

**The Advance CTE/The Center to Advance CTE
Finance/Audit Committee Meeting**

June 21, 2021

3-4 p.m. EST

Zoom Meeting

ATTENDEES: Laura Scheibe, Katie Graham, Whitney Thompson, Victoria Crownover

NOT PRESENT: Bernadette Howard

STAFF: Kimberly Green, Krissy Haynes, Kate Kreamer

Welcome: Scheibe welcomed everyone to the meeting. Scheibe asked for approval of the minutes.

MOTION: To approve minutes from March 26, 2021, as presented.

Graham; Thompson.

MOTION APPROVED.

Review and Approval of FY21 Advance CTE Financials and FY22 Advance CTE Budget:

Green shared that both organizations are in a healthy financial position. The “organizational split”, which is used to distribute shared organizational expenses and salaries between Advance CTE and The Center to Advance CTE, will remain the same as FY21 at 75% The Center and 25% Advance CTE. Green also shared that Advance CTE’s staff will continue to work remotely through September 30, 2021 with a voluntary option to work from the office beginning July 1, 2021. The FY22 budget assumes no travel through September 30, 2021, as well as no in-person convenings through the end of the calendar year, with a plan to return to normal business operations in the second half of FY22.

The FY22 budget includes 3 new positions. The positions include a State Policy Manager position that will oversee the New Skills Project, a Senior Advisor for Equity that will manage the ECMC Fellows grant and focus on external equity work, and a Director of Operations that will focus on internal systems, internal organizational culture, and knowledge management. Green noted that the Career Clusters work will be managed by a contractor, Richard Katt. Once these new positions are filled, Advance CTE will have 15 full-time staff members, which means that new federal laws start to apply, notably the Americans with Disabilities Act. Green stated that Advance CTE does not anticipate this having any impact on operations. Finally, Green informed the Committee that the organization is seeing growth as there are several impending grants in the works.

Graham asked if Richard Katt would be brought on as a full-time staff member or as a contractor. Green replied that Katt will be brought on as a contractor to project manage Career Clusters. Katt has experience with the new framework and will be a great asset and resource to the team, helping build visibility and support for the new prototype.

Haynes presented the Advance CTE FY21 financials, which have been reconciled through May 31, 2021 or 92% of the fiscal year. Haynes noted that Advance CTE is in a strong financial position. Advance CTE has exceeded the income target by 15% due to exceeding the targets for memberships, Spring Meeting sponsorships, and interest/dividends income. Haynes stated that there is still income expected from UMASS and the Spring Meeting.

FY21 expenses are 38% below budget due to an increase in salaries and subscriptions being covered by grants in The Center to Advance CTE. The lack of travel and in-person meetings also had a large impact, especially in the Board, Government Relations, Lobbying and Member Supports projects.

Next, Haynes presented the Advance CTE FY22 Budget, which is a balanced budget. The FY22 budget has about an 18% increase over FY21 income and expenses. The NASFAA and the ABC Equity grants will no longer be in the budget as the grants ended in FY21.

The FY22 budget has four items that are either new or coming back. The Fall Meeting will be a virtual event similar to the FY21 Spring Meeting. The finances fall in line with the costs of the FY21 Spring Meeting. The Excellence in Action Awards Program returns. This initiative recognizes and elevates local programs of study that exemplify quality and equity. Rather than hosting an in-person event, the budget covers costs for production of videos for up to 16 award winners and printing of the award banners. Haynes shared that although the Spring Meeting is not new, this fiscal year's budgeted costs are slightly higher than FY21 because it will be an in-person event. The fourth item is a website upgrade. Haynes shared that the current platform is being terminated, therefore, an upgrade to Drupal 9 is necessary. This update requires programming and site redesign. The upgrade is expected to cost \$100,000 of which Advance CTE will cover 25 percent of the costs and The Center will cover the remaining 75 percent.

In terms of income, Haynes noted that state dues income is estimated based on intent forms, which have been received from all states and territories except for Indiana. Indiana did pay last year, so Advance CTE is hopeful the state will maintain its membership. While the Virgin Islands submitted their intent form, their income was not included in the budget due to not receiving their dues payment in FY21. The FY22 dues payment was received so Haynes proposed adding the Virgin Islands dues in the amount of \$760 to the State Dues Income line in the FY22 budget. The UMASS budget has decreased due to less staff time required on the project, which was expected based on the contract that is in place.

