

The Center to Advance CTE Board of Directors' Meeting

AGENDA

October 16, 2017

3:15 – 4:30 p.m.

Meeting Room: Salon ABC

1. Welcome, Overview of Agenda
3:15 – 3:20 p.m. (5 minutes)
.....Pradeep Kotamraju
President
.....*Pages 1 - 3*

2. Approval of June 22, 2017 Minutes
3:21 – 3:23 p.m. (2 minutes)
.....Sarah Heath
Secretary/Treasurer
.....*Pages 4 - 5*

3. The Center to Advance CTE Financial Reports
3:24 – 3:44 p.m. (20 minutes)
.....Sarah Heath
Secretary/Treasurer
.....*Pages 6 - 26*

4. Policy Change: Center Board Categories
3:45 – 3:55 p.m. (10 minutes)
.....Kate Kreamer
Deputy Executive Director
.....*Pages 27 - 29*

5. Career Clusters Task Force: Update and Discussion
3:56 – 4:16 p.m. (20 minutes)
.....Kimberly Green
Executive Director
.....*Pages 30 - 32*

6. Siemens Communications Work
4:17 – 4:27 p.m. (10 minutes)
.....Kate Kreamer
Deputy Executive Director

.....Katie Fitzgerald
Senior Associate,
Communications
.....*Pages 33 - 34*

7. Other Items to be Added/Next Steps
4:28 – 4:30 p.m. (2 minutes)
.....Pradeep Kotamraju
President

Upcoming Meetings

Center to Advance CTE Conference Call

January 30, 2018: 2:30 – 3:30 p.m. ET

Purpose: Approve Audit and 990s

Strategic Planning Retreat

BWI Marriott

February 25 – 27, 2018

2018 Spring Meeting

Omni Shoreham Hotel

Meeting: April 4 – 6, 2018

Washington, DC

Board Meeting: April 3, 2018

Center Advance CTE Conference Call

June 20, 2018: 4 - 5 p.m. ET

Purpose: Approve FY19 Budget

**THE CENTER to ADVANCE CTE
BOARD OF DIRECTORS
FY 17-18**

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

Vice President

Ms. Bernadette Howard, State Director,
Hawaii
Lunalilo FWY Portable 1
Lower Campus Road
Honolulu, HI 96822
mbhoward@hawaii.edu

Secretary-Treasurer

Dr. Sarah Heath, State Director, Colorado
9101 E. Lowry Blvd
Denver, CO 80230
sarah.heath@cccs.edu

Past President

Mr. Rod Duckworth, State Director, Florida
325 West Gaines Street, Suite 734
Tallahassee, FL 32399-0400
rod.duckworth@fldoe.org

The Center Board Members:

Public Member – Ms. Hillary Wells, Exec.
Director of Your Media, WGBH
1 Guest Street
Boston, MA 02135
hillary_wells@wgbh.org
Term: July 1, 2015 – June 30, 2018

Public Member – Ms. Cheryl Carrier, Exec.
Director, Ford Next Generation Learning c/o
Ford Motor Company Fund
1 American Road
WHQ, 210 E-4
Dearborn, MI 48126
ccarrier@fordngl.com
Term: July 1, 2016 – June 30, 2019

Public Member – Ms. Jennifer Grove,
Community Development Manager
Gulf Power/ Southern Company
One Energy Place
Pensacola, FL 32520-0850
jlgrove@southernco.com
Term: July 1, 2017 – June 30, 2020

The Center to Advance CTE Board of Directors' Meeting
Conference Call
June 22, 2017
3:30 p.m. – 4 p.m. ET

Attendees: Rod Duckworth, Jo Anne Honeycutt, Pradeep Kotamraju, Cheryl Carrier, Tim Hodges

Staff: Kate Kreamer, Sherry Quinn

Absent: Hillary Wells

Welcome and Overview of Agenda: Honeycutt welcomed the Board and staff to The Center to Advance CTE Board call. Quinn took a roll call and confirmed a quorum was present on the call.

Review and Approval of The Center to Advance CTE Board Minutes: Honeycutt presented the minutes from the May 1, 2017 The Center to Advance CTE Spring Board of Directors' Meeting. Kreamer noted that Vanessa Cooley and Kathy Cullen were missing from the Joint Board meeting minutes and that those minutes were being updated.

MOTION: To approve the May 1, 2018 The Center to Advance CTE Board Minutes.
Carrier; Hodges
MOTION ADOPTED

Approval of FY18 Proposed Budget

Kreamer framed the discussion with the new budget organization, which is focused on budgeting by projects rather than types of expenses, such as consultants and equipment. Kreamer shared that this is not a significant departure from the way past years' budgets for The Center have been organized. One change Kreamer pointed out was that we were able to shift almost all expenses out of G&A and into specific projects due to our strong funding. In addition, we no longer budgeted for Advance CTE to pay reimbursements for specific Center projects, like the Excellence in Action award program or CTE: Learning that works campaign because we can now use The Center reserves funds to cover those projects.

Finally, Kreamer shared that based on Board approval in May, we are opening a new money market investment account to have more flexibility with short-term grants and avoid fees.

Honeycutt opened to questions: none

MOTION: To approve the FY 18 Budget as proposed.
Duckworth; Carrier
MOTION ADOPTED

Discussion of possible new board member Jennifer Grove: Kreamer introduced the topic of approving a new Center to Advance CTE board member, Jennifer Grove of Gulf Power, to fill

the seat Hodges will be vacating. Grove is known by two of the current board members, Duckworth and Carrier, and was recommended for the Board position by Carrier. Kreamer stated Grove is known for leading community work, building the Career Cluster in Energy in Florida, and being involved in the state's workforce board. Kreamer stated Grove would be a good fit with her background and bilingual skills across the education and business communities. Grove has been briefed on the seat but has not been asked specifically if she would be interested in filling it.

Both Duckworth and Carrier gave high recommendations for her integrity and vocal involvement for CTE.

Honeycutt asked for the Board's opinion on voting now on electing Grove prior to a formal invitation or voting later electronically. Kotamraju stated he would prefer electronic voting after Grove is formally asked of her interest in filling the seat.

