SENATE BILL 852, Budget Act of 2014, provides $50 million on a one-time basis for community colleges to develop, enhance, retool and expand quality career technical education (CTE) offerings that build upon existing community college regional capacity to respond to regional labor market needs.

BACKGROUND: Today’s economy requires postsecondary training for a larger share of jobs, with many rewarding career pathways available to those with technical skills earned in community college certificate and associate degree programs. Many of these programs, while of considerable value to students, employers, and regional economies, are costly for colleges to support.

The 2014-15 Budget recognized that CTE programs must be very responsive to fast-paced changes in regional economies and in technological churn to stay market-current in job skills. As a result, the Legislature appropriated $50 million with the following budget language:

- Funds are to be used to create greater incentive for community colleges to develop, enhance, retool and expand quality CTE offerings that build upon existing community college regional capacity to respond to regional labor market needs.
- Funds can be used for CTE equipment, curriculum development, professional development, and other related costs necessary to develop, enhance, retool and expand quality CTE offerings.
• California Community Colleges Chancellor’s Office (CCCCO) shall allocate these funds according to a formula that factors the total number of full-time equivalent students, including full-time equivalent students in CTE courses.
• CCCCCO shall, in consultation with community colleges within each region, designate either the district now serving as the fiscal agent for the Regional Consortia or an alternative district to serve as the fiscal agent for these funds.
• All funds must be expended by June 30, 2016.

The budget language leverages investments made under the CCCCCO’s regional framework entitled Doing What MATTERS for Jobs and the Economy. The goals of the framework are to supply in-demand skills for employers, create relevant career pathways and stackable credentials, promote student success, and get Californians into open jobs. Under the framework, districts formed Regional Consortia aligned with an economic footprint. Using labor market data they identified priority and emerging sectors and have targeted investments into these sectors.

The $50 million CTE Enhancement Fund will be distributed to individual districts and to Regional Consortia. Based upon a formula, sixty percent will be reserved for local colleges, and forty percent will be reserved for Regional Consortia to incentivize coordinated multi-college applications. The colleges, districts and regions are well positioned to use these funds to strengthen, enhance, retool, and expand quality CTE programs.

RECOMMENDATION: This issue is presented for information and discussion.