



April 9, 2013

Subject: BUDGET ADJUSTMENT – CTE MSOC

“We are asking the House and Senate to return the MSOC for both CTE and Skills Centers to its’ current rate and link the ‘vocational enhancement’ growth to the BEA MSOC.

We truly believe that the resulting effect CTE and Skills Center MSOC funding changes contained in the proposed Senate budget is an unintended result of using a data collection model that is not aligned with the new prototypical funding model. Resulting in 2014-2015 to no longer having CTE taught in middle and high school.

Please help in making this budget adjustment, thus allowing time for clarifying these challenges while not harming CTE students in the 2013-2015 budget.”

Background to support the previous statement:

The reduction by the Senate of MSOC funding by 43% in the first year will be devastating to the delivery of CTE in grades 7-12 because those expenditures do in fact exist. In 2014-2015 the CTE MSOC remains flat and BEA MSOC continues to increase **resulting in the CTE MSOC to be \$267 less than the BEA MSOC in 2014-2015.** The decision to “re-base” CTE MSOC was made on “flawed” data from a funding allocation model that is not aligned with the current expenditure accounting structure resulting in an overall cut to K-12 education with a sound educational reason possibly violating the McCleary decision.

Local districts and skills centers are fully utilizing current allocated funding to meet the CTE program standards for the benefit of students. However, the current data collection model of these expenditures as reported in the “District Allocation of State Resources Portal 2011-12-4” does not allow for direct accounting of expenditures within each line item. This is dramatically illustrated in the difference between actual expenditures of the CTE MSOC for what is allocated verses what is shown as being spent for CTE MSOC. The balance of the funds generated by CTE MSOC are spent in CTE programs for students and is reflected in the total expenditures for CTE, as in:

- Staffing costs of salaries and extended-day contracts for student leadership supervision, which can often be higher than prototypical funding allocates
- District 15% indirect costs are not billed to CTE funding budget codes
- Districts utilizing the 10% carryover to develop or build program may show a temporary reduction in expenditures one year and an overage the next
- Skills Centers have other accounting challenges when coding operational costs of running a building, which is reported in an overage of MSOC

This will give OSPI and the data reporting systems time to come into alignment with the prototypical-funding model and more accurately reflect actual expenses through CTE MSOC while not harming CTE programs for students.

Finally, and most devastating...the loss of CTE in middle and high school!

In 2014-2015 as the CTE MSOC remains flat and BEA MSOC continues to increase resulting in the CTE MSOC to be \$267 less than the BEA MSOC in 2014-2015.

- We believe that will cause the enrollment in CTE programs that meet OSPI standards and have up-to-date curriculum frameworks approved by local industry advisory committees, which are all taught by certified instructors who have industry experience will no longer be warranted and the “CTE classes” will no longer be taught, which will most likely cause the end of CTE, as we know it, in middle and high school.

Tim Knue

A handwritten signature in blue ink, appearing to read "Tim Knue".

Executive Director