

PERKINS IV  
SECONDARY AND  
POSTSECONDARY ALLOCATION  
FORMULAS

Accountability Sub-Committee  
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## **Carl D. Perkins Career and Technical Act of 2006 (Perkins IV) Allocation of Basic Grant Funding to Eligible Recipients**

There are three dimensions to the allocation of federal career and technical education funding to local educational agencies:

- Distributing funds between secondary and postsecondary programs
- Allocation of funding among secondary institutions
- Allocation of funding among postsecondary institutions

### **Distributing Funds to Secondary Programs and Postsecondary Programs: Current Policy and Perkins IV Requirements**

According to guidance provided by the Office of Vocational and Adult Education, the current and newly revised Perkins Act does not establish criteria regarding the split between secondary and postsecondary career and technical education systems. In a memo from January 2007 from Troy Justesen, Assistant Secretary, the following information was provided:

*The Act does not establish criteria for determining a State's split of funds between its secondary and postsecondary delivery systems. As such, a State has total flexibility in making this decision.*

Under the current State Plan (1998-2006), Section 7.2 describes the methodology used for allocation of the basic grant to secondary programs at school districts and postsecondary programs at school districts and community colleges. Current practice has been to split the funding in the following manner:

- 53% to Secondary Programs
- 47% to Postsecondary Programs (District and Community College Combined)

The original decision to split the funding in this manner was based on the proportionate share of full-time equivalent enrollments in career-technical education programs (see Appendix A for the language from the State Plan).

### **Allocations to Secondary Programs: Current Policy and Perkins IV Requirements**

#### Current Distribution of Funds to Secondary Programs

The current distribution uses a substitute data element provided to states based on U.S. Census data for children ages 5 through 17 (<http://www.census.gov/housing/saipc/sd03/>). These data are used to estimate the number of children in poverty and total number of children ages 5 through 17, in each school district. The formula is divided into two parts based on total population of children in the district and total children in poverty:

- 30% based on each school district's proportionate share of the total population of children ages 5 through 17 who reside in the state of Florida (total population)
- 70% based on each school district's proportionate share of the number of children in poverty ages 5 through 17 who reside in the state of Florida (children in poverty)

Perkins IV

The new Perkins law conforms to the current practice used by Florida in its substitute formula. According to Section 131, the requirements for distribution of funds for secondary education programs are as follows:

**Section 131 (a) Distribution Rules.** — *Except as provided in section 133 and as otherwise provided in this section, each eligible agency shall distribute the portion of funds made available under section 112(a)(1) to carry out this section to local educational agencies within the State as follows:*

(1) **Thirty Percent.**—*Thirty percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the state for such preceding fiscal year, as determined on the basis of the most recent satisfactory--*

*(A) data provided to the Secretary by the Bureau of the Census for the purpose of determining eligibility under title I of the Elementary and Secondary Education Act of 1965; or*

*(B) student membership data collected by the National Center for Education Statistics through the Common Core of Data survey system.*

(2) **Seventy Percent.**—*Seventy percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency and are from families below the poverty level for the preceding fiscal year, as determined on the basis of the most recent satisfactory data used under section 1124(c)(1)(A) of the Elementary and Secondary Education Act of 1965, compared to the total number of such individuals who reside in the school districts served by all the local educational agencies in the State for such preceding fiscal year.*

**Allocations to Postsecondary Programs:  
Current Policy and Perkins IV Requirements**

Distribution of Funds for Postsecondary Education Programs

The current and newly revised laws specify that the distribution of funds among postsecondary institutions be based on the number of individuals enrolled who are either recipients of Pell grants or recipients of assistance from the Bureau of Indian Affairs. However, states may be granted a waiver for an alternative formula, if such formula results in a more equitable distribution of funds based on the number of economically disadvantaged students served.

