

# Career and Technical Education (CTE) Budgeting and Allowable Expenditures

February 16, 2023

Michigan School Business Officials  
Intermediate School District (ISD) Committee Meeting

Joan Church, Department Specialist  
Dr. Jill Kroll, Supervisor

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Michigan Department of Education

# Funding Sources For CTE

- Federal Carl D. Perkins
- Foundation Allowance
- CTE Categorical State School Aid
  - 61a.1
  - 61b, 61b(8)
  - 61c
  - 61i
- 61d
- CTE Millage

# What's New?

- State School Aid Section 61i
  - Part of the Future Proud Michigan Educator (Future PME) initiative
  - \$10 Million
  - Eligibility: ISDs that employ or pledge to employ at least one CTE teacher

# State School Aid Section 61i

- Applicants must develop a plan for teacher retention and teacher continuing education
- Application windows
  - 1<sup>st</sup> window closed November 1, 2022
  - 2<sup>nd</sup> window closes February 20, 2023
  - 3<sup>rd</sup> window to be determined (if additional funds remain)

# State School Aid Section 61i

- Teacher retention and continuing education plan must include research-based strategies and citations
- Applications must be submitted in the [CTE Portal](#)
- Funds must be expended according to the approved 61i plan, by September 1, 2024\*

# State School Aid Section 61i

- Performance and expenditure reports due September 15, 2024

# State School Aid Section 61i

- Contact Candace Vinson with questions regarding section 61i

[VinsonC@Michigan.gov](mailto:VinsonC@Michigan.gov)

517-281-7009

# Carl D. Perkins

- Federal funds
- Distributed by formula to consortia (Perkins regions)
- Regions apply for funds annually
- Expenditures reported through Cash Management System (CMS)
- Support Region-wide CTE activities



# Foundation Allowance

- Districts are expected to support CTE instruction with Foundation Allowance
  - Section 61a.1 requires that districts expend other funds on CTE programs to qualify for 61a.1 CTE “Added Cost” funds.

# State School Aid Section 61a.1

- Purpose:
  - To reimburse districts for secondary level career and technical education programs on an added cost basis

# State School Aid Section 61a.1

- “Added Cost” – Required Expenditures
  - Non-CTE cost: assumed to be  $\frac{1}{8}$  Foundation Allowance per student
  - 61a.1 funds received \* 1.334
    - Ensures that 61a.1 funds received do not exceed 75% of the added cost

# Four Key Components of a Successful Program

1. Integration of academic and technical skills
2. Laboratory hands-on learning to develop skills
3. Work-based learning
4. Student leadership opportunities

# State School Aid Section 61a.1

- May only be expended on state-approved CTE programs
- Cannot exceed 75% of the added cost of any program
- 90% must be expended in Program Improvement

# State School Aid Section 61a.1

## 90% Allowable Program Improvement Expenditures:

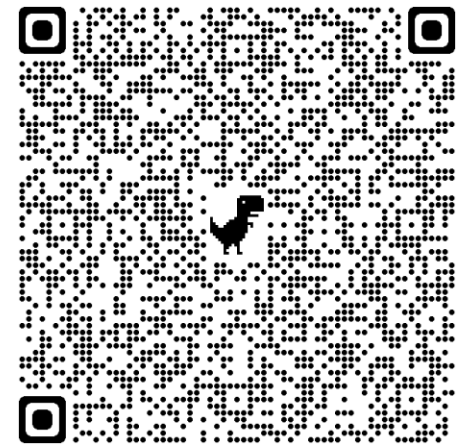
- Instruction: Local Travel • Equipment Rental and Maintenance • Supplies, Materials
- Support Services: Career Guidance--Pupil • Student Organizations • Career Placement and Follow-up Survey • Professional and Curriculum Development--Improvement of Instruction
- Planning, Research, Evaluation and Marketing--Central Services

# State School Aid Section 61a.1

90% Allowable Program Improvement Expenditures cont'd:

