



Business Leaders United
for Workforce Partnerships

Policies that Work

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Reauthorizing the Perkins Act: Investing in Career and Technical Education

The Carl D. Perkins Career and Technical Education Act is the primary federal law for career and technical education (CTE), providing \$1.1 billion annually to support high-quality education and training at high schools and postsecondary institutions. But the law isn't keeping up with today's fast-paced economy, and recent funding cuts have made it harder for CTE programs to work with local and regional employers to develop the workforce of tomorrow. With Congress currently working to reauthorize this important legislation, business leaders should weigh in with lawmakers to ensure that the Perkins Act responds to employer needs and is funded at a level that is consistent with industry demand.

Demand for CTE Continues to Grow

The U.S. economy is back on track, with employers adding hundreds of thousands of new jobs every month, and unemployment at its lowest level in a decade. But for many businesses, finding enough skilled workers to keep up with demand and take advantage of new opportunities is increasingly difficult. This is especially true for businesses seeking to fill "middle-skill" jobs — those that require some education and training beyond high school but not a four-year college degree. Middle-skill jobs make up 54 percent of all jobs in today's labor market, but only 44 percent of U.S. workers are trained at this level.

Career and technical education programs offer a key solution to this middle-skills gap. Employers across the country partner with local community colleges and high schools to develop job-driven CTE programs that combine rigorous academic instruction with targeted skills training leading to industry recognized credentials. And these partnerships are supporting job opportunities in local communities: CTE programs provide training to more than 11 million students annually, including nearly 4 million working-age adults enrolled in postsecondary CTE programs.¹

¹ <https://perkins.ed.gov/pims/DataExplorer/CTEParticipant>

The Carl D. Perkins Career and Technical Education Act (Perkins Act) is the nation's primary law governing investments in high school and college CTE programs, providing states and local communities with slightly over \$1.1 billion in funding to support the development and operation of CTE programs. States have significant flexibility in how they allocate Perkins funds between secondary and postsecondary schools, and local CTE providers can use Perkins dollars to support a range of different program costs, including curriculum design, instructor salaries, and purchasing equipment.

The Perkins Act was last reauthorized by Congress ten years ago, meaning that the law hasn't been updated to respond to the rapidly changing technology and skill requirements of today's labor market. Congress has also cut funding for the program, with state formula grants now about 25 percent below the levels allocated in 2006 — meaning that we are likely investing less than \$100 per student in these important programs.² While CTE providers at both the high school and college levels continue to provide high-quality instruction in partnership with local employers, Congress should take steps

² Federal funding calculation adjusted for inflation. NSC calculation of per student spending using FY 2016 funding levels relative to most recent enrollment data (2013-2014).

to strengthen Perkins so that it is better aligned with the needs of U.S. businesses, and provides additional opportunities for workers to prepare for in-demand jobs.

With Congress currently working to renew the Perkins Act, Business Leaders United supports the following policy changes:

Recommendations

Align CTE programs with industry or sector partnerships.

Sector partnerships are a proven workforce strategy that bring together multiple employers from a local or regional industry to collaborate with education, labor, and other key stakeholders to develop talent pipelines within that industry. Secondary and postsecondary CTE providers play a critical role in many successful industry partnerships, offering targeted skills and credentials to help workers enter into and advance along career pathways in health care, manufacturing, information technology, and other key sectors.

As part of the Workforce Innovation and Opportunity Act (WIOA) of 2014, our nation's primary workforce bill, Congress requires states and local communities to support the development of sector partnerships, but the Perkins Act has not been updated to reflect these new expectations. Policymakers should encourage a stronger role for CTE programs in state and local partnerships, and ensure that there are dedicated resources to support robust collaboration between secondary and postsecondary CTE providers, employers, and other partners.

Connect CTE to state and local workforce planning efforts. WIOA requires every state to develop comprehensive four-year workforce development strategies that describe how the state will align education, workforce, and human services programs to ensure businesses can find the skilled workers they need to compete. States are encouraged to include their Perkins CTE programs in their WIOA plans, but Perkins planning requirements and performance measures don't match with the new requirements under WIOA. This lack of alignment creates confusion for CTE providers as they seek to satisfy competing expectations. Congress should give states and local communities greater flexibility to align their CTE funding with their broader skills strategies, and should be encouraged to ensure that both Perkins and WIOA investments are aligned to support in-demand industries based on local labor market demands.

Expand work-based learning models. Work-based learning — including apprenticeship, internship, and on-the-job training — has long been recognized as a key strategy to help individuals get hands-on experience and familiarity with workplace expectations. While some successful CTE programs do incorporate work-based learning, Perkins does not require these strategies. This means a student can technically complete a program without ever setting foot in a real work environment. Congress should make it easier for employers to offer work-based learning opportunities to ensure that CTE students have the experience and skills to hit the ground running when they enter the labor market.

Boost investments in CTE programs. Despite the increasing skills demands of today's employers, Congress has cut back on funding for CTE in recent years. Coupled with declining state and local investments in community and technical colleges, this means that postsecondary CTE programs in particular are struggling to keep programs and equipment up to industry standards, impacting the availability of trained workers. At a minimum, Congress should boost overall funding for the Perkins Act from the current \$1.1 billion per year to \$1.6 billion — which would bring funding in line with 2006 levels — and should ensure that states are investing in postsecondary CTE at a level that is consistent with the overall demand for skilled workers in key industries.

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Business Leaders United for Workforce Partnerships (BLU) is the national voice of small and medium sized employers who are concerned about filling skilled positions at their companies and want to develop public-private partnerships in their communities to better meet their skilled workforce needs.