

# CTE Accounting

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# SDAAC Subcommittee on CTE Funding

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# Current Situation

- The CTE program accounting matrix does not allow for direct charging some of the expenditures that the students enrolled in the program at a comprehensive middle or high school benefit from or have access to.
- When you combine this fact with the current CTE indirect rate of 5%, the expenditure structure does not allow for a transparent representation of direct costs within allowable parameters.

# Goal for 2024-25 School Year

- Expand the allowable expenditure matrix for the CTE programs to include additional activities, while at the same time creating meaningful and measurable limitations on direct charges.
- Any new limitations would not be part of the budget (F-195) but can be implemented in the F-196 in September at the end of the 2024-25 school year.

# The Indirect Gap

SY	State Summary Analysis			State Summary of the High School CTE Program 31 Only			If the Program 97 Percentage is Applied	Differential
	District-Wide Support	Program 97 Expenditures	Percent of <b>Total</b> Expenditures	CTE Allocation	Indirect Rate %	CTE Indirect amount		
21-22	Prog 97	\$2,324,636,963	<b>12.6%</b>	\$555,633,368	<b>5.0%</b>	\$27,781,668	\$70,009,804	<b>\$(42,228,136)</b>
20-21	Prog 97	\$2,143,138,367	<b>12.7%</b>	\$512,701,138	<b>5.0%</b>	\$25,635,057	\$65,113,045	<b>\$(39,477,988)</b>
19-20	Prog 97	\$2,110,076,342	<b>12.8%</b>	\$492,622,377	<b>5.0%</b>	\$24,631,119	\$63,055,664	<b>\$(38,424,545)</b>
18-19	Prog 97	\$2,026,170,649	<b>12.7%</b>	\$445,742,296	<b>5.0%</b>	\$22,287,115	\$56,609,272	<b>\$(34,322,157)</b>
17-18	Prog 97	\$1,963,534,244	<b>13.7%</b>	\$398,732,634	<b>5.0%</b>	\$19,936,632	\$65,626,378	<b>\$(34,689,739)</b>

# Comparing the Instructional Activities as a percentage of the Instructional Program's Expenditures

	ACTIVITY	Statewide Instructional		Program 01		Program 31	
21	Supervision	441,915,158	3.00%	180,696,290	2.03%	38,211,761	6.94%
22	Learning Resources	180,179,624	1.22%	167,370,229	1.88%	1,381,132	0.25%
23	Principal's Office	1,087,615,572	7.38%	997,105,528	11.19%		
24	Guidance and Counseling	546,659,906	3.71%	355,908,795	4.00%	27,120,564	4.92%
25	Pupil Management	206,425,409	1.40%	138,036,361	1.55%	906,502	0.16%
26	Health/Related Services	780,893,366	5.30%	149,169,392	1.67%		
27	Teaching	10,337,849,159	70.19%	6,236,401,501	70.02%	453,163,056	82.25%
28	Extracurricular	281,389,303	1.91%	256,809,250	2.88%	2,150,043	0.39%
29	Payments to School Districts	34,591,536	0.23%	7,174,502	0.08%	140,572	0.03%
31	Instructional Professional Development	398,960,009	2.71%	157,600,557	1.77%	7,384,665	1.34%
32	Instructional Technology	175,395,426	1.19%	79,985,972	0.90%	11,809,602	2.14%
33	Curriculum	147,593,826	1.00%	98,232,865	1.10%	4,832,066	0.88%
34	Professional Learning–State	109,751,697	0.75%	82,709,119	0.93%	3,845,838	0.70%
	TOTALS	<b>14,729,219,990</b>	100.00%	<b>8,907,200,362</b>	100.00%	<b>550,945,801</b>	100.00%



# The Measurement of CTE Minimum Expenditures

# CTE Minimum Expenditures

## **WACs 392-121-570 through 392-121-578**

- The purpose of these sections is to assure that state allocations for vocational education are expended by school districts and charter schools to support state vocational programs.

CTE minimum direct expenditures equals:

- 95% of the CTE Allocation
- 93% of the VOC Running Start Allocation
- Prior Year Carryover

There is a 5% limit on indirect costs.



# CTE Carryover and Recovery

- Actual Expenditures are compared to Minimum Expenditures
- If Actual expenditures are less than the minimum,
  - The district is allowed to carryover up to 10% of the minimum expenditures,
  - Excluding any prior year carryover or recovery.
- OSPI shall recover an amount of the CTE enhancement equal to the lesser of:
  - The enhancement allocation or
  - The difference in the minimum expenditures less allowable carryover.



# Proposals

# Conversational Prompts

- What do you like?
- What concerns do you have?
- What changes would you propose?
- Is this an approach you would support?