In the new law, Section 132 addresses the requirements for distribution of funds for postsecondary education programs as follows:

**Sec. 132(a)(2) Formula.** -- *Each eligible institution or consortium of eligible institutions shall be allocated an amount that bears the same relationship to the portion of funds made available under section 112(a)(1) to carry out this section for any fiscal year as the sum of the number of individuals who are Federal*

*Pell Grant recipients and recipients of assistance from the Bureau of Indian Affairs enrolled in programs meeting the requirements of section 135 offered by such institution or consortium in the preceding fiscal year bears to the sum of the number of such recipients enrolled in such programs within the State for the year.*

**Sec. 132(b) Waiver for More Equitable Distribution.**—*The Secretary may waive the application of subsection (a) if an eligible agency submits to the Secretary an application for such a waiver that—*

- (1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the eligible institutions or consortia within the State that have the highest numbers of economically disadvantaged individuals and that an alternative formula will result in such a distribution; and*
- (2) includes a proposal for such an alternative formula.*

### Alternative Formula Used in Florida

The current formula used for the allocation of funding for postsecondary education programs is an alternative formula approved by the Secretary of Education. Funds are distributed based on each eligible agency’s proportion of students enrolled in career and technical education who are economically disadvantaged. The elements used to identify these students are as follows:

- Recipients of Pell Grants,
- Participants in the Job Training Partnership Act Program replaced in future years with participants receiving services above the core level in Title I of the Workforce Investment Act,
- Recipients of Student Education Opportunity Grants,
- Participants in a federal vocational work-study program,
- Recipients of Temporary Aid to Needy Families (TANF)
- Recipients of food stamps

Guidance from the Office of Vocational and Adult Education on the requirements for any alternative formula was provided in a Q&A document (Troy Justesen Memo, January 2007). In response to the question, “What data sources, other than Pell Grants, can a State use to develop an alternative postsecondary formula?,” the memo said:

*The Department has considered past requests for alternative postsecondary formulas on a case-by-case basis. Based on the Department’s past experience with respect to alternative postsecondary distribution formulas, an alternative formula may include criteria relating to the number of individuals attending institutions within the State who---*

- a. Receive need-based postsecondary financial aid provided from public funds;*
- b. Are enrolled in postsecondary educational institutions that –*
  - i. Are funded by the State,;*
  - ii. Do not charge tuition, and*
  - iii. Serve only economically disadvantaged students;*
- c. Are enrolled in programs serving economically disadvantaged students;*
- d. Are participants in programs assisted under WIA;*
- e. Are Pell Grant recipients.*

*Moreover, in the past the Department has approved only an alternative postsecondary distribution formula proposed by the State that –*

- a. Included direct counts of students enrolled in the institutions;*
- b. Directly related to the status of students as economically disadvantaged individuals;*
- c. Applied uniformly to all eligible institutions;*
- d. Did not include fund pools for specific types of institutions;*
- e. Did not include direct assignment of funds to a particular institution on a non-formula basis; and*
- f. Identified a more accurate count of economically disadvantaged individuals in the aggregate than does the statutory formula, which is now set forth in section 132(a)(2) of the Act.*

## Recommendations for Secondary and Postsecondary Allocations

### Recommendation 1:

Distribute basic grant funds into the following three delivery systems based on proportionate share of total career and technical education full-time equivalents (FTE):

1. Secondary - District Programs (District 7-12 Career Education FTE)
2. Postsecondary - District Programs
3. Postsecondary - Community College Programs

Note: A three-year average FTE would be calculated for above categories. The average of 2004-05, 2005-06 and 2006-07 FTE would be used to distribute basic grant funds for 2008-09.

The Perkins law provides the state with the flexibility to determine the allocations among delivery systems. Funding should be allocated to career and technical education programs based on the *relative need* in each sector: district secondary programs, district postsecondary certificate programs, and community college certificate and degree programs.

Specifically, the following FTE categories should be used to determine each sector's percentage of the basic grant funds:

1. District Secondary FTE (7-12): The number of 9-12 Career Education FTE reported by local educational agencies and calculated 7-8 Career Education FTE based on course enrollments of 7<sup>th</sup> and 8<sup>th</sup> graders reported by local educational agencies.
2. District Postsecondary FTE: The number of Vocational Certificate (PSAV) and Applied Technology Diploma (ATD) FTE reported by local educational agencies
3. Community College Certificate and Degree FTE: The number of postsecondary vocational (PSV) FTE and adult vocational FTE (PSAV) reported by community colleges

The percentage of basic grant funds for each sector should be calculated as follows using a three-year average FTE:

**Secondary - District Percentage (%) =**

$$\frac{\text{District Secondary FTE (7-12)}}{\text{District Secondary FTE (7-12) + District Postsecondary FTE + Community College Certificate and Degree FTE}}$$

**Postsecondary - District Percentage (%) =**

$$\frac{\text{District Postsecondary FTE}}{\text{District Secondary FTE (7-12) + District Postsecondary FTE + Community College Certificate and Degree FTE}}$$

**Postsecondary - Community College Percentage (%) =**

$$\frac{\text{Community College Certificate and Degree FTE}}{\text{District Secondary FTE (7-12) + District Postsecondary FTE + Community College Certificate and Degree FTE}}$$

**Recommendation 2:**

Provide separate postsecondary allocations to districts and community colleges, per Recommendation 1.

