

## CTE Funding Report

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General Overview- This report aims to provide a basic overview of the funding mechanisms in each state regarding CTE, and how Vermont can apply what is being done Nationwide.

<https://reports.ecs.org/comparisons/secondary-career-and-technical-education-2023-02>

### 1. Student-Based Funding (28 States)

Funding is determined by student enrollment levels.

AL, AK, AZ, AR, CA, DE, FL, GA, ID, IN, KS, KY, LA, MD, MA, MI, NV, NY, PA, SC, TN, TX, UT, VT(Changes due to Act 127), WA, WI, WY.

### 2. Cost-Based Funding (11 States)

Type: Expense claims for actual or anticipated costs related to the operation of particular programs. For example: costs of equipment, materials and special supplies used in laboratories.

States: CO, CT, MN, MS, NH, NJ, NM, ND, RI, SD, WV.

### 3. Hybrid Model Funding (6 States)

The Mechanism approach combines more than one factor. Student enrollment is combined with cost factors or with equity factors for a particular region.

States: IA, ME, MO, MT, OK, VA.

### 4. Resource-Based Funding (2 States)

There is a general formula for state funding for schools. The specifics of the formula are based on the board's determination of the instructional funds required, such as the number of district specialists.

States: IL, NC.

### 5. Not Identified in State Policy (4 States)

Context: These states do not have a specific CTE funding mechanism explicitly identified in the analyzed state-level policy.

States: DC, HI, NE, OR.

## **Recent Legislation to improve CTE funding:**

### **A. Tiered Funding (Labor Market Alignment)**

Instead of flat-rate funding, states now prioritize "high-value" programs.

**Texas HB 3** introduced a three tier system for funding career and technical education programs. It appears that nursing and advanced manufacturing classes were designated as Tier 1 and were awarded significantly more state dollars than business and entrepreneurship classes at the Tier 3 level.

### **B. Direct Performance & Portability**

More school boards have come to realize that the legislators are more inclined to support the student, or the end product, as opposed to the classroom.

**Indiana (HEA 1002)** Indiana established Career Scholarship Accounts (CSAs). CSAs allow students to receive up to \$5,000 in state funds that can be used directly for apprenticeships or exams in pursuit of a career.

**Florida (SB 920)** Provides a \$1,000 bonus for every student in a school district who earns a high-demand industry certification.

### **C. Centralized Regional Hubs**

Solving the problem of rural districts that can't afford more expensive facilities.

North Dakota: Invested \$100M in regional Career and Technical Education (CTE) Centers designed to serve multiple counties across the state.

### **D. System-Wide Integration (Career-Connected Schools)**

Merging K-12 education with Department of Labor-style workforce development.

Maryland (Blueprint for Maryland's Future): Requires that 45% of all students complete a registered apprenticeship or industry credential by 2030.

## **How Vermont can apply what is being done Nationwide:**

### **Funding Strategy: Shift to "Off-the-Top" Foundation**

## **Career and Technical Education Gap:**

There is a VT Gap that has been created by the current funding mechanism in which sending districts lose the tuition dollars for students sent to our CTE centers.

**National Model (What other states are doing) (NC/DE):** Unit-Based Model Using the State Education Fund to pay the CTE center for the unit prior to releasing the remaining dollars to the local school district.

### 2. Workforce Alignment: Tiered Weights

The funding is “agnostic.” A student in a low-cost/low demand classroom gets the same funding as a student in a high-cost welding or nursing lab.

**National Model (What other states are doing) (TX/IN):** Use Tiered Weights: Program Areas are weighted based on demand.

### 4. Governance Reform: Diploma-Conferring Status

Right now in Vermont, the CTE centers are not their own districts as they are in places like MA/CT. Therefore, they do not issue diplomas as would a regular high school.

**National Model (What other states are doing) (CT/MA):** Technical centers are Districts in and of themselves and grant the High School Diploma.

