Career and Technical Education (CTE) Revenue

Effective FY 2015 and later:

- The CTE levy has been converted to equalized aid and levy (effective FY 2014).
- A district with a state approved CTE program and a certified levy is eligible for career and technical revenue equal to 35% of approved expenditures in the fiscal year in which the levy is certified.

CTE Funding

  - Increased from 25% to 35% of approved expenditures.
  - This new calculation no longer includes a per pupil cap.
  - Previous year revenue guaranteed up to 100% of current year expenditures

Minnesota Statutes, section 124D.4531
CTE Funding

- There is currently no cap on state revenue for FY 2015 and future years.

CTE Program Expenses

2016-2017 CTE Expenses reported –
- AFNR = $128,869
- Business = $23,202
- Marketing = $80,845
- Construction = $85,395
- Cooperative District = $84,217
- Total = $402,529
  \[ \times 35\% \]
  \[ = $140,885.15 \]

Step 1 - Program Approval

- 5 year cycle
- Due November 1
- Contact Debra Blahosky for details
- Master list of current Approved Programs goes to Data system March 1.
Anticipated CTE Expenses

- Anticipated CTE Program Expenses for the next year are entered April 15 – May 15 (FY 18 - 2017-2018).
- Requires districts to have approved CTE programs in the current data base.
- These anticipated CTE expenses are sent to School Finance June 1.
- School Finance loads into Aid and Levy System.

Anticipated Expenses 15-16
Anticipated Expenses 15-16

COOP EXPENDITURE ALLOCATION

Subd. 5. Allocation from districts participating in agreements for secondary education or interdistrict cooperation.

For purposes of this section, a district with a career and technical program approved under this section that participates in an agreement under section 123A.30 or 123A.32 must allocate its revenue authority under this section among participating districts.

Minnesota Statutes, section 124D.4531

Career and Technical Education (CTE) Revenue FIN 830

- October 31, 2017 – Actual Costs Submitted on CTE Budget System
- November 30, 2017 – Final UFARS Data Submitted
- November 30, 2017 – CTE/Budget/UFARS Comparison Report Posted
- December 2017 – Actual Costs Approved
- December 30, 2017 – UFARS close
- January 30, 2018 – CTE Aid Entitlement and Levy Adjustment Finalized
CTE Revenue
FY 20XX

<table>
<thead>
<tr>
<th>FIN</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>830</td>
<td>Career and Technical Education Aid and Levy (Fund 01)</td>
</tr>
</tbody>
</table>

Record revenue and expenditures eligible for CTE aid and levy under Minnesota Statutes, section 124D.4531, subd. 1b.

The activity in this code applies to Balance Sheet 445, Restricted/Reserved for CTE programs.

Does not include Finance 835 – CTE programs – Children with Disabilities, which is funded by the Transition Disabled Revenue Program through EDRS.

Therefore the following object codes will be included for the 35% revenue calculation:

FIN Code 830:

*For program codes 301; 311; 331; 341; 361; 365; 371; 385; 399 and 610,

The allowable object codes are: 140; 143; 185; 305; 365; 366; 394; 396; 433; and 490.

All other object codes will be allowed in UFARS, but not included in the revenue calculation.

Career and Technical Education (CTE) Balance Sheet 445

As of June 30, 2016, there are a few districts who have fund balances in the Balance Sheet Account 445 – Career and Technical Education Programs.

Due to CTE funding calculations which are based upon expenditure reimbursement of 35 percent, it is not feasible to accumulate a fund balance. If your district currently has a fund balance, please review to determine when and how this is accumulated. It may be due to over levying, and unapproved CTE program or inappropriate expenditure coding.
Career and Technical Education (CTE) Revenue (Page 1 of 3)

Approved Expenditures are the following:

1. Salaries paid to essential, licensed personnel providing direct instructional services to students, including extended contracts, for services rendered in the district’s approved CTE programs (object code 140).

2. Amounts paid to another Minnesota school district for salaries of essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district’s approved CTE programs (object codes 143 and 185).

Minnesota Statutes, section 124D.4531

CTE Revenue (Page 2 of 3)

Approved Expenditures are the following:

3. Contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under chapter 123A or 136D (object codes 305 and 394).

4. Necessary travel between instructional sites by licensed CTE personnel (object code 365).

5. Necessary travel by licensed CTE personnel for vocational student organization activities held within the state for instructional purposes (object code 365).

Minnesota Statutes, section 124D.4531

CTE Revenue (Page 3 of 3)

Approved Expenditures are the following:

6. Curriculum development activities that are part of a 5 year plan for improvement based on program assessment (many object codes).

7. Necessary travel by licensed CTE personnel for non credit bearing (travel, conventions and conferences) (object code 365/366).

