

Advance CTE Board of Directors' Meeting

**AGENDA**

October 22, 2018

9:30 – 11:45 a.m.

Meeting Room: Salon ABC

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1. Welcome, Overview of Agenda  
*9:30 – 9:35 a.m. (5 minutes)*  
..... Bernadette Howard  
President  
*Pages 1-4*
  
2. Approval of June 20, 2018 Minutes  
*9:36 – 9:37 a.m. (2 minutes)*  
..... Marcie Mack  
Secretary/Treasurer  
*Pages 5-6*
  
3. Approval of Consent Agenda  
*9:38 – 9:40 a.m. (2 minutes)*  
..... Bernadette Howard  
President  
*Pages 7-16*
  - ACTE Update
  - FCCLA Update
  - HOSA Update
  - New State CTE Director Leadership Program
  - TSA Update
  
4. Advance CTE Financial Reports and Budget Modification  
*9:40 – 9:57 a.m. (17 minutes)*  
..... Marcie Mack  
Secretary/Treasurer  
*Pages 17-44*
  - FY18
  - FY19
  - Budget Modification
  
5. Finance Manual Revisions  
*9:58 – 10:02 a.m. (5 minutes)*  
..... Shannon Johnson  
Administrative Associate  
*Pages 45-55*
  
6. Personnel Policy Revisions  
*10:03 – 10:08 a.m. (5 minutes)*  
..... Kimberly Green  
Executive Director  
*Pages 56-57*
  
7. Higher Education Act Reauthorization Recommendations  
*10:09 – 10:24 a.m. (15 minutes)*  
..... Meredith Hills  
Policy Associate  
*Pages 58-63*
  
8. Federal Policy Update/Perkins V  
*10:25 – 10:45 a.m. (20 minutes)*  
..... Kathryn Zekus  
Senior Associate, Federal Policy  
*Pages 64-70*

**BREAK**

- |     |  |   |
|-----|--|---|
| 9.  | Double the Investment Campaign<br><i>10:55 – 11:05 a.m. (10 minutes)</i>           | Kathryn Zekus<br>Senior Associate, Federal Policy             |
| 10. | Equity Statement<br><i>11:06 – 11:26 a.m. (20 minutes)</i><br>.....                | Austin Estes<br>Senior Policy Associate<br><i>Pages 71-72</i> |
| 11. | Other items to be added/next meeting<br><i>11:27 a.m. – 11:30 a.m. (4 minutes)</i> | Bernadette Howard<br>President                                |

Lunch is served at 11:45 a.m. in Salon ABC.

The Joint Meeting of the Advance CTE and Center to Advance CTE Boards begins at 12:15 p.m. in Salon ABC.

**Upcoming Meetings**

**Advance CTE Conference Call**

January 30, 2019 from 2 – 3 p.m. ET

Purpose: Approve Audit and 990s

**2019 Spring Meeting**

Omni Shoreham Hotel

Meeting: April 8 - 10, 2019

Washington, DC

Board Meeting: April 7, 2019

**Advance CTE Conference Call**

June 26, 2018: 2- 3 p.m. ET

Purpose: Approve FY20 Budget

**ADVANCE CTE  
BOARD OF DIRECTORS  
FY 18-19**

**President**

Ms. Bernadette Howard, State Director,  
Hawaii  
Lunalilo FWY Portable 1 Lower Campus  
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96822 [mbhoward@hawaii.edu](mailto:mbhoward@hawaii.edu)

**Vice President**

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**Secretary-Treasurer**

Dr. Marcie Mack, State Director,  
Oklahoma  
1500 W. 7<sup>th</sup> Avenue  
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**Past President**

Dr. Pradeep Kotamraju, State Director,  
Iowa Director, CTE Bureau Chief  
Division of Community Colleges Iowa  
Dept. of Education  
400 east 14th Ave.  
Grimes State Office Building  
Des Moines IA 50319  
[pradeep.kotamraju@iowa.gov](mailto:pradeep.kotamraju@iowa.gov)

Vacant

Region I – Connecticut, Maine,  
Massachusetts, New Hampshire, Rhode  
Island, Vermont  
Term expires: 6/30/20

Vacant

Region II – New Jersey, New York,  
Puerto Rico, Virgin Islands  
Term expires: 6/30/21

Dr. Lee Burket, Pennsylvania  
Region III – Delaware, District of  
Columbia, Maryland, Pennsylvania,  
Virginia, West Virginia  
333 Market Street  
Bureau of Career and Technical Education  
Harrisburg, PA 17126-0333  
[lburket@pa.gov](mailto:lburket@pa.gov)  
Term expires: 6/30/20

Dr. Barbara Wall, Georgia  
Region B – Alabama, Arkansas, Florida,  
Georgia, Kentucky, Louisiana,  
Mississippi, North Carolina, Puerto Rico,  
South Carolina, Tennessee, Virginia, West  
Virginia  
1752 Twin Towers East  
205 Jesse Hill Jr. Drive, S.E.  
Atlanta, GA. 30334  
[bwall@doe.k12.ga.us](mailto:bwall@doe.k12.ga.us)  
Term expires: 6/30/21

Ms. Jeralyn Jargo, Minnesota  
Region V – Illinois, Indiana, Michigan,  
Minnesota, Ohio, Wisconsin  
Wells Fargo Place 30 East 7th Street St.  
Paul, MN 55101  
[jeralyn.jargo@minnstate.edu](mailto:jeralyn.jargo@minnstate.edu) Term  
expires: 6/30/19

Ms. Thalea Longhurst, Utah  
Region D – Colorado, Kansas, Montana,  
Nebraska, New Mexico, North Dakota,  
South Dakota, Texas, Utah, Wyoming  
250 E 500 S, PO Box 144200  
PO Box 144200  
Salt Lake City, UT 84114-4200  
[thalea.longhurst@schools.utah.gov](mailto:thalea.longhurst@schools.utah.gov) Term  
expires: 6/30/21

Ms. Donna Wyatt, California  
Region E – Alaska, Arizona, California,  
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Washington, Guam  
1430 N Street  
Suite 4202  
Sacramento, CA 95814  
[dwyatt@cde.ca.gov](mailto:dwyatt@cde.ca.gov)  
Term expires: 6/30/21

Dr. Sheila Ruhland  
Associate Member Representative  
9 Flad Circle  
Madison, WI 53711  
[ruhland11@gmail.com](mailto:ruhland11@gmail.com)  
Term expires: 6/30/20

Dr. Charisse Childers  
At Large State Director  
3 Capitol Mall  
Little Rock, AR 72201  
[charisse.childers@arkansas.gov](mailto:charisse.childers@arkansas.gov)  
Term expires: 6/30/21

**Advance CTE Board of Directors' Meeting**  
**MINUTES**

June 20, 2018  
2:00 - 3:00 p.m.

**ATTENDEES:** Lee Burket, Jeralyn Jargo, Pradeep Kotamraju, Eleni Papadakis, Rich Katt, Thalea Longhurst, Charisse Childers, Sarah Heath, Sheila Ruhland, Meg Harvey

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

**ABSENT:** Rod Duckworth, Bernadette Howard, Jean Massey

**WELCOME:** Pradeep Kotamraju called the meeting to order at 2:03 p.m. and greeted the Board.

**Review and Approval of April 3, 2018 Minutes:** Kotamraju asked if the Board had any amendments to the minutes from April 3, 2018 Board meeting. Heath gave a brief review of the minutes and asked for a motion to approve them.

**MOTION: To approve the April 3, 2018 Board minutes, as presented.  
Burket, Papadakis.  
MOTION ADOPTED.**

**Review and Approval of the April 3, 2018 Joint Board Meeting:** Heath gave a brief review of the joint Board meeting minutes and asked for a motion to approve them.

**MOTION: To approve the April 3, 2018 Joint Board Meeting minutes, as presented.  
Burket, Jargo.  
MOTION ADOPTED.**

**Review of FY19 Budget and Expenses:** Green gave a detailed overview of the FY19 budget and expense details. Kreamer provided details on potential funding from The Bill and Melinda Gates Foundation for the Career Clusters work and other projects.

Kotamraju asked for a status update on hiring someone for open the finance position. Green explained that Krissy Haynes is doing our bookkeeping work (as a contractor); Shannon Johnson will be taking on finance responsibilities gradually over the next few months.

Childers asked for more detail about the fall meeting/spring meeting budgets. Green explained that the budget includes direct costs only, not staff time/benefits. Green explained that there are some increases to the budget and provided the following as explanations for those increases:

- The external meeting planner's fees have increased;
- One-time investments in meeting related hardware, such as projectors and a new meeting laptop;
- Increase in number of staff means that there will be an increase in staff-related travel expenses (covering their time, travel, and meals) for spring and fall meetings; and

- The hotel and catering costs are increasing 10% in fall and 15% in spring.

Harvey asked for an explanation for the Vermont contract. Green said that the Vermont contract is a fee-for-service arrangement to support Vermont's State Director in strategic planning and setting of a statewide vision for CTE. Harvey asked if this is something Advance CTE could do for other states. Green responded yes, Advance CTE is happy to conduct fee-for-service work for states.

Harvey ask what the difference is between The Center to Advance CTE and Advance CTE. Green explained that Advance CTE is the 501(c)(4) non-profit, membership organization; the Center to Advance CTE is the 501(c)(3) organization through which the majority of our grants are processed.

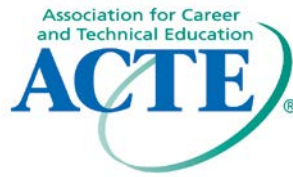
**MOTION: To approve the FY19 Budget and Expenses, as presented.  
Katt, Papadakis.  
MOTION ADOPTED.**

**Acknowledgement:** Following the budget discussion Green acknowledged that Kotamraju's service as President was coming to a close and that this was the last Board call for Katt and Padakasis. Green thanked them all for their service and leadership. Katt and Papadakis responded with gratitude. Kotamraju also gave thanks to Katt and Papadakis for their service to the Board.

**Perkins Reauthorization Bill:** Green said that the markup was scheduled to take place on June 26. Both Democrats and Republicans have said that the likelihood of the bill being approved is greater than 90%. Advance CTE has made an outreach to a couple other partner organizations about analysis and developing tools, such as a state plan and local needs assessment template. Green also shared that the House recently passed an additional \$102 million for Perkins out of the Appropriations Subcommittee. This was a direct request from the Chairman and a positive turn for CTE.

Finally, Green shared that Scott Stump has been nominated as Assistant Secretary for Career, Technical, and Adult Education at the Department of Education, which the HELP Committee will vote on during the Perkins markup.

Kotamraju called the Advance CTE Board Meeting to a close at 2:44 p.m.



**ACTE Board Report**  
**Submitted October 1, 2018**

- ACTE and Advance CTE have been working closely together on issues related to the passage of Perkins V. Our new *Perkins V: The Official Guide* publication will soon be released. ACTE staff will be joining at regional conferences that Advance CTE has organized. For more information on the Perkins V book, view [www.acteonline.org/perkins-implementation/](http://www.acteonline.org/perkins-implementation/)
- A new STEM Parent program has been established with LifeJourney. The program provides an immersive career exploration experience for students through an online STEM mentoring environment. ACTE is seeking to work with organizations in partnership on this new initiative that we believe can strengthen parent understanding about CTE career pathways. For more information, visit [www.actestemparent.com](http://www.actestemparent.com)
- Plans for CareerTech VISION in San Antonio Nov. 28 – Dec. 1 are in full swing. The event looks to be one of our best and largest, to date. ACTE appreciates the work of Advance CTE on the Career Clusters portion of the event and we look forward to having many of you attend the State Leaders meeting. For more information on the event, visit [www.careertechvision.com](http://www.careertechvision.com)
- ACTE has been working to plan and implement four Counselor Workshops as part of Advance CTE’s work with Siemens Foundation. We are grateful for the opportunity to work on this important initiative and pleased to report that the CareerTech VISION workshop sold out very quickly. The other three workshops will be taking place this Spring and locations will be announced soon.
- ACTE is developing a series of middle school CTE/career development activities. A social media campaign was launched in October that relates back to our “Career Exploration in Middle School: Setting Students on the Path to Success” publication. A podcast series focused on promising programs will begin later this year as well as conference sessions at our events. We are looking forward to Advance CTE’s middle school publication and are coordinating together and hoping to cross-promote all of these activities.
- ACTE has completed work on the first phase of the High Quality CTE initiative and is developing an online assessment tool that will soon be released to help local practitioners identify how to strengthen elements of their programs. A series of publications on each element of the HQ CTE framework is planned as well as a new column in *Techniques* magazine. Several panels of industry leaders will be discussing specific element themes (e.g. business and community partnerships, work-based learning) during CareerTech VISION breakout sessions. For information on the initiative, visit [www.acteonline.org/high-quality-cte/](http://www.acteonline.org/high-quality-cte/)

Submitted October 1, 2018 by LeAnn Wilson,  
ACTE Executive Director (703-683-3111; [lwilson@acteonline.org](mailto:lwilson@acteonline.org))

## FCCLA Affiliate Update

### October 2018

#### ***New Middle Level Affiliation Rate***

FCCLA had over 20,000 middle level members last year but many large middle level programs that only affiliated students who intended on traveling or competing. In order to assist middle school teachers in their work to engage all of their students in national membership and opportunities for members, FCCLA now offers a 100% Affiliation option for a reduced flat national rate. Now all middle level students who are currently enrolled in or have taken an FCS course can be included in a chapter's membership roster for the national flat rate of \$250. We have already seen increased middle level chapters and engagement since this option became available in August and look forward to continuing to reach middle school students early in their career preparation journey.

#### ***Career Pathway Focus***

In an effort to help our advisers and members better identify the career pathways that Family and Consumer Sciences and FCCLA support we developed and implemented a Career Pathway logo and are making programmatic efforts to reflect this emphasis including:

- Creating a one-page handout with the Career Pathway logo and potential career options listed under each pathway
- Developed and implemented a new structure for the FCCLA national magazine Teen Times that highlighted two career pathways in each edition
- Identifying the workshops, competitive events, and other programmatic activities by putting a mark in the color of the pathway to help members and advisers locate the opportunities that best align with their career pathway focus
- Updating the Career Connection national program to be released in June
- Offering career exploration options for attendees at our National Leadership Conference for each pathway

#### ***Career Connection Program Update***

FCCLA's **Career Connection** national peer education program guides students to develop, plan, carry out, and evaluate projects to discover their strengths and then develop and practice career-ready skills. Through their projects, members experience career preparation and improve their critical and creative thinking, interpersonal communication, practical knowledge, and real-world skills. This program is available for all CTE educators. If you are interested in a sample or a demonstration, please contact FCCLA at [bcarpenter@fclclainc.org](mailto:bcarpenter@fclclainc.org). Units include:

- **My Skills** — students learn about themselves and practice being productive, promotable employees as they link their personal interests, skills, and goals to careers.
- **My Life** — students learn to manage interconnected roles in careers, families, and communities by exploring choices and skills that help balance these roles.
- **My Career** — students gain a better understanding of work and learn how to find and land a job.
- **My Path** — students identify steps they can take to reach career and lifestyle goals.

Currently FCCLA has two federal grants. One grant is with the USDA in partnership with SUNY and AAFCS to build a foundation for the Say Yes to FCS project recruiting and supporting FCS educators. The second grant is a cooperative agreement with the US DOT through NHTSA using peer education to measure and increase seatbelt use in middle school.



# HOSA Liaison's Report

## HOSA Washington Leadership Academy and State Advisor Meeting 2018

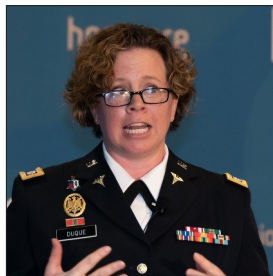


**Dr. Peg Enslen**, Chairman, HOSA, Inc. Board of Directors led 66 Chartered Association Advisors during the 2018 State Advisor meeting held in conjunction with WLA.

This gathering of leaders consisted of four days of professional development and networking for HOSA's state representatives.

**Captain Paul Reed**, MD, Deputy Director at the National Center for Disaster Medicine and Public Health was HOSA's keynote speaker at the Opening Session for WLA. Captain Reed captivated HOSA members with the thoughtful lessons about one's purpose in his message.

He emphasized to HOSA members that it is important to *realize* one's purpose, in addition to being able to define it.



**Lieutenant Colonel Elizabeth Duque**, MD, MBA, of the U.S. Army spoke to the WLA delegates about her personal journey as a doctor and soldier. She inspired members to follow their passions in the field of medicine through her insights and lessons learned during her career.



### 2018-2019 Executive Council

HOSA-Future Health Professionals' 12<sup>th</sup> Annual Washington Leadership Academy, facilitated by the 2018-2019 Executive Council, taught leaders the importance of Socially Responsible Leadership through the Social Change Model. This capstone leadership conference, held in historic Washington, D.C., allowed both local and state leaders the opportunity to develop not only as leaders, but as future health professionals. This experience additionally provided opportunities to meet with Congressional Representatives and Senators on Capitol Hill, and to visit health industry tours at the Children's National Medical Center, the George Washington University School of Medicine and Health Science, the U.S. Army and Uniformed Services University of the Health Sciences, the Washington, D.C. Medical Examiner's Office, and the Outbreak Exhibit at the National Museum of Natural History.

### UN Empowering Women & Girls 2030 Summit

On September 14, 2018, HOSA participated in the Annual Ideagen UN Empowering Women & Girls 2030 Summit at the United Nations in New York. New York State HOSA Representatives and HOSA Alumnus, Rahma Mkuu served on a global empowerment panel to highlight the role HOSA-Future Health Professionals has played in empowering her future.



The summit included global insights, trends and solutions presented by leaders, disruptors and luminaries from the world's leading brands, companies, NGOs, trade associations and public Sector leading the world into 2030 in artificial intelligence, Entrepreneurship, Workforce, Film and many other disciplines.