# CTE Program Activities

	ACTIVITY	Total
21	Supervision	
22	Learning Resources	
24	Guidance and Counseling	
25	Pupil Management	
27	Teaching	
28	Extracurricular	
29	Payments to School Districts	
31	Instructional Professional Development	
32	Instructional Technology	
33	Curriculum	
34	Professional Learning–State	
35	Pupil Safety	
	TOTALS	

# Proposal to Add

	ACTIVITY	Total
21	Supervision	
22	Learning Resources	
23	Principal’s Office	
24	Guidance and Counseling	
25	Pupil Management	
26	Health/Related Services	
27	Teaching	
28	Extracurricular	
29	Payments to School Districts	
31	Instructional Professional Development	
32	Instructional Technology	
33	Curriculum	
34	Professional Learning–State	
35	Pupil Safety	
63	Operation of Buildings	
65	Utilities	
72	Information Systems	
	TOTALS	

# Clarification on Activity 23

- Activity 23 – Principals Office – this activity covers the management and coordination of a school unit.
- Note: A CTE director position would be coded entirely to Activity 21 Supervision as this is a direct cost of the program. If the program went away so too would the director.

# Enrollment Basis

- Charges to the newly opened activities cannot exceed the percentage of districtwide CTE enrollment to the total enrollment in grades 7-8 and 9-12 separately depending on program.
- This would be two different calculations, one for middle school and one for high school.
- This would be a direct to student enrollment, so if 30% of the 9-12 enrollment is enrolled in CTE then combined costs charged to the newly open activities cannot exceed 25% of annual allocation. (25 + 5 = 30 according to my Excel formula)

# Maximum Limitation

- The dollar amount of the 5% plus the amounts charged to activities 23, 26, and 72 cannot exceed 20% of the program allocation for that school year.
- This would be a single calculation at the school district level.
- It could be separate for middle school and high school.
- This would not tie to student enrollment, so the 20% would remain the same regardless if the percentage of CTE enrollment in the district is 30% or 5% overall enrollment in that grade group.

# Hybrid Approach

- Charges to the newly open activities cannot exceed the lesser of 15% or the actual percentage of districtwide CTE enrollment in grades 7-8 or 9-12 separately depending on program.



# Example #1

BEA in CTE program JE			BEA Enrollment		CTE Enrollment		
JE from 01 to 31 for both HS	Enrollment:		1,581.10	1,524.10	276.05	295.47	
	BEA		Per student cost		CTE portion		Notes
<u>BEA Labor Cost</u>	SHS	BLHS	SHS	BLHS	SHS	BLHS	
Principals	1,034,935.69	829,060.75	654.57	543.97	180,693.19	160,726.05	
Nurse	113,404.93	112,754.81	71.73	73.98	19,799.78	21,859.24	
Admin Secretary	462,190.59	399,903.15	292.32	262.39	80,695.54	77,527.32	
Campus Safety Officer	141,235.10	162,319.27	89.33	106.50	24,658.75	31,468.06	
Library Media Assistant	63,094.09	60,435.27	39.91	39.65	11,015.83	11,716.30	
<b>MSOC</b>							
WSPIC Cost					12,425.01	13,299.10	By student count
Technology support							
<b>Total charge to CTE</b>					<b>329,288.09</b>	<b>316,596.07</b>	
						645,884.16	
						322,942.08	

# Example #2

Activity	Total				
21 Supv Inst	681,589.79		Direct Expenditures	4,565,563.30	
22 Lrn Resrc	11366.06				
23 Principals	0.00		Program Support Expenditures	1,008,035.21	<-- This ca
24 Guid/Coun	326,445.42				
25 Pupil M/S	28063.39				
26 Health Related SV	0.00			5,573,598.51	
27 Teaching	4,109,756.63				
28 Extracur	0.00				
29 Pmt to SD	0.00				
31 InstProDev	243,490.53				
32 Inst Tech	79,633.19				
33 Curriculum	31,704.00				
34 Pro Learn	61,549.50				
63 Operation of Building	0.00				
64	0.00				
65 Utilities	0.00				
GL 535	0.00				
<b>31 Total</b>	<b>\$5,573,598.51</b>				
AAFTE 9-12	3099.57				
CTE AAFTE 9-12	568.65				
	18.35%	\$	1,022,537.58		
Actual PRG 31 Revenue	\$ 5,836,984.11	\$	1,070,858.54		

# Example Three

Outside Slide Deck





# Enforcement Options

# Potential Enforcement

- OSPI can use F-196 edits to compare the costs in a specific category to the overall allocation provided for the program if it is done at the district level for CTE programs.
- OSPI will not be able to use the F-196 process to enforce any expenditure limitations that are based at a school building level.
- SAO and the audit process would have to be involved in the enforcement if we are calculating things at a school building level using ratios of student enrollment.
- OSPI does not have the IT budget to do this level of programming.

# Closing Thoughts or Reactions