Kreamer and Honeycutt extended their gratitude to Hodges for his service to this Board and all his contributions. Kreamer extended Kim Green's appreciation in her absence.

Adjournment: Honeycutt called for a motion to adjourn.

MOTION: To Adjourn this Board Meeting.

Hodges; Carrier

MEETING ADJOURNED

FY17 Center to Advance CTE Financial Report
Report prepared by Kimberly Green, Executive Director

This report provides summary financial information for the entirety of FY17 - July 1, 2016 through June 30, 2017.

INCOME: The Center to Advance CTE received 92% of its budgeted income. A number of income lines were below budget:

- NOCTI revenue share - 72% or \$390.65 below budget
- Product sales - 43% or \$14,286.84 below budget
- Workshop revenue - 51% or \$3,446.68 below budget
- ACTE VISION reimbursement – 73% or \$9,276.88 below budget (this is largely due to the fact that there was no revenue share for registrations; all direct costs and salaries/benefits were reimbursed).

Both the IDIQ and Department of Defense Education Activity (DoDEA) were below budget, however both are multi-year grants/contracts. We anticipate the full revenue from the IDIQ contract and the majority, \$122,404.03 of \$133,500, of the DoDEA contract. No reserve funds were needed; the budget called for \$24,795.80 to balance the budget.

EXPENSES/LIABILITIES: The Center to Advance CTE expended 76% of projected expenses and had a positive net income at the end of the year of \$316,298.44 of which \$73,146.42 is restricted as it is carry forward for Siemens work that will take place in early FY18. The balance of the funds will help restore the reserves that have been drawn down over the past few years to support general operations.

There were two expense lines that exceeded budgeted targets:

Rent (G&A): over budget by \$234.65

Explanation: When the accountant applied the timesheet allocation percentages to allocate rent across projects, G & A’s portion of rent was slightly higher than anticipated. Overall, rent was still within the aggregate budget targets.

Merrill Lynch fees: over budget by \$5,461.61

Explanation: The investment portfolio/management fee is charged at 1% of investments. Because of the flow of new contracts/grants this year, funds were moved into the investments and charged this fee. However, given that many of these funds needed to be drawn upon during the course of the year, there was insufficient time to recoup the investment fee. Staff alerted the Board and Finance/Audit Committee of this, as well as flagged it for the investment advisor (who had not been proactive about this issue). As a result, a new non-fee bearing money market has been set up to ensure this fee imbalance does not occur going forward.

ASSETS:

	Assets	Equity
FY17	\$668,495.80	\$564,381.70
FY16	\$505,794.34	\$328,281.23
FY15	\$338,051.04	\$306,997.37

INVESTMENTS: The report from the Merrill Lynch advisor does not call for any adjustments to the portfolio at this time. The portfolio has a 5.09% rate of return, with the equity portion at 6.83%, which is lower than the both Dow Jones Index (8.03%) and the S & P 500 (8.24%).

Board action required: Approve FY17 year-end financial reports.

The Center to Advance CTE FY17 Budget

	Approved FY17	6/30/2017	Actuals to Budget	Notes
Income			100% of fiscal year	
NOCTI	\$1,400.00	\$1,009.35	72%	Trailing expectations.
Product Sales	\$25,000.00	\$10,713.16	43%	Trailing expectations.
Interest/Dividend	\$8,300.00	\$8,420.53	101%	Slightly above budget.
Workshop Revenue	\$7,096.67	\$3,649.99	51%	Workshops held at ACTE Vision and NCLA. No states have taken advantage of workshop offerings. No additional revenue projected this fiscal year.
Reserve withdrawal to balance the budget	\$24,795.80	\$0.00	0%	No reserve funds needed.
VISION Reimbursement from ACTE	\$35,000.00	\$25,723.12	73%	Reimbursement of actual staff time and salaries, as well as travel. No revenue share for VISION registrations.
FORD Grant	\$5,098.78	\$5,098.78	100%	Funding carried forward from prior fiscal year.
IDIQ Grant	\$55,754.49	\$41,102.16	74%	Billing submitted upon completion of deliverables. Project has been delayed given OCTAE shift in deliverables/timeline. Work extended into new fiscal year. Anticipate receiving full grant amount.
JPMC Grant	\$479,666.00	\$479,666.00	100%	Reflects full amount received for fiscal year.
Reimbursement from Advance CTE	\$33,835.00	\$23,175.31	68%	Reflects reimbursement direct costs for 11 Excellence in Action award winners (budget is for 16) and Learning that works campaign costs (only completed one of two planned videos).
Siemens Grant	\$280,261.78	\$305,000.00	109%	Full grant is \$305,000. Balance will be carried forward to FY18 to cover work through November.
DoDEA Contract	\$112,950.00	\$77,700.00	69%	Total contract is for \$133,500. Work began in September 2016 and is conducted on a reimbursement basis. A significant amount will be reimbursed in FY18.
Total income	\$1,069,158.52	\$981,258.40	92%	
Expenses - Specific Projects				
ACTE VISION expenses	\$6,500	\$2,800.45	43%	These are direct expenses - travel, copying, etc. ACTE covered lodging directly, so the reimbursement and expenses were lower than projected.
JPMC Expenses	\$445,534.97	\$403,688.72	91%	On target based on actual expenses.