Distribute the allocation of basic grant funds among districts based the Perkins III alternative formula, with addition of Florida Student Assistance Grant – Career Education recipients.

Distribute the allocation of basic grant funds among community colleges based on the Perkins III alternative formula, with addition of Florida Student Assistance Grant – Career Education recipients.

Overall, the current alternative formula incorporates the valid and reliable elements available for the identification of institutions with the highest numbers of economically disadvantaged students, as required by the waiver guidelines in Section 132(b). The only viable alternatives for additional elements include other local financial assistance programs for career and technical education students. However, it is not clear that data collected on those programs would meet the guidelines established within OVAE for the approval of an alternate formula. The 2007 Legislature expanded the state need-based financial aid to include students in clock hour certificate programs through the creation of the Florida Student Assistance Grant - Career Education. Students receiving assistance through this program will be added to the alternative formula once the guidelines for this program are established.

Economically disadvantaged students from the following programs should be used in the allocation of basic grant funds to districts with postsecondary career and technical education programs.

- Students with a course enrollment in one of the following programs:
  - Vocational Certificate (PSAV)
  - Applied Technology Diploma (ATD)

Economically disadvantaged students from the following programs should be used in the allocation of basic grant funds to community colleges with postsecondary career and technical education programs.

- Students with a course record and a program of study level (DE 2005) of one of the following:
  - Associate in Science Degree
  - Associate in Applied Science Degree
  - Associate in Science Certificate (PSVC)
  - Vocational Certificate (PSAV) Applied Technology Diploma (ATD)
  - Advanced Technical Certificate (ATC)

## Effect of the Proposed Recommendations

The impact of the proposed recommendations has been assessed by calculating the three-year average FTE for the delivery systems specified in Recommendation 1 (see Table 1).

**TABLE 1: Career and Technical Education FTE, 2003-04 to 2005-06**

CTE Delivery System	2003-04	2004-05	2005-06	3-Yr Average FTE
<b>Secondary</b>				
7-8 FTE <sup>(1)</sup>	18,422	16,915	15,691	17,009
9-12 FTE	76,906	77,022	77,159	77,029
<b>Total Secondary CTE</b>	<b>95,328</b>	<b>93,937</b>	<b>92,850</b>	<b>94,038</b>
<b>District Postsecondary <sup>(2)</sup></b>				
PSAV FTE	26,172	22,903	21,895	23,657
ATD FTE	446	441	370	419
<b>Total District Postsecondary FTE</b>	<b>26,618</b>	<b>23,344</b>	<b>22,265</b>	<b>24,076</b>
<b>Community College <sup>(3)</sup></b>				
PSAV FTE	11,767	11,343	11,206	11,439
PSV FTE	56,103	54,759	53,644	54,835
<b>Total CC FTE</b>	<b>67,870</b>	<b>66,102</b>	<b>64,850</b>	<b>66,274</b>
<b>TOTAL CTE FTE</b>	<b>189,816</b>	<b>183,383</b>	<b>179,965</b>	<b>184,388</b>

CTE Delivery System	2003-04	2004-05	2005-06	3-Yr Average FTE
<b>Percentage of Total CTE FTE</b>				
Secondary	50.2%	51.2%	51.6%	<b>51.0%</b>
District - Postsecondary	14.0%	12.7%	12.4%	<b>13.1%</b>
Community College - Postsecondary	35.8%	36.0%	36.0%	<b>35.9%</b>

**Notes:**

(1) 7-8 FTE estimated for 2005-06 based on Survey 2 and 3 course enrollments; for 2003-04 and 2004-05, 7-8 FTE estimated based on Survey 3 course enrollments.

(2) District Postsecondary FTE is based on reported instructional hours in PSAV and ATD programs divided by 900; Hours were capped in 2003-04 and 2004-05.

(3) Community College PSAV and PSV FTE as reported in the Community College Fact Book.