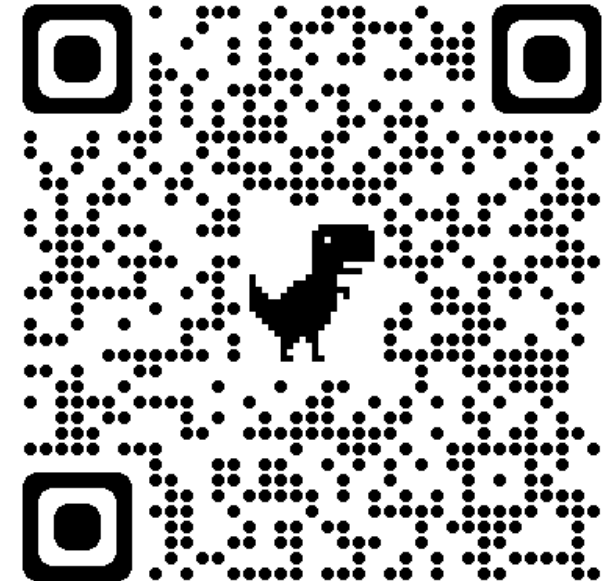
- Advisory Committees--Community Services, Other
- Equipment • Equipment Instruction--Capital Outlay • Equipment Support--Capital Outlay

\*See [Added Cost Guide](#) for more information



# State School Aid Section 61a.1

- 90% must be expended in Program Improvement categories:
  - Excludes (examples)
    - Teacher salaries and benefits
    - Administrator salaries and benefits
    - Postsecondary tuition, books, fees
    - Operations and maintenance





# NOT an Allowable Use of 61a.1 (Examples)\*

\*See 4033 Guidance for Details

- Superintendent salaries and benefits
  - Superintendent staff salaries and benefits
- Board of Education Activities
- Portion of postsecondary tuition, books,  
under some circumstances

# NOT an Allowable Use of 61a.1 (Examples)\*

\*See 4033 Guidance for Details cont'd

- Rental of instructional space
- Desk and chair workstations for state-approved CTE programs
- Dust collection system for CTE program
- Installation of ventilation for CTE program
- Purchase or construction or remodel of buildings specific and integral to CTE instruction (e.g., greenhouses)

# NOT an Allowable Use of 61a.1 (Examples)\*

**\*See 4033 Guidance for Details**

- Carpet and painting
- Acquisition and rental of real property, construction of buildings, maintenance, repair, and replacement of buildings, lands, and associated constructions equipment and building supplies

# Common Causes of 61a.1 Negative Adjustments

- Failure to expend 90% of 61a.1 funds in Program Improvement
- Failure to expend enough local funds on CTE programs
- Failure to spend all 61a.1 funds received

# Common Causes of 61a.1 Negative Adjustments

Michigan Department of Education - OCTE CTEIS Report  
4033 Fiscal Agency Wide Worksheet Report for 2019-2020

## St. Clair County RESA

| Fiscal Agency Worksheet  |                |
|--|----------------|
| Section 61a1 Funds Received:   | \$515,249.56   |
| Fiscal Agency Portion of the "Added Cost" of CTE (\$61a1 funds x 1.33333): | \$686,999.41   |
| Non-CTE Cost:(Foundation Allowance/8):                                     | \$738,984.00   |
| Foundation Allowance/8   | \$1,014.00     |
| Number of Students Enrolled in Reimbursed CTE Programs:                    | 751            |
| Total Required Expenditures (minimum):                                     | \$1,425,983.41 |

| Fiscal Agency Wide Totals   |        |
|---|--------|
| Total Fiscal Agency Expenditures:   | \$0.00 |
| % of Minimum Required Expenditures:   | 0.00 % |
| <b>Your total expenditures have NOT met the minimum required</b>  |        |
| Total Sect 61a1 Program Improvement Expenditures:   | \$0.00 |
| % of Sect 61a1 Funds spent on Program Improvement:  | 0.00 % |
| <b>Total Section 61a1 Funds expended in Program Improvement object codes, did NOT meet 90% of Section 61a funds received by your fiscal agency.</b> |        |