	Approved FY17	6/30/2017	Actuals to Budget	Notes
JPMC Contingency Fund	\$34,131.03	\$0.00	0%	No expenses to date.
IDIQ Expenses	\$44,358.55	\$34,987.62	79%	In line with timesheets. As project shifted, staff time shifted into the next fiscal year.
FORD Grant expenses	\$5,098.78	\$3,843.41	75%	
Siemens Grant	\$280,261.78	\$231,853.58	83%	On target. Funds expended for national survey and focus groups, initial payments made to three of four states, staff time/benefits, rent. Balance of revenue will carry forward into next fiscal year.
DoDEA Contract	\$112,950.00	\$21,001.30	19%	Majority of expenses are staff time. Very few direct expenses.
Shipping supplies and fees (Career Cluster Products)	\$1,750.00	\$740.45	42%	Based on actual sales.
Credit Card and Banking Fees (Career Cluster Products)	\$250.00	\$368.10	147%	Budget is estimated based on a percentage of sales being paid for by credit cards. This year, due to the integrated system, more sales were paid by credit cards resulting in higher than anticipated fees.
Product Development (includes copying, printing, misc fees, including overhead)	\$5,000.00	\$3,432.36	69%	Printing of posters, to create full sets. No new products printed - just replenishment of existing products based on sales.
Direct staff and benefits	\$66,001.41	\$59,070.27	89%	Staff time and benefits offset by new contracts/grants received in fiscal year which were not accounted for in initial budget (Siemens).
Board expenses	\$3,300.00	\$2,100.61	64%	On target.
Fundraising and grant development	\$5,000.00	\$1,107.23	22%	Lower than projected. Does not include staff expenses.
Excellence in Action Awards	\$21,335.00	\$14,031.81	66%	Includes majority of expenses related to May 2017 ceremony, which recognized 11 winners.
CTE Campaign	\$17,880.00	\$9,143.50	51%	Vision video accounts for the majority of the expenses. Second video, which was approved in this budget, will not be ready until next fiscal year.
Subtotal for Specific Projects	\$1,049,351.52	\$788,169.41	75%	
General CC/Administrative Expenses				

	Approved FY17	6/30/2017	Actuals to Budget	Notes
Rent	\$9,372.01	\$9,606.66	103%	When the accountant applied the time allocation to split the rent across the projects, it resulted in a slightly higher than projected portion being charged to G & A.
Travel	\$75.00	\$42.97	57%	
Telecommunications	\$1,832.46	\$1,547.36	84%	
Postage	\$100.00	\$8.75	9%	
Supplies	\$103.35	\$0.00	0%	
Equipment	\$163.61	\$47.35	29%	
Printing and Copying	\$125.00	\$0.00	0%	
Legal	\$1,690.00	\$0.00	0%	
Licenses/Fees	\$468.00	\$316.44	68%	Annual incorporation fees. On target.
Insurance	\$366.08	\$352.94	96%	Annual fees for business policy and directors and officers liability coverage paid.
Accounting and banking	\$2,497.44	\$1,036.50	42%	Lower than projected due to offsets by contracts.
Dues/subscriptions	\$393.25	\$301.27	77%	On target.
Banking fees - investments	\$2,205.00	\$7,666.62	348%	Far exceeds budget. This was the issue raised during the May Board meeting and with the Finance/Audit Committee multiple times. Remedy was put in place - to create a non-fee based money market for contracts/grants that have less than one-year term.
Contractors	\$415.80	\$415.80	100%	Added per budget modification for head shots.
Total G&A expenses	\$19,807.00	\$21,342.66	108%	
Total project expenses	\$1,049,351.52	\$788,169.41	75%	
TOTAL EXPENSES	\$1,069,158.52	\$809,512.07	76%	
INCOME LESS EXPENSES	\$0.00	\$316,298.44		

The Center to Advance CTE
Balance Sheet
As of June 30, 2017

	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 Cash - Bank of America	19,982.31
1017 Cash - Merrill Lynch	7,920.37
1018 Cash - Merrill Lynch# 03248	90,000.00
Total Bank Accounts	\$ 117,902.68
Accounts Receivable	
1200 Accounts Receivable	25,874.78
Total Accounts Receivable	\$ 25,874.78
Other Current Assets	
1050 Mutual Funds	512,198.45
1350 Prepaid expense	276.50
Total Other Current Assets	\$ 512,474.95
Total Current Assets	\$ 656,252.41
Fixed Assets	
1100 Furniture	9,053.99
1101 Accumulated Depreciation-Furniture	-8,871.72
1120 Equipment	46,638.80
1121 Accumulated Depreciation-Equipment	-43,889.39
Total Fixed Assets	\$ 2,931.68
Other Assets	
1400 Inventory	9,311.71
Total Other Assets	\$ 9,311.71
TOTAL ASSETS	\$ 668,495.80
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 *Accounts Payable	4,957.22
Total Accounts Payable	\$ 4,957.22
Other Current Liabilities	
2006 Due to Association	99,156.88
Total Other Current Liabilities	\$ 99,156.88
Total Current Liabilities	\$ 104,114.10
Total Liabilities	\$ 104,114.10
Equity	
3900 Net Assets	328,281.23
Net Income	236,100.47
Total Equity	\$ 564,381.70
TOTAL LIABILITIES AND EQUITY	\$ 668,495.80

Executive Investment Recommendation Summary
September 2017
Submitted by Mark Friese, Merrill Lynch

The U.S. stock markets have continued to reach all time highs this year. At the same time interest rates remain near historic lows, but have been slowly rising. 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 portion of the equity portion of portfolios is also focused on conservative, dividend producing, equity 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 significantly above the general market.

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 Advance CTE (*Association*) account and Center to Advance CTE (*Foundation*) accounts are at 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.




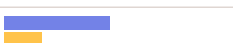


Summary of recommended changes:

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.

Size and Style Analysis - Summary

As of Close of Business: 09/14/2017

Size And Style	Total Holdings(%)		Current(%)	Model(%)	Gap-Model vs. Current(%)	All Equity compared to Custom Model		
	0%	50%				ML Holdings(\$)	Model(\$)	Gap-Model vs. Holdings(\$)
Equity								
Large Cap Growth			26.50	33.00	6.50	575,228	1,309,358	734,130
Large Cap Value			32.69	26.00	(6.69)	709,576	1,031,615	322,039
Small/Mid Cap Growth			17.54	8.00	(9.54)	380,605	317,420	(63,185)
Small/Mid Cap Value			22.14	8.00	(14.14)	480,527	317,420	(163,107)
International Equity			0.35	25.00	24.65	7,665	991,938	984,272
Equities Blend			0.78	0.00	(0.78)	16,870	0	(16,870)
Total Equity Assets						2,170,470		

* Total represents the sum of all cash and cash equivalents including short positions with associated credit balances.

