

CLOSING THE TECHNICAL TRAINING FUNDING GAP IN NEW ORLEANS

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Overview

YouthForce NOLA maintains a policy agenda to address the most pressing challenges that prevent young people from accessing – and practitioners and stakeholders from delivering – a system of career-connected learning experiences in New Orleans. Over time, practitioners and stakeholders have identified the gap between college and career coursework costs at scale and public revenue available to support these costs as a policy priority. This issue brief describes the technical training funding gap in New Orleans, along with recommendations to close the gap. It also describes how the work of closing the technical training funding gap in New Orleans can offer insights into how to fund technical training at scale statewide.

Background

Students who complete technical training coursework leading to industry-based credentials and college credits are more likely to graduate from high school, enroll in college, and earn higher wages if they choose full time employment after graduation. To address the technical training funding gap, YouthForce NOLA has taken a sequence of steps to calculate technical training revenue and costs and to identify a set of strategies to close the gap.

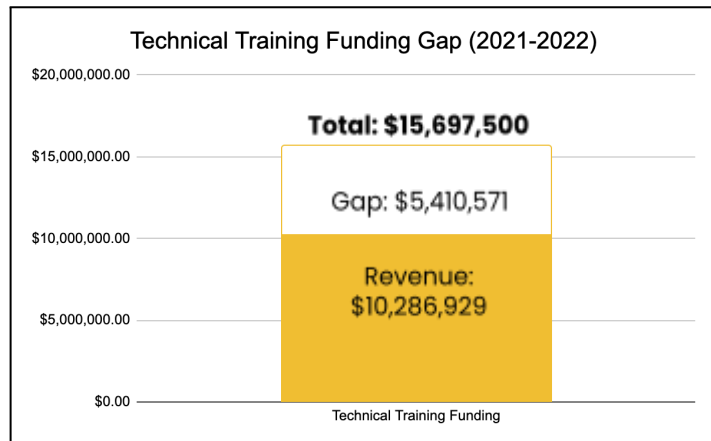
In 2019, YouthForce NOLA launched a Revenue Working Group with NOLA Public Schools and the Louisiana Department of Education to map recurring public funding sources that support technical training in New Orleans, understand the amount currently being generated from each source, and identify opportunities to increase revenue. The group prioritized funding for technical training over

other elements of career-connected learning given that recurring public revenue for technical training is the most clearly defined.

In 2022, after a pause due to the COVID-19 pandemic, YouthForce NOLA rebooted this work and partnered with Evan James Consulting (EJC) to conduct research into the cost of technical training in New Orleans.

Findings: The Technical Training Funding Gap

Together, the work of the Revenue Working Group and Evan James Consulting have enabled YouthForce NOLA to calculate an estimate of the technical training funding gap. YouthForce NOLA has identified a technical training funding gap in New Orleans of approximately \$5.4 million dollars in 2021-2022.¹



Statewide Implications

In 2022, multiple government agencies were not able to complete projects due to the lack of concrete data on the extent to which there is a technical training funding gap in Louisiana. YouthForce NOLA's technical training funding gap analysis would have helped in situations such as:

- A Louisiana Department of Education effort to raise accountability standards for high schools failed in part due to concerns that school systems would not be able to afford costs associated with achieving higher standards.
- The legislatively established Workforce Opportunity & Readiness Task Force convened by the Louisiana Community & Technical College System to investigate opportunities to

¹ **Methodology:** EJC calculated the cost of technical training by multiplying the total number of career and technical education credits earned by the cost per credit as reported by third party technical training providers. EJC used technical training provider costs as a proxy for the cost of all technical training provided by third party providers, higher education institutions through dual enrollment, and high schools because higher education institutions and high schools tend to report on expenditures in broad line items such as materials, salaries, and transportation that integrate expenditures on technical training and other activities and are difficult to untangle. They calculated potential revenue for technical training by summing all of the recurring public revenue generated by New Orleans schools that was eligible to be spent on technical training, including a prorated portion of MFP general fund based on the percentage of technical training credits that students earned.

improve workforce readiness did not make any recommendations to increase funding due to lack of data on funding gaps.

Evan James Consulting interviewed career-connected learning systems leaders in Lafayette and St. Charles Parishes, both of which are considered technical training leaders. Both districts indicated that they receive sufficient revenue for technical training in large part due to district leadership that funds technical training with MFP general funds and braids dedicated supplemental technical training funding in order to completely cover costs, as intended by the state per pupil funding formula.

Additional Issue: Inefficient Use of Existing Resources

Evan James Consulting noted in their research that there may be opportunities for schools to more effectively use revenue generated for technical training. They found evidence that some schools don't spend all of the funding that they generate and that some technical training providers are forced to supplement payments from schools with one-time grants and philanthropy.

Payment and cash flow issues may also have an inflationary effect on CTE costs. Technical training providers account in their tuition for enrollment attrition, missed payments, and late payments from schools.

Approach: Closing the Technical Training Funding Gap

YouthForce NOLA has partnered with local and statewide stakeholders to get input on strategies to close the technical training funding gap in New Orleans, including districts that provided initial input on the methodology for calculating the gap. These strategies include policy proposals to allow New Orleans to fund technical training like traditional school districts in Louisiana and to reduce costs, as well as steps to strengthen the system through which schools and technical training providers build their annual plans and align funding to these plans. If successful, these strategies will close the technical training funding gap by approximately 30% for the 2024-2025 school year.

Based on input, YouthForce NOLA has prioritized strategies that address issues unique to the New Orleans school system so that outcomes can be used to indicate whether there is a statewide structural gap and how it might be closed.

Strategies to generate additional revenue through structural shifts

- Increase the Career & Technical Education weight in the Orleans Parish per pupil funding formula to match the state weight

- Develop a mechanism to redistribute Supplemental Course Academy (SCA) funding among New Orleans schools - like other Louisiana school districts - before LDE relocates it across the state
- Facilitate policy shifts that enable schools and technical training providers to reduce transportation costs

Strategies to maximize currently available revenue through resources, training, and support

- Implement a series of supports in order to help schools and training providers achieve the enrollment and funding projections they identify for the 2024-2025 school year
- Provide schools ongoing training on how to select course codes that trigger the CTE weight and how to braid general funds for CTE courses
- Help technical training providers qualify for TOPS Tech Early Start and support technical training providers and higher education institutions to access funds
- Disseminate information to schools on how to qualify for additional SCA funding as part of the LDE statewide reallocation process

About YouthForce NOLA

YouthForce NOLA is committed to expanding options, opportunity, and prosperity for all New Orleanians by strengthening and reimagining college and career planning and pathways. We fuel a coordinated network of school, community, and business partners who, together, equip our public school students with the skills and know-how they need to confidently pursue a wide range of postsecondary opportunities. To date, 1,200+ young people have completed a YouthForce NOLA Internship with 250+ local employers. As a result of our collective efforts, our youth will thrive in meaningful, well-paying careers, including right here in New Orleans. Learn more at www.youthforcenola.org.