### Expenditure List

# Common Causes of 61a.1 Negative Adjustments

Michigan Department of Education - OCTE CTEIS Report  
4033 Fiscal Agency Wide Worksheet Report for 2019-2020

## St. Clair County RESA

| Fiscal Agency Worksheet  |                |
|--|----------------|
| Section 61a1 Funds Received:   | \$515,249.56   |
| Fiscal Agency Portion of the "Added Cost" of CTE (\$61a1 funds x 1.33333): | \$686,999.41   |
| Non-CTE Cost:(Foundation Allowance/8):                                     | \$761,514.00   |
| Foundation Allowance/8   | \$1,014.00     |
| Number of Students Enrolled in Reimbursed CTE Programs:                    | 751            |
| Total Required Expenditures (minimum):                                     | \$1,448,513.41 |

| Fiscal Agency Wide Totals   |                |
|---|----------------|
| Total Fiscal Agency Expenditures:   | \$6,696,547.13 |
| % of Minimum Required Expenditures:   | 462.30 %       |
| Your total expenditures have met the minimum required.  |                |
| Total Sect 61a1 Program Improvement Expenditures:   | \$506,980.82   |
| % of Sect 61a1 Funds spent on Program Improvement:  | 98.40 %        |
| Total Section 61a1 Funds expended in Program Improvement object codes, met or exceeded 90% of Section 61a funds received by your fiscal agency. |                |

# State School Aid Section 61b

- For CTE Early Middle College (EMC) and CTE Dual Enrollment
- May be generated by same programs that generated Section 61a.1 funds
- May only be expended on eligible CTE EMC and CTE Dual Enrollment programs

# State School Aid Section 61b

## SECTION 61b TOP 5 CAREER CLUSTERS & ELIGIBLE CIP CODES

2020-2024

**NOTE:** The Clusters and Classification of Instructional Program (CIP) codes below are based on the revised strategic plans done by prosperity regions and approved by MDE - OCTE in December of 2019. Due to Section 61b legislative changes for the 2020-2021 school year, the strategic plans are to be completed by CEPD. In October of 2020, all CEPDs signed off that they would keep the clusters selected by their prosperity region in 2019 until the four-year strategic planning cycle in 2024.

### TOP 5 CAREER CLUSTERS AND CIP CODES

#### **HEALTH SCIENCE (8)**

- 26.0102 Biotechnology Medical Services
- 51.0000 Health Sciences/Allied Health/health Sciences, General
- 51.0707 Health Information/Medical Records Technology/Technician
- 51.1000 Clinical/Medical Laboratory Science/Research and Allied Professions

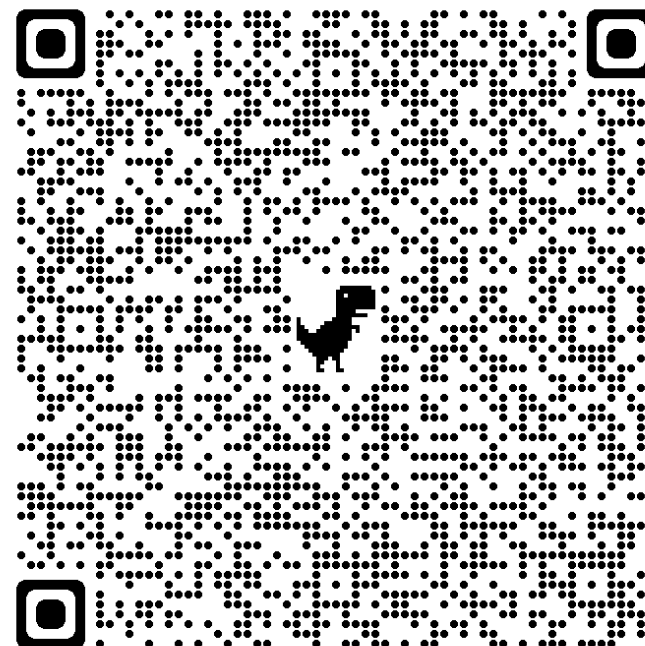
#### **MANUFACTURING (7)**

- 47.0101 Electrical/Electronics Equipment Installation and Repair General
- 48.0501 Machine Tool Technology/Machinist
- 48.0508 Welding, Brazing and Soldering
- 48.0701 Woodworking General