Size and Style Analysis - Summary

As of Close of Business: 09/14/2017

Date of Composition Information Obtained for Pooled Investments

If the accounts included in this analysis hold mutual funds, closed end funds, annuities, or external account proxies, the portfolio holdings reported by the fund as of the date identified below are reflected in the current portfolio analysis. Note that mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, this analysis may not accurately reflect the current composition of the accounts included.

Mutual Funds













Security	Security Description	Data As Of	Security	Security Description	Data As Of
PHSZX	PRUDENTIAL JENNISON	07/31/2017			

Exchange Traded Funds

Security	Security Description	Data As Of	Security	Security Description	Data As Of
SHY	ISHARES 1-3 YEAR	07/31/2017	IYW	ISHARES U.S. TECHNOLOGY	07/31/2017
CSJ	ISHARES 1-3 YEAR	07/31/2017	PEY	POWERSHARES EXCH TRADED	07/31/2017
IEI	ISHARES 3-7 YEAR	07/31/2017	VCR	VANGUARD CONSUMER	07/31/2017
CIU	ISHARES INTERMEDIATE	07/31/2017	VIG	VANGUARD DIVIDEND	07/31/2017
IWR	ISHARES RUSSELL MIDCAP	07/31/2017	VYM	VANGUARD HIGH DVD YIELD	07/31/2017
DVY	ISHARES SELECT	07/31/2017	VIS	VANGUARD INDUSTRIAL ETF	07/31/2017
IYK	ISHARES U.S. CONSUMER	07/31/2017	VNQ	VANGUARD REIT ETF	07/31/2017
IYE	ISHARES U.S. ENERGY ETF	07/31/2017	VOX	VANGUARD TELECOMM SRVCS	07/31/2017
IYF	ISHARES U.S. FINANCIAL	07/31/2017	BND	VANGUARD TOTAL BOND MKT	07/31/2017
IYH	ISHARES U.S. HEALTHCARE	07/31/2017	DON	WISDOMTREE US MIDCAP DIV	07/31/2017
PFF	ISHARES U.S. PREFERRED	06/21/2017	DTD	WISDOMTREE US TOTAL	07/31/2017

Sector Analysis - Summary

As of Close of Business: 09/14/2017

Sector	Total Holdings(%)		Current Holdings		Gap-Model vs. Current(%)	All Equity compared to Custom Model		
	0%	25%	Current(%)	Model(%)		ML Holdings(\$)	Model(\$)	Gap-Model vs. Holdings(\$)
Equity								
Health Care			9.75	14.50	4.75	211,523	575,324	363,801
Consumer Staples			10.51	9.00	(1.51)	228,163	357,098	128,935
Information Technology			13.48	22.30	8.82	292,588	884,808	592,221
Consumer Discretionary			12.83	12.30	(0.53)	278,499	488,033	209,534
Industrials			15.92	10.30	(5.62)	345,622	408,678	63,056
Materials			4.42	2.90	(1.52)	95,979	115,065	19,086
Financials			12.95	14.50	1.55	281,036	575,324	294,288
Telecommunication Services			1.48	2.10	0.62	32,133	83,323	51,190
Utilities			9.78	3.20	(6.58)	212,312	126,968	(85,344)
Energy			4.38	6.00	1.62	95,062	238,065	143,003
Real Estate			3.95	2.90	(1.05)	85,689	115,065	29,376
Equities Blend			0.55	0.00	(0.55)	11,864	0	(11,864)
Total						2,170,470		

* Total represents the sum of all cash and cash equivalents including short positions with associated credit balances.

Sector Analysis - Summary

As of Close of Business: 09/14/2017

Date of Composition Information Obtained for Pooled Investments

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Mutual Funds

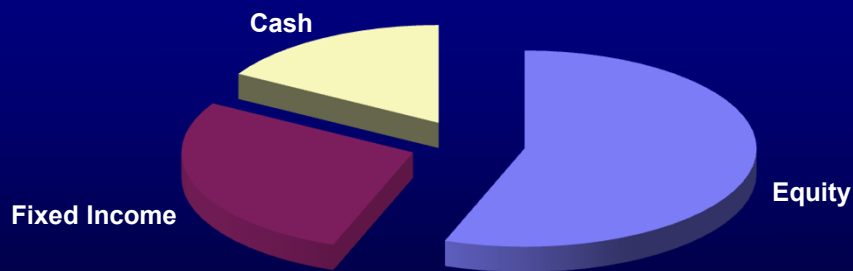
Security	Security Description	Data As Of	Security	Security Description	Data As Of
PHSZX	PRUDENTIAL JENNISON	07/31/2017			

Exchange Traded Funds

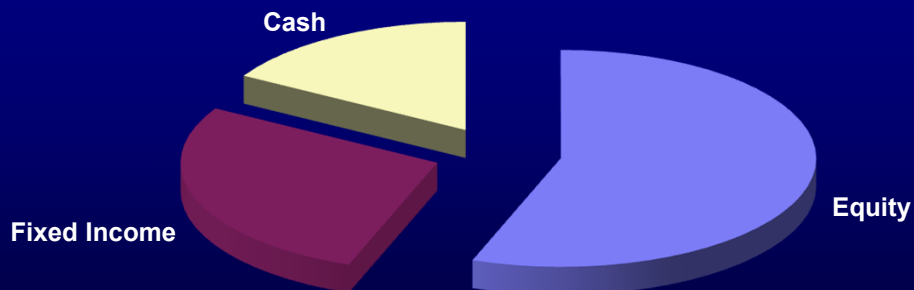
Security	Security Description	Data As Of	Security	Security Description	Data As Of
SHY	ISHARES 1-3 YEAR	No Date Reported	IYW	ISHARES U.S. TECHNOLOGY	07/31/2017
CSJ	ISHARES 1-3 YEAR	No Date Reported	PEY	POWERSHARES EXCH TRADED	07/31/2017
IEI	ISHARES 3-7 YEAR	No Date Reported	VCR	VANGUARD CONSUMER	07/31/2017
CIU	ISHARES INTERMEDIATE	No Date Reported	VIG	VANGUARD DIVIDEND	07/31/2017
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DVY	ISHARES SELECT	07/31/2017	VIS	VANGUARD INDUSTRIAL ETF	07/31/2017
IYK	ISHARES U.S. CONSUMER	07/31/2017	VNQ	VANGUARD REIT ETF	07/31/2017
IYE	ISHARES U.S. ENERGY ETF	07/31/2017	VOX	VANGUARD TELECOMM SRVCS	07/31/2017
IYF	ISHARES U.S. FINANCIAL	07/31/2017	BND	VANGUARD TOTAL BOND MKT	No Date Reported
IYH	ISHARES U.S. HEALTHCARE	07/31/2017	DON	WISDOMTREE US MIDCAP DIV	07/31/2017
PFF	ISHARES U.S. PREFERRED	06/21/2017	DTD	WISDOMTREE US TOTAL	07/31/2017