## New HOSA State Leaders

- **Colorado**—Bailee Gardunio, State Advisor & Dori Babock, Health Programs Director
- **Georgia**—Tiffany Barney, Health Science Program Specialist
- **Idaho**—Stephanie Mai, State Advisor & Tammy Ackerland, CTSO Manager
- **Iowa**—Kent Seuferer, State Advisor & Dawn Fitcher, Executive Director
- **Pennsylvania**—Walt Slauch, State Advisor
- **Virginia**—Jane Best, State Advisor



Introducing the 2018-2019 International Executive Council (L-R)

Austin Brewer	Postsecondary/Collegiate VP	University of Kentucky	Bioarcheology & Forensic Anthropology
Araoluwa Omotowa	Western Region VP	Harvard University	Government & Global Health Policy
Kartik Tyagi	Secondary Board Rep.	Enloe High School, NC	Neuroscience & Psychology
Sarah Fleischman	President	University of Florida	Public Health, Pre-Med Track
Burgin Mackey	Postsecondary/Collegiate Board Representative	Western Carolina University	Environmental Health Sciences & Japanese Studies World Health
Vivian Do	President-Elect	University of California, Las Angeles	Microbiology, Immunology, and Molecular Genetics, Pediatric Neurology
Darius Thomas	Central Region VP	University of Alabama	Public Health/Osteopathic Med.
Riya Gupta	Eastern Region VP	University of Michigan	Cell and Molecular Biology, Pre-Med Track

## Public Health Leadership Seminar—Life Changing Experience

The second day of PHLS provided the Scholars with the opportunity to hear from several different speakers. A few of the topics covered were disaster communications, transformative leadership, and emergency preparedness. These presentations provided the Scholars with important facts and statistics on the United States/territories and the citizens within them. This was a great time to learn about how the public can use the resources provided by the government and its affiliated organizations to better prepare themselves in the event of an emergency. Scholars learned how multifaceted emergency preparedness truly is and how it involves media, policy, access to electricity, and national communication.

One of the speakers who joined the Scholars was HOSA alumnus, Dr. Rick Garcia. He was a member of HOSA in the mid 1980's and used his experiences to begin his journey in the health profession. In 2016, Dr. Garcia attended the PHLS Seminar as an attendee. Now, he proudly returns to the seminar to speak with the Scholars about his involvement in HOSA and how it helped him find his purpose as a Director of Nursing Education at the American Association of Colleges of Nursing. Dr. Garcia spoke about how his experiences in HOSA shaped him into a transformative leader, inspiring and working closely with others in order to maximize group performance.



That afternoon, the Scholars were given the opportunity to meet with the United States Surgeon General, Vice Admiral Jerome Adams. During this time, the Scholars learned about the different aspects that play critical roles in Public Health. Additionally, the Surgeon General gave advice to the Scholars about their upcoming journeys into education and healthcare. This advice inspired the scholars to understand their dynamic importance in their future careers. Seeing how personable the Surgeon General is allowed the Scholars to speak in an intimate and relaxed setting, and even getting an iconic selfie to commemorate the moment.

Published in the July 2018 Public Health Leadership Seminar Blog <http://2018phls.blogspot.com/>



## 2018 HOSA International Leadership Conference Highlights

HOSA-Future Health Professionals was honored to have nearly 10,000 members, advisors and guests attend the 41st International Leadership Conference in Dallas, Texas, June 27-30, 2018. HOSA was represented by 54 chartered associations including Canada, American Samoa and Puerto Rico as well as guests from China.

The week was filled with excitement and opportunities for its members to come together to compete, learn and share their HOSA experiences. Conference highlights include:

- 60 health related competitive events
- 114 companies and organizations represented in the 2018 HOSA Expo
- 130 Educational Symposiums
- The nation's #1 doctor—The Surgeon General, VADM Jerome Adams, M.D., M.P.H.
- A Passionate keynote address from Rick Rigsby, Ph.D.
- Leadership Universities—Local Officer, State Officer, Middle School Student, & Local Advisor
- HOSA Scholarship Program awarded \$480,492 to 70 HOSA members at the international level.
- 2018 Public Health Leadership Scholars were recognized during the Opening Session

This year 6,916 competitors competed in one of 60 competitive events demonstrating competencies developed through Health Science and Biomedical Science class instruction, technical training, and HOSA activities. HOSA congratulates its middle school, secondary, and postsecondary/collegiate winners in this year's competitive events program.



HOSA's new service project is with the **National Pediatric Cancer Foundation**. HOSA is excited to be partnering with NPCF to bring both awareness and financial support to this worthy cause.

The Surgeon General hosted a round table discussion with the HOSA-100 Advisor Council and HOSA's Executive Committee members. The topic was current issues in Public Health



### HOSA-100 Advisory Council at ILC

- **Chairman General Bruce Green**, Deloitte
- **Collene Bay Anderson**, University of Phoenix
- **CAPT Rob Tossato**, Retired—Medical Reserve Corps
- **Dr. Michael Manyak**, GlaxoSmithKline
- **Dr. Saralyn Mark**, Solamed Solutions & iGiant
- **Charnetia Young**, representing—**Ernie Dupont**, CSV Health
- **Patricia Cornet**, Bristol Myers Squibb
- **Dr. William Barnes**, NACCHO
- **Kevin Cevasco**, Watson Health IBM



### HOSA Hall of Fame

As a part of HOSA's Opening Session, five outstanding individuals were inducted in the HOSA Hall of Fame. The HOSA Hall of Fame recognizes individuals and companies who have rendered outstanding service to HOSA, health and biomedical science education and the health industry. This year's Hall of Fame members included:

- State Advisor – Janet Nelson, Pennsylvania
- Local Chapter Advisor – Gwendolyn Barnett, Indiana
- HOSA Alumnus – Heath Treadway, North Carolina
- HOSA Member – Carlos Julian Gonzalez, Puerto Rico
- HOSA Partner – Uniformed Services University for the Health Sciences (USUHS)

### HOSA, Inc. Board of Directors

The HOSA, Inc. Board of Directors elected four new members to the HOSA, Inc. Board of Directors who will meet on Saturday, January 12, 2019 in Dallas, Texas:



Western Region – State Advisor:  
Mike Oechsner (NV)



HOSA Alumni/Director-at-Large:  
Adrian Patterson (OK)



Eastern Region – State Advisor:  
Jim Scott (OH)



HOSA HSE Supervisor/  
Teacher Educator Representative:  
Karen Hay (WA)



## 2018-2019 Theme

HOSA-Future Health Professionals is looking forward to a great 2018-2019 membership year! The theme for this year is **Define Your Purpose**.

2019's theme encourages members to open up books and begin writing their life's story. To live a meaningful life and accomplish your goals, you must first understand what they are and **DEFINE YOUR PURPOSE!**

In this year's identity, the open book signifies the possibilities of future goals and aspirations that will come with hard work. The heart is shown to express the **COURAGE** it takes to find a purpose in life and to resonate with the purpose of HOSA as an organization. The color scheme represents an even balance of blues and reds to reflect patriotism and the homestead of HOSA's foundation.

As future leaders of the health community, HOSA members can exemplify the defined purpose of the organization through "education, collaboration, and experience." With these goals in mind, it's time to develop yourself, find your passion, and put in the work to achieve your professional dreams!

Everything will fall into place once you **DEFINE YOUR PURPOSE**.

## Competitive Events Preparation for School Year 2018-2019

- Updating and revising **60 guidelines** for 2018-2019 to ensure terminology and processes are consistent and appropriate changes made.
- General Rules and Regulations and the Appendices to Section B of the CE Handbook are being revised.
- **Test Writers:**
  - Karen Batchelor: worked with Karen to continue the test bank which includes approximately 500 new test items each year, to compile the national tests for approximately 40+ events according to published test plans, and to support the writing of scenarios for HOSA for use at ILC and chartered association support.
  - Denise Abbott: middle school test-writing for ILC and chartered association support as well as Medical Reading tests for Secondary and Postsecondary/Collegiate.
  - Karen Batchelor is setting up a separate test bank for the middle school division by using the middle school information with support from Denise Abbott.
- Karen Batchelor provided analytical test data for each test question and modified any question in the test bank accordingly. The data was also reviewed by management and recommendations made for the test plans and references, if necessary, for each of the event guidelines with tests.
- **Competitive Events Report**—All evaluations are analyzed and placed in the reporting system to be reviewed prior to the next ILC. This includes:
  - judges
  - event personnel
  - Competitors
- **Pharmacy Science** was a huge success at the 2018 International Leadership Conference. It is now no longer a pilot event.
- **Tablet Judging**—Four competitive events at the 2018 ILC used tablets for judging and event management. HOSA is excited to be expanding this process to more events, increasing efficiency and ease of use!



*2017-2018 Capstone Team with HOSA Staff and Directors*

In September 2018, HOSA presented to a new class of graduate students at NYU's Data Science building in New York City. This year's topic challenged the capstone team to research, design and develop a feasibility study and capital campaign plan for HOSA to launch. HOSA has an interest in raising funds to build a permanent headquarters building. The teams will be selecting their projects in the coming weeks and HOSA will be notified if it was selected. The organization is grateful to Abraham Onifade, HOSA Alumnus, past Executive Council Member and current NYU student, who was able to join the presentation team and provide his unique "HOSA Story" to the graduate students.

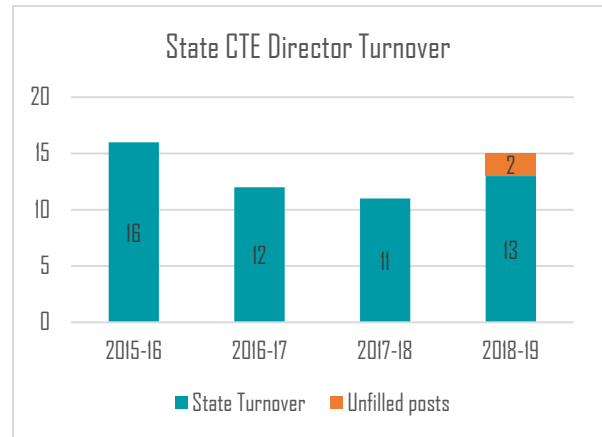
## NYU Wagner Capstone Project

In September 2017, HOSA was notified by New York University's Wagner School of Public Health, that it was selected by graduate students as their Capstone Project. HOSA was one of 100 organizations who made a pitch—around 60 were selected. Throughout the school year HOSA staff and the capstone team worked together on an issue presented by HOSA—how do we energize and grow our Alumni Division? The team put together an extensive report outlining a plan to **Retain, Reclaim, and Re-Engage** alumni members.

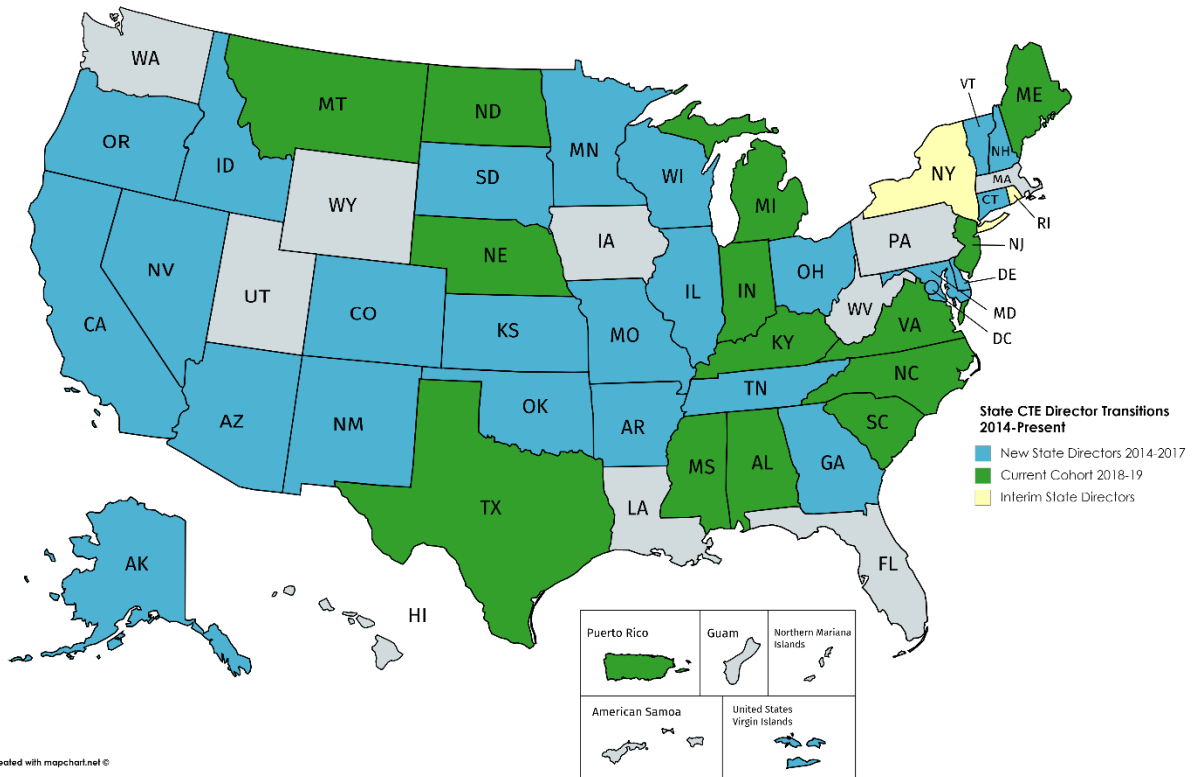
## New State CTE Director Leadership Program

Submitted by Andrea Zimmermann, Senior Associate for Member Engagement and Leadership Development

In September, Advance CTE launched the second cohort of the New State CTE Director Leadership Program, and moved the program from being a pilot. The 2018-19 cohort currently includes 13 State Directors and with potentially two more states poised to join the cohort. The chart on this page includes duplicated counts, as some states have turned over more than once.



As demonstrated in the map below, the rate of turnover has been extreme – with 87 percent of the states turning over at least once since the 2015-16 year.



The supports we have provided new State Directors have evolved over the past four years, starting with the 2015 cohort of 16, which included State Directors who had also begun in the prior year. Initially, we provided light supports to this cohort that included an optional mentorship pairing and personalized resources.



The following year, the pace of turnover continued, and Advance CTE began to plan a more formalized program to support these new leaders. A pilot of this more structured program launched in October 2017 with an 11-member cohort. The structure program included:

- Six self-paced modules covering topics (see below)
- Mentor pairing with a veteran State Director
- Two in-person workshops
- Monthly check-in calls

<b>2018-19 New State Director Leadership Program Curriculum</b>	
<i>Modules</i>	<i>Timing</i>
• <b>Module 1:</b> Being an Effective State CTE Leader	• September-October
• <b>Module 2:</b> Maximizing the Impact of Perkins V to Achieve Your State’s Vision for CTE	• October-December
• <b>Module 3:</b> Driving Quality through Programs of Study	• January-February
• <b>Module 4:</b> Establishing High-Quality CTE Data Systems to Inform Decision Making	• March-April
• <b>Module 5:</b> Engaging Employers to Strengthen Your State CTE System	• May-June
• <b>Module 6:</b> Crafting Your State’s Vision for the Future	• July-August

As it was a pilot year, we worked to be nimble and adapt to the needs of the cohort. Initially, one of the balancing acts was how demanding and time-intensive to make the program given the vast array of responsibilities a given State Director faces. We found that the cohort appreciated having a monthly check-in call, which gave them a safe space to ask their pressing questions of the moment. Another way in which we adapted the program was that an Advance CTE staff member facilitates the first mentor call to ensure each pairing gets off to a good start.

We also found that participants used the self-paced modules in a variety of ways. Some State Directors used the modules much like a workbook, wherein they printed it, filled out the questions and referred back to it often. Others used the guiding questions as a cheat sheet in staff meetings to help them probe and better understand the underpinning decisions that had been made by previous leaders. Originally, we had planned to offer supplemental “mini-modules” along with the larger modules, but we tabled that idea because the primary modules demanded quite a bit of time.

Ahead of the 2018-19 cohort launch, we largely kept the program’s structure in place, but made the monthly check-in calls a feature of the program, and added a sixth module to kickoff the

program that explored the key characteristics of state CTE leadership and featured the voices of current and former State Directors. We also purchased the Gallup StrengthFinders assessment to help the cohort better understand their strengths and how those can be used in their new role. The final addition we made was to add former New Jersey State Director Marie Barry as a coach for the cohort. Barry will help lead the in-person workshops and participate in the monthly calls as a mentor for the entire cohort.

List of the current cohort and mentors as currently assigned:

2018-19 cohort			
Texas	Heather Justice (Ryan Merritt*)	Emily Passias	OH
North Carolina	Trey Michael	Lynne Gilli	MD
Indiana	Stefany Deckard	Rod Duckworth/Connie Beene	FL/KS
North Dakota	Wayde Sick	Dwight Johnson	ID
Mississippi	Wendy Clemons	Charisse Childers	AR
Nebraska	Katie Graham	Emily Passias	OH
Alabama	Tommy Glasscock	Barbara Wall	GA
South Carolina	Angel Malone	TBD	
Kentucky	David Horseman	Marcie Mack	OK
Michigan	Brian Pyles	TBD	
Maine	Dwight Littlefield	TBD	
Montana	Amy Williams	TBD	
Virginia	George Willcox	TBD	
New Jersey	Jane Griesinger	TBD	
Rhode Island	TBD	TBD	
New York	TBD	TBD	

\*Ryan Merritt of Texas was included in this cohort because Heather Justice, the current State Director for Texas, plans to formally transition the title to Ryan in the next few months. We decided it was better to have him start with the full cohort.

**Board Action Required:** None.

The Technology Student Association (TSA) celebrated its 40<sup>th</sup> anniversary during the 2017-2018 school year with its 250,000 members.

TSA and CompTIA strengthened their partnership and continued to strategize and work together on ways to fill the STEM career pipeline. The introduction of a cybersecurity competition and an exploration of additional computer science related competitions were two of the initiatives identified for the 2018-2019 school year.

TSA's leadership program, LEAP (Leadership, Education, Achievement and Personal Growth), was fully integrated into TSA's middle and high school competitions. LEAP requires each competitive event entry to include documentation of leadership activities and experiences relative to the competitive event.

Junior Solar Sprint (JSS) is one of two U.S. Army funded programs managed by TSA. During the 2017-2018 school year, TSA staff worked to increase JSS outreach to the underrepresented/underserved population by offering free solar car kits to teachers in identified schools. Through this effort, 25% of those participating in JSS in 2018 were classified as underserved.

UNITE is another TSA-managed program funded by the U.S. Army. This program is offered on select college campuses during the summer. Underrepresented/underserved high school students apply for this program, which is designed to promote STEM learning and awareness of STEM careers. In 2018 a record number of students (484) benefitted from this program at 19 sites across the country. This was an increase of 35% over the previous year.

Tests of Engineering, Aptitude, Mathematics and Science (TEAMS) is an engineering-focused competition program that TSA offers to middle and high school students. Over 1,000 participated in the national TEAMS competition, held in conjunction with the national TSA conference, which had over 8,000 people in attendance in Atlanta in June.

TSA added three staff positions to increase marketing and promotion for all program areas. These positions include a marketing manager, a communications manager and a graphic designer.

