



Career and Technical Education in Washington State

2017 Legislative Session

We thank the state legislature for the investment in Washington State’s Career and Technical Education (CTE) programs during the 2017 legislative session. Washington ACTE appreciates the investments made in Career and Technical Education, including:

- Lowered class size for CTE and Skill Center programs
- Lowered indirect charge to 5% of enhanced funding
- Increased MSOC that provides an enhanced ratio to general education for CTE funding going forward
- EHB 2242 established a grant program (through OSPI) to assist districts with the purchase of CTE equipment
- Charged OSPI to increase CTE course equivalency crediting opportunities (EHB 2242, sec. 4100)
- Confirmed CTE as Basic Education and established categorical funding for CTE

Our Position

Washington-ACTE believes the investments made by the legislature for CTE were intended to directly and positively impact CTE programs and students by investing in growing high demand, high quality CTE programs. These enhancements should be spent directly on those items that make CTE program delivery more expensive. Employing a teacher in a classroom is not unique to a CTE program, thus basic salaries and benefits should not be charged to enhancement dollars.

Continued Impacts to CTE

- **Aligning rules with respect to claiming students for funding with minimum instructional hours requirements:**
 - In 2014, SSB 6552 provided funding for the increased hours from 900 to an average of 1,000 in K-12 for all of Basic Education including CTE and skill centers. The initial investment of approximately \$96M was allocated within the prototypical high school. **This funding did not flow through to CTE and Skill Center programs.**
 - The calculation of CTE and Skill Center Full-Time Equivalents (FTE) results in a statewide average reduction of 10% claimable Annual Average Full-Time Equivalent (AAFTE) for CTE and 12% for Skill Centers.
 - Estimation of adverse Impact to CTE and Skill Center Programs (OSPI):
 - For high school (HS) students enrolled in one hour of CTE instruction, and five hours of general education instruction all year results in a statewide average **reduction of 10%** of the claimable AAFTE >

Hours in 1.0 AAFTE	Hours per Day	HS CTE FTE	Gen. Ed. FTE	AAFTE
900 hours	5h	0.2	0.8	1.0
1,000 hours	5h 33min	0.18	0.82	1.0

- For skill center students enrolled in three hours of skill center instruction, and three hours of general education instruction throughout the year results in a statewide average **reduction of 12%** of claimable AAFTE >

Hours in 1.0 AAFTE	Hours per Day	Skill Center FTE	Gen. Ed. FTE	AAFTE
900 hours	5h	0.6	0.6	1.2
1,000 hours	5h 33min	0.54	0.54	1.08

- **With the lowered indirect charges percentage of 5%**, many school districts are direct charging CTE programs for items and types of expenditures that would normally be included in the 5% indirects, along with charging full personnel salary cost to CTE that are funded by local levies for non-CTE staff.



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Opportunities Moving Forward

We recommend an adjustment for the calculation of CTE and Skill Center AAFTE that will not result in any reduction of claimable Annual Average Full-Time Equivalent (AAFTE) as a result of the formula.

Legislative Opportunities to Support CTE in Washington State Include:

1. Correct AAFTE calculation to eliminate impact to CTE and Skill Center programs
2. Eliminate direct charging to CTE
3. Remove Teacher Salaries and benefits from allowable enhancement expenditure list
4. Add extended leadership/learning stipends to allowable expenditure list
5. Incorporate remaining Resource to Allowable Expenditure Method recommendations of the 2014 CTE and Skill Center Program Funding, Accounting & Data Reporting report

Background on AAFTE 1,000-hour calculation, Item #1:

State law requires that the definition of a Full-Time Equivalent (FTE) student used to calculate allocations from the state to school districts align with the statutorily required minimum annual instructional hours for the state's basic education program. Legislation passed in 2014 (HB 2776) increased the minimum instructional hours, creating the need for OSPI to redefine the average annual FTE consistent with the revised law. Changing this definition reduces funding to Career and Technical Education (CTE) and Skill Center programs. A solution is needed to protect and hold harmless the CTE and Skill Center programs from related funding losses, which we believe to have been unintended with the passage of HB 2776.

We recommend changes be made to ensure that direct charges to the CTE programs are limited to allowable usages of CTE funds. Aligning the intended purpose of program revenues to the allowable expenditures provides more transparency to the funding structure and to how CTE dollars are being spent. This can be achieved by adjusting the structure of the prototypical school funding formula as described in OSPI's 2014 report to the legislature.

The "CTE and Skill Center Program Funding, Accounting & Data Reporting, 2014":

A key recommendation of the report stated that "reducing the indirect rate cannot occur without also implementing the recommendations for revising the funding formulas" outlined in the report. An opportunity now exists to include those recommendations for revising the funding formulas.

The 2014 report can be found on OSPI's website at the following link:

<http://www.k12.wa.us/LegisGov/2014documents/CTESkillCenterFunding.pdf>

The Legislature asked OSPI to review the funding formulas for Career and Technical Education and skill centers programs. OSPI was asked to make recommendations for revising the formulas.

(Authorizing bill/law: [Senate Bill 5034 \(2013-15 operating budget\)](#), §501(1)(a)(v) "The office of superintendent of public instruction shall review career and technical education and skill center programs' funding enhancement formulas, expenditure accounting systems, and reporting. The office will make recommendations for revising the funding formulas, including the possibility of conversion to a model that enhances basic education rates, potential revisions to the accounting systems, and recommendations for improving reporting and transparency. The office shall submit recommendations to the appropriate fiscal committees of the legislature and the office of financial management by June 1, 2014.")

This report laid out two options for changing the CTE funding formula: (1) a resource - to - allowable expenditure method, and (2) an excess cost model. The model recommended in the report is the resource - to - allowable expenditure method, and would include the changes outlined in the report.