Center to Advance CTE
 Current Asset Allocation
 Account 749-04G96
 Period: July 1, 2016- June 30, 2017

<i>Current Portfolio</i>	Asset Allocation Type: Per Investment Policy Statement	
	Equity	56%
Fixed Income	28%	\$ 169,465
Cash	17%	\$ 101,515
Sub-Total	100%	\$ 610,119
Cash Reserves		\$ -
Total Portfolio Value		\$ 610,119



<i>Proposed Portfolio</i>	Asset Allocation Type: Per Investment Policy Statement	
	Equity	56%
Fixed Income	28%	\$ 169,465
Cash	17%	\$ 101,515
Sub-total		\$ 610,119
Cash Reserves		\$ -
Portfolio Value	100%	\$ 610,119



Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2016 to 06/30/2017

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2017	625,610	(30,000)	5,331	9,178	610,119	2.49	3.11
2016	365,168	260,000	3,060	(2,618)	625,610	0.61	0.61
Total	365,168	230,000	8,391	6,560	610,119		3.11

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: 07/01/2016 to 06/30/2017

Period	Actual ROR(%)		Dow Jones Industrial Average Price Return(%)		MSCI World Index(%)		S&P 500 Price Return(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum
2017	6.83	12.27	8.03	19.07	9.43	15.92	8.24	15.46
US Equity	6.83	12.27						
2016	5.09	5.09	10.22	10.22	5.93	5.93	6.67	6.67
US Equity	5.09	5.09						

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.

FY18 The Center to Advance CTE Financial Report
Report prepared by Kimberly Green, Executive Director

This report provides summary financial information for July 1 through September 29, 2017 or 25% of the fiscal year. The accountant has reconciled the financial statements through August 31, 2016, which means investments are reflected through this date.

INCOME: The Center has received 71% of its budgeted income, on target with projections.

EXPENSES: The Center has spent 7% of its budgeted income, which is also 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 payroll and salary reconciliation will take place.

ASSETS: Assets total \$1,144,873.18, with equity at \$710,283.63.

PROPOSED BUDGET MODIFICATION: Due to the receipt of the second Siemens grant, which totals \$610,000 over three fiscal years, a budget modification is required to reflect an increase in income and expenses in the amount of \$233,000. Further, the carry forward from the prior year is \$73,146.42 or \$6,121.42 greater than expected. So the full budget amendment totals an increase in income and expense for Siemens of \$239,121.42.

INVESTMENTS: The report from the Merrill Lynch advisor does not call for any adjustments to the portfolio at this time. The portfolio has a .80% rate of return, with the equity portion at 1.17%, which is lower than the both Dow Jones Index (2.8%) and the S & P 500 (1.99%).

Board action required: Approve FY18 financial reports and proposed budget amendment.

The Center to Advance CTE FY18 Budget

	Approved FY18	Actuals as of 9/13/17	Budget to Actuals	Explanatory Notes
Income			25% of fiscal year	
IDIQ Grant	\$7,711.70	\$9,267.66	120%	Because of the shift in the deliverable schedule, more work ended up getting billed in this fiscal year rather than FY17.
JPMC Grant	\$577,274.00	\$577,274.00	100%	Full year's payment made in July 2017.
Siemens Grant	\$67,025.00	\$0.00	0%	Funds to be carried forward. Entry still to be made as part of final fiscal year end accounting entries.
DoDEA	\$50,250.00	\$44,704.03	89%	Contract has ended. Will not receive full reimbursement due to several meetings being canceled by DoDEA .Total invoiced (across two FY) was \$122,404.03 out of \$133,500 budget.
Product Sales	\$10,000.00	\$1,142.33	11%	
ACTE VISION	\$15,000.00	\$0.00	0%	
STELAR	\$23,536.00	\$1,134.80	5%	Renegotiating responsibilities but budget still remains the same.
Other Income	\$1,200.00	\$0.00	0%	
Interest/Dividend	\$7,050.00	\$1,821.51	26%	Through August 31, 2017.
Reserve withdrawal to balance budget	\$135,359.00	\$0.00	0%	
Total	\$894,405.70	\$635,344.33	71%	
EXPENSES				
Allocated Expenses to Specific Projects				
Career Clusters	\$55,025.00	\$12,019.59	22%	This is all staff time and will be recorded when payroll reconciliation is completed.
IDIQ Expenses	\$7,711.70	\$0.00	0%	
JPMC Expenses	\$505,971.00	\$21,985.01	4%	
JPMC Contingency Fund	\$71,305.00	\$0.00	0%	
Siemens Grant	\$67,025.00	\$22,328.29	33%	The majority of expenses are second installment of subcontracts to (\$20K).
DoDEA Contract	\$50,250.00	\$0.00	0%	
Products	\$1,525.00	\$0.00	0%	
Excellence in Action Awards	\$24,044.00	\$666.00	3%	Prepaid for press releases to get a lower package deal.
CTE Campaign	\$19,000.00	\$9.88	0%	
ACTE VISION expenses	\$15,000.00	\$0.00	0%	
STELAR expenses	\$23,536.00	\$0.00	0%	
Development	\$8,065.00	\$0.00	0%	
Board expenses	\$20,016.00	\$2,539.00	13%	Annual insurance costs.