The TSA website was refreshed at the end of 2018 at [www.tsaweb.org](http://www.tsaweb.org). This refresh begins the process of a new website anticipated by 2020.



**FY18 Advance CTE Financial Report**  
*Report prepared by Kimberly Green, Executive Director*

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This report provides summary financial information for July 1, 2017 through June 30, 2018 or 100% of the fiscal year.

**INCOME:** Advance CTE received 104% of its budgeted income, exceeding projections in all but two areas:

- **Fall sponsorship:** Below budget by \$7,000 or 23%.
  - Explanation: The spring meeting sponsorships exceeded expectations. Across both meetings, we met our sponsorship income target of \$88,000; actual total sponsorship income as \$98,750.
- **Gates grant:** Income matches expenses.
  - Explanation: The balance of the \$100,000 contract, \$14,029.63, is likely to be carried forward and used to offset Perkins V Regional Meeting expenses.

**EXPENSES:** Advance CTE spent 87.3% of its budgeted expenses. All expenses were under projections with three exceptions:

- **Salaries and benefits:** Over budget by \$11,936.54 or 2.5%.
  - Explanation: Salaries and benefits, across both organizations, were collectively on target. The distribution of payroll expenses across the organizations is based on timesheets and coding of time against projects. Given Perkins reauthorization activity, the overage is a result of Executive Director's time that was originally budgeted to Center grant-funded projects being re-directed to Perkins reauthorization.
- **Telephone and communications:** Over budget by \$8.73 or 11.6%.
  - Explanation: Greater than expected standard phone taxes and universal fees.
- **Office supplies:** Over budget by \$62.76 or 21.9%.
  - Explanation: Purchased a new water cooler, an unanticipated expense. Cost was a bit over \$100.

**ASSETS:** Assets total \$3,354,458.46, with equity at \$2,984,517.67.

**INVESTMENTS:** The report from the Merrill Lynch advisor does not call for any adjustments to the portfolio at this time. The portfolio has a 6.13% rate of return, with the equity portion at 11.16%, which is lower than the both Dow Jones Index (13.69%) and the S & P 500 (12.17%).

**Board action required:** Approve FY18 financial reports.

## FY18 Advance CTE Budget

	Approved FY18	Actuals as of June 30, 2018	Variance Between Budget and Actuals	Explanatory Notes
<b>INCOME</b>				
State Memberships	\$526,387.00	\$526,388.00	100%	All dues received as projected.
Associate & Organizational Memberships	\$56,000.00	\$62,287.00	111%	All dues received as projected.
Spring meeting registration	\$87,500.00	\$107,376.85	123%	Far better than expected attendance due to marketing efforts and increased interest in CTE.
Fall meeting registration	\$62,500.00	\$75,501.68	121%	Better than expected attendance due to marketing efforts and increased interest in CTE.
Spring meeting sponsorships	\$58,000.00	\$75,750.00	131%	Far better than expected sponsorships due to marketing efforts, staff outreach and increased interest in CTE.
Fall meeting sponsorships	\$30,000.00	\$23,000.00	77%	Below target. Were successful in getting New State Director program meal covered - offset cost of \$1,059.35.
Gates	\$100,000.00	\$85,970.37	86%	Invoiced in September 2018 for \$85,970.37, which are the final actual costs for the work. This budget number will need to be revised, as some work and expenses extended into FY19. Also, total project costs were below budget. Seeking approval from the Gates Foundation to redirect those funds (a bit more than \$14K) to another project.
Vermont	\$12,000.00	\$12,000.00	100%	On target; payments made upon deliverable submission.
Interest/Dividend	\$78,000.00	\$79,041.69	101%	Includes year end adjustment of \$23,679.04 in realized gains to the portfolio. Actual interest is \$55,362.65.
Other income	\$6,608.00	\$14,546.17	220%	Asia Society Global CTE toolkit project final payment (\$6,608), as well as several unexpected honoraria.
<b>TOTAL REVENUES</b>	<b>\$1,016,995.00</b>	<b>\$1,061,861.76</b>	<b>104%</b>	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Member Services	\$35,753.00	\$29,000.42	81%	Several costs (e.g. state policy framework) were able to be covered by grant funds rather than Advance CTE.
Member Supports	\$29,831.25	\$23,301.58	78%	Below target due to less consultant costs than projected; costs shifted to internal staff doing work.
Government Relations	\$15,927.60	\$14,993.00	94%	On target.
Fall Meeting	\$43,511.00	\$42,543.17	98%	On target and in line with budget.
Spring Meeting	\$91,505.00	\$83,800.67	92%	On target and in line with budget.
Communications	\$4,881.50	\$4,105.71	84%	On target with activities completed this year; some costs able to be covered by Siemens.
Advance CTE Board	\$54,737.20	\$30,889.45	56%	Less than projected costs for Board retreat.

## FY18 Advance CTE Budget

	Approved FY18	Actuals as of June 30, 2018	Variance Between Budget and Actuals	Explanatory Notes
Gates expenses	\$100,000.00	\$25,838.79	26%	Includes both direct costs, portion of rent and salary/benefits. Majority of direct costs are covered in next fiscal year. Salary and benefits were charged on a fixed rate rather than actual rate, which will result in net "profit."
Vermont expenses	\$9,595.00	\$4,304.67	45%	On target with deliverables. Below expenses due to less staff time needed to be directed to project than budgeted.
NJ Teacher pipeline expenses	\$0.00	\$7.51	n/a	Costs are for mailing of contract back to NJ. No work performed in this fiscal year.
Lobbying	\$1,230.00	\$866.99	70%	On target. Majority of activity coded to government relations.
<b>Subtotal - Specific Projects</b>	<b>\$386,971.55</b>	<b>\$259,651.96</b>	<b>67.1%</b>	
<b>General &amp; Administrative Expenses</b>				
Salaries and benefits	\$479,231.24	\$491,167.78	102.5%	Based on timesheets; spent slightly more time on Advance CTE activities than projected at the start of the fiscal year. Likely the overage is a result of Executive Director time spent on Perkins reauthorization in summer months, which was greater than projected, as well as bringing back in house the State Director leadership program (consultant did not complete contract term due to family health issues).
Telephone/Comm	\$75.00	\$83.73	111.6%	Greater than expected G & A charges, mostly standard phone taxes and universal fees.
Office Supplies	\$286.70	\$349.46	121.9%	Over budget due to the need to purchase a new water cooler, which was over \$100 and an unexpected expense.
Rent	\$86,105.17	\$82,791.24	96.2%	Below target due to rent offset made by Gates grant of \$3444.76. Otherwise, would have been over budget by a few dollars due to CAM adjustment (which is estimated at fiscal year start).
Licenses/Fees	\$1,920.00	\$1,680.00	87.5%	On target.
Merrill Lynch Charges	\$30,000.00	\$29,206.13	97.4%	On target.
Accounting	\$30,000.00	\$21,119.85	70.4%	Below target due to shifting duties from accountant to bookkeeper, which is a significantly lower hourly rate.
<b>Total G&amp;A Expenses</b>	<b>\$627,618.11</b>	<b>\$626,398.19</b>	<b>99.8%</b>	
<b>Total Project Expenses</b>	<b>\$386,971.55</b>	<b>\$259,651.96</b>	<b>67.1%</b>	
<b>TOTAL EXPENSES</b>	<b>\$1,014,589.66</b>	<b>\$886,050.15</b>	<b>87.3%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$2,405.34</b>	<b>\$175,811.61</b>		

**Advance CTE/NASDCTEc**  
**Balance Sheet**  
As of June 30, 2018

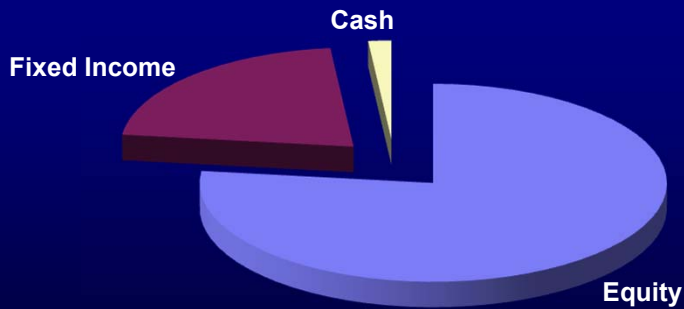
	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 Cash- Bank of America	228,735.14
1017 Merrill Lynch Cash - 749	129,830.78
1018 Merrill Lynch Cash - 7WD	14,708.86
<b>Total Bank Accounts</b>	<b>\$ 373,274.78</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	125,681.49
<b>Total Accounts Receivable</b>	<b>\$ 125,681.49</b>
<b>Other Current Assets</b>	
<b>1100 Investments</b>	
1131 Government Bonds	597,209.69
1159 Equities	2,140,689.17
<b>Total 1100 Investments</b>	<b>\$ 2,737,898.86</b>
1275 Security Deposit	9,000.00
1280 Due from Foundation	85,398.38
1299 Accrued Interest Receivable	2,089.73
1300 Prepaid Expense	17,033.16
1499 Undeposited Funds	1,600.00
<b>Total Other Current Assets</b>	<b>\$ 2,853,020.13</b>
<b>Total Current Assets</b>	<b>\$ 3,351,976.40</b>
<b>Other Assets</b>	
1400 Furniture and Fixtures	25,107.21
1405 Accumulated Depreciation - Furniture and Fixtures	-24,687.62
1410 Equipment	11,064.13
1450 Accumulated Depreciation- Equipment	-9,001.66
<b>Total Other Assets</b>	<b>\$ 2,482.06</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,354,458.46</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable {105}	17,871.03
<b>Total Accounts Payable</b>	<b>\$ 17,871.03</b>
<b>Other Current Liabilities</b>	
2070 Accrued Vacation	95,547.76
2099 Deferred Revenue	5,620.00
2146 Deferred Revenue FY 18-19 State Dues	209,527.00
2147 Deferred Revenue FY 18-19 Associate Dues	41,375.00
<b>Total 2099 Deferred Revenue</b>	<b>\$ 256,522.00</b>

<b>Total Other Current Liabilities</b>	<b>\$ 352,069.76</b>
<b>Total Current Liabilities</b>	<b>\$ 369,940.79</b>
<b>Total Liabilities</b>	<b>\$ 369,940.79</b>
<b>Equity</b>	
<b>3000 Unrestricted Net Assets</b>	2,681,996.29
<b>3900 Earnings</b>	0.00
<b>Net Income</b>	302,521.38
<b>Total Equity</b>	<b>\$ 2,984,517.67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,354,458.46</b>

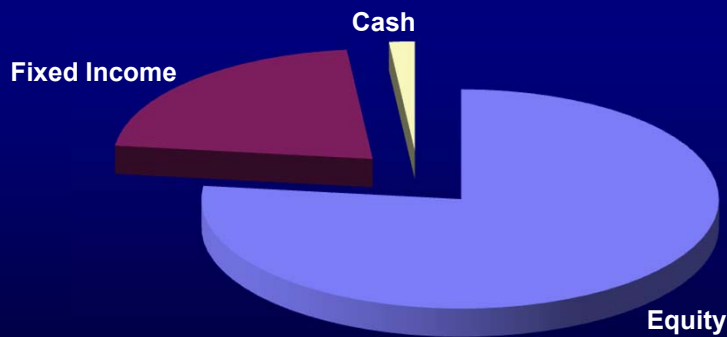
## Advance CTE Current Asset Allocation

Period: July 1, 2017 - June 30, 2018

<b><i>Current Portfolio</i></b>	Asset Allocation Type:		Per Investment Policy Statement
	Equity	77%	\$ 2,140,689
	Fixed Income	21%	\$ 597,210
	Cash	2%	\$ 44,540
	Sub-Total	100%	\$ 2,782,439
	Cash Reserves		\$ 100,000
Total Portfolio Value			\$ 2,882,439



<b><i>Proposed Portfolio</i></b>	Asset Allocation Type:		Per Investment Policy Statement
	Equity	77%	\$ 2,140,689
	Fixed Income	21%	\$ 597,210
	Cash	2%	\$ 44,540
	Sub-total	100%	\$ 2,782,439
	Cash Reserves		\$ 100,000
Portfolio Value		100%	\$ 2,882,439



## Account Review Summary 07/01/2017 - 06/30/2018

## Account 749-04H01

Security Name	Quantity	Cost Basis	Date Purchased	Date Sold/Mat	Sales Price	Market Value	Gain or (loss)	Realized Gain/Loss	Yield
<b>Advance CTE-E.T.F.'s (749-04H01)</b>									
<i>Ishares DJ US Consumer Goods (IYK)</i>	340	\$ 24,558	07/10/12			\$ 40,212	\$ 15,654		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	72	\$ 5,337	10/31/12			\$ 8,515	\$ 3,178		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	5	\$ 471	01/22/14			\$ 591	\$ 120		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	69	\$ 6,946	08/24/15			\$ 8,161	\$ 1,215		n/a
<i>Ishares Russell Midcap (IWR)</i>	1000	\$ 96,760	10/20/06			\$ 212,140	\$ 115,380		n/a
<i>Ishares Russell Midcap (IWR)</i>	466	\$ 26,967	04/03/09			\$ 98,857	\$ 71,890		n/a
<i>Ishares Russell Midcap (IWR)</i>	298	\$ 32,577	10/31/12			\$ 63,218	\$ 30,641		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	352	\$ 24,756	07/10/12			\$ 62,751	\$ 37,995		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	119	\$ 8,376	10/31/12			\$ 21,214	\$ 12,838		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	28	\$ 2,118	05/10/13			\$ 4,992	\$ 2,873		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	126	\$ 17,631	05/02/17			\$ 22,462	\$ 4,831		n/a
<i>Ishares TR Dow Jones (DVY)</i>	516	\$ 28,575	06/07/12			\$ 50,434	\$ 21,859		n/a
<i>Ishares TR Dow Jones (DVY)</i>	1733	\$ 97,546	07/10/12			\$ 169,383	\$ 71,837		n/a
<i>Ishares TR Dow Jones (DVY)</i>	541	\$ 31,251	10/31/12			\$ 52,877	\$ 21,626		n/a
<i>Ishares TR Dow Jones (DVY)</i>	32	\$ 2,100	05/10/13			\$ 3,128	\$ 1,028		n/a
<i>Ishares TR Dow Jones (DVY)</i>	851	\$ 59,965	12/10/13			\$ 83,177	\$ 23,212		n/a
<i>Ishares TR Dow Jones (DVY)</i>	277	\$ 19,729	01/22/14			\$ 27,074	\$ 7,345		n/a
<i>Ishares TR Dow Jones (DVY)</i>	109	\$ 7,711	02/14/14			\$ 10,654	\$ 2,943		n/a
<i>Ishares TR Dow Jones (DVY)</i>	57	\$ 4,605	12/30/14			\$ 5,571	\$ 966		n/a
<i>Ishares TR Dow Jones (DVY)</i>	96	\$ 7,671	02/19/15			\$ 9,383	\$ 1,712		n/a
<i>Ishares TR Dow Jones (DVY)</i>	221	\$ 12,238	06/07/12	02/01/18	\$ 22,082	\$ -	\$ -	\$ 9,844	n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	91	\$ 3,446	02/23/10			\$ 3,432	\$ (14)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	471	\$ 17,977	07/15/10			\$ 17,761	\$ (215)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	322	\$ 12,593	07/10/12			\$ 12,143	\$ (450)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	292	\$ 11,689	10/31/12			\$ 11,011	\$ (677)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	254	\$ 10,400	05/10/13			\$ 9,578	\$ (822)		n/a
<i>Vanguard Consumer (VCR)</i>	258	\$ 16,731	04/26/11			\$ 43,765	\$ 27,033		n/a
<i>Vanguard Consumer (VCR)</i>	62	\$ 4,589	10/31/12			\$ 10,517	\$ 5,928		n/a
<i>Vanguard Consumer (VCR)</i>	6	\$ 632	01/22/14			\$ 1,018	\$ 385		n/a

Vanguard Dividend (VIG)	338	\$ 17,806	08/03/11			\$ 34,348	\$ 16,542		n/a
Vanguard Dividend (VIG)	429	\$ 24,144	06/07/12			\$ 43,595	\$ 19,451		n/a
Vanguard Dividend (VIG)	1734	\$ 98,102	07/10/12			\$ 176,209	\$ 78,107		n/a
Vanguard Dividend (VIG)	538	\$ 31,647	10/31/12			\$ 54,672	\$ 23,025		n/a
Vanguard Dividend (VIG)	812	\$ 59,982	12/10/13			\$ 82,515	\$ 22,533		n/a
Vanguard Dividend (VIG)	266	\$ 19,716	01/22/14			\$ 27,031	\$ 7,315		n/a
Vanguard Dividend (VIG)	107	\$ 7,855	02/14/14			\$ 10,873	\$ 3,018		n/a
Vanguard Dividend (VIG)	56	\$ 4,599	12/30/14			\$ 5,691	\$ 1,092		n/a
Vanguard Dividend (VIG)	94	\$ 7,748	02/19/15			\$ 9,552	\$ 1,804		
Vanguard Industrial ETF (VIS)	24	\$ 965	05/13/09			\$ 3,259	\$ 2,294		n/a
Vanguard Industrial ETF (VIS)	374	\$ 19,968	07/15/10			\$ 50,793	\$ 30,825		n/a
Vanguard Industrial ETF (VIS)	210	\$ 14,507	10/31/12			\$ 28,520	\$ 14,014		n/a
Wisdomtree Total Divid ETF (DTD)	159	\$ 10,482	12/10/13			\$ 14,491	\$ 4,009		n/a
Wisdomtree Total Divid ETF (DTD)	195	\$ 13,026	01/22/14			\$ 17,772	\$ 4,746		n/a
Wisdomtree Total Divid ETF (DTD)	529	\$ 35,327	01/22/14			\$ 48,213	\$ 12,886		n/a
Wisdomtree Total Divid ETF (DTD)	27	\$ 1,789	02/14/14			\$ 2,461	\$ 672		n/a
Wisdomtree Total Divid ETF (DTD)	61	\$ 4,614	12/30/14			\$ 5,560	\$ 946		n/a
Wisdomtree Total Divid ETF (DTD)	25	\$ 1,896	02/19/15			\$ 2,279	\$ 382		n/a
Wisdomtree Tr Midcap Div Fc (DON)	255	\$ 6,227	12/10/13			\$ 9,129	\$ 2,902		n/a
Wisdomtree Tr Midcap Div Fc (DON)	966	\$ 24,124	01/22/14			\$ 34,583	\$ 10,459		n/a
Wisdomtree Tr Midcap Div Fc (DON)	525	\$ 13,107	01/22/14			\$ 18,795	\$ 5,688		n/a
Wisdomtree Tr Midcap Div Fc (DON)	63	\$ 1,566	02/14/14			\$ 2,255	\$ 689		n/a
Wisdomtree Tr Midcap Div Fc (DON)	165	\$ 4,669	12/30/14			\$ 5,907	\$ 1,238		n/a
Wisdomtree Tr Midcap Div Fc (DON)	60	\$ 1,733	02/19/15			\$ 2,148	\$ 415		n/a
Ishares US Financial Services ETF (IYF)	72	\$ 5,820	01/22/14			\$ 8,438	\$ 2,618		n/a
Ishares US Financial Services ETF (IYF)	221	\$ 18,382	10/21/14			\$ 25,899	\$ 7,517		n/a
Ishares US Financial Services ETF (IYF)	378	\$ 39,399	05/02/17			\$ 44,298	\$ 4,898		n/a
Prudential Jennison Health (PHSZX)	961.013	\$ 47,368	10/01/14			\$ 52,654	\$ 5,286		n/a
Powershares Exch Traded Fund (PEY)	84	\$ 1,074	08/24/15	02/01/18	\$ 1,521	\$ -	\$ -	\$ 447	n/a
Powershares Exch Traded Fund (PEY)	2443	\$ 30,854	08/24/15	02/01/18	\$ 44,245	\$ -	\$ -	\$ 13,391	n/a
Vanguard High Div Yield ETF (VYM)	954	\$ 62,386	08/21/15			\$ 79,230	\$ 16,844		n/a
Vanguard High Div Yield ETF (VYM)	164	\$ 11,134	08/13/15			\$ 13,620	\$ 2,486		n/a
Vanguard Total Bond (BND)	308	\$ 24,947	02/17/17			\$ 24,391	\$ (556)		n/a
Vanguard Total Bond (BND)	742	\$ 59,954	01/31/17			\$ 58,759	\$ (1,195)		n/a



