

## **Issue Brief 6: Career and Technical Education**

The attached brief was developed to introduce and frame key issues under discussion by the Funding Formula Working Group.

These briefs do not address every issue that affects public education funding. By focusing on concise introductions to important and complicated topics, some detail and nuance has been intentionally omitted.

We welcome your feedback on these briefs or on any other topic related to Rhode Island's Funding Formula, which you may submit to [edfundingri@ride.ri.gov](mailto:edfundingri@ride.ri.gov).

## Issue Brief #6: Expenses and Funding in Career and Technical Education

### Issue Summary

Career and technical education (CTE) presents unique funding challenges. There are claims that CTE is both over and underfunded through the funding formula. Currently, districts receive funding for career and technical education from two state/local sources: (1) reimbursement from the funding formula career and technical education categorical fund, and (2) out-of-district tuition.

### Rhode Island Context and Data

CTE in Rhode Island is delivered through three primary mechanisms.

#### **Type 1: Centers that offer many CTE programs in a single, freestanding school (Davies Career Center and the Met<sup>1</sup>)**

*Unique characteristics:* These schools are their own districts and do not have a “resident” population but rather, serve students regionally and statewide.

*Cost drivers:* This is the most expensive model because it combines full technical and academic programs of study. Unique cost drivers include enrollment attrition in the upper grades; the cost of transportation to school and for required workplace internships; the requirement to offer a full complement of student support services (guidance, social workers); smaller class size to ensure student safety; and expensive consumable materials.

*Funding:* These centers are funded like charter schools (state and local share) and receive reimbursement for some expenses through the CTE categorical fund. Over the three years between FY13 and FY15, the average annual award through the CTE categorical fund was \$405,000.

#### **Type 2: Centers that offer many CTE programs in a technical center that operates as a satellite to a high school (Woonsocket, E. Providence, Newport, Chariho, Cranston, Warwick, and Coventry)**

*Unique characteristics:* These schools are part of a district and serve resident students and out-of-district students on both full and part-time bases.

*Cost drivers:* This is the second most expensive model. Unique cost drivers include enrollment attrition in the upper grades; smaller class size to ensure student safety; and the higher material and expensive consumable materials.

*Funding:* Out-of-district students pay for access through a tuition model that includes the technical training costs, transportation, and any other incremental cost associated with the student’s experience in the career preparation program. In-district student costs are partially reimbursed to the district through the funding formula career and technical education categorical fund. Over the three years between FY13 and FY15, the average annual award through the CTE categorical fund was \$182,000.

#### **Type 3: Comprehensive high schools that operate one or two career preparation programs as part of their programs of study (high schools statewide)**

*Unique characteristics:* This tends to be the lowest-cost model. These programs are part of a district and serve resident and out-of-district students.

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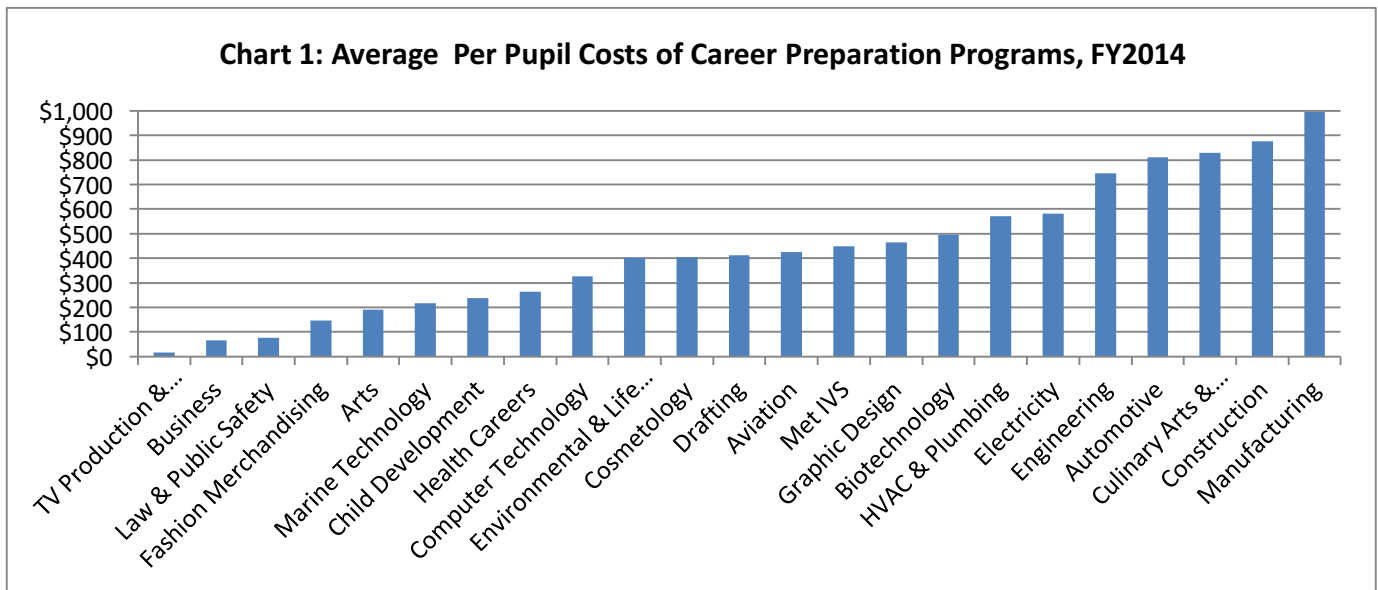
<sup>1</sup> There are two additional free-standing schools that combine career and academic programming: (1) Providence Career and Technical Academy, which serves only Providence students and is a school within Providence, and (2) New England Laborers Academy, which is a charter school in Cranston. The characteristics and cost drivers for these schools are somewhat different than those presented here.

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**Cost drivers:** The cost drivers in this area relate to start-up costs and the cost of consumable materials that are part of the program.

**Funding:** Out-of-district students are served through a tuition model: sending districts are required to pay for the technical training costs, transportation, and any other incremental cost associated with the student's experience in the career preparation program. In-district student costs are reimbursed to the district through the funding formula career and technical education categorical fund. Over the three years between FY13 and FY15, the average annual award through the CTE categorical fund was \$25,000.

Chart 1 provides the average, above and beyond, per pupil costs of CTE by program type.



### National Practice and Examples

Across the nation, there are many different approaches to funding career and technical education. These approaches fall into five general categories, which are presented in Table 1, below.

State Funding Approach	Description	# of States
1. Weighted Funding	States that establish a single weight for CTE programs without differentiation	12
2. Categorical Funding	Supporting CTE programs with categorical funding	8
3. Proportional Allocation	LEAs are funded proportionate to its share of the state's CTE population	9
4. Unit Based Funding	Unit- or program-based formulas allocate funds based on a set of educational inputs used to deliver CTE services.	7
5. Cost Reimbursement	Districts are reimbursed for all or a portion of CTE expenses, as determined by state policies.	9

Rhode Island's funding formula approach is a combination of method 2 and 5 and provides direct state reimbursement for over half of all extraordinary CTE expenses statewide. Federal funding and out-of-district tuition cover the remaining costs.