

**STATE BOARD OF EDUCATION – ADMINISTRATIVE RULE SUMMARY****OAR # & Title :** OAR 581-017-0287 to 0297**Date:** October 2, 2015**Staff/Office:** Laura Roach, Office of Learning (Secondary/Post-Secondary Transitions)  
Emily Nazarov / Government and Legal Affairs **New Rule**     **Amend Existing Rule**     **Repeal Rule****Hearing Date:** 9/24/15     **Hearings Officer Report Attached****Prompted by:**  **State law changes**     **Federal law changes**     **Other****Action Requested:** **First Reading/Second Reading**     **Adoption**     **Adoption/Consent  
Agenda**

**PROPOSED/AMENDED RULE SUMMARY:** Establishes guidelines for new CTE funding allocation established by HB 3072.

**BACKGROUND:**

HB 3072 (2015) is the CTE/STEM framework bill. Included in HB 3072 is a new funding allocation for career and technical education (CTE) programs. The funding is intended to incentivize school districts to develop programs that increase the number of students who earn three or more credits in a high quality CTE program that is a pathway to high wage and high demand jobs.

Funding is to be allocated according to a formula that was determined by the legislature in HB 3072:

Moneys must be distributed to each school and public charter school in the school district based on the number of students enrolled at the school with the following characteristics:

- (A) Students who are enrolled in and earned three or more credits for courses that are part of a career and technical education program that can lead to high wage and high demand jobs and that are approved by the Department of Education.
- (B) Students who acquire an industry credential that can lead to a high wage and high demand job and that is approved by the Department of Education.
- (C) Students described in subparagraph (A) or (B) of this paragraph who are historically underserved, as defined by the State Board of Education by rule.

For every student that meets the criteria of (A) or (B), the district will earn one point for purposes of the allocation formula. If a student meets the qualifications of more than one section, the district will earn more than one point, up to three points total.

**ISSUES/CONCERNS THAT SURFACED DURING RULE WORK:**

- Whether Career Pathway Funding can be used to build new CTE programs of study?
  - No. HB 3072 directs ODE to distribute funds to the program that served the students. Federal Perkins funds or CTE Revitalization funds may be used to build new programs.

- Whether a school district may receive funding for a program of study that was in existence during the prior school year but is now defunct.
  - No. HB 3072 directs ODE to distribute funds to the program that served the students. If the program is no longer in existence, there would be no way to allocate money to the school district and comply with the language that prohibits districts from using the money to fund new or other programs.

**CHANGED SINCE LAST BOARD MEETING?**

- N/A; first read—hasn't been before board  
 No; same as last month  
 Yes – As follows:

- **581-017-0287 Definitions**
  - Revised subsection (7) to clarify that a “pathway to a high wage and high demand job” means a program of study offered in the current school year.
- **581-017-0294 Funding**
  - Revised subsection (2) to provide that the Department will determine whether a program of study qualifies as a pathway to a high wage and high demand job.
  - Revised subsection (f) to make clear that if a program of study is no longer in existence, the school district may not receive Career Pathway Funds for the qualifying students served by the defunct program.

**STAFF RECOMMENDATION:**

- Adopt administrative rule as prepared this month  
 Adopt administrative rule next month  
 No recommendation at this time

Comments:

**FISCAL IMPACT:** No fiscal impact from the rule.

**EFFECT OF ADOPTING STAFF RECOMMENDATIONS:** ODE would have the rules necessary to implement one piece of HB 3072 and make distributions in November.

**EFFECT OF NOT ADOPTING STAFF RECOMMENDATIONS:** ODE would not be able to distribute the career pathway funding in HB 3072 until December at the earliest.