<i>Ishares 1-3 Year Treasury (SHY)</i>	177	\$ 14,958	01/31/17			\$ 14,756	\$ (202)		<i>n/a</i>
<i>Ishares 1-3 Year Treasury (SHY)</i>	164	\$ 13,697	02/01/18			\$ 13,673	\$ (24)		<i>n/a</i>
<i>Ishares Tr Core Dividend (DGRO)</i>	884	\$ 32,125	02/01/18			\$ 30,304	\$ (1,821)		<i>n/a</i>
<i>Ishares Intl Select (IDV)</i>	624	\$ 22,077	02/01/18			\$ 19,999	\$ (2,078)		<i>n/a</i>
<i>Total</i>		\$ 1,361,554				\$ 2,140,689	\$ 779,135		
<b>Advance CTE-Money Market (749-04H01)</b>						\$ 129,831			
<b>749-04H01 Account Total</b>						\$ 2,270,520	\$ 779,135		

**Fees for period:** \$22,850.14

**Fees based on assets:** \$22,850.14

The information set forth herein was obtained from sources we believe reliable, but we do not guarantee its accuracy. Past returns are not a guarantee of future results.

**National Association of State Directors of Vocational  
Account Review Summary 07/01/2017 through 06/30/2018**

**Account 7WD-04H50 (Association)**

Cost Basis	Buy/Sell	6/30/2018	Gain/Loss
\$612,372	Various	\$597,210	-\$15,163

**Managed Fixed Income Portfolio**

**Estimated Accrued Interest**

\$2,090

**Money Market**

\$14,709

**Account Total**

**\$614,008**

# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2017 to 06/30/2018

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2018	2,964,438	(75,000)	23,057	(27,971)	2,884,524	(0.25)	6.13
2017	2,610,886	175,000	36,945	141,607	2,964,438	6.40	6.40
<b>Total</b>	<b>2,610,886</b>	<b>100,000</b>	<b>60,002</b>	<b>113,636</b>	<b>2,884,524</b>		<b>6.13</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill Lynch services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly



Performance period: 07/01/2017 to 06/30/2018

Period	Actual ROR(%)		Dow Jones Industrial Average PR(%)		Dow Jones Industrial Avg TR(%)		MSCI Emerging Markets TR Net(%)		MSCI World ex USA TR Net(%)		S&P 500 PR(%)		S&P 500 TR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
<b>2018</b>	<b>0.84</b>	<b>11.16</b>	<b>(1.81)</b>	<b>13.69</b>	<b>(0.73)</b>	<b>16.31</b>	<b>(6.66)</b>	<b>8.20</b>	<b>(2.77)</b>	<b>7.04</b>	<b>1.67</b>	<b>12.17</b>	<b>2.65</b>	<b>14.37</b>
US Equity	0.88	11.21												
International Equity	(6.84)	(6.84)												
<b>2017</b>	<b>10.24</b>	<b>10.24</b>	<b>15.78</b>	<b>15.78</b>	<b>17.16</b>	<b>17.16</b>	<b>15.92</b>	<b>15.92</b>	<b>10.09</b>	<b>10.09</b>	<b>10.32</b>	<b>10.32</b>	<b>11.42</b>	<b>11.42</b>
US Equity	10.24	10.24												

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill Lynch services. Past performance does not guarantee future results.

Reference Indices are included in this report as a general source of information regarding the performance of various types of investments. Allocation models and Indices should not be used to benchmark the performance of a specific account or portfolio. Your Financial Advisor can provide further information regarding the particular allocation models and Indices shown, including how the composition of an index compares to the composition of your account or portfolio.

**FY19 Advance CTE Financial Report**  
*Report prepared by Kimberly Green, Executive Director*

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This report provides summary financial information for July 1 through September 23, 2018 or 23% of the fiscal year. The accountant has reconciled the financial statements through August 31, 2018, which means investments are reflected through this date.

**INCOME:** Advance CTE has received 65% of its budgeted income, on target with projections. We are pleased to share that both Michigan and Puerto Rico have re-joined Advance CTE! Of note, the sponsorships for the fall meeting at our of this world - \$59,500 or 198% of budget. Fall meeting registrations had to be closed early due to hotel capacity issues; income for the Fall meeting registrations is 135% of budget or \$94,700.

**EXPENSES:** Advance CTE has spent 32% of its budgeted expenses, which is on target with projections. A majority of expenses incurred thus far are one-time fees (e.g. insurance, etc.). In mid-October, the first quarter salary and benefits reconciliation will take place. This will be a fairly significant payment as the majority (54%) of salaries and benefits are being paid for by Center-related projects. Our goal is to shift to monthly salary and benefits reconciliation, rather than quarterly.

**ASSETS:** Assets total \$3,706,795.51, with equity at \$3,116,978.03.

**INVESTMENTS:** The report from the Merrill Lynch advisor does not call for any adjustments to the portfolio at this time. The portfolio has a 6.13% rate of return, with the equity portion at 6.26%, which is lower than the both Dow Jones Index (6.98%) and the S & P 500 (6.74%).

**Board action required:** Approve FY19 financial reports.

## FY19 Advance CTE Budget

	Approved FY19	Actuals as of 9/23/18 - 23% of fiscal year	Variance between actuals to budget	Explanatory Notes
<b>INCOME</b>				
State Memberships	\$537,411.00	\$419,287.00	78.0%	State dues are coming in as projected. Michigan rejoined, which had not been accounted for in the budget. Discussions have begun with Puerto Rico to rejoin.
Associate & Organizational Memberships	\$58,000.00	\$66,475.00	114.6%	States have been adding members to their "teams" and we have had a lot of new members joining, bringing our total to over 500 for the first time ever.
Spring meeting registration	\$99,000.00	\$500.00	0.5%	Spring registration will open in January 2019. The registration that shows here is part of a pre-paid sponsorship package.
Fall meeting registration	\$70,000.00	\$94,700.00	135.3%	Exceeded expectations. Closed registration at 200 due to hotel space constraints.
Spring meeting sponsorships	\$62,000.00	\$0.00	0.0%	Will open in early 2019.
Fall meeting sponsorships	\$30,000.00	\$59,500.00	198.3%	Exceeded expectations. Increase due to staff outreach, general rise in increased interest in CTE and Perkins V.
Gates	\$37,000.00	\$0.00	0.0%	Final invoice was submitted in September 2018. Came in under budget, so a bit under \$14K has been requested to redirect to other projects.
Vermont	\$4,000.00	\$0.00	0.0%	Final work happening in October 2018. Payment is made upon completion of deliverables.
NJ Teacher Pipeline	\$8,000.00	\$0.00	0.0%	No work to date. Payment is made upon completion of deliverables.
Interest/Dividend	\$60,000.00	\$10,758.62	17.9%	Includes July and August 2018.
Other income	\$0.00	\$375.00	n/a	Did not budget for other income but received honorarium for participation in Equity Technical Working Group.
Office Move	\$32,410.00	\$0.00	0.0%	Reimbursement will take place in early 2019. Still incurring expenses and this is a one-time reimbursement that must occur no later than six months after the move (which was August 2018).
<b>TOTAL REVENUES</b>	<b>\$997,821.00</b>	<b>\$651,595.62</b>	65.3%	
<b>EXPENSES</b>				
<b>Allocated Expenses to Specific Projects</b>				
Member Services	\$21,199.25	\$7,455.99	35.2%	Direct expenses only; does not include staff time.
Member Supports	\$33,670.00	\$54.09	0.2%	Direct expenses only; does not include staff time.
Government Relations	\$27,155.00	\$739.26	2.7%	Direct expenses only; does not include staff time.
Fall Meeting	\$58,403.26	\$1,208.78	2.1%	Direct expenses only; does not include staff time.
Spring Meeting	\$100,217.50	\$14.75	0.0%	Direct expenses only; does not include staff time.
Communications	\$11,662.50	\$2,770.12	23.8%	Direct expenses only; does not include staff time.
Advance CTE Board	\$12,848.00	\$2,197.57	17.1%	Direct expenses only; does not include staff time.
Gates expenses	\$37,000.00	\$17,790.03	48.1%	Direct expenses only; does not include staff time.
Vermont expenses	\$6,405.00	\$1.96	0.0%	Final work happening in October 2018. Payment is made upon completion of deliverables.
NJ Teacher pipeline expenses	\$7,651.51	\$0.00	0.0%	No activity yet this fiscal year.

## FY19 Advance CTE Budget

	Approved FY19	Actuals as of 9/23/18 - 23% of fiscal year	Variance between actuals to budget	Explanatory Notes
Lobbying	\$1,005.00	\$48.35	4.8%	Direct expenses only; does not include staff time.
Office Move	\$45,160.00	\$28,378.96	62.8%	Direct expenses only; does not include staff time.
Perkins V Implementation Initiative		\$2,616.73		Perkins V regional meeting planning expenses. To be approved via Board budget modification.
<b>Subtotal - Specific Projects</b>	<b>\$362,377.02</b>	<b>\$63,276.59</b>	17.5%	
<b>General &amp; Administrative Expenses</b>				
Salaries and benefits	\$515,208.09	\$219,284.68	42.6%	Includes full staff benefits and salaries. Reimbursement between organizations will occur not later than quarterly. 54% of staff time is covered by the Center.
Telephone/Comm	\$100.00	\$13.96	14.0%	On target
Office Supplies	\$705.00	\$0.00	0.0%	No expenses incurred to date.
Rent	\$14,229.36	\$12,152.38	85.4%	Direct costs for July and August rent. Accountant is recording journal entries for \$10,971.33 each month for rent that is not actually paid but needs to be accrued according to accounting principles. This amount included only shows direct costs.
Licenses/Fees	\$150.00	\$0.00	0.0%	Bill received but payments not yet made for annual incorporation fee.
Merrill Lynch Charges	\$30,000.00	\$4,891.99	16.3%	On target.
Accounting	\$21,690.00	\$2,180.34	10.1%	On target.
<b>Total G&amp;A Expenses</b>	<b>\$582,082.45</b>	<b>\$238,523.35</b>	<b>41.0%</b>	
<b>Total Project Expenses</b>	<b>\$362,377.02</b>	<b>\$63,276.59</b>	<b>17.5%</b>	
<b>TOTAL EXPENSES</b>	<b>\$944,459.47</b>	<b>\$301,799.94</b>	<b>32.0%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$53,361.53</b>	<b>\$349,795.68</b>	<b>655.5%</b>	

**Advance CTE/NASDCTEc  
Balance Sheet  
As of June 30, 2019**

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 Cash- Bank of America	364,397.98
1017 Merrill Lynch Cash - 749	137,036.05
1018 Merrill Lynch Cash - 7WD	13,451.50
<b>Total Bank Accounts</b>	<b>\$ 514,885.53</b>
<b>Accounts Receivable</b>	
1200 Accounts Receivable	297,869.80
<b>Total Accounts Receivable</b>	<b>\$ 297,869.80</b>
<b>Other Current Assets</b>	
<b>1100 Investments</b>	
1131 Government Bonds	599,122.90
1159 Equities	2,254,328.89
<b>Total 1100 Investments</b>	<b>\$ 2,853,451.79</b>
1275 Security Deposit	9,000.00
1280 Due from Foundation	1,946.95
1299 Accrued Interest Receivable	2,548.77
1300 Prepaid Expense	631.27
1499 Undeposited Funds	9,775.00
<b>Total Other Current Assets</b>	<b>\$ 2,877,353.78</b>
<b>Total Current Assets</b>	<b>\$ 3,690,109.11</b>
<b>Other Assets</b>	
1400 Furniture and Fixtures	32,445.78
1405 Accumulated Depreciation - Furniture and Fixtures	-25,016.34
1410 Equipment	14,145.87
1450 Accumulated Depreciation- Equipment	-4,888.91
<b>Total Other Assets</b>	<b>\$ 16,686.40</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,706,795.51</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable {105}	10,993.09
<b>Total Accounts Payable</b>	<b>\$ 10,993.09</b>
<b>Other Current Liabilities</b>	
2070 Accrued Vacation	95,547.76
2099 Deferred Revenue	0.00

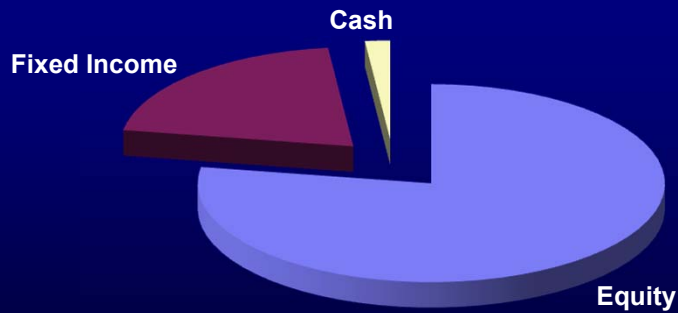
2146 Deferred Revenue FY 18-19 State Dues	414,494.26
2147 Deferred Revenue FY 18-19 Associate Dues	56,025.01
<b>Total 2099 Deferred Revenue</b>	<b>\$ 470,519.27</b>
<b>Total Other Current Liabilities</b>	<b>\$ 566,067.03</b>
<b>Total Current Liabilities</b>	<b>\$ 577,060.12</b>
<b>Long-Term Liabilities</b>	
2880 Deferred Rent and lease incentive	12,757.36
<b>Total Long-Term Liabilities</b>	<b>\$ 12,757.36</b>
<b>Total Liabilities</b>	<b>\$ 589,817.48</b>
<b>Equity</b>	
3000 Unrestricted Net Assets	2,681,996.29
3900 Earnings	302,521.38
Net Income	132,460.36
<b>Total Equity</b>	<b>\$ 3,116,978.03</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,706,795.51</b>



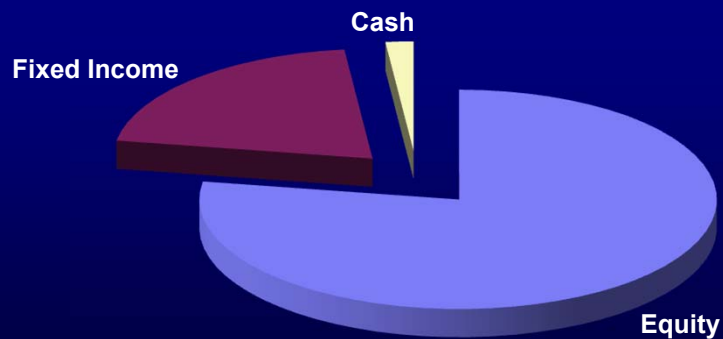
## Advance CTE Current Asset Allocation

Period: July 1, 2018 - August 31, 2018

<b><i>Current Portfolio</i></b>	Asset Allocation Type:		Per Investment Policy Statement
	Equity	78%	\$ 2,254,329
	Fixed Income	21%	\$ 599,123
	Cash	2%	\$ 50,488
	Sub-Total	100%	\$ 2,903,939
	Cash Reserves		\$ 100,000
Total Portfolio Value			\$ 3,003,939



<b><i>Proposed Portfolio</i></b>	Asset Allocation Type:		Per Investment Policy Statement
	Equity	78%	\$ 2,254,329
	Fixed Income	21%	\$ 599,123
	Cash	2%	\$ 50,488
	Sub-total	100%	\$ 2,903,940
	Cash Reserves		\$ 100,000
Portfolio Value		100%	\$ 3,003,940



## **Advance CTE/Center to Advance CTE Executive Investment Recommendation Summary September 2018**

The U.S. stock markets have continued to advance this year after a volatile start. September saw the broader market reach all time historic highs. We are still anticipating higher interest rates from the Federal Reserve to slow the potential for inflation.

As we have discussed previously, we have had a long recovery from early 2009 and history would indicate that a correction of some degree would be likely. We have positioned portfolios in sectors of the market that are more defensive and should decline less in a correction. This would include sectors like consumer staples and utilities. In addition, a large percentage of the equity portion of portfolios is also focused on conservative, dividend producing, stock based indexes. These indexes provide income which has historically risen over time and should also provide additional stability in a declining market.

Much of the current increase in the market has been focused on sectors that are historically more volatile, like technology. These sectors tend to be more susceptible to greater declines in a correction, so we are under-weighted in them. Due to this under-weighting short-term recent performance is below the market. However, the long-term performance of both the association and foundation accounts remains above the general market.

International markets this year have also been volatile. For both the Association and the Foundation international exposure remains below 1%.

Interest rates are currently near all-time historic lows, but are expected to continue to be increased. Bonds move inversely with interest rates, so we are expecting a decline in bonds looking forward. For this reason both the *Association* account and the *Foundation* accounts are at the lower range of the investment policy statement for bonds. When interest rates start to increase and bonds decline in price we will reallocate from equities to bonds.

