The Strengthening Career and Technical Education for the 21\textsuperscript{st} Century Act (Perkins V) includes an optional reserve fund, which is available for eligible agencies to distribute back to local recipients to advance key priorities. This funding stream is designated for recipients with high numbers of Career Technical Education (CTE) students, high percentages of CTE students, rural communities or areas with disparities in performance among population groups. Under Perkins V, the Perkins eligible agency can designate up to 15 percent of the local Perkins funding to the reserve fund.

How Can the Reserve Fund Be Used?

These funds must spur innovation or support program of study or career pathways aligned with state-determined high-skill, high-wage or in-demand occupations or industries. Within those parameters, eligible agencies and State CTE Directors have flexibility to use reserve funds as they best see fit to drive quality and equity within their CTE systems and programs.

How Do States Plan to Use the Reserve Fund?

An analysis by Advance CTE of each Perkins V four-year state plan found:

- Forty-six states plan to use the reserve fund;
- Fourteen states are using the full 15 percent of the reserve fund;
- Thirty-five states are providing reserve funds to both secondary and postsecondary eligible recipients; and
- At least two-thirds of states are distributing some, if not all, of the reserve funds competitively.

Among states’ most common uses of the reserve fund are: supporting programs of study, closing equity gaps, expanding rural CTE and expanding dual enrollment and articulation.
**Innovative Uses of Reserve Funds**

- A portion of reserve funds in **Louisiana** is supporting the state’s Perkins Regional Coalitions, which are partnerships that are co-located geographically with the state’s regional labor market areas. These coalitions include secondary, postsecondary and industry representations, and will help to identify work-based learning opportunities and evaluate CTE programs for quality.

- In **Michigan**, reserve funds is being used to establish a competitive grant application process to identify credentials and align them with the course standards for CTE programs of study. To be eligible, secondary and postsecondary Perkins eligible recipients must establish consortia and work closely with local employers that agree to make use of identified credentials to make hiring decisions.

- **Rhode Island** is using some of the reserve funding to provide Equity Grants to secondary CTE programs. These funds are intended to be used to address access, participation or performance gaps of specific learner populations enrolled in priority program areas. To be eligible, recipients must complete a root cause analysis and propose specific program-level solutions to address identified root causes of these gaps.

For additional information on how states leveraged the Perkins V state plan, check out *The State of Career Technical Education: An Analysis of States’ Perkins V Priorities* at [https://careertech.org/resource/state-cte-perkins-v](https://careertech.org/resource/state-cte-perkins-v)