With regards to expenses, overall staff time has increased with the addition of the three new positions. 25 percent of staff time will be covered by Advance CTE, which is allocated each month based on employee timesheets. Within member services, costs are lower this fiscal year due to more indirect costs being covered by grants in The Center. The Member Supports budget is 73 percent lower than FY21 because of the decrease in consulting costs. Government Relations shows a 115 percent increase with federal policy work returning to pre-Covid activity and the priority the Board placed on this work in the forthcoming strategic plan. Rather than bringing back another full-time position, this budget proposes funds for a Graduate Fellow working 20 hours a week for about nine months, as well as firm support to supplement our internal federal policy staff capacity. There is a 22 percent increase for lobbying with local travel

expected to increase. The budget shows an increase for Board expenses. This covers support from Delivery Associates to build out measures and a dashboard that is aligned to the Theory of Action and the Strategic Plan, which will be presented to the Board in September 2021.

Crownover asked if the organization received any feedback from State Directors that have served as mentors for NSDI regarding the decision to no longer compensate mentors. Green noted that the Project Manager for NSDI, Sara Gassman, received input and feedback from previous mentors and thoroughly analyzed the data and the pivot was based on feedback received.

Scheibe asked for approval of the FY21 financials.

**MOTION: To approve the FY21 Advance CTE Financials, as presented.
Crownover; Graham.
MOTION APPROVED.**

Scheibe asked for approval of the FY22 Advance CTE Budget.

**MOTION: To approve the FY22 Advance CTE Budget, as presented.
Thompson; Crownover.
MOTION APPROVED.**

Review and Approval of FY21 The Center to Advance CTE Financials and FY22 The Center to Advance CTE Budget: Kreamer presented a balanced budget for FY22. Kreamer stated there is a 20 percent increase over FY21. Kreamer noted that a number of contracts and grants ended in FY21 including Gates 2, Lumina, Strada, and a sub-contract with ACTE that supported regional work in Iowa. In terms of what is new for FY22, there is a stand alone line item for Career Clusters®. In the past, Career Clusters® was absorbed into Gates 2. The expenses associated with the modernization of the Framework exceed what can be covered by the Gates grant. Gates 3 started on June 1, 2021 and will run through November 2022. Gates 3 will support CTE Without Limits, state support and technical assistance, and a portion of the Career Clusters® modernization effort. Although CHSA grants were approved through budget modifications last fiscal year, they were officially built into the FY22 budget.

Next, Kreamer discussed the income for FY21 and FY22. For FY21 there is an overage of income for the PAYA grant, and staff is currently working on spend down plans. The organization is having discussions with New America about extending the contract through a fourth year with the option of keeping the unspent income. Other Income in FY21 also far exceeded estimates as we received Summit sponsorships that were not budgeted. There is no other income anticipated for FY22. Also for FY21, the Interest/Dividend income exceeded the budgeted income due to estimates being conservative due to uncertainties around COVID-19. For FY22, the Interest/Dividend income is based on the FY21 actuals.

Finally, Kreamer walked through the FY21 & FY22 expenses. Both the NSFY Innovation Grant and Joyce 2 received no-cost extensions through the end of December 2021. In FY21 the expenses for Development decreased due to no travel or printing. For FY22, the budgeted expenses are back to pre-COVID levels. For FY22 the Board expenses increased as it includes support for Delivery Associates to help operationalize the strategic plan and build out the

dashboard. For FY22 the budget estimates for project-based staff time are double the FY21 estimates. Kreamer stated there are no intentions of spending the full amount as it is being used as a placeholder to park salaries that will be supported by future grants.

Scheibe asked for approval of the FY22 Center to Advance CTE budget.

**MOTION: To approve The Center to Advance CTE FY22 budget, as presented.
Crownover; Graham.
MOTION APPROVED.**

Scheibe asked for approval of the FY21 Center to Advance financials.

**MOTION: To approve the The Center to Advance CTE FY21 financial reports, as presented.
Thompson; Graham.
MOTION APPROVED.**

Green noted that Victoria Crownover's term expires June 30, 2021. Green thanked Crownover for her time on the Committee. Crownover put herself forward as a candidate for another term.

Scheibe called the Advance CTE/The Center to Advance CTE Finance and Audit Committee Meeting to a close at 3:52 p.m. EST.