

EXPENDITURE PLAN – Economic Workforce and Development, Senate Bill 1070, Perkins 1B

November 13-14, 2012

ACTION

Presentation: Van Ton-Quinlivan, Vice Chancellor for Workforce and Economic Development
Debra Jones, Dean for Career Education Practices

Item 2.6

Issue

This item requests the approval of the 2013-14 expenditure plans for three funding streams: the Senate Bill 1402 Economic and Workforce Development program, the Senate Bill 1070 program, and the federal Perkins 1B Leadership funds. Rather than approaching each in silo, which has been the historical practice, the Doing What MATTERS for Jobs and the Economy framework proposes that these funds be braided to target incentive investments at priority and emergent sectors of importance as identified by California’s economic regions and to provide technical assistance. On their own, none of these streams of funds are sufficient. In combination, the system can better support and enable the field to act on Doing What MATTERS for Jobs and the Economy. The vast majority of these funds will be competed for as grants through a Request for Application process, at which time the details of each award will be determined. Awards over the \$100,000 threshold will be brought back to the Board of Governors for approval.

2013-14 Fiscal Year					
	<u>EWD (SB 1402)</u>	<u>Perkins 1B</u>	<u>SB 1070</u>	<u>Subtotal</u>	
SECTORS					
Sectors Programming	\$ 20,349,475	\$ -	\$ -	\$ 20,349,475	
REGIONS					
Regions Programming	\$ -	\$ 1,990,000	\$ 28,290,000	\$ 30,280,000	
TECHNICAL ASSISTANCE					
TA Programming	\$ 2,579,525	\$ 1,783,861	\$ 4,350,000	\$ 8,713,386	
Subtotal	<u>\$ 22,929,000</u>	<u>\$ 3,773,861</u>	<u>\$ 32,640,000</u>	<u>\$ 59,342,861</u>	
OTHER					
CDE Allocation	\$ -	\$ -	\$ 15,360,000	\$ 15,360,000	
CCCCO Indirect	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	
TOTAL	<u>\$ 22,929,000</u>	<u>\$ 5,273,861</u>	<u>\$ 48,000,000</u>	<u>\$ 84,916,247</u>	

Note: Perkins 1C will be brought to the BoG at a future date once the funding levels are determined by the Feds.

Background

FRAMEWORK FOR DOING WHAT MATTERS FOR JOBS AND THE ECONOMY

The programs of the Division of Workforce and Economic Development bridge the skills and jobs mismatch and prepare California's workforce for the 21st century. The division serves as the administrator for several streams of state and federal funds, including:

- Proposition 98 dollars for Economic and Workforce Development , Apprenticeship, and Nursing
- Governor's Career Technical Education Pathways Initiative, formerly known as Senate Bill 70 but now reauthorized as Senate Bill 1070 (Steinberg) effective fiscal year 2013, and
- Carl D. Perkins Career and Technical Education Act of 2006 – which is comprised of 1B Leadership funds, administered by the Chancellor's Office and 1C funds that flow directly to colleges according to a formula.

The division collaborates with employers, organized labor, local communities, their community colleges and other education parties through programming supported by these funds to close the skills gap and foster successful student completion.

The strategic framework for the division moving forward is entitled Doing What MATERS for Jobs and the Economy. The four prongs of this framework are below (with more information available at doingwhatmatters.cccco.edu), with the 'braiding' approach reflected in this expenditure plan as item '3a' of the framework.

- Give Priority for jobs and the economy
 - 1a. Consider labor market needs when making local decisions on budgets, courses, and programs.
 - 1b. Decide on program capacity as a region
- Make Room for jobs and the economy
 - 2a. Retool programs that are not working or not meeting a labor market need so that students can study what matters.
- Promote Student Success
 - 3a. Braid funding and advance common metrics in the division's Request for Applications.
 - 3b. Strengthen regions with four skill-sets: data mining, convening, technology and professional development on the process for curriculum approval.
- Innovate for jobs and the economy
 - 4a. Solve a complex workforce training need so that our system can better deliver for employers and sectors.

The goals of Doing What MATTERS for Jobs and the Economy are as follows: to supply in-demand skills for employers, create relevant career pathways and stackable credentials, promote student success, and get Californians into open jobs.

Key activities under this framework include: a focus on regional priority/emergent sectors and industry clusters (to be referred to as “sectors” for the sake of simplicity); take effective practices to scale; integrate and leverage programming between funding streams; promote common metrics for student success; remove structural barriers to execution.

It is the intent of the division, wherever possible, to target the investment of incentive funds against three thematic areas in support of this framework: regions, sectors, and technical assistance.

Background

Senate Bill 1070 PROGRAM

Senate Bill 1070 (Steinberg) is the reauthorization of Senate Bill 70 and was signed into law by Governor Brown in September 2012. In accordance with law, Senate Bill 1070 funds shall be used to assist economic and workforce regional development centers and consortia, community colleges, middle schools, high schools, and regional occupational centers and programs to improve linkages and career technical education pathways between high schools and community colleges to accomplish the following objectives:

- Increase the readiness of middle school and high school pupils for, and their access to, postsecondary education and careers in high-need, high-growth, or emerging regional economic sectors.
- Increase student success in postsecondary education and training for careers in high-need, high-growth, or emerging regional economic sectors.

The funding of Senate Bill 1070 projects is contingent upon the availability of state funds and the additional approval of the expenditure plan by the Department of Finance, as required by the legislation.