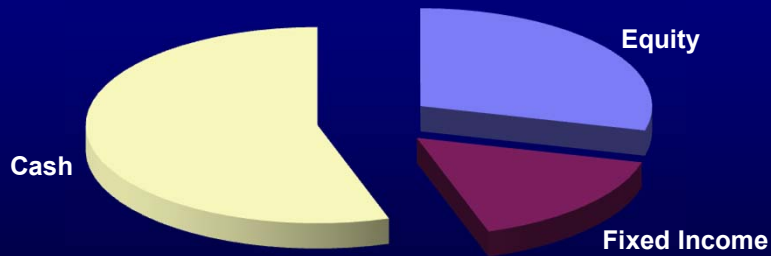
	Approved FY18	Actuals as of 9/13/17	Budget to Actuals	Explanatory Notes
Project-based internal staff time and benefits	\$25,000.00	\$0.00	0%	Will be recorded when quarterly payroll reconciliation is completed.
Subtotal for Specific Projects	\$893,473.70	\$59,547.77	7%	
General & Administrative Expenses				
Telephone/Communications	\$42.00	\$0.00	0%	
Licenses/Fees	\$240.00	\$0.00	0%	
Accounting & Audit & Bank Fees (Checking)	\$50.00	\$0.00	0%	
Banking fees - investments	\$600.00	\$256.33	43%	Fees through August 31, 2017 have been recorded.
Total G&A expenses	\$932.00	\$256.33	28%	
Total project expenses	\$893,473.70	\$59,547.77	7%	
TOTAL EXPENSES	\$894,405.70	\$59,804.10	7%	
INCOME LESS EXPENSES	\$0.00	\$575,540.23		

The Center to Advance CTE
Balance Sheet
As of September 29, 2017

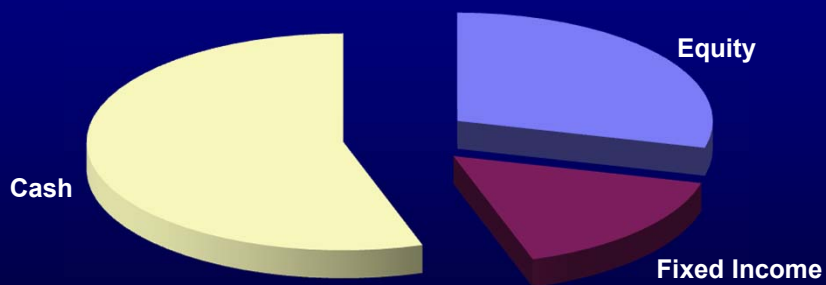
	Total
ASSETS	
Current Assets	
Bank Accounts	
1010 Cash - Bank of America	63,045.90
1017 Cash - Merrill Lynch	403,931.80
1018 Cash - Merrill Lynch# 03248	170,060.32
Total Bank Accounts	\$ 637,038.02
Accounts Receivable	
1200 Accounts Receivable	1,410.05
Total Accounts Receivable	\$ 1,410.05
Other Current Assets	
1050 Mutual Funds	471,272.79
1499 Undeposited Funds	23,175.31
Total Other Current Assets	\$ 494,448.10
Total Current Assets	\$ 1,132,896.17
Fixed Assets	
1100 Furniture	9,053.99
1101 Accumulated Depreciation-Furniture	-8,892.56
1120 Equipment	46,638.80
1121 Accumulated Depreciation-Equipment	-44,134.93
Total Fixed Assets	\$ 2,665.30
Other Assets	
1400 Inventory	9,311.71
Total Other Assets	\$ 9,311.71
TOTAL ASSETS	\$ 1,144,873.18
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 *Accounts Payable	1,634.02
Total Accounts Payable	\$ 1,634.02
Other Current Liabilities	
2102 Deferred Revenue	432,955.53
Total Other Current Liabilities	\$ 432,955.53
Total Current Liabilities	\$ 434,589.55
Total Liabilities	\$ 434,589.55
Equity	
3900 Net Assets	564,381.70
Net Income	145,901.93
Total Equity	\$ 710,283.63
TOTAL LIABILITIES AND EQUITY	\$ 1,144,873.18

Center to Advance CTE
 Current Asset Allocation
 Account 749-04G96
 Period: July 1, 2017- August 31, 2017

<i>Current Portfolio</i>	Asset Allocation Type:		Per Investment Policy Statement	
	Equity	29%	\$	301,314
	Fixed Income	16%	\$	162,814
	Cash	55%	\$	475,137
	Sub-Total	100%	\$	945,265
	Cash Reserves		\$	100,000
	Total Portfolio Value		\$	1,045,265



<i>Proposed Portfolio</i>	Asset Allocation Type:		Per Investment Policy Statement	
	Equity	29%	\$	301,314
	Fixed Income	16%	\$	162,814
	Cash	55%	\$	475,137
	Sub-total		\$	945,265
	Cash Reserves		\$	100,000
	Portfolio Value	100%	\$	1,045,265



Time Weighted Rate of Return by Period: Yearly



Performance period: 07/01/2017 to 08/31/2017

Period	Opening Balance(\$)	Contributions/ (Withdrawals)(\$)	Interest/ Dividends(\$)	Appreciation/ (Depreciation)(\$)	Closing Balance(\$)	ROR Period(%)	ROR Cum(%)
2017	610,119	430,050	1,619	3,477	1,045,265	0.80	0.80
Total	610,119	430,050	1,619	3,477	1,045,265		0.80

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 08/31/2017

Period	Actual ROR(%)		Dow Jones Industrial Average Price Return(%)		MSCI World Index(%)		S&P 500 Price Return(%)	
	Year	Cum	Year	Cum	Year	Cum	Year	Cum
2017	1.17	1.17	2.80	2.80	2.26	2.26	1.99	1.99
US Equity	1.17	1.17						

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.

