**The Advance CTE Finance/Audit Committee Conference Call**

June 14, 2018

3-4 p.m.

Conference Call

**ATTENDEES:** Rod Duckworth, Sarah Heath, Lee Burket

**STAFF:** Kim Green, Kate Kreamer, Shannon Johnson

**ABSENT:** Sheila Ruhland, Mike Mulvihill

**Welcome:** Kim Green

**Approval of the FY19 Proposed Budget:** Green asked if anyone had any additional questions or comments. Duckworth indicated that he reviewed the information prior to the call and does not have any additional questions. Heath stated that leadership has done an excellent job of adjusting the budget for projects and resources, rent and revenues, and anticipating questions that could be posed. Burket had no additional questions.

**Advance CTE Budget Changes**: Green stated that we are hiring a second federal policy position to focus on post-secondary issues. Investments in the Double the Investment Campaigns have begun. In addition to the Double the Investment Campaign Advance CTE is moving into fee-based technical assistance (e.g. Vermont). There is an addition to the budget to help for travel and expenses to help states with technical assistant.

Additionally, planning has begun for regional meetings after the Perkins bill approval. Once the bill has been approved, the board will be presented with a budget modification accounting for the regional meetings. Leadership has had a meeting with the Bill & Melinda Gates Foundation regarding additional funding for the initiative.

Green announced that we implement a fee increase of $50 for future semi-annual meetings. The increase in fee is due to an increase in the direct expenses related to the meeting.

Green indicated the “profit” on the bottom line is because the building management gave Advance CTE nine months of free rent (equaling $53,000), the benefit of which will be utilized in FY19. Had building management not provided the rent accommodation Advance CTE would have had a rent expense of $57,000 for that nine month period, requiring an additional $4,000 to be withdrawn from reserves. Additionally building management is providing $32,000 in reimbursement for moving and furniture, beyond that leadership anticipates an additional $13,000 in moving expenses.

Green stated that the membership estimates reported are conservative and that attempts are being made to restore Michigan’s membership.

**The Center to Advance CTE Foundation Budget Changes:** Green said that the company has completed the IDIQ, DoDEA, Siemens 1.0, STELAR (ending in August) grants. These projects are being phased out and will not show up in the budget reports for the next fiscal year.

Green relayed that our work with ACTE/Vision had a minor glitch over revenue sharing, staff time and travel. ACTE only reimbursed Advance CTE for half of our expenses this year. Leadership is working with the accountant to shift the remaining $6,000 to various grants. For the next fiscal year, a fixed upper limit for staff time and travel will be applied. Revenue sharing will be eliminated and an agreement was made that Advance CTE would contribute to one strand of sessions at ACTE’s conference.

Green explained that the majority of what is listed in the budget report are expenses related to grant work and other initiatives. An effort is being made to redefine the revision of the Career Clusters work. The board will be updated on the costs associated with the revision.

The Bill & Melinda Gates Foundation is interested in the work around Perkins and Career Clusters. Future presentations and meetings to be planned.

Career Cluster product sales are neither huge expense or revenue generator. Current inventory levels are being drawn down.

Excellence in Action Awards: Advance CTE would like to provide a greater level of travel reimbursement for the award winners.

Additional projects being funded by the Center are development activities and Virtual Institute, both of which require large amounts of staff time. The shift is reducing the expense of the projects but saving staff time.

Due to the rent abatement and increase in staff time the budget is even otherwise $68,000 would have needed to be withdrawn from the reserves. The FY20 budget will require the additional $68,000 but Green is confident the funding will come from JPMC and other grants.

Green called the Advance CTE Finance Committee Meeting to a close at 3:37 p.m.