FISCAL IMPACT STATEMENT

LS 7188
BILL NUMBER: HB 1002
NOTE PREPARED: Jan 27, 2019
BILL AMENDED: Jan 24, 2019

SUBJECT: Career and Technical Education Matters.
FIRST AUTHOR: Rep. Sullivan
BILL STATUS: 2nd Reading - 1st House
FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: Management Performance Hub: This bill requires the Management Performance Hub to: (1) collect certain postsecondary academic data or employment data of a student upon the student's graduation from high school that can be linked to the student's kindergarten through grade 12 student identification number; and (2) on November 1, 2019, and each November 1 thereafter, send a report to the Legislative Council that summarizes the data.

Career Coaching Grant Program and Fund: The bill establishes the Career Coaching Grant Program and Fund. It provides that the Governor's Workforce Cabinet shall administer the grant program and fund.

Skills Enhancement Fund: The bill provides that the Skills Enhancement Fund may be used to support cooperative arrangements between school corporations or charter schools and businesses if the cooperative arrangement leads to: (1) certain credentials or training for a new hire; or (2) an increase of wages and certain credentials or training for an incumbent employee.

Perkins Funds: The bill provides that the Governor’s Workforce Cabinet shall receive, distribute, and account for all funds received for career and technical education under the Carl D. Perkins Vocational and Applied Technology Act.

CTE Instructor Requirements: It provides that, after June 30, 2019, a school corporation, school, or secondary school vocational program may employ an instructor who does not have a license if the instructor meets certain occupational and training requirements. It also voids an administrative rule that requires a school corporation to ensure that a teacher of a secondary school vocational program is licensed by the Department of Education.
Supplemental Payment for Certain Teachers: It provides that a teacher who teaches a career or technical education course may be eligible to receive a pay supplement.

Postsecondary CTE Courses in High School: The bill provides that the governing body of a career and technical education center may include a postsecondary level career and technical education course in the high school curriculum. It provides that the Department of Workforce Development shall include any postsecondary level career and technical education courses in the list of courses provided to the State Board of Education.

WorkINdiana Grant: The bill increases, from $500 to $1,000, the maximum WorkINdiana Grant amount that may be awarded.

Career Standards Curriculum: This bill also provides that each school in a school corporation and each charter school shall submit as part of a school's improvement plan to the Department of Education (DOE) a summary of how the school will implement the career standards curriculum. It provides that the DOE shall review the submitted plans every two years and may review a plan at random to review the relevancy of the plan to the changing economy. The bill also provides that the DOE shall assist schools in incorporating best practices regarding the career curriculum from around the state.

Course Requirement: The bill provides that each student is required to enroll, in either grade 9 or grade 10, in either: (1) a course to prepare the student for college or a career; or (2) an introductory level career and technical education course. The bill also requires the Budget Agency to report each year on the costs incurred by each school corporation to implement: (1) the requirement of a grade 9 or grade 10 student to enroll in a college or career course or introductory career and technical education course; and (2) the career standards curriculum.

Graduation Plan: It provides that a graduation plan should include the postsecondary goals of the student.

Open Door Law: It also provides that a contract between a career and technical education center and a school or school corporation is a public document under Indiana's open door law.

School Corporations Operating Joint CTE Programs: The bill provides that a school corporation that has entered into an agreement for a joint program of career and technical education may add a new career and technical education course to its curriculum without being approved by the joint program board or the governing body overseeing the joint program if the course is being offered in partnership with certain entities.

CTE Pupil Count: The bill provides that the DOE shall annually compile information regarding each school corporation's pupil count and per pupil cost to the school corporation for each career and technical education program in which the school corporation receives career and technical education grants.

Workforce Ready Grant: The bill provides that a Workforce Ready Grant may be used at: (1) Ivy Tech Community College; (2) Vincennes University; or (3) a program approved by the Commission for Higher Education. (Current law provides that a Workforce Ready Grant may be used at Ivy Tech Community College or Vincennes University.)

Next Level Jobs Employer Training Grant Program: The bill provides that the Next Level Jobs Employer Training Grant Program is established to provide grants to reimburse training costs to employers for newly
trained employees which leads to: (1) certain credentials or training for a new hire; or (2) an increase of wages and certain credentials or training for an incumbent employee.

The bill resolves a conflict between HEA 1074-2018 and HEA 1002-2018.

The bill makes technical corrections.

**Effective Date:** Upon passage; July 1, 2019.

**Explanation of State Expenditures:** The bill transfers the administration of the federal Carl D. Perkins grant [$50 M over the biennium] from the State Board of Education to the Governor’s Workforce Cabinet. The bill establishes the Career Coaching Grant Program, and increases workload at the Governor’s Workforce Cabinet and Management Performance Hub. Other provisions in the bill change program eligibility for various training and education courses, and impact state agency and school corporation workload. Ultimately, the total cost of the provisions will depend upon legislative and administrative action.