Proposed Revisions to Approved Policies Related to The Center to Advance CTE Public Board Members
Submitted by Kate Kreamer, Deputy Executive Director

The Center to Advance CTE last approved its policies related to its Public Board members in 2016 after the rebrand and adoption of the updated mission, vision and theory of action.

At that time, stakeholder categories were identified for the Public Board members, as well as a rotation schedule, which went through FY18. As FY18 is now underway, the policy needs to be updated.

As The Center to Advance CTE has been fortunate to have a number of Public Board members who fit more than one stakeholder category, it is recommended that we eliminate the rotation schedule and update the policy to reflect the flexibility often needed and exercised in selecting Public Board members.

Board action: ***Approve the revised Approved Policies Related to The Center to Advance CTE Public Board Members***

Approved Policies Related to The Center to Advance CTE Public Board Members

Approved nominations criteria for The Center to Advance CTE Public Board members:

- Actively involved in the field of education (per the bylaws).
- Demonstrated knowledge and understanding of Career Technical Education or workforce development
- Commitment to the vision, mission and strategic goals of The Center to Advance CTE.
- Willingness to serve as a spokesperson and advocate for The Center to Advance CTE.
- Willingness to participate in the development activities of The Center to Advance CTE.
- Willingness to commit to The Center to Advance CTE Board member position description requirements and obligations.
- Ability to serve (support of individual's administrator or Board for travel, time, etc.)

Approved Stakeholder Categories for The Center to Advance CTE Public Board members:

The Center to Advance CTE Board of Directors is designed to bring external voices and perspectives to the work of the organization. In 2016, The Center to Advance CTE Public Board approved three stakeholder categories for its public members:

- Employer community
- Philanthropic community
- High-priority partners

Ideally, The Center to Advance CTE Public Board members will represent all three of these categories, although the Board is granted flexibility, based on the major priorities.

While not formal policy, it was the request of the Board to keep the following information accessible with the Board criteria as a reflection of the types of candidates that could fit into each stakeholder category:

- *Employer community:* A leader from an organization/association that represents business, workforce or labor interests, such as the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, or the AFL-CIO. This position could also be filled by someone who works for a specific company (e.g. IBM, Caterpillar or PG&E). The specific role this individual has within the company, or the division in which he/she sits (e.g., Human Resources, Corporate Social Responsibility, etc.) is less important than the candidate's understanding of and commitment to education and workforce development and ability to be an active contributor. This requires a baseline of knowledge about CTE and a national perspective.
- *Philanthropic community:* These are representatives of organizations or companies that provide grants or other investments aligned to or supportive of The Center to Advance CTE's mission and theory of action.

- *High-priority partner:* This is the broadest category of all. It is intentionally undefined with the expectation that The Center Board would consider the strategic goals and near-term priorities, as well as the experience and perspectives that the other two public Board members bring to the organization. It is intended to give the Nomination Committee flexibility in identifying the most critical voice needed on the Board.

Approved The Center to Advance CTE Board member policies:

- No public Board member can serve more than two, three-year terms. This policy would go into effect immediately and apply as current Board members' terms expire.
- Retain the current policy to provide complimentary registration for The Center to Advance CTE public Board members to attend the two Advance CTE annual conferences remain in place. This is valued as \$1,250 for non-members.

Career Clusters Taskforce Update
Report submitted by Kimberly Green, Executive Director

This summer, under the leadership of Danielle Mezera, former State CTE Director in Tennessee, we initiated a taskforce to assist us with determining the next steps with the Career Clusters' Initiative. Taskforce members:

- Tom Bailey, Community College Research Center, Columbia University
- Shawn Blessing, CTE Director, Texas, two-time winner of Excellence in Action awards
- Brenda Dann-Messier, former OCTAE Assistant Secretary, heads Post Secondary in Rhode Island
- John Fischer, former Advance CTE officer, Gates Foundation
- Sarah Heath, State CTE Director in Colorado, Advance CTE Secretary/Treasurer
- Kermit Kaleba, National Skills Coalition
- Rich Katt, State CTE Director in Nebraska, Advance CTE Board member
- Pam Kirk, former Director of States' Career Clusters Initiative, Department of Defense Starbase program
- Luke Rhine, State CTE Director, Delaware and NSFY state
- Lillian Lowery, former State Superintendent in Maryland, Education Trust
- Tiffany Sanderson, former State CTE Director in South Dakota, now with Vivayic
- Bob Sheets, original architect of Career Clusters' Framework, George Washington University
- Carole Stacey, former Health Sciences Career Cluster Lead, National Consortium for Health Science Education

Also engaging (unable to attend taskforce meeting):

- Kristin Sharp, New America
- John Altman, Washington State Governors' Education Policy Advisor

A one-pager, describing the taskforce, follows this report. In addition to the taskforce, a focus group of a dozen State CTE Directors will gather input during the fall Advance CTE meeting. The taskforce is charged with preparing a set of recommendations to be presented to the Board at its February 2018 strategic planning retreat.

Board Action Required: None

The Career Clusters Task Force

Advance CTE/The Center to Advance CTE is launching a *Career Cluster Task Force* charged with establishing recommendations and action steps around the “next generation” of the National Career Clusters® Framework.

Over the past 15 years, the [National Career Cluster Framework®](#) has been critical to the transition from “vocational education” systems to systems supporting high-quality Career Technical Education and career pathways. As the Framework has achieved its initial purpose and is reaching a point in time where revalidation is needed to ensure its relevance in today’s and tomorrow’s economy, Advance CTE has decided to engage a selected group of stakeholders and advisors to provide guidance on where the Framework can and should go in the future to help ensure all learners have opportunities to be career ready.

The Career Cluster Task Force’s Charge:

Members of the Career Cluster Task Force will commit to engaging in a robust process, which utilizes various data and analyses and leads to the submission of final recommendations and action steps for Advance CTE.