8. Specialized vocational instructional supplies (object code 433).

Minnesota Statutes, section 124D.4531
CTE – FY 20XX

Example Accounting Treatment – Approved CTE Aid & Levy Programs:

<table>
<thead>
<tr>
<th>FND</th>
<th>ORG</th>
<th>PRG</th>
<th>FIN</th>
<th>SRC/OBJ</th>
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<tbody>
<tr>
<td>01</td>
<td>XXX</td>
<td>300-399</td>
<td>830</td>
<td>300</td>
<td>XXX</td>
</tr>
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<td>01</td>
<td>XXX</td>
<td>300-399</td>
<td>830</td>
<td>001</td>
<td>XXX</td>
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<tr>
<td>01</td>
<td>XXX</td>
<td>300-399</td>
<td>830</td>
<td>Chapter 10 Grid</td>
<td>XXX</td>
</tr>
</tbody>
</table>

Source Code 300 – State Aids Received from MDE for which a Finance Code is Specified

Source Code 001 – Levy

Note: Program 380 is funded by Transition Disabled

Actual CTE Program Expenses

- Report actual CTE Program Expenses by Sept. 1, immediately following the close of school & fiscal year.
- Requires approved program.
- Requires appropriately licensed teacher.
- These reports are submitted to School Finance and compared with, and reconciled by October 31.

Actual Expenses 2016-2017
Actual Expenses 2016-2017

Salary extended days student orgs

CTE Revenue

- Costs for reimbursing another district for instructional salaries are:
  - Included in the revenue calculations for the districts paying the reimbursement, and
  - Deducted from the revenue calculation for the district receiving the reimbursement.
### Accounting Treatment

For example:

- A district (District-A) hires a full-time licensed teacher for $50,000 to work a 180 day school year. District A sells 20% of the licensed teacher’s time to the neighboring district (District B). District A purchased $190 worth of supplies that were used by District B. District A reimbursed the teacher $500 for the cost of mileage to travel to District B.

#### District A – Selling the Service

<table>
<thead>
<tr>
<th>Ed</th>
<th>Org</th>
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<th>Obj</th>
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<tr>
<td>01</td>
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<td>Benefit Costs</td>
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<td>01</td>
<td>XXX</td>
<td>301-399</td>
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<td>000</td>
<td>$10,000</td>
<td>Time purchased by District B</td>
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<tr>
<td>01</td>
<td>XXX</td>
<td>301-399</td>
<td>830</td>
<td>2XX</td>
<td>000</td>
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### Accounting Treatment

#### District B – Purchasing

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<tbody>
<tr>
<td>01</td>
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<td>$10,000</td>
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<td>830</td>
<td>390</td>
<td>000</td>
<td>$500</td>
<td>Other Costs</td>
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</table>

#### District A – Holds the contract – how to code receipt of funds from B

<table>
<thead>
<tr>
<th>Ed</th>
<th>Org</th>
<th>Prg</th>
<th>Fin</th>
<th>Obj</th>
<th>Crs</th>
<th>Amount</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>01</td>
<td>XXX</td>
<td>301-399</td>
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<td>021</td>
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<td>Purchased Services</td>
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<tr>
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<td>XXX</td>
<td>301-399</td>
<td>830</td>
<td>021</td>
<td>000</td>
<td>XXX</td>
<td>All Other Costs</td>
</tr>
</tbody>
</table>

### COOP EXPENDITURE ALLOCATION

Subd. 5. Allocation from districts participating in agreements for secondary education or inter-district cooperation.

For purposes of this section, a district with a CTE program approved under this section that participates in an agreement under section 123A.30 or 123A.32 must allocate its revenue authority under this section among participating districts.

Minnesota Statutes, section 124D.4531
COOP EXPENDITURE ALLOCATION

CTE BUDGET / UFARS COMPARISON

- Approved costs = lesser of:
  - Amounts approved on CTE Budget System
  - Amounts reported on UFARS

- CTE Budget costs approved by program
  
  Program Code 321 Health Science Technology
  
  - 070101 321 Health Occupations—Dental Assisting
  - 070208 321 Health Occupations—Allied Health
  - 070300 321 Health Sciences & Technology Education
  - 070303 321 Nursing Services
  - 070907 321 Emergency Medical Services

CTE BUDGET / UFARS COMPARISON

- Compare the districts CTE Expenditures in the Budget System to the UFARS Expenditures Report prior to submission.

- Using the following links:

- This will allow you to maximize your district CTE revenue.
CTE Program Budget Reconciliation Timeline

- October 31 – MDE Finalizes Actual Costs Submitted on CTE Budget System.
- November 15 – CTE/UFARS Review completed by MDE School Finance and CTE Divisions.
- November 30 – Final UFARS Data Submitted.
- December – Verify CTE and UFARS Expenditure data submitted.
- January 30 – CTE Aid Entitlement and Levy Adjustment Finalized

Resources

- Web link for Career and Technical Education Levy Recalculation Web-Based Reporting System:
  - Career and Technical Education Levy Recalculation Web-Based Reporting System
- FY 2016 Final CTE Aid Entitlement
  - http://education.state.mn.us/MDE/SchSup/SchFin/LevyCertProc/index.html
- FY 2017 Anticipated CTE Aid Entitlement
  - http://w20.education.state.mn.us/MDEAnalytics/Data.jsp
- CTE website:
  - http://education.state.mn.us/MDE/StuSuc/CareerEd/Resources

Questions?

- CTE Budget Contact – Joel Larsen
  - Joel.Larsen@state.mn.us or 651-582-8395
- CTE Revenue Contact - Jan Carlson
  - Janice.Carlson@state.mn.us or 651-582-8342
- UFARS contact – Deb Meier
  - Debra.a.Meier@state.mn.us or 651-582-8656