**Governor’s Workforce Cabinet:** The bill’s provisions represent an additional workload on the Governor’s Workforce Cabinet, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The bill requires the Governor’s Workforce Cabinet to establish, administer, and report on the Career Coaching Grant Program and Fund. In addition, the bill transfers responsibility for receiving, distributing, and accounting for federal funding from Perkins grants from the State Board of Education to the Governor’s Workforce Cabinet. Beyond administrative duties, in order to receive federal Perkins funds, states must prepare a state plan, collect accountability data, and prepare the Consolidated Annual Report. Dedicated staff will be needed to meet administrative and reporting requirements. The additional funds and resources required could be supplied through existing staff and resources currently being used to administer Perkins funds by the State Board or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

**Management Performance Hub:** The bill requires the Management Performance Hub to collect and link data on individuals following high school graduation that can be linked with the student’s K-12 student identification number. The Management Performance Hub is already collecting postsecondary academic data, wage employment data, and kindergarten through grade 12 data from state agencies. Obtaining academic data from private colleges may require contracting with and payments to an outside vendor, such as the National Student Clearinghouse’s Student Tracker service. Collecting information on military enlistments, incarcerations, the receipt of federal assistance through Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) and preparing an annual report summarizing the data collected represents additional workload and expenditures on the agency.

To the extent the bill requires the Management Performance Hub to do additional data linking, database management, analysis and research, additional staff and resources may be needed. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

**Course Requirement:** The bill’s provision that each student must take a course to prepare them for college or a career or an introductory CTE course in 9th or 10th grade could increase enrollment in introductory CTE courses. These courses are funded under current law at $300 per enrolled student. If enrollment in
introductory CTE courses increases, state expenditures would increase as well. The bill also requires the State Budget Agency to report each year on the costs incurred by each school corporation to implement this requirement along with the career standards curriculum. Existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Career Standards Curriculum: The bill’s requirement that the DOE review every school’s plan regarding the implementation of the career and college planning curriculum represents an additional workload on the agency. Existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Career Coaching Grant Program and Fund: The Career Coaching Grant Program may award grants to establish or implement a career coaching model. Remaining balances at the end of a fiscal year do not revert to the General Fund.

WorkINdiana Program: The bill increases the maximum grant amount made as reimbursements for employer provided adult education through the WorkINdiana Program from $500 to $1,000.

Next Level Jobs Employer Training Grant Program: The bill could increase the number of Next Level Jobs Employer Training Grants by allowing high school students to participate in the grant program. The maximum amount that an eligible employer would receive for training of a high school student is the lesser of $1,000 or one-third of the cost of the student’s work based learning course. The bill also places limits the type of training that is eligible for grants.

State Board of Education: Shifting the administration of federal Perkins funds from the State Board of Education to the Governor’s Workforce Cabinet represents a decrease in workload for the State Board.

State Educational Institutions: The bill allows Workforce Ready Grants to be used at programs approved by the Commission for Higher Education in addition to Ivy Tech and Vincennes. If programs at other State Educational Institutions are approved, this change could increase enrollments at those institutions. Under the current higher education funding formula, changes to enrollment could affect higher education appropriations in future bienniums. The impact is probably minor and would depend on the higher education formula used in the future.

Skills Enhancement Fund: Limiting eligibility for grants may reduce the number of grants made and expenditures from the Skills Enhancement Fund. In FY 2017 businesses were reimbursed for a portion of training costs for 34,280 employees at a cost of $16.4 M.

Indiana Economic Development Corporation, Department of Workforce Development, Commission for Higher Education: Making eligibility and provider changes to the Skills Enhancement Fund, the Next Level Jobs Employer Training Grant Program, the Work Indiana Grant, and the Workforce Ready Grant should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.
**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Usage of CTE Grants: The bill requires that at least 80% of the CTE grant a school receives must be used for CTE courses. This would not increase total expenditures but could shift expenditures.

Supplemental Payment for Certain Teachers: The bill allows school corporations to provide a supplemental payment outside of the amount that is collectively bargained to a CTE teacher. This is likely to have minimal impact on schools’ total expenditures. Supplemental payments are constrained by the availability of funds to pay supplementary salaries. The bill adds to a list of potential recipients of the available funds, but it does not increase the funds available for supplemental salaries.

CTE Instructor Requirements: The bill allows schools to hire CTE instructors who do not have a teaching license if certain requirements are met. This would allow schools more flexibility in their hiring decisions. The bill’s impact on expenditures depends on the salaries schools pay to unlicensed instructors.

Career Standards Curriculum: The bill’s requirement that schools submit a plan to DOE outlining how they will implement the required curriculum for career and college planning resources is a workload increase for public schools.

**Explanation of Local Revenues:** Course Requirement: The bill’s provision that each student must take a course to prepare them for college or a career or an introductory CTE course in 9th or 10th grade could increase enrollment in introductory CTE courses. These courses are funded under current law and this bill at $300 per enrolled student. If enrollment in introductory CTE courses increases, public school revenue would increase as well.

**State Agencies Affected:** Governor’s Workforce Cabinet, Department of Education, Department of Workforce Development, State Board of Education, Commission for Higher Education, State Budget Agency, Management Performance Hub.

**Local Agencies Affected:** Public schools.

**Information Sources:** Indiana Department of Education, Commission for Higher Education, Department of Workforce Development.

**Fiscal Analyst:** Camille Tesch, 317-232-5293; Austin Spears, 317-232-9454.