- For fiscal year 2013-14, Senate Bill 1070 is anticipated to be funded at \$48 million. The community colleges shall receive \$32,640,000 with the California Department of Education receiving \$15,360,000 as has been past practice in the allocation.
- For fiscal year 2014-15, the total amount of Senate Bill 1070 is expected to be \$20 million.

According to Senate Bill 1070, the California Community College’s Chancellor and California Department of Education Superintendent shall award first priority for contracts and grants to applicants that can demonstrate comprehensive regional collaboration to create new pathways or course sequences that begin with foundational preparation or exploration in middle school, continue with high school level courses that combine rigorous academics with career education, and are articulated with local community colleges and four-year public postsecondary educational institutions, with meaningful involvement, where appropriate, from regional industry and labor organizations, professional trade associations, and local workforce investment boards.

Senate Bill 1070 requires all grants funds to be competitively bid for 2013-14.

Background

Senate Bill 1402 ECONOMIC AND WORKFORCE DEVELOPMENT (EWD) PROGRAM

Existing law, up to January 1, 2013, establishes the California Community Colleges Economic and Workforce Development Program. Senate Bill 1402 (Lieu) reauthorized the program for another five years, effective January 1, 2013, with the following intended principles:

- (1) The program shall be responsive to the needs of employers, workers, and students.
- (2) The program shall collaborate with other public institutions, aligning resources to foster cooperation across workforce education and service delivery systems, and building well-articulated career pathways.
- (3) Program decisions shall be data driven and evidence based, investing resources and adopting practices on the basis of what works.
- (4) The program shall develop strong partnerships with the private sector, ensuring industry involvement in needs assessment, planning, and program evaluation.
- (5) The program shall be outcome oriented and accountable, measuring results for program participants, including students, employers, and workers.
- (6) The program shall be accessible to employers, workers, and students who may benefit from its operation.

Senate Bill 1402 stated the mission for the economic and workforce development program as follows:

- (1) To advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement.
- (2) To advance California's economic and jobs recovery and sustain economic growth through labor market-aligned education workforce training services, and sector strategies focusing on continuous workforce improvement, technology deployment, and business development, to meet the needs of California's competitive and emerging industry sectors and industry clusters.
- (3) To use labor market information to advise the Chancellor's Office and regional community college bodies on the workforce needs of California's competitive and emerging industry sectors and industry clusters.
- (4) To provide technical assistance and logistical, technical, and communications infrastructure support that engenders alignment between the career technical education programs of the community college system and the needs of California's competitive and emerging industry sectors and industry clusters.
- (5) To collaborate and coordinate investment with other state, regional, or local agencies involved in education and workforce training in California, including, but not necessarily limited to, the California Workforce Investment Board, local workforce investment boards, the Employment Training Panel, the State Department of Education, and the Employment Development Department.

(6) To identify, acquire, and leverage community college and other financial and in-kind public and private resources to support economic and workforce development and the career technical education programs of the state's community colleges.

(7) To work with representatives of business, labor, and professional trade associations to explore and develop alternatives for assisting incumbent workers in the state's competitive and emerging industry sectors. A key objective is to enable incumbent workers to become more competitive in their region's labor market, increase competency, and identify career pathways to economic self-sufficiency, economic security, and lifelong access to good-paying jobs.

Grants and project funds will be submitted for Board approval if they exceed \$100,000.

Background

PERKINS 1B LEADERSHIP FUNDS

Federal funds under the Carl D. Perkins Act flow to a sole state agency, currently the Department of Education, and are divided between secondary and postsecondary education through a Memorandum of Understanding jointly agreed to by the State Board of Education and the Board of Governors. The California State Transition Plan for 2007-08, approved by the State Board of Education and the Board of Governors, set forth the allocation method of funds between the Chancellor's Office and the Department of Education for the first program year based on the funds received in 2006-07. The current five-year State Plan provides that the allocation method of funds between the agencies remain the same.

Carl D. Perkins funds are divided into three categories. Eighty-five percent of the funds must go directly to the community colleges as local assistance funds, referred to as Perkins 1C funds. They are appropriated by a formula based upon the number of career technical education enrollments at the college.

Five percent of the funds may be used by the Chancellor's Office for state administrative activities, referred to as indirect funds, and ten percent of Perkins funding is used for state leadership activities, referred to as Perkins 1B funds. The required state leadership activities include:

- An assessment of the vocational and technical education programs carried out with funds under this title that includes an assessment of how the needs of special populations are being met and how such programs are designed to enable special populations to meet state adjusted levels of performance and prepare the special populations for further learning or for high skill, high wage careers.
- Developing, improving, or expanding the use of technology in vocational and technical education.
- Professional development programs, including providing comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel.
- Providing preparation for nontraditional training and employment.

- Supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and, as appropriate, other entities, such as employers, labor organizations, parents, and local partnerships, to enable students to achieve state academic standards, and vocational and technical skills.
- Serving individuals in state institutions, such as state correctional institutions and institutions that serve individuals with disabilities.
- Support of programs for special populations that lead to high skill, high wage careers.

Grants will be submitted to the Board of Governors if they exceed \$100,000.

Recommended Action

That the Board of Governors approves the 2013-14 expenditure plans for three funding streams: the Senate Bill 1402 Economic and Workforce Development program, the Senate Bill 1070 program, and the federal Perkins 1B Leadership funds.