

**SUBJECT:** Changing allocation of federal career and technical education funds

**COMMITTEE:** Higher Education — committee substitute recommended

**VOTE:** 5 ayes — Branch, Castro, Brown, Lewis, Patrick  
0 nays  
4 absent — Alonzo, Bonnen, D. Howard, Johnson

**WITNESSES:** For — Steven Johnson, Texas Association of Community Colleges  
  
Against — Dennis Alexander, Northside Independent School District; Joanne Frantzen, Dallas Independent School District; (*Registered, but did not testify*: Jon Fisher, Associated Building and Contractors of Texas; Terry Green, Family and Consumer Sciences Teachers Association of Texas; Linda Holcombe, Texas Industrial Vocational Association; Robin Painovich, Career and Technology Association of Texas; Gerald Young, Vocational Agriculture Teachers Association of Texas)  
  
On — MacGregor Stephenson, Texas Higher Education Coordinating Board

**BACKGROUND:** The federal Carl D. Perkins Career and Technical Education Improvement Act provides federal funds to states for career and technical programs at public and higher education institutions. State law designates the State Board of Education (SBOE) as the State Board for Career and Technology Education and authorizes the board to determine the appropriate split for allocation of the federal funds received under the Perkins Act.

In 2000, state education leaders from both secondary and postsecondary education agreed to set the funding split at 60 percent for public education and 40 percent for higher education based on program requirements and student contact hours in each sector. In 2006, Congress reauthorized the Perkins Act. In 2007, the SBOE voted to change the Perkins funding split to a 70/30 split (public education/higher education).

**DIGEST:** CSHB 1497 would require that at least 40 percent of any federal funds allocated by the State Board of Career and Technology Education be allocated to support career and technical education at the postsecondary or adult level.

The change in law made by the bill would apply beginning with an allocation of federal funds made on or after the expiration of the Texas State Plan for Career and Technical Education, 2008-2013.

The bill would take effect September 1, 2011.

**SUPPORTERS  
SAY:**

CSHB 1497 would establish fairness within the issue of how federal Perkins funding is allocated between higher education and public education by returning the split to 60/40 (public education higher education) and putting it into law. The Perkins funding is a critical source of funding for both higher education and public education, which means that the method used to determine how the money is allocated is as important as the actual allocated amounts.

As a result of the most recent decision by the SBOE to allocate the funds with a 70/30 split, Texas community colleges lost \$7.8 million for fiscal year 2011 in federal Perkins funds.

According to the Texas Higher Education Coordinating Board, using student contact hours is not a metric that results in an accurate comparison of the workload shouldered by both sectors. A more accurate measure of workload in higher education is full-time student equivalent. Using this methodology is supported by the current practice of both agencies to distribute Perkins funds to their respective institutions and would result in a 50/50 split of the funds. However, restoring the 60/40 split would be a fair compromise.

By codifying the allocation split, any changes would not be arbitrary and would be subject to legislative approval rather than decision-making by the SBOE, whose interests could be perceived as leaning toward public education. It also would ensure a stable funding allocation, and both school districts and community colleges would have notice and the opportunity to provide input if a change was considered.

Perkins funding can be allocated only to the state's two-year institutions. The institutions already are struggling because of budget cuts. Keeping

tuition affordable is critical today, when more Texans are starting their higher education in community colleges or returning for job retraining and certificates.

The change made by the bill would not take effect until 2013 when the current state plan for career and technical education expires. This would give school districts and community colleges time to plan and adjust to the new allocated amounts.

**OPPONENTS  
SAY:**

The current split of 70/30 (public education/higher education) for federal Perkins funding is appropriate and should not be changed. It is appropriate because an exhaustive review by SBOE of career and technical education in both sectors using student contact hours showed a greater utilization by public education students. If the current proportion of 70 percent for public education drops to 60 percent, then public education would receive millions less in funding per year. Although state colleges and community colleges can charge tuition to recoup some of the lost funds, public education institutions cannot.