**Both the Foundation's and Association's equity exposure is in line with the investment policy statement. *Recent deposits will be allocated accordingly.***

Sufficient cash is available to meet intermediate cash flow needs that were estimated by the association.

**Summary of recommended changes:** The above changes are intended to improve long-term performance and increase income from fixed income investments. Certain sectors of the market are recommended to be over-weighted also to improve long-term performance. These are sectors that tend to perform well during a difficult economic

environment and tend to lead the market when things improve. No direct costs are associated with making these changes.

Account Review Summary 07/01/2018 - 08/31/2018

Account 749-04H01

Security Name	Quantity	Cost Basis	Date Purchased	Date Sold/Mat	Sales Price	Market Value	Gain or (loss)	Realized Gain/Loss	Yield
<b>Advance CTE-E.T.F.'s (749-04H01)</b>									
<i>Ishares DJ US Consumer Goods (IYK)</i>	340	\$ 24,558	07/10/12			\$ 40,443	\$ 15,885		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	72	\$ 5,337	10/31/12			\$ 8,564	\$ 3,227		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	5	\$ 471	01/22/14			\$ 595	\$ 124		n/a
<i>Ishares DJ US Consumer Goods (IYK)</i>	69	\$ 6,946	08/24/15			\$ 8,208	\$ 1,262		n/a
<i>Ishares Russell Midcap (IWR)</i>	1000	\$ 96,760	10/20/06			\$ 223,130	\$ 126,370		n/a
<i>Ishares Russell Midcap (IWR)</i>	466	\$ 26,967	04/03/09			\$ 103,979	\$ 77,012		n/a
<i>Ishares Russell Midcap (IWR)</i>	298	\$ 32,577	10/31/12			\$ 66,493	\$ 33,916		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	352	\$ 24,756	07/10/12			\$ 68,936	\$ 44,180		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	119	\$ 8,376	10/31/12			\$ 23,305	\$ 14,929		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	28	\$ 2,118	05/10/13			\$ 5,484	\$ 3,365		n/a
<i>Ishares Tr Dow Jones US Tech (IYW)</i>	126	\$ 17,631	05/02/17			\$ 24,676	\$ 7,045		n/a
<i>Ishares TR Dow Jones (DVY)</i>	516	\$ 28,575	06/07/12			\$ 52,121	\$ 23,546		n/a
<i>Ishares TR Dow Jones (DVY)</i>	1733	\$ 97,546	07/10/12			\$ 175,050	\$ 77,504		n/a
<i>Ishares TR Dow Jones (DVY)</i>	541	\$ 31,251	10/31/12			\$ 54,646	\$ 23,395		n/a
<i>Ishares TR Dow Jones (DVY)</i>	32	\$ 2,100	05/10/13			\$ 3,232	\$ 1,132		n/a
<i>Ishares TR Dow Jones (DVY)</i>	851	\$ 59,965	12/10/13			\$ 85,960	\$ 25,994		n/a
<i>Ishares TR Dow Jones (DVY)</i>	277	\$ 19,729	01/22/14			\$ 27,980	\$ 8,251		n/a
<i>Ishares TR Dow Jones (DVY)</i>	109	\$ 7,711	02/14/14			\$ 11,010	\$ 3,299		n/a
<i>Ishares TR Dow Jones (DVY)</i>	57	\$ 4,605	12/30/14			\$ 5,758	\$ 1,152		n/a
<i>Ishares TR Dow Jones (DVY)</i>	96	\$ 7,671	02/19/15			\$ 9,697	\$ 2,026		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	91	\$ 3,446	02/23/10			\$ 3,453	\$ 7		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	471	\$ 17,977	07/15/10			\$ 17,870	\$ (107)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	322	\$ 12,593	07/10/12			\$ 12,217	\$ (376)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	292	\$ 11,689	10/31/12			\$ 11,078	\$ (610)		n/a
<i>S&amp;P US PFD STK Index Fund (PFF)</i>	254	\$ 10,400	05/10/13			\$ 9,637	\$ (763)		n/a
<i>Vanguard Consumer (VCR)</i>	258	\$ 16,731	04/26/11			\$ 46,672	\$ 29,941		n/a

Vanguard Consumer (VCR)	62	\$ 4,589	10/31/12		\$ 11,216	\$ 6,627	n/a
Vanguard Consumer (VCR)	6	\$ 632	01/22/14		\$ 1,085	\$ 453	n/a
Vanguard Dividend (VIG)	338	\$ 17,806	08/03/11		\$ 36,964	\$ 19,158	n/a
Vanguard Dividend (VIG)	429	\$ 24,144	06/07/12		\$ 46,915	\$ 22,771	n/a
Vanguard Dividend (VIG)	1734	\$ 98,102	07/10/12		\$ 189,630	\$ 91,528	n/a
Vanguard Dividend (VIG)	538	\$ 31,647	10/31/12		\$ 58,836	\$ 27,189	n/a
Vanguard Dividend (VIG)	812	\$ 59,982	12/10/13		\$ 88,800	\$ 28,818	n/a
Vanguard Dividend (VIG)	266	\$ 19,716	01/22/14		\$ 29,090	\$ 9,374	n/a
Vanguard Dividend (VIG)	107	\$ 7,855	02/14/14		\$ 11,702	\$ 3,847	n/a
Vanguard Dividend (VIG)	56	\$ 4,599	12/30/14		\$ 6,124	\$ 1,525	n/a
Vanguard Dividend (VIG)	94	\$ 7,748	02/19/15		\$ 10,280	\$ 2,532	
Vanguard Industrial ETF (VIS)	24	\$ 965	05/13/09		\$ 3,506	\$ 2,541	n/a
Vanguard Industrial ETF (VIS)	374	\$ 19,968	07/15/10		\$ 54,630	\$ 34,662	n/a
Vanguard Industrial ETF (VIS)	210	\$ 14,507	10/31/12		\$ 30,675	\$ 16,168	n/a
Wisdomtree Total Divid ETF (DTD)	159	\$ 10,482	12/10/13		\$ 15,266	\$ 4,784	n/a
Wisdomtree Total Divid ETF (DTD)	195	\$ 13,026	01/22/14		\$ 18,723	\$ 5,696	n/a
Wisdomtree Total Divid ETF (DTD)	529	\$ 35,327	01/22/14		\$ 50,791	\$ 15,464	n/a
Wisdomtree Total Divid ETF (DTD)	27	\$ 1,789	02/14/14		\$ 2,592	\$ 803	n/a
Wisdomtree Total Divid ETF (DTD)	61	\$ 4,614	12/30/14		\$ 5,857	\$ 1,243	n/a
Wisdomtree Total Divid ETF (DTD)	25	\$ 1,896	02/19/15		\$ 2,400	\$ 504	n/a
Wisdomtree Tr Midcap Div Fc (DON)	255	\$ 6,227	12/10/13		\$ 9,519	\$ 3,292	n/a
Wisdomtree Tr Midcap Div Fc (DON)	966	\$ 24,124	01/22/14		\$ 36,061	\$ 11,937	n/a
Wisdomtree Tr Midcap Div Fc (DON)	525	\$ 13,107	01/22/14		\$ 19,598	\$ 6,491	n/a
Wisdomtree Tr Midcap Div Fc (DON)	63	\$ 1,566	02/14/14		\$ 2,352	\$ 786	n/a
Wisdomtree Tr Midcap Div Fc (DON)	165	\$ 4,669	12/30/14		\$ 6,159	\$ 1,490	n/a
Wisdomtree Tr Midcap Div Fc (DON)	60	\$ 1,733	02/19/15		\$ 2,240	\$ 506	n/a
Ishares US Financial Services ETF (IYF)	72	\$ 5,820	01/22/14		\$ 8,953	\$ 3,133	n/a
Ishares US Financial Services ETF (IYF)	221	\$ 18,382	10/21/14		\$ 27,481	\$ 9,099	n/a
Ishares US Financial Services ETF (IYF)	378	\$ 39,399	05/02/17		\$ 47,004	\$ 7,605	n/a
Prudential Jennison Health (PHSZX)	961.013	\$ 47,368	10/01/14		\$ 57,151	\$ 9,783	n/a
Vanguard High Div Yield ETF (VYM)	954	\$ 62,386	08/21/15		\$ 83,389	\$ 21,003	n/a
Vanguard High Div Yield ETF (VYM)	164	\$ 11,134	08/13/15		\$ 14,335	\$ 3,201	n/a

Vanguard Total Bond (BND)	308	\$ 24,947	02/17/17		\$ 24,431	\$ (516)	n/a
Vanguard Total Bond (BND)	742	\$ 59,954	01/31/17		\$ 58,855	\$ (1,098)	n/a
Ishares 1-3 Year Treasury (SHY)	177	\$ 14,958	01/31/17		\$ 14,751	\$ (207)	n/a
Ishares 1-3 Year Treasury (SHY)	164	\$ 13,697	02/01/18		\$ 13,668	\$ (29)	n/a
Ishares Tr Core Dividend (DGRO)	884	\$ 32,125	02/01/18		\$ 32,752	\$ 627	n/a
Ishares Intl Select (IDV)	624	\$ 22,077	02/01/18		\$ 20,355	\$ (1,722)	n/a
<b>Total</b>		\$ 1,361,554			\$ 2,254,329	\$ 892,775	
<b>Advance CTE-Money Market (749-04H01)</b>					\$ 137,036		
<b>749-04H01 Account Total</b>					\$ 2,391,365	\$ 892,775	

**Fees for period:** \$3,842.98

**Fees based on assets:** \$3,842.98

This material is being provided to you upon your request and is for informational purposes only. The information contained herein has been obtained from sources or data that we believe to be reliable, but we do not offer any guarantees as to its accuracy or completeness. Market information is subject to change without notice and past performance is no guarantee of future results. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security or other instrument. Merrill Lynch considers your trade confirmations and account statements to be the official documentation of all of your transactions.

**National Association of State Directors of Vocational  
Account Review Summary 07/01/2018 through 08/31/2018**

**Account 7WD-04H50 (Association)**

Cost Basis	Buy/Sell	8/31/2018	Gain/Loss
\$611,725	Various	\$599,123	-\$12,603

**Managed Fixed Income Portfolio**

<b>Estimated Accrued Interest</b>	\$2,549
<b>Money Market</b>	\$13,452
<b>Account Total</b>	<b>\$615,123</b>

# Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2017 to 06/30/2018

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2018	2,964,438	(75,000)	23,057	(27,971)	2,884,524	(0.25)	6.13
2017	2,610,886	175,000	36,945	141,607	2,964,438	6.40	6.40
<b>Total</b>	<b>2,610,886</b>	<b>100,000</b>	<b>60,002</b>	<b>113,636</b>	<b>2,884,524</b>		<b>6.13</b>

Note that various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill Lynch services. Past performance does not guarantee future results.

# Relative Performance - Equity: Yearly



Performance period: 07/01/2018 to 08/31/2018

Period	Actual ROR(%)		Dow Jones Industrial Average PR(%)		Dow Jones Industrial Avg TR(%)		MSCI Emerging Markets TR Net(%)		MSCI World ex USA TR Net(%)		S&P 500 PR(%)		S&P 500 TR(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum	Year	Cum
<b>2018</b>	<b>6.26</b>	<b>6.26</b>	<b>6.98</b>	<b>6.98</b>	<b>7.51</b>	<b>7.51</b>	<b>(0.57)</b>	<b>(0.57)</b>	<b>0.52</b>	<b>0.52</b>	<b>6.74</b>	<b>6.74</b>	<b>7.10</b>	<b>7.10</b>
US Equity	6.30	6.30												
International Equity	1.78	1.78												

With respect to performance shown, various factors, including unpriced securities, and certain adjustments, holdings or activity may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill Lynch services. Past performance does not guarantee future results.

Reference Indices are included in this report as a general source of information regarding the performance of various types of investments. Allocation models and Indices should not be used to benchmark the performance of a specific account or portfolio. Your Financial Advisor can provide further information regarding the particular allocation models and Indices shown, including how the composition of an index compares to the composition of your account or portfolio.



**Advance CTE Proposed Budget Modification**  
*Report submitted by Kimberly Green, Executive Director*

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Due to the passage of Perkins V and our planned implementation initiative, it is necessary to propose an FY19 budget modification. Additionally, due to an analysis by the accountant, we have a rent adjustment that is needed and a slight modification to reflect the Double the Investment Campaign plans.

Below are the details of the proposed budget modification. The proposed adjustments result in the budget being balanced. This is in contrast to the budget that was approved in June, which included a “profit” of \$53,361.53 due to the nine-month rent abatement.

**Perkins V Implementation Initiative:** With the enactment of Perkins V, Advance CTE immediately began to work on building out a series of membership resources to build awareness and support their leadership role in authoring the state plans. Many of these activities are being funded out of core organizational funds. However, additional resources are needed to expanded capacity to support in-state technical assistance; additional resource development; and support for four Perkins V regional meetings, including offsetting the cost of participation for up to five state team members’ at one regional meeting.

The total Perkins V Implementation Initiative is budgeted at \$316,160 (cutting across both Advance CTE and The Center to Advance CTE). The Gates grant received by The Center is offsetting \$152,160 of those costs. The remaining costs are also offset by the Center rent reimbursement (see below), use of the budget “profit” due to the Advance CTE rent abatement and the resulting increase in state dues because of Michigan and Puerto Rico rejoining. Therefore, the budget modification requested for this initiative reflects an additional direct cost to Advance CTE for \$12,744.47, which needs to come out of reserves. Here is a breakdown of the full Advance CTE portion of the Perkins V Implementation Initiative budget:

Regional meetings: \$124,000  
    Includes state team member registration, supplies, A/V, travel offsets for meeting planner, meeting app, etc.  
Technical assistance: \$25,000  
Resource development: \$15,000  
    Contractors, copyediting, design (including infographics)  
Total estimated costs: \$164,000

**Rent:** During the audit last year, we learned that we needed to account for our rent in a different manner. Our 10-year lease agreement’s aggregate costs needed to be totaled and divided equally among each month. The lease liability will now show on the balance sheet. Within the lease, we also negotiated a nine-month rent abatement. Therefore, the budget proposed to the Board in June included no rent costs for nine of the twelve months in this fiscal year. However, in September we learned that because the lease is in the name of Advance CTE only, it is necessary for the Center to actually pay Advance CTE for rent during these nine months. The proposed budget modification reflects this payment of \$70,236.

The Advance CTE rent costs are journal entries on the balance sheet, as actual rent will not be paid to the landlord during this time.

**Government Relations:** As we have begin to flush out the plans for the Double the Investment Campaign, we realize we neglected to budget for mailing of campaign materials to the membership (\$250) and to cover outreach costs to partner organizations (\$750).

**Summary of proposed budget modification**

	Income	Expenses
Additional State Dues	\$27,658	\$0
Rent Reimbursement	+\$70,236	\$0
Perkins V – reserve fund withdrawal	+\$12,744.47	+\$164,000
Government Relations	No change	\$1,000
Total	\$110,638.47	\$165,000

**Board action:** Approve the proposed budget modification

## FY19 Advance CTE Budget

	Proposed Budget Modification	Approved FY19	Actuals as of 9/23/18 - 23% of fiscal year	Variance between actuals to budget	Explanatory Notes
<b>INCOME</b>					
State Memberships	\$565,069.00	\$537,411.00	\$419,287.00	78.0%	Added in both Michigan and Puerto Rico.
Associate & Organizational Memberships	\$58,000.00	\$58,000.00	\$66,475.00	114.6%	States have been adding members to their "teams" and we have had a lot of new members joining, bringing our total to over 500 for the first time ever.
Spring meeting registration	\$99,000.00	\$99,000.00	\$500.00	0.5%	Spring registration will open in January 2019. The registration that shows here is part of a pre-paid sponsorship package.
Fall meeting registration	\$70,000.00	\$70,000.00	\$94,700.00	135.3%	Exceeded expectations. Closed registration at 200 due to hotel space constraints.
Spring meeting sponsorships	\$62,000.00	\$62,000.00	\$0.00	0.0%	Will open in early 2019.
Fall meeting sponsorships	\$30,000.00	\$30,000.00	\$59,500.00	198.3%	Exceeded expectations. Increase due to staff outreach, general rise in increased interest in CTE and Perkins V.
Gates	\$37,000.00	\$37,000.00	\$0.00	0.0%	Final invoice was submitted in September 2018. Came in under budget, so a bit under \$14K has been requested to redirect to other projects.
Vermont	\$4,000.00	\$4,000.00	\$0.00	0.0%	Final work happening in October 2018. Payment is made upon completion of deliverables.
NJ Teacher Pipeline	\$8,000.00	\$8,000.00	\$0.00	0.0%	No work to date. Payment is made upon completion of deliverables.
Interest/Dividend	\$60,000.00	\$60,000.00	\$10,758.62	17.9%	Includes July and August 2018.
Other income	\$0.00	\$0.00	\$375.00	n/a	Did not budget for other income but received honorarium for participation in Equity Technical Working Group.
Office Move	\$32,410.00	\$32,410.00	\$0.00	0.0%	Reimbursement will take place in early 2019. Still incurring expenses and this is a one-time reimbursement that must occur no later than six months after the move (which was August 2018).
Reimbursement from the Center for Rent	\$70,236.00	\$0.00	n/a	n/a	
Reserve withdrawal: Perkins V Implementation Initiative	\$12,744.47		n/a	n/a	
<b>TOTAL REVENUES</b>	<b>\$1,108,459.47</b>	<b>\$997,821.00</b>	<b>\$651,595.62</b>	<b>65.3%</b>	
<b>EXPENSES</b>					
<b>Allocated Expenses to Specific Projects</b>					
Member Services	\$21,199.25	\$21,199.25	\$7,455.99	35.2%	Direct expenses only; does not include staff time.
Member Supports	\$33,670.00	\$33,670.00	\$54.09	0.2%	Direct expenses only; does not include staff time.
Government Relations	\$27,155.00	\$27,155.00	\$739.26	2.7%	Direct expenses only; does not include staff time.
Fall Meeting	\$58,403.26	\$58,403.26	\$1,208.78	2.1%	Direct expenses only; does not include staff time.
Spring Meeting	\$100,217.50	\$100,217.50	\$14.75	0.0%	Direct expenses only; does not include staff time.
Communications	\$11,662.50	\$11,662.50	\$2,770.12	23.8%	Direct expenses only; does not include staff time.
Advance CTE Board	\$12,848.00	\$12,848.00	\$2,197.57	17.1%	Direct expenses only; does not include staff time.
Gates expenses	\$37,000.00	\$37,000.00	\$17,790.03	48.1%	Direct expenses only; does not include staff time.
Vermont expenses	\$6,405.00	\$6,405.00	\$1.96	0.0%	Final work happening in October 2018. Payment is made upon completion of deliverables.
NJ Teacher pipeline expenses	\$7,651.51	\$7,651.51	\$0.00	0.0%	No activity yet this fiscal year.
Lobbying	\$1,005.00	\$1,005.00	\$48.35	4.8%	Direct expenses only; does not include staff time.
Office Move	\$45,160.00	\$45,160.00	\$28,378.96	62.8%	Direct expenses only; does not include staff time.