Specifically, the Task Force will:

1. Gain an understanding of the Framework’s influence and impact on the greater community of education, industry and policymakers at the national, state and local levels, leading to the identification of the key elements that drive stakeholder use of the existing framework.
2. Come to agreement on the “non-negotiables” that define a successful CTE program and larger career readiness approach that must be included in the revised Framework.
3. Ascertain how a revised Framework should reflect and promote relevant career readiness programs, policies and initiatives, leading to the achievement of career-ready learners and a well-skilled workforce.
4. Frame a sustainable process that ensures a revised Framework’s ongoing relevance in an ever-changing, dynamic world, including outlining an approach that can be utilized by Advance CTE to regularly evaluate and modify this resource.

The Task Force will be comprised of national, state and local leaders from K-12, postsecondary, business and industry, and workforce development who can offer insights into where the Framework can have the greatest impact and the steps Advance CTE should take to achieve such an impact. The Task Force will be convened from August – November of 2017, with one in-person, day-and-a-half meeting and 2-3 additional virtual meetings.

The recommendations will, at least initially, be internal to Advance CTE to inform strategic planning and future work.

About The National Career Clusters Framework

Since its development in 2001, the National Career Clusters Framework has provided a vital structure for organizing and delivering quality CTE programs through learning and comprehensive programs of study. In total, there are 16 Career Clusters in the National Career Clusters Framework, representing more than 79 Career Pathways to help students navigate their way to greater success in college and career.

As an organizing tool for curriculum design and instruction, Career Clusters provide the essential knowledge and skills for the 16 Career Clusters and their Career Pathways. It also functions as a useful guide in developing programs of study bridging secondary and postsecondary curriculum and for creating individual student plans of study for a complete range of career options. As such, it helps students discover their interests and their passions, and empowers them to choose the educational pathway that can lead to success in high school, college and career.

The majority of states use the Framework in some capacity, from serving as the basis for their standards to a way of communicating about their program offerings. All states are required to report student participation in CTE programs by the 16 Career Clusters to the U.S. Department of Education as part of their Perkins reporting requirements.

Strategies for Attracting Students to High-Quality CTE
Report submitted by Katie Fitzgerald, Senior Communications Associate

Last fall, Advance CTE and the Siemens Foundation launched a 15-month project that aimed to identify strategies that work and are replicable across the country to increase the number of secondary students benefiting from high-quality CTE. It was completed in two phases outlined below:

Phase One:

To better understand the barriers and motivators to enrolling in CTE, Advance CTE and a communications research firm conducted focus groups in three states, and developed and disseminated a national survey of parents and students and from that survey, developed messages that best resonate with those groups. Advance CTE has created resources and tools – branded under the CTE: Learning that works for America[®] campaign – to be used by all states in their recruitment and outreach efforts.

Phase Two:

Advance CTE worked with a cohort of four states – Indiana, New Jersey, Maryland and Washington - selected through a competitive RFP process, which identified, piloted and evaluate strategies for recruiting students into high-quality CTE. Selected states received:

- Technical assistance around communications and the development and execution of a specific strategy to increase participation in CTE. States had monthly calls with Advance CTE, communicated over email, as well as conducted in person TA.;
- Seed funding of \$20,000/state to plan and execute the identified strategy. This strategy could be targeted within a specific district or region or statewide; to all students or specific populations who would most benefit from CTE; or in some or all Career Clusters;
- A peer network through which participants can share and discuss ideas, lessons learned and ongoing challenges. States met bimonthly through cross state conference calls and emailed when necessary.

States conducted a number of activities both onsite and online reaching students, parents, employers, state staff, partners, and more. Staff will submit a full report with details about the reach and impact once final reports are submitted in October but highlights include:

Indiana: Indiana conducted a multi-channel approach to reaching students and parents. They held three onsite events in innovative and exemplary manufacturing sites bringing high school students and employers together to discuss manufacturing careers. Additionally, they sent a mailing to all parents of students involved in the event to engage parents and provide insight into the potential career options for their child. Indiana also created an online module about advanced manufacturing that will be utilized by students as they explore potential career options and career pathways.

Maryland: Maryland focused on refining the messages in two districts through focus groups with parents, students and school counselors to ensure the messages would resonate with their specific youth population. As a result of the focus groups, Maryland worked with a communications expert to develop social media templates and posts for Facebook, Twitter and Snapchat to reach both parents and students. Two districts are piloting these templates and posts anchored in a social media calendar built around key activities for parents/students such as back to school night, manufacturing day, enrollment in courses, and more. The social media templates will accompany a ‘how to’ guide and be released to the rest of the districts in the state upon the completion of the grant.

New Jersey: New Jersey has conducted a series of recruitment events, including an event in the spring at Kean University attended by 300 low-income, minority students. The event featured CTSO students and CTE alumni who spoke about the many benefits of enrolling in CTE programs. The day also featured professionals in key industries including manufacturing, marine science, transportation distribution and logistics, and more. The panel was designed to highlight a multitude of careers presented by a diverse set of professionals. Staff and CTSO students and alumni also presented in a variety of events including to the PTA, back to school night, manufacturing day events, and more.

Washington: Washington developed a video campaign and toolkit to highlight the employer – student connection and drive students and parents to the Career Bridge website, which houses information about careers and education pathways in the state. The state will have two state-wide videos housed on the website, and has developed a guide and video templates so that all districts and schools can create their own CTE videos. Washington staff will be on hand to help local users create their own videos and promote CTE to their communities.

Member Benefits:

All states will benefit from this work through a variety of new resources. To date, Advance CTE has launched 12 resourced directly related to this work, as well as updated or embedded the research in a number of briefs and other fact sheets. Through this work, Advance CTE has updated the CTE: Learning that works for America campaign materials and conducted a number of webinars, one of which sold out in 24 hours. Staff will continue to develop resources garnered from the state pilots once they are available in October.

Timeline:

Staff is on track to complete the project by the November 15 date. Advance CTE has also been asked to submit a proposal for round two of the grant in the summer. In September, staff received notification that Advance CTE will be fully funded for another two years, totaling \$610,000. The second iteration of the grant will provide technical assistance to eight more states, and focus on engaging school counselors as champion messengers.

Board Action:

None