**Connecting to the World of Work  
STEM, STEAM and CTE**

**Career Pathway Funding**

**581-017-0287 Definitions**

The following definitions apply to OAR 581-017-0287 to 581-017-0297:

- (1) "Annual Pathway Allocation Maximum" means the maximum amount that can be allocated to one district in a given fiscal year as determined by the Department of Education.
- (2) "Career Pathway Funding" means the funding allocation established by section 1, chapter 763, Oregon Laws 2015 (Enrolled HB 3072).
- (3) "High Demand" means having more than the median number of total (growth plus replacement) openings for statewide or a particular region.
- (4) "High Wage" means a wage that is more than the all-industry, all-ownership median wage for statewide or a particular region.
- (5) "Historically Underserved student" means an English language learner, a student of color, an economically disadvantaged student or a student with disabilities.
- (6) "Industry Credential" means certification that can lead to a high wage and high demand job and has been approved by the Department of Education.
- (7) "Pathway to a high wage and high demand job" means a program of study offered in the current school year that provides students with the training necessary for the student to obtain a high wage high and demand job upon graduation, or enroll in post-high school training or education that will lead to a high wage and high demand job.
- (8) "Program of Study" means a sequence of courses, aligned to industry standards at the secondary and post-secondary level, that integrates technical and career skill proficiencies with academic content and has been approved by the Oregon Department of Education.
- (9) "Qualifying student" means:
  - (a) A student who earned at least three high school credits in a career and technical education program of study that is a pathway to high wage and high demand jobs;
  - (b) A student who acquired an industry credential while enrolled in high school in a career and technical education program of study; and
  - (c) A student who meets the qualifications set forth in subsection (8)(a) or (b) and is historically underserved.

Stat. Auth.: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

Stat. Implemented: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

**581-017-0291 Purpose**

- (1) The purpose of the Career Pathway Grant is to fund activities related to career and technical education programs of study that are pathways to high wage high demand jobs.

Stat. Auth.: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

Stat. Implemented: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

### **581-017-0294 Funding**

- (1) The Department of Education shall determine for each fiscal year the portion of the funds available for the Career Pathway Funding allocation and the annual pathway allocation maximum.
- (2) Prior to the allocation in each fiscal year, the Department of Education shall:
  - (a) Determine which programs of study are pathways to a high wage and high demand job;
  - (b) Identify qualifying students enrolled in the prior school year at each district; and
  - (c) Report the data to the CTE Regional Coordinators for verification of accuracy.
- (d) For each qualifying student enrolled in a district in the prior school year, the district will earn one point for purposes of the allocation formula in section (4) of this rule. If one qualifying student meets the qualifications of more than one section in 581-017-0287(8), the district will earn more than one point, up to three points total.
- (e) The Department shall determine the amount of the allocation to each school district based on the following formula:

Allocation Amount = number of points earned by a school district in the prior school year x (the total amount available for distribution for Career Pathway Funding in a fiscal year / the total number of points in the State in the prior school year), not to exceed the annual pathway allocation maximum.

- (f) Funds received by a school district under this section must be separately accounted for and must be distributed to the career and technical education program of study that served the qualifying students for which the funds were received. If a program of study is no longer in existence, the school district may not receive Career Pathway Funds for the qualifying students served by the defunct program.

Stat. Auth.: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

Stat. Implemented: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

### **581-017-0297 Reporting**

- (1) School districts are responsible for the following reporting to the Oregon Department of Education
  - (a) Prior to the allocation in each fiscal year, a school district must provide the following written assurances to the Department of Education:
    - (A) The money received through the career pathway funding allocation will not supplant current funding provided by the district for career and technical education; and
    - (B) The career technical education teacher, regional coordinator, and school administration will be involved in any decision making regarding how to use the career pathway allocation funds.

- (C) Funds received will only be spent on the career and technical education program of study that served the qualifying students for which the funds were received.
- (b) Prior to the end of each school year, a school district that has received an allocation of the career pathway funding must file with the Department:
  - (A) An expenditure report; and
  - (B) Verification that the career pathway funding allocation did not supplant funding provided by the district for career and technical education.

Stat. Auth.: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)

Stat. Implemented: 2015 OL Ch. 763, Sec. 1 (Enrolled HB 3072)