### FY19 Advance CTE Budget

	Proposed Budget Modification	Approved FY19	Actuals as of 9/23/18 - 23% of fiscal year	Variance between actuals to budget	Explanatory Notes
Perkins V Implementation Initiative	\$164,000.00	\$0.00	\$2,616.73	n/a	
<b>Subtotal - Specific Projects</b>	<b>\$526,377.02</b>	<b>\$362,377.02</b>	<b>\$63,276.59</b>	17.5%	
<b>General &amp; Administrative Expenses</b>					
Salaries and benefits	\$515,208.09	\$515,208.09	\$219,284.68	42.6%	Includes full staff benefits and salaries. Reimbursement between organizations will occur not later than quarterly. 54% of staff time is covered by the Center.
Telephone/Comm	\$100.00	\$100.00	\$13.96	14.0%	On target
Office Supplies	\$705.00	\$705.00	\$0.00	0.0%	No expenses incurred to date.
Rent	\$14,229.36	\$14,229.36	\$12,152.38	85.4%	Direct costs for July and August rent. Accountant is recording journal entries for \$10,971.33 each month for rent that is not actually paid but needs to be accrued according to accounting principles. This amount included only shows direct costs.
Licenses/Fees	\$150.00	\$150.00	\$0.00	0.0%	Bill received but payments not yet made for annual incorporation fee.
Merrill Lynch Charges	\$30,000.00	\$30,000.00	\$4,891.99	16.3%	On target.
Accounting	\$21,690.00	\$21,690.00	\$2,180.34	10.1%	On target.
<b>Total G&amp;A Expenses</b>	<b>\$582,082.45</b>	<b>\$582,082.45</b>	<b>\$238,523.35</b>	<b>41.0%</b>	
<b>Total Project Expenses</b>	<b>\$526,377.02</b>	<b>\$362,377.02</b>	<b>\$63,276.59</b>	<b>17.5%</b>	
<b>TOTAL EXPENSES</b>	<b>\$1,108,459.47</b>	<b>\$944,459.47</b>	<b>\$301,799.94</b>	<b>32.0%</b>	
<b>INCOME LESS EXPENSES</b>	<b>\$0.00</b>	<b>\$53,361.53</b>	<b>\$349,795.68</b>	<b>655.5%</b>	

**Overview of Proposed Finance Manual Revisions**  
*Report submitted by Shannon Johnson, Administrative Associate*

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The Finance Manual had not been updated since 2015 and was long overdue for a revision to reflect current practice and to modernize some procedures to incorporate technology advances, as well as a new staff structure. The revisions were lead by the external Bookkeeper and internal Administration Associate, and approved by the Executive Director before being transmitted to the Finance/Audit Committee for consideration. The revisions maintain appropriate internal controls.

- Reference to the organizations: All references to NASDCTEc and NCTEF have been changed to Advance CTE and The Center to Advance CTE respectively.
- Bookkeeper duties: Given the significant responsibilities the external Bookkeeper has in effectuating the organizations' financial duties, a description of those duties and responsibilities has been included. Given staff restructuring, all references to the Finance Manager have been replaced with Bookkeeper or appropriate staff member.
- Accounts payable:
  - As the number of Advance CTE/The Center to Advance CTE staff have increased, project managers now also have a role to play in the approval process for vendor invoices.
  - In the payment of bills, unless required by the vendor or payee, all payments are processed electronically using QuickBooks' bill pay feature. Additional internal control steps have been articulated.
- Accounts receivable: We no longer keep a binder for accounts receivable invoices as all of our documentation is housed in the online cloud storage system.
- Credit cards: We no longer accept credit cards by any means other than through QuickBooks, we have reduced this section to describe the process we use to accommodate those that wish to pay their invoices via credit card. The Bookkeeper is responsible for all processes as they relate to credit cards.
- Meeting budgets: This section has been combined with the Budget section, as all projects now have full budgets (given the shift to the budgeting process a few years ago).
- Meeting registrations: We have eliminated the meeting registration binder, as we are keeping this information on our online cloud storage system. The new registration process has been described in the updated manual.
- Membership dues invoices:
  - We have also transitioned our membership dues invoices to the online cloud storage system and no longer use a binder to house them.

- We have included a sentence about the dues payment intent form. We use this to determine when we might expect payments from the membership.
- Purchase of products/supplies: We have added more detail about the approval process for ordering supplies.
- Voided checks: We no longer keep hard copies of voided checks, as they scanned and kept electronically.
- Schedule of regular of activities:
  - Daily: We removed “run credit card payments” and added “pay bills”
  - Weekly: We removed “pay bills” as this happens “on-demand” as soon as bills are processed.
- Addendum A
  - Mail receiving procedure: This has been updated to reflect the duties of the Administrative Associate.
  - Check procedure: This has been simplified as we have eliminated the need to keep hard copies of checks.

**Board action required:** Approve the adoption of the Proposed Finance Manual Revisions.

**Proposed Revised Advance CTE/The Center to Advance CTE  
FINANCIAL MANUAL  
Original Approved on April 29, 2015**

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**Advance CTE/The Center to Advance CTE Financial Policies and Procedures Manual**

**Introduction:**

The policies and procedures described in this manual provide guidance for any staff members who handle financial matters for Advance CTE/The Center to Advance Career Technical Education (Advance CTE/The Center). Advance CTE/The Center embraces high quality and ethical standards in all matters of its operations, especially its fiscal responsibilities.

Overall, financial matters are to be completed promptly and in a manner that assures completeness, accuracy and compliance with all applicable federal, state, and local statutes and regulations.

**Accountant Duties:**

As part of its fiduciary responsibility, as well as to ensure proper compliance with all applicable legal and accounting laws, regulations and codes, Advance CTE/The Center will retain an accounting firm. The firm shall provide expert advice and consultation on all fiscal matters and shall have the following duties: monthly reconciliation of all investment and bank statements, assist with audit preparation, 990 tax preparation, journal entry support, payroll and selected benefits entry into accounting system, and other duties as assigned. The Finance/Audit Committee and Boards of Directors shall have direct access to the accountant.

**Bookkeeper Duties:**

Advance CTE/The Center to Advance CTE has employed the services of a Bookkeeper. The Bookkeeper is responsible for ensuring QuickBooks Online entries are created completely and accurately. The Bookkeeper is responsible for all accounts payable and receivable entries, as well as monthly payroll and benefits entries. In addition, the Bookkeeper stores all records in the online cloud storage system.

**Accounts Payable:**

The Executive Director or relevant project manager will initially receive all bills, verify them for accuracy and then approve payment. The Executive Director will approve all bills for payment before the bills are scanned to the Bookkeeper for entry into the accounting software. The Bookkeeper will save all bills and supporting documentation in company's cloud storage system.

All bills must be paid in a timely manner without incurring late fees. Once the approved bill is received by the Bookkeeper, he/she will enter the bill into the accounting software. To ensure accuracy, the Bookkeeper should pay careful attention to the amount, payee, remittance address, expense category and sub-category to which the expenses are charged. After the bill has been entered into the software and its accuracy verified, the Bookkeeper will process the payment using the bill pay feature of the accounting software. The Secretary/Treasurer must approve all payments over \$10,000 prior to payment being processed.

## **Accounts Receivable:**

For all invoices except dues (which are governed by a separate policy), when the receivable exceeds 30 days past the due date and staff has received no communication from the company/individual as to the status of payment, staff will:

1. Email a copy of the outstanding invoice to the customer taking care to note PAST DUE in the topic of the email.
2. Should the customer not remit payment or respond to communications within 30 days after the emailed invoice, a hard copy of the invoice will be mailed and stamped PAST DUE.
3. Beyond 60 days past due and depending on the customer and the size of the outstanding payment, the
4. Executive Director, or designated staff member, may call the customer to inquire as to status of payment.
5. The Executive Director shall review all outstanding accounts receivable at the end of each fiscal year to determine which invoices to write off.

## **Accounts Receivable – Miscellaneous:**

Staff often attend/present at events for which their travel will be reimbursed. The Administrative Associate will fill out and submit the reimbursement form to the company we are to receive reimbursement from and scan a copy to the Bookkeeper. In addition, the Bookkeeper will create an accounts receivable invoice in QuickBooks Online.

1. Depending on the reimbursing state, or company policy, a reimbursement form should be used in addition to an invoice issued by Advance CTE/The Center. A copy of the reimbursement form and receipts must be provided for each item entered into *accounts receivable*, and shall be stored in the A/R miscellaneous file in the company's cloud storage system.
2. When reimbursing the staff for travel in the accounting software, note name of company in the description line with A/R noted next to the name of the company/organization. This is to quickly identify relevant reimbursable expenses associated with an event, vendor or organization.
3. A list of outstanding accounts receivable can be generated from the accounting software by running the reports.
4. A review of outstanding accounts receivable miscellaneous invoices should be conducted monthly by the Bookkeeper.

## **Audit:**

As part of our continuous improvement process and ensuring that the Boards are meeting their fiduciary responsibilities Advance CTE/The Center must undergo a full audit annually. The Finance/Audit Committee has recommended the following requirements for reviewing the current audit firm.

1. Maintain the RFP requirement to benchmark costs every five years. If the financial position of the organization changes substantially, or there is dissatisfaction with the firm's performance, benchmarking should be conducted on an as needed basis.
2. If engaging the same auditing firm for more than three consecutive years, request a partner rotation as early as every three years, if warranted, but a partner change is required after five consecutive years of engagement.
3. Based on these recommendations, an RFP will need to be issued in FY21 for price benchmarking purposes.



The goal is to conduct the prior year audit as close to the completion of a fiscal year as possible. Ideally, the draft audit report will be available to the Finance/Audit Committee by the end of the calendar year to review, approve and advance to the Advance CTE/The Center Boards for final approval. The draft audit report will be presented to the Advance CTE/The Center Boards by the Auditors during the January Board call. The audit should be finalized in time to submit the 990 tax forms by February 15, with an approved extension from the IRS. On the January Board calls, the Advance CTE/The Center Boards will be presented with the audit and management letter and final year-end financial statements. The Advance CTE/The Center Boards and Finance/Audit Committee shall have direct access to the auditors and accountant and may request to meet with them to review the audit/financial reports at any time.

Staff will work with the accountant and Bookkeeper to prepare all required documents for the auditing firm. The Bookkeeper will review all financial records and reports for accuracy prior to submission to the auditor. The primary contact for the auditor is the Bookkeeper.

The auditing firm will present the draft audit to the Finance/Audit Committee. If there is a management letter, the Finance/Audit Committee will review the findings and develop a set of recommendations to be provided to the Advance CTE/The Center Boards for consideration and action.

### **Bank and Investment Reconciliations:**

To ensure appropriate internal controls, the accountant will, on a monthly basis, reconcile the Advance CTE/The Center bank and investment accounts. The accountants will provide copies of the original reports, as well as the reconciliation reports, investment spreadsheet, balance sheet and year-to-date profit and loss statements to the Executive Director for review and approval.

### **Board meeting materials:**

At each physical meeting of the Board of Directors, not less than two times per year, the Board will be presented with the most up-to-date financial documents including a profit and loss statement, balance sheet, budget comparing actual income and expenses to the budget, and an investment summary. The Secretary/Treasurer will present the financial report to the Board of Directors. The Advance CTE Board of Directors shall receive a copy of all The Center financial documents, given the legal and related nature of the organizations.

### **Budget:**

Budgeting is a critical component of effective and efficient management of the organizations. The budget is an important management tool that should be actively used in decision-making throughout the year. Staff is responsible for creating a first draft of the proposed budget based on the projected program of work and historical expenditures. The budget proposals will include projected expenses contrasted with the current budget. Explanations for fluctuations in the recommended budget should be provided. The budget proposal will be presented to the Finance /Audit Committee for review and approval. If the Finance/Audit committee does not approve, modifications shall be made to the budget then returned to the committee for reconsideration. Upon approval, the Finance/Audit Committee will forward the budget to the appropriate Board of Directors for approval. Quarterly, budget reports (with supporting balance sheet and profit and loss statements) should be presented to the Finance/Audit Committee. As project plans are initiated, project-based budgets may be used and aligned to the overall organizational budget.

**Cash:**

When cash is received, a written receipt should be provided to the individual. This written receipt must be from a cashbook that allows a carbon copy to be retained. The individual providing the cash should initial the receipt prior to the receipt being removed from the cashbook, thereby their initial acknowledging the transmittal of cash to the organization. The receipt should indicate the date, amount of cash received, the person providing the cash, and the purpose for the transmittal of the cash.

The cash should be deposited into the bank as soon as possible, preferably within twenty-four hours of being received. If the cash is received while staff is at an off-site location, the cash should be placed in a safe deposit box until staff leaves the site.

When cash is deposited, the carbon copy of the written receipt from the cashbook should be attached to the deposit documentation.

**Credit cards:**

Customers can pay invoices using a credit card. When an invoice is sent to a customer via the accounting software, it contains a link for the customer to securely pay using their credit card online. If a customer calls Advance CTE/The Center to pay their invoice, they should be transferred to the Bookkeeper so he/she can assist the customer with payment. The accounting software stores all records of the transaction. Advance CTE/The Center does not retain copies of credit card numbers.

Each week, the Bookkeeper will appropriately categorize all credit card fees in the accounting software so they are applied to the appropriate budget account.

**Delegation of duties:**

It is important, given the staff size of Advance CTE/The Center, that responsibility for financial matters be shared for internal controls while also retaining a high degree of efficiency and quality. These staff responsibilities will be determined by the Executive Director, based on the workload and expertise of staff.

**Deposits:**

Deposits should be made weekly but may need to be made more frequently when the volume or amount of checks warrants. The deposit procedures written in the attached Addendum A are to be followed as policy. During the reconciliation process, the accountant will assure that the deposit entered in the accounting software corresponds with what was deposited into the bank. The accountant will enter any transfer of funds or bank fees into the accounting software via journal entry. See deposit procedures-Addendum A.

**Expense reports:**

Staff shall prepare and submit expense reports in compliance with the approved reimbursement policy. The reports must include original receipts for all requested reimbursements unless original receipts are required for a reimbursement from another organization for travel. In these instances, copies of the receipts are acceptable. Upon request and on a case-by-case basis, electronic copies of receipts will be accepted. Reports are submitted to the Executive Director for approval. Once approved, the Bookkeeper will enter the expense reimbursement into the accounting software and process the payment via online bill pay. The expense report, receipts and approval will be stored online in the company's cloud storage system.

The Executive Director's expense reports are reviewed for compliance by the Bookkeeper, reconciling receipts with the report. Quarterly, the reports are scanned and emailed to the Executive Committee members for their review. Receipts are available to the Executive Committee upon request. Executive Committee

members must acknowledge approval of the expense reports. All approval letters/emails are attached to the quarterly expense reports and filed. The schedule for distribution of the Executive Director's reports to the Executive Committee is July 31, October 31, January 31, and April 30.

**Fiscal year:**

Advance CTE/The Center's fiscal year is July 1 through June 30.

**Meeting registrations:**

Upon receipt of a meeting registration, in the [meetings@careertech.org](mailto:meetings@careertech.org) email box, the Administrative Associate reviews the registration to ensure the correct fee is associated with the registration. Once verified, the registration is marked as ok to invoice (indicated by a yellow star and marked as unread). The Bookkeeper will check the [meetings@careertech.org](mailto:meetings@careertech.org) email box nightly and invoice all registrations that have been marked ok to invoice. The Bookkeeper will save a copy of the meeting registration in the company's cloud storage system.

If a meeting attendee or sponsor has poor payment history, Advance CTE/The Center can request a credit card number at time of registration. Advance CTE/The Center will charge the card if payment has not been received within 30 days of the event.

**Membership Dues Invoices:**

See Board policy as reference.

Advance CTE has three types of membership: State Membership, Associate Membership and Organizational Membership. A state membership entitles a state, not an individual, membership status and benefits. Under this membership category, the State Director or designee receives membership benefits on behalf of that state, as well as up to four other members (see Board policy for more details).

An associate membership provides benefits for an individual. There is a two-tiered dues structure for associate members, one rate for state agency employees and one rate for all other individuals interested in being a member. The organizational membership provides for three individuals at the same company to receive membership benefits. Additional employees at the company will receive a reduced membership rate.

Early in the calendar year, staff will research the current Consumer Price Index. Per Board policy, this rate will be presented to the Executive Committee or Board of Directors for approval as the percentage the following year's state dues will increase. No later than February of each year, staff will send a dues chart to states indicating the increase for state dues the next membership year.

Advance CTE will issue dues invoices to members no later than mid-May of each year. Prior to billing, the Bookkeeper should generate a reporting listing current members to ensure that the invoices accurately reflect the current and potential membership. Invoices should include the most up-to-date contact information. Each dues invoice should have a statement indicating dues are not tax-deductible.

After the Bookkeeper generates the current list of members, a dues intent form is sent to each member. The dues intent form should provide a space for the member to indicate the source of payment (Federal or Non-Federal). Once the dues intent form is returned to Advance CTE, the Bookkeeper will send an invoice to the member via email.

See the dues policy for schedule of collections.

Purchase orders, intent forms or other relevant information related to the invoice should be saved in

the company's cloud storage system.

When an invoice is paid, a copy of the check should be attached the payment record in the accounting software. A copy of the check will also be stored in the company's cloud storage system. A thank you email should be sent within five business days to the State CTE Director/associate member/organizational member upon receipt of their dues payment.

### **Payroll:**

The Executive Director shall be the primary contact for all payroll matters. All employees are paid twice a month. Refer to the Personnel Policies for guidance on payroll related items.

### **Purchase of products/supplies:**

When products or supplies are needed, the requestor should send an email to either the Administrative Associate or Executive Director indicating the item(s), quantity, and cost. The Executive Director will review the request and, if approved, direct the Administrative Associate to acquire the item(s). Upon receipt of the supplies the Administrative Associate, or person receiving the box, should verify the correct items have been received. If there are discrepancies, the receiver should notify either the Administrative Associate or Executive Director. When product/supply purchases are made the approval email, invoice, and receipt should be saved in the company's cloud storage system.

