

PERKINS 101

Federal Funding

Federal funding through the current Carl D. Perkins Career and Technical Education Act, last amended in 2018 and commonly known as Perkins V, allocates funding to states to support the development, implementation, innovation and improvement of career and technical education (CTE) programs.

Perkins funding is meant to be used for new CTE programs and supports or to improve on existing programs and supports, not for routine maintenance of school buildings or for everyday program expenses. States and localities are responsible for these basic operational costs.

Perkins funding is directed at agencies and institutions that provide CTE programs, not directly to CTE students – with a few exceptions. There are several permissible uses of state and local funding that enable programs, if they choose, to provide direct assistance to students, particularly those from special populations. However, this is not the primary purpose of Perkins funding or the primary use of funds.

Basic State Grant

Of the three funding streams in Perkins V -- the Basic State Grant, National Activities and Tribally Controlled Postsecondary Career and Technical Institutions – the largest by far is the [Basic State Grant](#). It was funded at \$1.44 billion in Fiscal Year (FY) 2024.

Within this appropriation, 1.63% is reserved by the U.S. Secretary of Education, with 0.13% going to support CTE programs in Guam, American Samoa, the Commonwealth of the Northern Mariana Islands and the Republic of Palau and 1.5% enabling the Secretary to make grants to and enter into contracts with Native American Tribes, Tribal organizations and Alaska Native groups to carry out CTE programs.

The remainder is allocated to each state based on a formula of population and per-capita income, meaning that generally states with higher populations receive a larger sum. However, high levels of poverty relative to other states would also result in a larger state allocation. There are also protections in place to ensure even small states receive a minimum threshold level of funding.

In addition, a provision called the foundational grant requires that no state receive a smaller Perkins allocation than that state received in FY 2018. If the overall Perkins appropriation were reduced so that there was not enough money to provide funding to each state at that FY 2018 level, then each state's allocation would be reduced by an equal percentage.

State Administrative and Leadership Funding

The state allotment is received by an agency in each state. This is most likely to be a state education agency, but may also be a state community college board, a standalone CTE agency, a workforce development agency, or other relevant state agency designated by the state.

Of the total state allotment, a state may hold up to 15% to be spent at the state level. These funds can be used for two general purposes: state administrative funding and state leadership funding.

State Administrative Funding

States may keep up to 5%, or a maximum of \$250,000, for one or more of the following six purposes:

- Developing the state plan
- Reviewing local applications for funding
- Monitoring and evaluating program effectiveness
- Assuring compliance with all applicable federal laws
- Providing technical assistance to local recipients
- Supporting and developing state data systems

States must provide an equal number of state dollars to match the amount of Perkins funding they hold for state administrative activities.

State Leadership Funding

States may also keep up to 10% of the total state allotment for state leadership activities. This includes the following three required set-asides and several other required uses:

- *Non-traditional training set-aside:* Between \$60,000 and \$150,000 for services that prepare individuals for career fields non-traditional for their gender.
- *Recruiting special populations set-aside:* At least \$50,000 or 0.1% -- whichever is less -- for recruiting students with [special population](#) status into CTE programs.
- *Institutional set-aside:* Some expenditure, up to 2%, to serve individuals in state institutions such as juvenile justice and corrections facilities as well as state schools for learners with disabilities.
- *Other required uses:* Programs for special populations and other activities that expose students, including special populations, to high-skill, high-wage and in-demand occupations; support for recruiting, preparing or retaining CTE teachers, faculty and staff; providing technical assistance to eligible local recipients; and reporting on the effectiveness of Perkins funding uses as well as progress in reducing disparities among learner groups.

States may also spend state leadership funding in accordance with 25 permissible uses, which touch on a wide variety of CTE program elements, or for “other State leadership activities that improve career and technical education.”

Local Funding

The remainder of the state allocation – 85% or more of the total allotment – is distributed to local recipients. Secondary recipients are primarily school districts, who then decide how to distribute funds to schools, while postsecondary recipients are primarily community and technical colleges.

The state decides the percentage of the allocation that will be distributed to secondary CTE recipients by a formula based on population and poverty levels and the percentage that will flow to postsecondary CTE recipients based on the number of CTE students receiving need-based Pell Grants and financial aid from the Bureau of Indian Affairs. States may propose alternative formulas, but this rarely happens.

Other Local Distribution Scenarios

- *Secondary-postsecondary consortia*: A few states require, incentivize or encourage secondary and postsecondary CTE providers within a region of a state to form a consortium to foster CTE program alignment across secondary and postsecondary levels.
- *Minimal allocation consortia*: Local secondary recipients, usually in rural areas, that would receive less than \$15,000 based on the formula must form a consortium with other secondary recipients to be eligible for funding. On the postsecondary level, the minimum is \$50,000.
- *Area technical centers*: These institutions, which usually provide CTE programs for students across a region, may receive funding through the school district or directly from the state, depending on where they fit in the state structure and whether they serve secondary students, postsecondary and adult students, or both.

Local Uses of Funding

Recipients of funding on the local level must use their Perkins allotment to meet the needs identified in their comprehensive local needs assessment (CLNA). The CLNA is a new requirement under Perkins V for each local recipient to evaluate CTE program quality, student performance and supports, and alignment to the labor market at least every two years.

In addition to meeting needs identified by the CLNA, local recipients must use Perkins funding for the following six required uses:

- Providing career exploration and career development activities
- Providing professional development for educators
- Providing the skills necessary to pursue high-skill, high-wage or in-demand occupations or sectors
- Supporting the integration of academics and CTE
- Supporting implementation of CTE program elements that result in increased student achievement (20 permissible activities are listed under this required use)
- Conducting evaluation activities

Reserve Fund

Within the at least 85% of the state allocation that goes to local recipients, states may reserve up to 15% for alternative distribution. This enables states to provide additional supports to particular types of local recipients, such as rural CTE programs, or to incentivize local recipients to address specific goals such as strengthening [programs of study](#) or closing gaps among learner groups.

Additional Provisions

Two additional provisions in the law are intended to ensure that states maintain state-level funding to support CTE:

- *Maintenance of Effort*: This provision requires states to continue to fund CTE programs at least at the base level of funding provided in the previous year. States are allowed to reset this baseline once and with no more than a 5% reduction.

- *Supplement not Supplant*: States and local recipients may not use federal Perkins funds to replace state and local sources of funding for CTE programs.

Middle Grades CTE Funding

Perkins V allows funds to be used starting as early as grade 5, with state flexibility to decide which grade levels can be supported. About 90% of states are allowing local recipients to expend funding for middle grades CTE and career exploration, with nearly half allowing funding down to grade 5. In addition, some states are using state leadership funding or the reserve fund to support middle grades CTE.

Learn More

To learn more about the topics addressed in this brief, consult the following resources:

- [Perkins 101: Introduction to the Carl D. Perkins Career and Technical Education Act](#) (ACTE, 2025)
- [Perkins 101: Accountability](#) (ACTE, 2025)
- [Perkins 101: Comprehensive Local Needs Assessment](#) (ACTE, 2025)
- [Perkins V: The Official Guide to the Strengthening Career and Technical Education for the 21st Century Act](#) (ACTE, 2018)
- [CTE Learn Course: Spending and Managing Carl D. Perkins Grant Funds](#) (ACTE)
- [Perkins V Funding Distribution Chart](#) (ACTE, 2025)