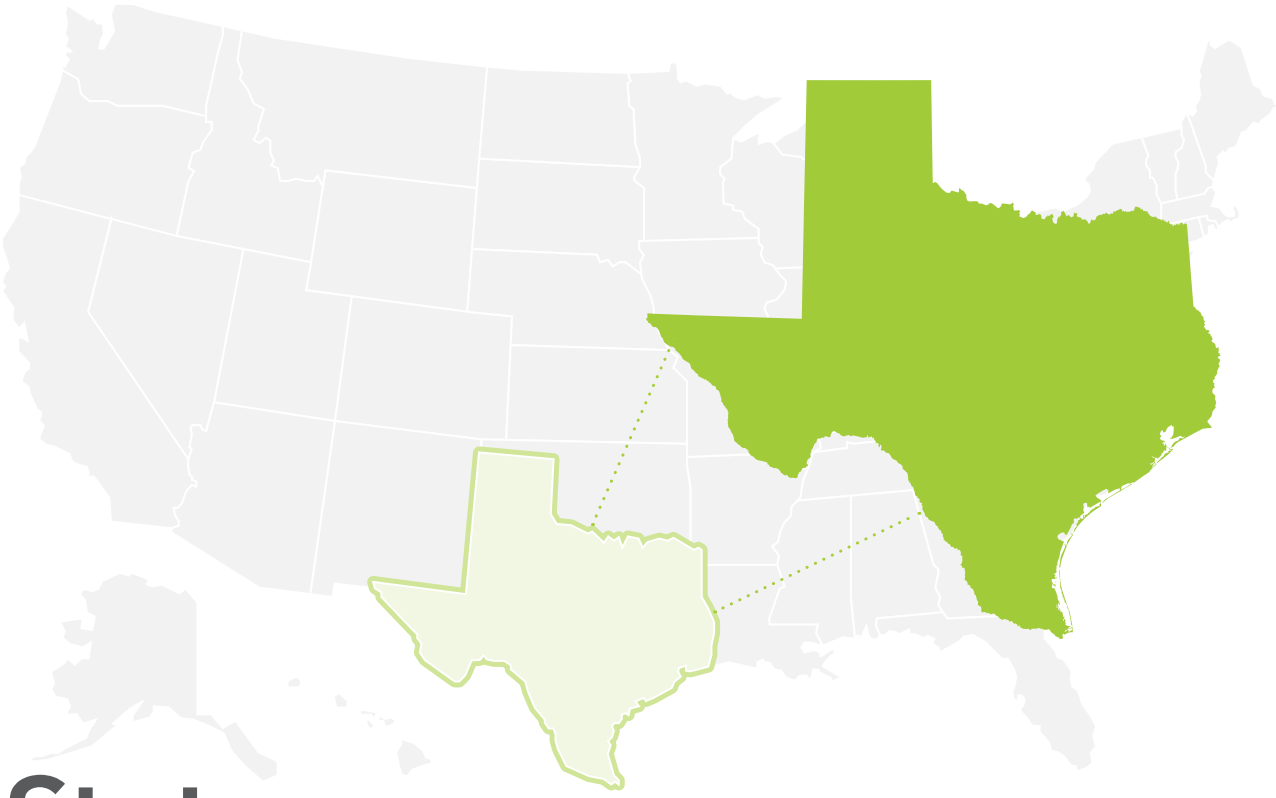


State OF CTE

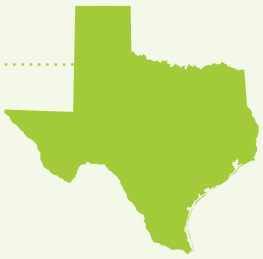
The State of Career Technical Education: An Analysis of State Secondary CTE Funding Models

CASE STUDY Texas

Texas is the second-largest state by area in the United States and consistently ranks as the top state with the fastest growing cities.[1] Career Technical Education (CTE) has played a large role in the state's strategy to support its industry and economic base by strengthening its talent pipeline. This case study highlights efforts by Texas to support and expand secondary CTE through funding.

In FY 2022, Texas allocated approximately $3,099,300,549 of categorical funding to secondary CTE, making it the largest CTE state investment in the United States. Texas' state funding per full-time equivalent (FTE)[2] was $1,794 in FY 2022, which ranks seventh in the United States. The funds are administered through the Texas Education Agency's (TEA) Division of College, Career, and Military Preparation,[3] which is also the eligible agency for the administration of Texas' $123 million federal allocation under the federal Carl D. Perkins Career and Technical Education Act, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V).[4] Texas trails only California, which receives the largest federal investment.

