

SENATE BILL REPORT

SB 5853

As Reported by Senate Committee On:
Ways & Means, March 30, 2017

Title: An act relating to career and technical education funding.

Brief Description: Concerning career and technical education funding.

Sponsors: Senators Walsh, Rolfes, Angel, Warnick, Wellman, Conway, Rivers, Takko, Schoesler, Zeiger, Brown, Billig, Bailey, Fain, Hasegawa and Hobbs.

Brief History:

Committee Activity: Ways & Means: 3/20/17, 3/30/17 [DPS].

Brief Summary of Substitute Bill

- Directs the Office of the Superintendent of Public Instruction (OSPI) to take actions to increase career and technical education (CTE) equivalency crediting on a broader scale across the state, subject to state appropriation.
- Establishes a competitive grant process for school districts to apply for grants for the purpose of purchasing CTE equipment, subject to state appropriation.
- Specifies allowable uses of CTE funding.
- Creates a maximum indirect cost for CTE programs that must not exceed the federal law limit or 5 percent, whichever is lower.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5853 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Staff: Jeffrey Mitchell (786-7438)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Career and Technical Education (CTE). CTE consists of planned programs of courses that includes exploration and preparation of career options. Students have access to CTE in middle and high school programs and regional skill center programs. The Office of the Superintendent of Public Instruction (OSPI) estimates that approximately 67,707 students in grades 7-12 will enroll in CTE courses in the 2017-18 school year.

CTE Equivalencies. In 2014, the Legislature directed OSPI to develop curriculum frameworks for CTE courses with content in science, technology, engineering, and mathematics equivalent, in full or in part, to science or mathematics courses that meet high school graduation requirements. The course content must be aligned with the state essential academic learning requirements and industry standards. The OSPI has created 37 CTE state-approved course equivalencies. School districts must provide the opportunity for high school students to access at least one science or mathematics CTE course on the OSPI list. School districts are not required to report whether or how many state-approved CTE equivalency courses are offered by the district.

CTE equipment. Historically, state funding for employee and non-employee costs for CTE and skill centers have been at an enhanced funding level to provide for expensive and specialized equipment and smaller class sizes because of safety concerns.

CTE Funding. The maximum allowable indirect or administrative costs for state funded CTE and skills center programs is 15 percent of the state CTE funds received. The federal Carl D. Perkins Career & Technical Education Improvement Act's maximum allowable indirect or administrative costs for federally funded CTE and skills center programs is 5 percent of the federal CTE funds received.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): CTE Equivalencies. Subject to state appropriation, the OSPI must take actions to increase CTE equivalency crediting on a broader scale across the state and facilitate the implementation of CTE equivalencies. The actions may include the following:

- development of additional equivalency course frameworks, course performance assessments, and development and delivery of professional development for school districts and skill centers implementing the CTE frameworks; and
- providing competitive grant funds to school districts to increase the integration and rigor of academic instruction in CTE equivalency courses.

Beginning in the 2017-18 school year, school districts must annually report to the OSPI the number of students participating in state-approved CTE equivalency courses, and the number of state-approved CTE equivalency courses offered in school districts and skill centers. Beginning December 1, 2017, the OSPI must annually submit a summary of the school district information reported regarding the state-approved CTE equivalency courses.

CTE equipment. Subject to state appropriation, the OSPI must establish a competitive grant process for school districts to apply for grants for purchasing CTE equipment. The OSPI may adopt rules for the grant program.

CTE Funding. A list of the only allowable uses of the funding provided for CTE programs is specified, including the following:

- materials, equipment, and supplies;
- CTE staff salaries;
- work-based learning programs, such as internships and pre-apprenticeships, including certified work-based learning coordinators and career guidance advisors;
- professional development associated with CTE;
- student fees for national and state-industry-recognized certifications; and
- CTE course equivalency development.

The maximum allowable indirect cost for CTE programs must not exceed the limitations provided under federal law or five percent, whichever is lower.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Adds tribal governments to the list of entities that schools may partner with for the purposes of CTE and to use the state career and technical funding for the school expenses associated with the partnership.
- Directs OSPI to take actions to increase CTE equivalency crediting on a broader scale across the state, subject to state appropriation.
- Requires an annual report of the number of state-approved CTE equivalency credit courses offered by school districts and the number of students participating in the courses.
- Establishes a competitive grant process for CTE equipment purchases, subject to state appropriation.
- Caps the allowable indirect or administrative costs at the allowable level under federal law or 5 percent, whichever is lower.

Appropriation: None.

Fiscal Note: Requested on March 18, 2017.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Proposed Substitute: *The committee recommended a different version of the bill than what was heard.* PRO: Only 31 percent of Washington students go on to earn a college degree or other post-secondary credential. Therefore, a majority of young people are unprepared for the workforce and unable to participate in highly compensated opportunities. Many students do not know about the family-wage technically skilled career opportunities that are available. It is estimated to be about 750,000 jobs over the next five years. Career and technical education (CTE) exposes our students to the industries that our economy needs. The skilled workforce shortage is one of the most common complaints that we hear from businesses. A consortium has made two broad recommendations: Increase funding for CTE training, supplies, and equipment; and define allowable uses of CTE funding to make sure funds are being spent appropriately. The recently passed transportation package and vibrant economy have created a strong need for

jobs in construction and industry. CTE support is crucial for building a pipeline of skilled workers that keeps up with demand. Viable jobs are available in the construction industry but are not being filled because students do not have exposure to these pathways. Construction-related education has the potential to drive the potential growth of a workforce in an industry in need of labor. The current shortage could stall the growth of the economy. Tribes are in a unique position to help partner with skill centers.

OTHER: This bill will create unintended consequences for CTE programs. The basic education formula includes both the CTE funding and basic education funding in one bucket of money. The allowable uses in this bill are very specific to CTE and do not allow for uses related to basic education.

Persons Testifying: PRO: Isaac Kastama, Washington Business Alliance; Luke Esser, Kalispel Tribe; Jen Holm, AGC Education Foundation.

OTHER: Lorrell Noahr, Washington Education Association.

Persons Signed In To Testify But Not Testifying: No one.