#### **BUSINESS, MANAGEMENT & ADMINISTRATION (5)**

- 52.0299 Business Administration Management and Operations

#### **ARCHITECTURE & CONSTRUCTION (5)**



See [61b Top 5 Career Clusters](#)

See [61b CTE EMC and CTE Dual Enrollment Toolkit](#)



# State School Aid Section 61b

- Reporting of expenditures:
  - The November following the year the funds were received
  - Allowable for carryover expending in following year
- Report expenditures in the Career and Technical Education Information System (CTEIS) in November on the 4033 Report

# State School Aid Section 61c

- Equipment Grant Distributes products and services to Career Education Planning Districts (CEPDs) for state-approved CTE programs throughout Michigan
- \$7,500,000

# State School Aid Section 61c

- Eligibility:
  - At least 50% of the area served by a Career Education Planning District (CEPD) must be located in an ISD that did not levy a vocational education millage in 2022
- Requires an application

# State School Aid Section 61c

- Direct questions to Lee Greenacre  
[GreenacreL@michigan.gov](mailto:GreenacreL@michigan.gov)  
517-281-3030

# State School Aid Section 61d

- Purpose: increase number of Michigan residents with high quality degrees or credentials and to increase the number of pupils who are college- and career-ready upon high school graduation
- Distributed to Primary Education Providing Entity (PEPE)
  - 50% to ISD if student attended CTE program operated by an ISD
- Unrestricted funds

# CTE Millage Funds

Expend funds for operation of CTE programs and associated costs:

- Instructional, support, administration
- Information and awareness activities
- Acquisition and rental of real property, building construction, maintenance, repair, replacement of buildings, land
- Equipment, supplies
- See [Section 380.684 of revised school code](#)

# Uses of CTEIS 4033 Reporting CTE Expenditure Data

- Program cost factors for 61a.1 and 61b
  - Based on the relative cost of each CTE program statewide
- Monitor compliance with the 61a.1 legislation and Administrative Rule

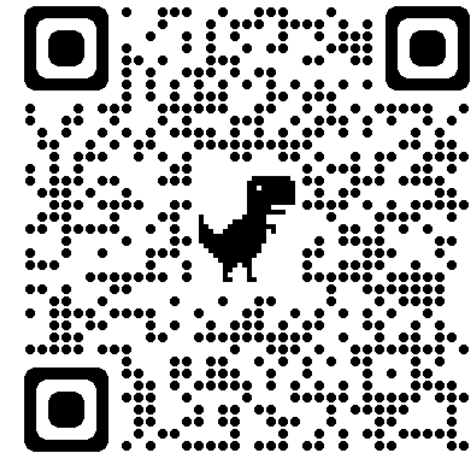
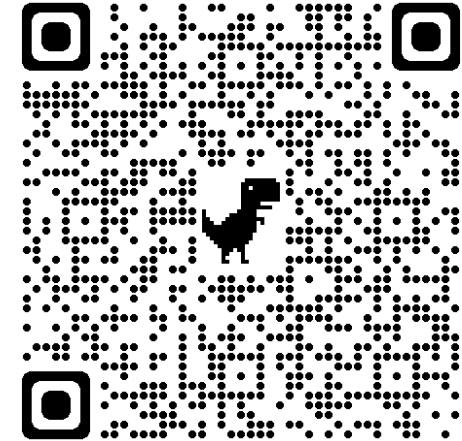
# Report ALL CTE Expenditures (4033)

- Important for:
  - Accurately determining the statewide cost of CTE programs
  - Avoiding negative adjustments



# Resources

- Michigan School Accounting Manual Appendix – Definitions of Account Codes
- Resources for completing the 4033 CTE Expenditures Report in CTEIS



# Contact Information

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