Texas



Secondary CTE Education Context

The Division of College, Career, and Military Preparation develops and approves programs of study, including sequences of courses, industry-based certifications (IBCs) and work-based learning, to ensure that learners are prepared for in-demand, high-skill and high-wage careers in Texas.[5] Secondary CTE is delivered through public comprehensive high schools; Pathways in Technology Early College High Schools (P-TECH);[6] Early College High Schools; and academy, magnet and alternative schools. Additionally, some Local Education Agencies (LEAs) offer secondary CTE courses in middle schools. P-TECH schools offer career pathways (e.g., business management, computer technology, construction, cybersecurity, education, health care, hospitality, radio/television/film and real estate) and include work-based education. They are open-enrollment high schools that allow learners an opportunity to receive both a high school diploma and a credential and/or an associate degree. In 2020–21, Texas had 1,405 public high schools enrolling 1,727,471 learners in secondary CTE, of which were 663,172 CTE concentrators.[7]

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Texas CTE Funding Overview

Texas dedicates categorical funding to secondary CTE, which is distributed using a student-based funding formula. Categorical funding is dedicated state funding for CTE programs that is distributed to districts to support CTE.[8] LEAs receive weighted funding for eligible FTE learners in approved CTE programs. Texas CTE has experienced funding increases in recent years, especially as additional funding programs have been introduced, including outcomes bonuses to support college, career and military readiness (CCMR); CTE transportation allotments; and IBC reimbursements.

The 87th Texas Legislature passed House Bill (H.B.) 1525, revising the methods of calculating the CTE education allotment.[9] This tiered approach to funding CTE, which went into effect for the 2021–22 school year, changed CTE funding from one weight of 1.35 per FTE to a system of tiered weights related to CTE courses. The changes represented a tri-agency focus (i.e., TEA, Texas Higher Education Coordinating Board and Texas Workforce Commission) on creating a strong state economy and aligning state funding to labor market information and programs of study. It also encouraged LEAs to emphasize completion (i.e., a Texas measure of program quality) of programs of study by learners. A list of current CTE courses and their weights can be found on the TEA website.[10] At least 55 percent of the funds generated from this weighted formula must be allocated to CTE programs and CTE related expenditures in grades 7–12. CTE funding is distributed throughout the school year based on projections submitted by LEAs. In September following the school year, Texas settles up with LEAs based on actual FTEs in CTE programs per the aforementioned formula.

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STUDENT-BASED FUNDING APPROACH

In Texas, the basic allotment (i.e., minimum funding schools get per learner in average daily allowance) was increased from $5,140 to $6,160 for 2019–20 and beyond, a 19.8 percent increase.[11] This basic allotment is then used in a series of formulas that apply specific weights and adjustments based on learner and district characteristics. LEAs in Texas use a student-based approach with a weighted formula for eligible FTE learners in approved CTE programs (i.e., a tiered approach) to determine a CTE allotment. Texas applies a multiplier to its funding policy for each FTE learner in an approved CTE program in grades 7–12 based on course level.[12] An LEA is entitled to an annual allotment equal to the basic allotment or the sum of the basic allotment and the allotment to which the district is entitled, multiplied by:

1.1 for an FTE learner in CTE courses not in an approved program of study;
1.28 for an FTE learner in levels 1 and 2 CTE courses in an approved program of study; or
1.47 for an FTE learner in levels 3 and 4 CTE courses in an approved program of study.

An additional multiplier is applied to contact hours. Students enrolled in CTE courses approved for state weighted funding must have a corresponding CTE code (V1, V2, V3, V4, V5, or V6) for attendance accounting purposes. Each code corresponds to a certain average of minutes per day for each course. District personnel record the total number of eligible days present for that code for each student for each six-week reporting period in a Student Detail report. District personnel then multiply the number of eligible days present for each CTE code by the corresponding contact hour multiplier to derive contact hours. Each code has a different contact hour multiplier. Additional information about CTE attendance provisions can be found in section five of the TEA Student Attendance Accounting Handbook.[13]

In addition to this weighted funding, an LEA is entitled to $50 for each learner in average daily attendance enrolled in a TEA-designated P-TECH school (grades 9–12) or a campus that is a member of the New Tech Network (grades 7–12) and focuses on project-based learning and work-based education.