### **Signature Authority:**

The Executive Director and Deputy Executive Director has the authority to sign checks, contracts and legal documents on behalf of Advance CTE/The Center. At the start of each fiscal year, new board officers will be added to all of the investment and bank accounts as authorized signers. Any officer that retires from the Board will have their signing authority revoked.

### **Secretary/Treasurer responsibilities:**

According to the organizational bylaws, " In his or her capacity as *Treasurer*, the Secretary/Treasurer shall present reports on the finances of the Corporation at Board of Directors meetings; present the annual budget for approval by the Board of Directors; serve as Chair of the Finance Committee; ensure that the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; and in general perform all the duties incident to the office of Secretary/Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors."

1. The Secretary/Treasurer has three primary roles:
2. Serve as an officer of Advance CTE and The Center.
3. Have charge, and custody of, and responsibility for all funds and securities of both Advance CTE and The Center.
4. Provide ongoing oversight of all aspects of the finances for both Advance CTE and The Center.

Specific Responsibilities include:

Chair the Advance CTE/The Center Finance/Audit Committee:

- Review and recommend approval of an annual operating budget.
- Regularly review financial reports.

- Ensure the maintenance of an appropriate capital structure.
- Oversee the management of organization-wide financial assets.
- Present all financial reports to the Advance CTE and The Center Boards of Directors and membership.
- Present minutes to the Advance CTE and The Center Boards of Directors and membership.
- Review and approve disbursements over \$10,000.
- Serve as a liaison to the ACTE Board of Directors.
- Review and recommend for approval all changes and updates to the finance policy.

### **Voided Checks:**

Voided checks are marked void in permanent ink/marker across check. The voided checks will be noted in the accounting software and soft copies of the voided checks will be stored in the company's cloud storage system.

### **Schedule of Regular of Activities**

#### **Daily:**

- Receive and record deposits
- Pay bills Update spreadsheets (e.g. registration, membership)

#### **Weekly:**

Make deposits at bank Check and report bank balances/transfer funds as appropriate Reconcile A/R (misc., conference registrations, and dues)

**Bi-Monthly:** Process payroll and benefits Timesheet reconciliation

#### **Monthly:**

- Bank and investment reconciliations by accountant
- Payroll and vacation entries made by accountant

#### **Quarterly:**

- Executive Director's expense reports are sent to Executive Committee  
Finance/Audit Committee receives budget reports

### **Overview of Yearly Activities:**

January - determine CPI/dues increase for states; approve audit and 990s

February - notice of dues increase to states

April - Board of Directors' Meeting/Conference

May - Dues invoices sent; beginning preparations year-end

May/June – Budget development and approval

July 1- Beginning of fiscal year; year-end turnover begins

October -Board of Directors' Meeting/Conference and annual audit

November - Tax returns due (unless extension has been approved by IRS for them to be paid by February 15)

### **Addendum A: Mail and Check Deposit Process:**

#### **MAIL RECEIVING PROCEDURE**

- Invoices/mail/checks directed to the company are opened by the Administrative Associate

- Administrative Associate should deliver mail and packages to the indicated recipient
- For mail directed to the Executive Director, the Administrative Associate should separate the mail into the following folders in the Executive Director's inbox
- Invoices – all invoices pending approval for payment
- Signature Required – Anything that is not an invoice that requires the signature of the Executive Director (e.g. leave request forms, contracts, project starters)
- Scanned Invoices – Invoices that have been previously approved by the Executive Director and scanned to the Bookkeeper
- Invitations – Any document or communication that requests the Executive Director attend, speak at, or present at, an event
- Miscellaneous – Copies of scanned checks (three hole punched), timesheets, anything that cannot be applied to another category
- If the Administrative Associate is out of the office:
- Executive Director opens mail and scans all checks and approved invoices directly to the Bookkeeper

### **CHECK RECEIVING PROCEDURE – Receiving and Copying**

- Checks are received and opened by the Administrative Associate
- Checks, including the stub (if applicable) is scanned to the Bookkeeper
- A copy of the checks is made (including the stub is not necessary), three-hole punched, initialed and dated by the Administrative Associate and put into the “Miscellaneous” folder in the Executive Director's inbox
- Checks are put into a manila folder in the safe, located in the IT closet, to await the weekly deposit

### **DEPOSIT PROCEDURE**

- Bookkeeper receives check scans and enters them into the accounting software
- On day of deposit – Administrative Associate gathers the envelope with checks
- Executive Director reconciles the checks, copies and accounting software deposit summary
- Administrative Associate creates handwritten deposit slip based on deposit summary created by the accounting software and the checks that have been received
  - The deposit slip should match the checks to be deposited and the deposit summary
  - Double check the amounts of the checks against the deposit summary
  - If the Administrative Associate observes discrepancies, she/he will immediately notify the Executive Director or Bookkeeper for correction or clarification
    - Possible errors:
      - Missing check
      - Check numbers do not match
      - Check amounts do not match
    - A copy of the deposit slip is made before the deposit is taken to the bank
    - Deposits are to be completed at least once a week, unless there are no funds to be deposited. The Administrative Associate should obtain deposit receipts from the bank
    - Once the deposit has been completed, the deposit summary, deposit slip, and bank deposit receipts are scanned to the Bookkeeper

Once the deposit summary, deposit slip and the bank deposit receipt have been scanned to the Bookkeeper, they should be filed under the appropriate month in the deposit binder, located in the IT closet

### **Deposit Reconciliations – Two different reconciliations happen**

#### First Reconciliation (by deposit preparer)

- Administrative Associate compares copies of the checks with accounting software deposit summary and the handwritten deposit slip. All should match
  - If it does not match up, hold the deposit. The Administrative Associate will need to determine where the error occurred and determine the appropriate remedy

#### Second Reconciliation (by Bookkeeper)

- After deposit is made – Deposit summary, deposit slip and bank deposit receipt are scanned to the Bookkeeper. The Bookkeeper will save a copy of each in the company's cloud storage system
- Bookkeeper compares all checks copies with the accounting software deposit summary
  - Checking the amount reported on the accounting software deposit summary against the check amount
  - Verifying the check number using the check number entered on the deposit summary
  - The Executive Director is to be notified if any check/summary or any issues appear

**Proposed Personnel Policy Revision**  
*Report prepared by Kimberly Green, Executive Director*

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Annually, staff sends the personnel policies to the attorney for review to ensure compliance with appropriate laws and regulations. The attorney returned no substantive changes to the personnel policies. Hugh Webster, counsel, provided the following statement:

“I have no recommended changes to the Personnel Policies. They remain current and accurately reflect applicable laws and regulations.”

Given the growing staff size, we are testing our internal systems and policies and at times, finding we need to provide for more formal, structured processes and articulated policies. Staff requested that we consider adding a conflict resolution clause to the personnel policies. Given that we had to have the attorney review the policies for currency, we also asked the attorney for his opinion on the addition of a more detailed conflict resolution policy. His response was “Regarding a conflict resolution policy/procedure, I have seen those. I think they can be helpful. Most nonprofit or association employers, in my experience, engage in conflict resolution, but do not have formal written procedures. But some do have written policies, usually those with larger staffs. Attached is a sample policy. This is only one example. But overall I do not think you want something that is too complex or bureaucratic.”

Below is the draft policy, developed by the attorney, that is being recommended for inclusion in the Advance CTE/Center to Advance CTE Personnel Policies:

**“III.N. Conflict Resolution**

*To promote a productive and cooperative work environment, Advance CTE encourages open communication and wishes to create a safe environment for addressing differences of opinion. Employees with work related disputes are encouraged to follow the conflict resolution procedures outlined below:*

- *The employee should first make an attempt to resolve the dispute directly with the other employee(s) involved.*
- *If the problem cannot be resolved or otherwise persists, then the employee should contact their immediate supervisor or, if the dispute/conflict is with their immediate supervisor, then they should contact the Deputy Executive Director. The immediate supervisor (or Deputy Executive Director) should seek to mediate the matter, including by holding a face-to-face meeting with the employees.*
- *If these efforts are not successful, then the matter should be escalated to the Executive Director for final resolution.*



*NOTE: This process is not applicable to work performance or disciplinary matters, or to situations involved harassment or whistleblower complaints. Such matters are addressed elsewhere in these Policies.”*

**Board Action:**           Vote to accept the proposed revisions.

## **Updates to Advance CTE’s HEA Reauthorization Recommendations** *Report Submitted by Meredith Hills, Policy Associate*

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In 2016, Advance CTE’s Board approved the organization’s first-ever recommendations for the reauthorization of the Higher Education Act (HEA). Those recommendations were re-approved in early 2017 by the Board, with minor revisions. Congress has been making initial overtures to reauthorize HEA in the current Congress but Advance CTE expects lawmakers to prioritize the renewal of this law in the 116<sup>th</sup> Congress.

With that anticipated focus, as well as Advance CTE’s growing knowledge and capacity on postsecondary issues, staff recommends updating the HEA policy recommendations once again. The proposed revisions are a combination of updating language to reflect the organization’s brand and terminology, as well as to offer some proposed content deletions, revisions and additions.

### **Language revisions:**

- The language has been updated through to remove the word “student” and replace with “learner,” which is consistent with “Putting Learner Success First: A Shared Vision for the Future of CTE.”
- Changes were made to align with Perkins V terminology. For example, changing “high-demand” to “in-demand” and ensuring references to labor market alignment included local, regional and state options.

### **Additions:**

- Support expanding Pell Grant eligibility to include short-term programs that lead to a recognized postsecondary certificate, license or credential. This increases accessibility of postsecondary attainment and supports work-based learning.
- Expand the scope of data collection by disaggregation of data and the reporting of both short and long-term outcomes. This would allow for a more comprehensive understanding of all learners and ensure postsecondary programs are high-quality.
- Reviewed the priorities through an equity lens, and embedded priorities to reflect this in a variety of recommendations.

### **Deletions:**

- Removed the ability-to-benefit (ATB) recommendations because an ATB provision has been reinstated.
- Removed the distance learning recommendation because the distance learning ban was eliminated in 2017.
- Removed the accreditation recommendation because research and discussions, both internal and external, did not provide the Advance CTE staff with a specific high-quality suggestion for how to improve the accreditation process.

**Board Action Required:**

Vote to approve the revised Advance CTE Recommendations for the reauthorization of the Higher Education Act

## **Advance CTE Recommendations for the Reauthorization of the Higher Education Act**

As Congress considers the reauthorization of the Higher Education Opportunity Act (P.L. 110-315), the challenges facing our nation’s economy, most notably the skills shortage, must be central to these debates. Our nation’s higher education system must become more responsive to the evolving demands of an ever more competitive global economy. Too many employers report a shortage of qualified workers, while university and college graduates burdened with tremendous debt are unable to find work related to their fields of study. This calls for a major realignment of our nation’s higher education policies. The forthcoming reauthorization process will provide Congress a critically important opportunity to achieve this vision for investing in America’s workforce by ensuring affordable and accessible postsecondary opportunities for every learner.

Advance CTE, representing the state leadership for secondary, postsecondary and adult Career Technical Education (CTE) in all 50 states and U.S. territories, offers the following recommendations for the reauthorization of the Higher Education Act (HEA):

### **Higher Education Is Workforce Development:**

- **Strengthen Connections to the Labor Market:** While there are many important purposes for higher education, we must acknowledge and bring to the forefront the system’s responsibility and role in preparing the nation’s future workforce. The U.S. higher education’s system is one of the nation’s largest investments in its workforce. Acknowledging this, Advance CTE recommends that future HEA legislation prioritize support for education and training programs that lead to high-growth and in-demand occupations and industry sectors and respond to local, regional or state needs.
- **Foster Job-Driven Postsecondary Partnerships:** Community and Technical Colleges have a long history of working with employers of all sizes to meet the talent pipeline needs of the American economy. However, more can be done to ensure that these employer-education partnerships are more common. The Trade Adjustment and Assistance Community College and Career Training (TAACCCCT) grant program most recently supported such partnerships with targeted investments for several years. Unfortunately funding for this initiative has run out, reducing these institutions’ ability to effectively engage with the employer community. Advance CTE therefore recommends that new HEA legislation include annual funding over the law’s authorization period for new investments comparable to the TAACCCCT grant program focusing on local, regional or state high-growth, in-demand occupations and industry sectors provided at community and technical colleges. Such funding should be provided above and beyond existing investments the law makes into the postsecondary education system.

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### **Eliminate Barriers to Financial Aid Program Access**

- **Affirm the Importance of All Postsecondary Credentials:** A large and rapidly increasing portion of all postsecondary learners enroll in “noncredit” courses, and this figure is expected to continue to grow. These programs typically lead to a postsecondary credential that often has a more immediate connection to an occupational skill or competency than most associate or baccalaureate degree programs and are frequently offered at a substantially lower cost to learners. Despite this, postsecondary learners enrolled in many short-term education and training programs are ineligible to access federal financial aid under current law due to overly burdensome program length requirements. Advance CTE recommends reducing current program length requirements for learner financial aid eligibility under Title IV of HEA for programs that lead to a recognized postsecondary credential, as defined by the Workforce Innovation and Opportunity Act (WIOA), and demonstrate a connection to an in-demand or high-growth occupational sector that aligns with local, regional or state needs. This includes expanding Pell Grant eligibility to include short-term programs that can lead to a recognized postsecondary certificate, license or credential. Advance CTE supports the JOBS Act, which promotes Pell eligibility for high-quality job training programs that are at least eight weeks and result in industry-recognized credentials and certificates.
- **Increase Support for Non-traditional Learners to Succeed in Postsecondary Education:** Through the implementation of career pathways and CTE programs of study, an increasing number of nontraditional learners (those over the age of 24) are enrolling in postsecondary education to acquire additional skills to stay competitive in the labor market. These learners often face barriers to postsecondary completion and federal higher education policy has not kept pace with the additional needs of these learners. Where possible, HEA should support efforts that afford greater opportunities to earn credit for prior learning — either from experiences on the job, through military service or in the classroom. Moreover, to effectively support these nontraditional learners, Advance CTE recommends that HEA legislation support equitable access to federal financial aid and other wrap-around institution-based support services such as child care, tutoring and job search assistance.
- **Restore Year-round Pell:** Since 2010, the ability to award two Pell Grants in a single award year, known also as “year-round Pell” has been eliminated. This has prevented learners who are continuously enrolled in a program from receiving the necessary financial resources to earn their postsecondary degree or credential at a faster rate. These resources are vital to ensuring uninterrupted learning, increasing learner persistence and promoting program completion rates. As such, Advance CTE recommends reinstating year-round Pell as a way to empower learners to use aid resources more effectively tailored to the pace of their studies. Advance CTE also recommends implementing annual inflation adjustments for Pell Grants.

### **Streamline Data Collection and Ensure Cross-systems Alignment**

- **Adopt Common Performance Metrics:** Programs supported through federal legislation such as HEA, WIOA, the Carl D. Perkins Career and Technical Education Act (Perkins) and the Every Student Succeeds Act (ESSA), have unique purposes but oftentimes serve overlapping populations. Each law maintains distinctive accountability and performance metrics that, taken together, create a reporting burden for states and institutions while decreasing the value and integrity of the data collected. Advance CTE recommends the creation of common measures, where practical, to align workforce and education programs as well as the adoption of related common terminology and measurement methods.
- **Promote Cross-systems Collaboration:** State education systems should support seamless transitions between the secondary and postsecondary education levels to ensure that they work

together collaboratively rather than in isolation. To build upon existing state efforts, Advance CTE recommends that future HEA legislation promote a smooth transition to postsecondary education, and ultimately the workforce, by incentivizing program models such as dual or concurrent enrollment, programs of study and career pathways wherever practical.

- **Develop and Expand Statewide Data System Capacity:** The ultimate role of postsecondary education is to prepare learners for rewarding careers that promote economic self-sufficiency and align the nation’s talent pipeline needs. To achieve this, a newly reauthorized HEA must be able to hold programs and institutions accountable for the employment outcomes of their learners. However, current law restricts the collection of the information necessary to do this and prevents adequate program evaluation of other critical learner outcomes. To that end, Advance CTE recommends repealing the law’s ban on the creation of a student unit record system. Relatedly, future legislation should incentivize the development of state longitudinal data systems that enable sharing of data within and among states.
- **Expand the Scope of Data Collection:** Postsecondary programs must continuously evolve to support the needs of learners and guide them to academic achievement and success in the workforce. This can only happen if appropriate data is collected and shared across systems. Advance CTE recommends expanding the scope of data collected to track short and long-term outcomes of learners in terms of academic attainment and experience in the workforce. In addition, Advance CTE recommends disaggregation of data collected to at a minimum reflect race, ethnicity, gender and age. This is pivotal to understand the composition of learners and ensure high-quality postsecondary opportunities for all.

### **Increase Flexibility for Innovative Educational Models**

- **Promote Competency-Based Learning:** Postsecondary CTE programs have been on the forefront of one of the most important innovations in education delivery— competency-based education. Such an approach emphasizes the importance of attaining specific skills and knowledge in a postsecondary educational setting, tailored to each learner’s unique pace for learning, rather than on units of time to measure coursework. The Experimental Sites Initiative, contained in current HEA law, supports such programs in limited instances and should be expanded to further demonstrate the efficacy of competency-based postsecondary education programs. To build on these efforts, Advance CTE recommends greater flexibility be given to states and postsecondary institutions to implement high-quality and innovative programs and strategies that use a competency-based learning approach.
- **Expand Career Guidance:** Given the changing nature of the workplace, learners need greater opportunities to explore various career pathways to familiarize themselves with the career options available — and their related educational and skill requirements — before and during their postsecondary education program of choice. Supplemented with robust guidance, these activities help learners make more informed choices regarding which postsecondary education program will best prepare them to successfully transition into a rewarding career. Advance CTE therefore recommends that future HEA legislation support and encourage career exploration, guidance and advisement throughout the entire educational spectrum.
- **Increase Opportunities for Experiential Learning:** More than ever before, employers are valuing real-world work experiences as a core component of a student’s qualifications for employment. Experiential learning opportunities provide learners the opportunity to apply what they have learned in the classroom to the real world and foster the development of employability skills that enhance

their ability to successfully transition into the modern workplace. Advance CTE recommends that future HEA legislation encourage and support opportunities for learners to participate in experiential learning activities such as internships, mentorships and other forms of real-world work experiences. Additionally, Advance CTE recommends incorporating work based learning opportunities, such as registered apprenticeships programs, as recognized academic experience.

