Grant

- Regional consortia could support apprenticeship instruction from their block grant allocations.
- Legislature could require apprenticeships still be approved and overseen by the Division of Apprenticeship Standards.
- Legislature could add accountability measures to regional consortia that apply specifically to apprenticeships.
- If Legislature chooses to maintain categorical funding for apprenticeships, it still could use regional consortia structure—for example, by awarding apprenticeship funds to regional consortia on a competitive basis.