OUTCOMES BONUSES

Texas awards annual outcomes bonuses to LEAs for the college or career readiness of learners.[14] The College, Career, or Military Readiness (CCMR) Outcomes Bonus, provided by H.B. 3 and passed by the 86th Texas Legislature in 2019, allocates funding to support the state's mission to prepare every child for success in college, career or the military.[15] Learners are considered college ready if they earn an associate degree, or meet Texas Success Initiative Assessment, ACT® or SAT® criteria and enroll in a postsecondary educational institution immediately following high school. Learners are considered career ready if they meet Texas Success Initiative Assessment, ACT® or SAT® criteria and earn an IBC or earn a level I or II certificate. Items in H.B. 3 are aligned to the Building a Talent Strong Texas goals and provide funding to reward innovation and achievement for districts demonstrating this alignment.[16]

CCMR Outcomes Bonuses are paid annually for the percentage of students above certain performance thresholds. Threshold performances are set for three learner groups[17] in Texas:

- Learners considered economically disadvantaged ($5,000)
- Learners considered non-economically disadvantaged ($3,000)
- Learners served in special education ($2,000)

For example, districts earn a $3,000 bonus if learners considered non-economically disadvantaged exceed their threshold performance. This bonus is weighted for learners considered economically disadvantaged ($5,000) and/or enrolled in special education ($2,000), thereby incentivizing success for special populations. Learners in special education count toward either economically disadvantaged or non-economically disadvantaged in addition to the special education group. FY 2022, LEAs earned more than $213 million in state funding through the outcomes bonus with close to half of the funds generated by learners considered economically disadvantaged. LEAs spend the outcomes bonuses on expenses in six main categories: teacher training and professional development for CCMR content, learner preparation for CCMR content, counseling and advising services, work-based learning opportunities, CTE and IBC activities, and college and career readiness school models.

CCMR in accountability is separate from CCMR in outcomes bonuses. Learners are considered college ready for accountability purposes if they meet Texas Success Initiative Assessment, ACT® or SAT® criteria, or earn dual credit/qualifies for OnRamps course credits, or meet criteria on Advanced Placement/International Baccalaureate exams, or earn an associate degree, or pass college preparation English/math courses. Learners are considered career ready for CCMR accountability purposes if they earn an IBC, or graduate with completed individualized education plan and workforce readiness, or graduate with an advanced degree plan and receive special education services, or earn a level I or II certificate.

CTE TRANSPORTATION ALLOTMENTS

TEA permits funding assistance (i.e., transportation allotments) to LEAs for services between the home campus and another secondary public school, a work-based site, a campus with a cooperative agreement, a postsecondary institution or a technical school.[18] LEAs are restricted to providing service during the school day only to attend a CTE course or instruction that is not available at the learner's home campus. One common use of the CTE transportation allotment is taking learners to/from work-based learning locations.

IBC REIMBURSEMENTS

One component of strong learner career pathways are IBCs, which are a validation that an individual possesses certain skills, usually related to an occupation and measured against a set of accepted standards. H.B. 3 also allows LEAs to be reimbursed for eligible learners in grades 9-12 who pass one IBC examination from an approved certifying entity.[19] Only one certification can be reimbursed throughout the high school lifetime of the learner. The LEA may not request reimbursement if the learner fails the exam. The intent of the language is to remove financial barriers for learners so they can earn an IBC for free. For example, Austin Independent School District purchases vouchers for learners to take the exams for IBCs as well as to acquire testing materials to prepare for the exams. The reimbursement funding the district receives from Texas flows into a general fund rather than the CTE department if a learner takes an exam in an approved CTE program of study.

Considerations for Creating Opportunities for All Learners

The tiered weighted approach helps Texas incentivize not only CTE enrollment but also learner success and completion of approved and sequenced CTE programs of study. This approach encourages LEAs to implement CTE to receive funding, which can increase learners' access to CTE. Tiered funding may be especially helpful for rural districts to receive the funding they need to start costly programs. The CCMR approach also encourages LEAs to earn outcomes bonuses for learners meeting CCMR standards. This bonus is weighted for learners who are economically disadvantaged or enrolled in special education, thereby incentivizing success for special populations, which allows LEAs to better meet learners' needs and goals.

Looking Ahead

Although Texas' funding model for CTE is seen as comprehensive, there are opportunities to provide districts and schools with additional resources to help learners meet measures for college and career readiness. To its benefit, Texas' autocoding data collection methodology based on course completion calibrates performance reporting across over 1,300 LEAs and ensures accuracy in the data, which can be used to improve learner support.

The next proposed phase-in for accountability is to require IBCs be aligned to a program of study. The proposed language is that a learner would be required to be a course completer and earn an IBC in the aligned program of study to meet one criteria for CCMR. TEA developed a crosswalk aligning IBCs to programs of study[20] and a proposed timeline[21] for the phase-in of this accountability measure for the graduating classes 2024–2026.

Visit **ctek12funding.careertech.org** for additional details and resource of the different models states use to provide funding for secondary CTE.

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