### **Develop and Nurture the CTE Teacher Workforce**

- **Prepare and Support Quality CTE Educators:** Across the country, State CTE Directors consistently report a persistent shortage of CTE instructors. To address this shortage and to develop the CTE instructor workforce needed to meet the growing demand for CTE programs, teacher preparation activities authorized in current law should afford prospective teachers the opportunity to gain relevant technical training in the industry area where they intend to teach. Moreover, greater flexibility should be given to teacher preparation programs to recruit and support mid-career professionals seeking to transition into the classroom through alternative pathways to certification, while continuing to maintain high-quality standards for recruitment. To effectively support these efforts, Advance CTE recommends that future HEA legislation include funding and support services for CTE teacher preparation and related professional development.

*Advance CTE represents state and territory leaders of CTE through leadership and advocacy that supports an innovative and rigorous CTE system that prepares learners for both college and careers. State CTE Directors lead the planning and implementation of CTE in their respective states and these recommendations reflect their priorities.*

*For more information, please contact:*

*Advance CTE*

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*[www.careertech.org](http://www.careertech.org)*

### **Carl D. Perkins Career and Technical Education Act**

Advance CTE played an active, vocal and pivotal role in the reauthorization of the Perkins Act. In partnership with ACTE, together we were engaged in intense and confidential negotiations with Senate Health, Education, Labor and Pensions (HELP) Committee leadership of both political parties. Our deep knowledge of the field and ability to respond quickly, often in unreasonable timelines, lead us to be adept negotiators. While the final bill is a true reflection of negotiating to meet multiple priorities, not all of which aligned to our recommendations, we made a notable impact and improved the bill to meet the majority of our organization's Perkins reauthorization priorities (see the Perkins scorecard in the Federal Policy Strategy Update in the Joint Advance CTE/Center to Advance CTE Board book). The comprehensive information below provides a step-by-step inside view of the final stages of reauthorization, including Advance CTE's role.

Throughout the Spring and early Summer, Advance CTE met with key congressional staff for members of the Senate HELP Committee, both in individual meetings and as part of broader coalitions (led by IBM, the Committee for Education Funding and the Campaign to Invest in America's Workforce). In addition, Advance CTE engaged with Senate HELP Committee staff via calls, letters, and in person meetings over the time leading up to and during the reauthorization of Perkins. Advance CTE also coordinated with staff on the House Committee on Education and the Workforce. Specific actions related to the reauthorization are outlined below.

- On June 20, Advance CTE received the first draft of the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (S. 3217). In partnership with the Association for Career and Technical Education (ACTE), Advance CTE worked quickly to provide suggestions to improve the bill through extensive line-by-line edits for 11 sections of the bill. The most extensive feedback was provided for the accountability section (e.g., requirements for setting and adjusting targets) and improvement plan section (e.g., sanctions one year after being identified for improvement, meaning states would not have the chance to implement improvement plans and improve performance before the U.S. Department of Education would have the ability to withhold funds from a state). Advance CTE also communicated with partner organizations to secure additional support for our suggested changes.
- On June 24, Advance CTE received a slightly updated draft of the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (S. 3217). While some minor technical changes that we had flagged were included in the updated draft, the majority of our concerns were not addressed in this draft. Given this, we secured a commitment from Committee staff to continue to work with us to make necessary changes in exchange for our commitment to remain neutral on the bill. Our letter addressed to Committee staff identified the major concerns we had, but did not take a position for this reason. Many other education groups followed suit and remained silent or expressed a neutral position.
- On June 26, the Senate Health, Education, Labor and Pensions Committee marks up the bill and passes it out of the Committee. Advance CTE and ACTE continue to work with



Senate Committee staff to provide suggestions to improve the bill. Advance CTE and ACTE worked together to provide suggestions to improve the bill. Over the course of the next three weeks, we sent up suggested legislative language to replace the target setting process outlined in the bill, held clarifying calls about the definition of a secondary CTE concentrator, provided supporting data and more. Additionally we had multiple phone calls and a lengthy in person meeting on July 17, during which we walked through these concerns and over 10 pages of line-by-line edits with suggested legislative language for accountability, fiscal and burden issues. In addition, we supplemented these written priorities with data from states to provide context and evidence for our arguments about timelines for sanctions, reasons why a state may need to adjust targets and examples from state CTE leaders.

- On July 21, the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (S. 3217) is locked in and Advance CTE and ACTE send up a [letter](#) outlining our thoughts on the bill. This draft made significant improvements over previous ones – it updated the timing of sanctions to three years (consistent with current law), allows states the flexibility to do a four-year plan or submit annual revisions in 2024 after the first four-year plan expires, consolidated previously separate placement indicators (pitting education against employment) into one placement indicator, and revising the definition of professional development to reflect the CTE context. However, this draft also included a definition of a program of study that indicated it could be secondary or postsecondary. At this point, we let the Committee know that failure to update the program of study definition to include secondary **and** postsecondary education would mean that we would actively oppose the bill. We secured a written commitment from Committee staff to make this change and to address our more serious concerns that had not yet been resolved (e.g., clarifying the target revision process and the sequence of restrictions, what “actual participants” means, clarifying that state plans and local application address the process for data review versus the actual data, language around some of the performance indicators, etc.) in report language in exchange for expressing a neutral position on the bill.
- On July 23, the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (S. 3217) is passed on the floor of the Senate on a unanimous voice vote. Prior to final passage, the program of study definition change was hand-written into the bill.
- On July 25, the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (H.R. 2353 as amended by S. 3217) is passed on the floor of the House on a unanimous voice vote.
- On July 31, President Trump signed the *Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act* (Perkins V) into law.
- Throughout August, September and October, Advance CTE has been following up with Committee staff to secure report language.

Advance CTE engagement with our members:

- Throughout the summer, we held calls and communicated with the State CTE Directors for all of the states represented on the Senate HELP Committee and kept them up-to-date as the process progressed. We also developed talking points on reauthorization that we shared with this group at different stages when they were being asked to weigh in on the bill.

- This group was able to share knowledge that they had gained from engaging with their Senate offices, allowing Advance CTE to raise questions and concerns before some of these concepts made it into legislative text.
- In addition, Advance CTE was able to work with leading states in this group to provide formal comments on the bill that were leveraged in our meetings and effectively held the bill from moving too fast before we could secure needed changes to the text. This group was instrumental throughout the reauthorization process and their advocacy efforts were effective in securing improvements in the legislation.
- Advance CTE also worked with members from states outside of the HELP Committee prior to the Senate’s vote on reauthorization to put a hold on the bill to buy time for additional changes. Without the advocacy efforts of our members, it would not have been possible to make as many improvements as we did.
- Advance CTE provided updates to our broader membership and continuously updated our resources as the bill made its way through the reauthorization process.
- After passage, Advance CTE released a summary, one-pager, updated background on Perkins, slide deck and talking points, comprehensive side-by-side analysis and redline (which are available online and in the Perkins V forum for State CTE Directors).
- Advance CTE has also been engaging with our members and will continue to do so through:
  - A new webinar series called the Perkins V Lunch and Learns to examine strategies and opportunities for Perkins V implementation.
  - An online discussion forum for State CTE Directors to access Perkins V resources, respond to discussion questions (similar to the State CTE Directors listserv) and ask questions of Advance CTE and other State CTE Directors.
  - Perkins V regional implementation meetings that Advance CTE is hosting in partnership with the Association for Career and Technical Education (ACTE), American Association of Community Colleges (AACC) and the National Alliance for Partnerships in Equity (NAPE).

#### Additional Advance CTE engagement with Congress:

- Over the course of the time leading up to reauthorization, we continued to engage with Senate HELP Committee staff and other congressional staff to answer questions and provide data on Perkins reauthorization. Leading up to final Senate passage of the bill, we met with a number of offices to raise our outstanding concerns about the bill.
- The House CTE Caucus held a [briefing](#) in July on expanding access to high-quality CTE in rural communities. During the briefing, Austin Estes, Advance CTE’s Senior Policy Associate presented on findings from our rural initiative and invited panelists shared challenges and promising practices related to delivering high-quality programs of study in rural areas. Presenters included a former Excellence in Action Award winner, as well as Advance CTE’s Secretary/Treasurer and State CTE Director in Oklahoma, Marcie Mack.

We signed on in support of the following legislation that promotes our policy priorities:

- Letter to Members of Congress on the Appropriations and Education Committees opposing the proposed consolidation of the Office of Career, Technical and Adult Education (OCTAE) with the Office of Postsecondary Education.

- Bill sponsored by Representative Langevin (D-RI) that would provide grants to education and industry partnerships for integrating cybersecurity education into CTE programs of study.
- Letter endorsing the nomination of Scott Stump for Assistant Secretary for OCTAE.

### **Higher Education Act (HEA)**

#### Congressional Action:

- The Promoting Real Opportunity, Success and Prosperity Through Education Reform (PROSPER) Act that was passed out of the House Committee on Education and the Workforce on a party line vote in December 2017 has not yet gone for a vote before the full U.S. House of Representatives as of this writing.
- On July 26, House Committee on Education and the Workforce Democrats introduced the *Aim Higher Act* (H.R. 6543). This bill was a point-by-point response to the PROSPER Act. It would reauthorize the Higher Education Act (HEA), and make significant changes to a number of provisions within the current law. No further action on the legislation has been taken.
- While the Senate had identified HEA reauthorization as a top priority earlier in 2018, efforts in the Senate stalled following their bipartisan request for input that was put out in February.

#### Advance CTE engagement with our members:

- We are revising our HEA recommendations to provide additional focus and reflect updates since they were initially developed. We sought input on our HEA recommendations during the September quarterly advocacy call.

#### We signed on to the following letters and legislation that promotes our policy priorities:

- The [\*Preparing and Retaining Education Professionals \(PREP\) Act\*](#), which aims to address teacher and principal shortages, particularly in rural areas.
- As part of the Postsecondary Data Collaborative (PostsecData), Advance CTE:
  - Responded to all four questions in the open call for comments and suggestions by the Federal Data Strategy as it sets priorities for leveraging data as a strategic asset, as part of the President’s Management Agenda. [This letter](#) made four recommendations: 1) Maintain and improve the College Scorecard, an important tool developed by the Department of Education (ED), 2) Expand researcher access to federal data sets to facilitate responsible data use by researchers and analysts working toward evidence-based policies, 3) Continue to enhance secure data matches across agencies and with states to answer critical stakeholder questions, while protecting privacy and 4) Build Application Programming Interfaces (APIs) for more data sets to increase data accessibility.
  - Signed on to a [letter](#) to the Department of Education that included College Scorecard recommendations.

### **Elementary and Secondary Education Act (ESEA)**

All states' ESSA plans have now been approved by the U.S. Department of Education (ED). Advance CTE produced four [Career-Ready Indicator Profiles](#), which explore how leading states are designing meaningful, career-focused indicators.

We signed on in support of the following legislation that promotes our policy priorities:

- Letters to the [House](#) and [Senate](#) asking to fully fund (or at least level fund) the Student Support and Academic Enrichment (SSAE) flexible block grant under Title IV-A of ESSA, which supports a well-rounded education (which includes CTE). The program received an increase from \$400 million to \$1.1 billion in FY18 and the letter strongly urges Congress to maintain funding at this level in FY19.
- Letter to Congress asking to fund the Supporting Effective Instruction State Grants Program (Title II-A of ESSA) at the authorized level.

### **Workforce Innovation and Opportunity Act (WIOA)**

Advance CTE is currently developing resources to better support states' WIOA implementation. In October, Advance CTE and the National Skills Coalition will be releasing an updated *Aligned by Design* resource that highlights opportunities for coordination across CTE and WIOA. In addition, Advance CTE is releasing *CTE and Workforce Systems Alignment: Lessons Learned from States* that will focus on approaches to promoting CTE and workforce systems alignment.

We signed on in support of the following legislation that promotes our policy priorities:

- House and Senate Resolutions to Recognize September as National Workforce Development Month.

### **Fiscal Year (FY) 2019 Budget and Appropriations Update**

Congressional action and Advance CTE engagement on appropriations and tax reform:

- Advance CTE sent up written testimony for the record to both the House and Senate Appropriations Subcommittees on Labor, Health and Human Services, Education and Related Agencies (Labor-HHS-Ed).
- In partnership with ACTE, Advance CTE sent up a letter to conferees who were named to resolve the differences between the House and Senate FY19 Labor-HHS-Ed appropriations bills.

Fiscal Year 2019 (FY19) Appropriations activity:

- In late June, the House Appropriations Subcommittee on Labor-HHS-Ed proposed a \$102 million increase for the Carl D. Perkins Career and Technical Education Act (Perkins) Basic State Grant Program and a \$13 million increase for National Activities under Perkins.
- On June 26, the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies marked up their Fiscal Year 2019 (FY19) spending bill. The bill proposed maintaining the FY18 funding level for the Perkins Basic State Grants.
- On July 11, the House Appropriations Committee marked up and voted to pass the Labor-HHS-Ed FY19 appropriations bill. The bill largely retained the funding levels for

education and workforce programs included in the bill that was passed by the House Appropriations Subcommittee on Labor-HHS-Ed.

- A conference committee comprised of members of both the House and Senate was formed to negotiate the Fiscal Year 2019 (FY19) final appropriations bill for Labor-HHS-Education.
- The conference committee reached an agreement for the FY19 Labor-HHS-Ed appropriations bill that included a \$70 million increase in the federal investment in Perkins Basic State Grants. Other notable increases included additional support for the Student Support and Academic Enrichment Grant authorized under Title IV-A of the Every Student Succeeds Act (ESSA), Apprenticeship grants and a \$100 increase in the maximum award for Pell grants (but this draws down the Pell reserve, the unobligated funds for the program that have been previously appropriated by Congress). The bill also included language about Congress' concerns about the elimination or consolidation of OCTAE and notes that OCTAE is authorized expressly in statute and cannot be consolidated or reorganized except by specific authority granted by Congress.
- On September 18, the Senate voted 93-7 to approve the bill, which was bundled with the Defense appropriations bill, as well as a continuing resolution that would run through December 7 to extend current funding levels for other government agencies without final appropriations bills in place by October 1.
- On September 26, the House approved the bill 361-61.
- On September 28, President Trump signed the bill, averting a government shutdown. This is the first time since 1996 that the Labor-HHS-Ed bill was passed ahead of the fiscal year's start on October 1.

### **Discussion Questions:**

Advance CTE recently began the planning stages for a campaign to double the federal investment in CTE, building off the successful campaign held about a decade ago and in response to Board interest. The goal of the campaign is to secure widespread support from employers in all 50 states. Advance CTE's members would play a significant role in the campaign by asking employers in their states and regions to sign on to a statement of support for Congress to double the federal investment in CTE (through a web form on the campaign website). The campaign would launch in February 2019, during CTE month and the timeframe during which the President issues his proposed budget for the upcoming fiscal year. The campaign would run for the next 10 months and then the widespread support from employers would be featured in communications and engagement with Member of Congress. .

- We recognize that some Advance CTE's members will be able to easily engage employers and others will need more tools in order to support the campaign. Our plan is to develop a website that features resources that will help our members make outreach to employers, including a one-pager, FAQ, promotional tool kit, PowerPoint and talking points. In addition, we'd host a webinar and conduct an in-person training at the Spring Meeting.
- Do you have any concerns with the proposed approach to this campaign?
- Do you have any concerns with the proposed timeline of the campaign (kicking off in early 2019)?
- What additional resources or technical assistance would be most helpful to support your active engagement with this campaign?

**Board action required:** Response to discussion questions.

## Proposed Advance CTE Equity Statement

*Report Submitted by Austin Estes, Senior Policy Associate with input from Ashleigh McFadden, State Policy Manager and Brianna McCain, Policy Associate*

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**The purpose and use of the statement:** Advance CTE has embarked on an initiative to advance equity in Career Technical Education (CTE) to ensure that systems support each learner in accessing, feeling welcome in, fully participating in and successfully completing a high-quality CTE program of study. The proposed Statement on Equity in CTE is a direct extension of Advance CTE's vision of *Putting Learner Success First* and, like this vision, is a lens through which Advance CTE would view and conduct all its work. The statement is envisioned to initially be an internal document used to guide Advance CTE's work, but in the future it may also serve as a public commitment from Advance CTE to promote equity in CTE.

Moving forward, this statement would serve as a framework to help integrate an equity lens throughout Advance CTE's work. Additionally, the statement will serve as the north star to guide future resources in Advance CTE's equity initiative. Specifically, all future publications in the *Making Good on the Promise* series would be directly connected to the needs and priorities articulated in the statement.

**How was the statement developed:** To develop this statement, Advance CTE initially drafted an equity in CTE definition, which was informed by numerous interviews with civil rights organizations, state CTE leaders and education organizations. Advance CTE then presented this definition to the Committee on Equity in CTE, which is comprised of national civil rights and education organizations. As part of their feedback, the Committee suggested that Advance CTE develop a more robust statement on equity in CTE in order to appropriately illustrate what equity in CTE means, as well as what the role of the state is in supporting this work. Advance CTE rewrote the equity definition to be a longer equity statement to illustrate the history, current status and proposed outcomes of equitable CTE. The Equity Kitchen Cabinet, which consists of state CTE leaders and Advance CTE members, and Advance CTE's Executive Committee provided feedback on the statement, which Advance CTE incorporated in the proposed language below.

**Board action required:** Discuss and vote to approve Advance CTE's equity statement.

## **Advance CTE’s Statement on Equity in CTE**

Historically, Career Technical Education (CTE) – once called vocational education – was an alternative educational option for learners who were considered non-college bound. As a result, a disproportionate number of low-income learners, learners of color, learners with disabilities, female learners and other historically underserved populations were “tracked” into terminal vocational programs that denied their true potential and left them with limited opportunity.

Today, the quality of CTE has vastly improved, making it a preferred path for many secondary and postsecondary learners. Yet even today, not all learners have access to high-quality programs of study in their communities. The same systemic barriers that contributed to tracking in the 20<sup>th</sup> century – implicit and overt biases, resource inequity, school segregation – result in inequities today.

State leaders have a critical responsibility to ensure each learner has opportunities for career success and is supported in identifying and realizing his or her goals. State leaders must identify and dismantle historical barriers and construct systems that support learners in accessing, feeling welcome in, fully participating in and successfully completing a high-quality CTE program of study. This means leveraging data to identify and address equity gaps, building trust with historically underserved communities, establishing feedback loops to ensure all voices are heard, allocating resources appropriately to expand access to high-quality CTE, and putting measures in place to support learners to achieve success.

Once the right systems are in place, CTE can be a powerful tool for closing achievement and opportunity gaps. High-quality CTE programs of study can prepare every learner to earn a credential of value that enables them to achieve economic and social mobility, obtain employment in a career of choice with family-sustaining wages, and access opportunities for advancement and lifelong learning. It is only through such an intentional focus on equity that states will be able to truly put learner success first.