Therefore, if this recommendation had been implemented for 2007-08, the following percentages and funding allocations would have been used:

Delivery System	%	2007-08 Allocation based on 3-Year Average FTE
Secondary – District	51.0	\$26,274,301
Postsecondary – District	13.1	\$6,726,743
Postsecondary – Community College	35.9	\$18,516,959

\*Allocations in the 2007-08 Request for Application (RFA) are as follows: Secondary (\$27,302,542), Postsecondary District (\$5,531,370), and Postsecondary Community College (\$18,682,091)

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The estimated allocations to each delivery system will change if the state decides to roll Title II (Tech Prep) funding into Title I (Basic Grant). For 2007-08, Tech Prep funded is expected to be \$5,097,919, with \$4,843,023 distributed to the consortia and \$253,896 for state administration. If Title I and Title II funding was merged, the estimated allocations to each delivery system would be: Secondary-District (\$28,353,741), Postsecondary-District (\$7,259,120), and Postsecondary-Community College (\$19,982,457).

In addition, changes occur in the use of the Aid to District Reserve Allocation may affect the total amount of funding a district or community college receives. Currently, most of the 7% reserve allocation is provided to rural and sparsely populated areas of the state.

APPENDIX A:  
Perkins III Secondary-Postsecondary Split

Secondary/Postsecondary Split – Current State Plan Guide Language (Perkins III)

**7.2 Allotment of Funds Made Under Section III Among Secondary School Vocational and Technical Education, or Postsecondary and Adult Vocational and Technical Education, or Both, Including the Rationale for Such Allocation.**

For Perkins II, Florida used student participation in the vocational programs at each level, measured by contact hours and converted to full-time equivalent students (FTE) for the State allocation formula. The full-time equivalent student enrollment in vocational education was used in developing a formula for appropriating the funds. The amount of funds appropriated for each level was derived by using the following data in the formula:

- 1 Number of FTEs reported by local educational agencies for secondary vocational education programs and secondary adult job preparatory programs.
- 2 Number of FTEs reported by vocational/technical centers for postsecondary adult job preparatory programs ,
- 3 Number of FTEs reported by community colleges for postsecondary adult vocational education programs and postsecondary vocational education programs.
- 4 The combined statewide total FTEs generated by each delivery system in vocational education.

The formulas below show how the data were used and the results generated:

$$\frac{\text{LEA Secondary FTEs for Vocational Education}}{\text{Statewide Secondary FTEs for Vocational Education}} = \text{Secondary Percentage (53\%)}$$

$$53\% \times \text{Basic Grant} = \text{Secondary Appropriation Vocational-Technical Centers Secondary Adult and Postsecondary Adult FTEs for Vocational Education - Statewide Secondary Adult and Postsecondary Adult FTEs for Vocational Education (21\%)}$$

$$\frac{\text{Community College Postsecondary Adult and Postsecondary FTEs for Vocational}}{\text{Statewide Postsecondary and Postsecondary Adult FTEs for Vocational Education Community College}} = \text{Percentage (26\%)}$$

$$\text{Vocational/Technical Percentage (21\%)} + \text{Community College Percentage (26\%)} = \text{Postsecondary Percentage (47\%)}$$

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**47% X Basic Grant = Postsecondary Appropriation**

Florida decided to continue the percentage split for Perkins III, 53 percent of the funds for secondary programs will be allocated to secondary institutions. Forty-seven percent (47%) will be allocated to postsecondary and adult institutions. A waiver of the \$15,000 minimum for secondary programs will be granted to eligible recipients if they are located in rural, sparsely populated areas, and demonstrate that the local educational agency is unable to enter into a consortium for purposes of providing activities.

APPENDIX B  
Perkins III Postsecondary Allocation Formula

The alternate formula for postsecondary programs is based upon criteria relating to the number of individuals attending institutions and enrolled in postsecondary vocational programs within the State who received need-based postsecondary financial aid provided from public funds as specified under the Act. Only those eligible postsecondary recipients who meet the \$50,000 requirement, and who provide vocational education in not less than five different occupational areas, and who are of sufficient size, scope, and quality to be effective will receive funding. Florida's alternate criteria for need-based financial aid for Section 132 for individuals meeting the requirements are listed below:

- Recipients of food stamps,
- Recipients of Pell Grants,
- Participants in the Job Training Partnership Act Program replaced in future years with participants receiving services above the core level in Title I of the Workforce Investment Act,
- Recipients of Student Education Opportunity Grants,
- Participants in a federal vocational work-study program, and
- Recipients of Temporary Aid to Needy Families (TANF).