



Executive Summary

Perkins V: Strengthening Career & Technical Education for the 21st Century Act

On July 31, 2018, the president signed the Strengthening Career and Technical Education for the 21st Century Act (Perkins V) into law. This Act, which became Public Law 115-224, reauthorizes the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV). It was approved unanimously by both chambers of Congress, reflecting broad bipartisan support for career and technical education (CTE) programs. Perkins V is largely based on the structure and content of current law but makes some key changes that will impact the implementation of CTE programs and administrative processes around the country. As the new law was making its way through the reauthorization process, a key area of debate was “Secretarial authority” or the role of the U.S. Secretary of Education (Secretary) in the process of state and local planning and accountability. In Perkins V, we see evidence of the compromise on this issue, with enhanced prohibition language that limits the Secretary’s role and the elimination of the negotiation process between the Secretary and states on performance measure targets. In turn, we also see more specific requirements for setting these targets, including additional stakeholder engagement and expanded definitions.

The new law will go into effect on July 1, 2019, and the first year of implementation will be considered a “transition year.” Eligible agencies will be able to submit a one-year transition plan in spring 2019. Full four-year state and local plans, covering all the requirements of the Act, will then be submitted in spring 2020 (encompassing program years July 1, 2020-June 30, 2024).

Major Tenets of Perkins V

Perkins V maintains a focus on CTE program improvement, flexibility, and data and accountability.

The new law:

- maintains a commitment to driving improvement through programs of study and includes a robust, formal definition of that term
- retains the state governance structure of current law, as well as formulas for local funding flowing to public or nonprofit educational institutions
- updates the federal-to-state formula to ensure states receive no less than their Fiscal Year 2018 funding levels as long as funding is not cut overall (and then providing for equal, ratable reductions for all states)
- increases the allowable reserve fund to 15 percent to spur local innovation and implement programs of study
- introduces a comprehensive local needs assessment that requires data-driven decision-making on local spending, involves significant stakeholder consultation and must be updated at least once every two years
- lifts the restriction on spending funds below grade 7 and allows support for career exploration in the “middle grades” (which includes grades 5-8)
- opportunity to reset MOE baseline once - baseline adjustments must not be less than 95% of current baseline
- significantly changes the process for setting performance targets by eliminating the negotiations with the Secretary and replacing these negotiations with a new list of requirements for developing targets and including those targets in state and local plans
- shifts the accountability indicators; the most significant changes are the consolidation of the two non-traditional measures into one, and the elimination of the technical skill attainment measure, which is replaced with a “program quality” measure at the secondary level that requires states to choose to report on work-based learning, postsecondary credit attainment or credential attainment during high school



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Perkins Grant Maintenance of Effort (MOE) Questions

Summary: The Perkins grant is managed by the CTE section of the USBE. Perkins funds support administrative and monitoring costs at the USBE, statewide professional development, and subawards to LEAs, IHEs and Tech Colleges. The Perkins Grant award for Federal Fiscal year 2018 (FY2019) is approximately \$14 million dollars. Approximately \$2.1 million dollars of this grant supports staff and programmatic functions at the USBE, IHEs, and Tech Colleges.

There is no monetary match required by the Perkins program. There is an annual MOE requirement that is defined in federal regulations. Each State determined what would be included in the MOE calculation in the first year the grant was accepted. Presently the statewide MOE is calculated by combining the state funded CTE Add-on program dollars that are sent to the LEAs as part of MSP, a local expenditure requirement established in Board rule for LEAs as eligibility to expend the MSP CTE add on dollars, and expenditures made by IHEs and Tech Colleges. The MOE reported for our most recently closed grant year FY2016 was \$241,530,301. The following list is a brief summary of Federal requirements:

1. MOE must be maintained or increased from one federal fiscal year to year
2. MOE is determined on a State-wide basis, not by individual agency
3. Any penalties or shortfalls are assessed against the State, not individual agencies

The USBE established R277-911 to govern the administration of the state funded CTE Add on program. This rule is not associated with or required by the Perkins grant. The rule states that prior to spending MSP CTE add on funds LEA's must expend an equivalent of regular WPU funds amount to match the CTE add-on amount.

The local expenditure requirement is not required as part of the MOE calculation by the Perkins grant. It was included years ago as part of the MOE, which set the base year we cannot fall below without a penalty. The MOE calculation has reported growth when additional funds and student growth have been added to the CTE add on program, when CTE admin or LEA admin increase the local match and when IHE and UTech expenditures increase. These increases are reported each year, further increasing the MOE requirement. In 2016, USBE voted to maintain the level of MOE reported when there is an actual increase in state CTE expenditures. If there is a decrease in overall CTE funding, that would be reported.

MOE cannot be reset permanently unless we cease taking the grant, or until the law is reauthorized. With the authorization of Perkins V, state are allowed to reset their MOE baseline once. Baseline adjustments must not be less than 95% of current baseline. Current reported level of MOE (holding steady at the amount reported in FY15 per board vote in 2016 regardless of

increases in state levels of support) is \$241,530,301. Adjusting for 95% of the baseline is \$229,453,786. This will be the new UTAH MOE allowed under the reauthorization.

Background information

Federal Requirements

The Perkins grant requires the State to maintain or increase MOE (based on the previous 2 years) each year it accepts the grant. If one agency does not accept the Perkins grant, the State must still maintain or increase the current levels of MOE. If the State only accepts a portion of the Perkins grant, it can reduce MOE by the proportional percentage of MOE.

The Perkins grant does not set any requirements on where MOE dollars come from (except Federal dollars) or the share of MOE between agencies and sub-recipients. Initial requirements for the Perkins grant required the State to have an equal MOE to the award amount (\$14,000,000). However, because the State of Utah has included all CTE money, including the LEA match requirement set by the Board, in the reported MOE calculation, the State is required to maintain or increase that level of MOE. When the USBE reports the reset baseline of \$229,453,786 local LEA match funds could be reduced by the 5% reduction, which is valued at approximately \$12 million.