

Senate Appropriations

Human Resources Division

HB 1019

Department of Career and Technical Education

Chairman Dever and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education. I am here to provide testimony for House Bill 1019 or the Department of Career and Technical Education Appropriations Bill.

First, what statute provides authority to the Department of Career and Technical Education to do what we do. NDCC 15-20.1 outlines the responsibilities of NDCTE, NDCC 15-20.2 defines Area Career and Technology Centers, NDCC 15-20.4 provides authority to CTE to approve the operation of postsecondary career schools. NDCC 15-19-01 allows for the operation of the Center for Distance Education, which in the 2019 Legislative Session, was placed under the authority of the State Board for Career and Technical Education. Currently SB2269 would move CDE over under the authority of the Department of Public Instruction.

The Mission of the North Dakota Career and Technical Education is to work with others to provide all North Dakota citizens with the technical skills, knowledge, and attitudes necessary for successful performance in a globally competitive workplace. One such group we work with is the Workforce Development Council. Much of what ND CTE does aligns with the themes of the North Dakota Workforce Development Council, specifically the themes of earlier and more diverse career exploration and addressing the skills gap and removing barriers to employment.

Career and Technical Education also aligns with many of the themes of the PK12 Strategic Vision Framework. We align with the themes (1) Increase students who enter kindergarten prepared to learn, (3) Increase students who meet expected learning gains each year, (4) Increase students who engage in learning, (5) Increase students who graduate Choice Ready, and (6) Reduce the

disparity in achievement for students with disabilities, students in poverty, and Native American students.

On this slide, you will see the organizational chart for the Department of Career and Technical Education. We are a flat agency, organized by program area and its respective Career and Technical Student Organization.

Next, our accomplishments during the 2021-23 biennium. I have several slides, illustrating accomplishments through program startup and data.

The first two accomplishments focus on work-based learning. During the 2021-23 biennium, the agency developed work-based learning guidance for local High School Programs, developed a Work-Based Learning Endorsement in partnership with the Education Standards and Practices Board, and trained 21 WBL Coordinators, with 18 being endorsed by ESPB. We are seeing early success with WBL coordinators in communities such as Dunseith, Dickinson, Bismarck, and Jamestown. Students are being placed in WBL experiences, with some instances where students secure paid positions. We are in the process of planning a second round of training sessions, occurring this spring. Related to WBL, in August 2022, the Department launched a Work-based Learning Module within its existing RUPrepareND career exploration platform. RUPrepareND is available to every student across the state. Students, 5th grade and below, have access to a resource call Jobs in Paw Land. Sixth grade on up and students enrolled in the Tribal Colleges and NDUS Institutions have access to the entire RUPrepareND platform, including the WBL module. This module will aid students to find opportunities to enhance the education experience, through placement with community employers. Employers can provide their opportunities through the RUPrepareND portal. We are in the process of continuing to provide awareness, not only to schools, CTE Centers and higher education, but also the business community. We have recently partnered with Job Service North Dakota and the Department of Commerce to not only utilize their networks to provide awareness to

employers, but also train JSND and Commerce staff on how to present work-based learning as a workforce solution, when working with employers, economic development, chambers of commerce and community leaders.

Next, we launched the CTE Capital Projects Grant. During the winter of 2021-22, thirteen projects were awarded a total of \$88,276,228. To date, we have only been able to disperse a small amount, due to not having access to the Coronavirus Capital Projects Fund, which is the bulk of the funding. This slide shows which projects were funded. I will discuss this further when we reach the budget portion of the presentation.

The next accomplishment I would like to show is growth in Career and Technical Education. This slide shows how new programs have come trend of the number of programs over the past six years.

Next are the enrollments of our CTE Programs and enrollment trends over the past five years. You can see that our High School enrollments continue to rise. In the 2021-22 school year, 82% of North Dakota students have enrolled in at least one CTE course, with 28% of all high school students qualifying to be a CTE Concentrator. A CTE Concentrator is a federal term and the students we are measured on. A Secondary CTE Concentrator is a student that completes at least two credits in the same CTE Pathway. A Post-secondary Concentrator is a student that completes at least twelve credits in a degree CTE program or completed a program that may be less than twelve credits. We have seen a dip in CTE enrollment and concentrator numbers in our post-secondary programs. We need to dig into the data to determine why this is occurring. Potential reasons are lower higher education enrollment in general or High School CTE students are enrolling into programming that we are not required to report on, such as four-year programs. Additional research needs to be done to determine this.

This is data that we are very proud of and discuss it often. If a student is a CTE Concentrator, they have a greater chance of graduating high school. North Dakota already has a high graduation rate of 84%, but CTE students graduate at a rate of almost 97%. Native American students enrolled in CTE graduate at a rate of 87%, compared to 65%. Career and Technical Education helps bring relevance and engagement, keeping students in high school.

Another accomplishment in 2021-23 is continuation of the Farm Management Education Program. This program is designed to provide education to farm owners and operators, or persons interested in farming. The purpose of the program is to assist clients in meeting their business and personal goals. This is best accomplished using quality records and sound business decisions. These programs are located across the state, primarily at community colleges. As you can see enrollments have been declining over the past four years. This is primarily due to retirement of instructors and the inability to secure replacements. These programs are still valuable, not only to the producers, but also to the agriculture industry as valuable data is collected. You will see a few handouts, within your packet, that further illustrates the impact of the Farm Management Education program.

The ND STEM Ecosystem is dedicated to being a statewide resource to improve STEM access for all North Dakotans; to engaging industry, community, and education systems to address workforce challenges and STEM literacy; and to promoting a lifelong learning environment to develop employability and life skills and connect passion with opportunity. ND STEM Ecosystem is a member of the STEM Learning Ecosystems Community of Practice, which is an international organization that elevates the visibility and accessibility of STEM professions for all.

In this biennium appropriated funds have been used to provide support for STEM activity days, sponsorships for STEM events, and the creation of a STEM Asset Map. Grant funds awarded by the ND STEM Ecosystem have helped support Regional STEM Days across the state in all four of our defined regions. The STEM Day events held last year provided a wide variety of hands-on, interactive

STEM activities to over 4,300 North Dakota students from 69 different school systems and have helped support educational partnerships with over 55 University/business/industry allies, many of which were presenters/facilitators at the events. These events have increased opportunities for all students that have attended, but significantly for those from districts with limited resources. And more importantly, they have increased STEM opportunities for underrepresented, rural, and Native American students.

Reported impacts of the events have been an increased exposure to the benefits of and excitement for STEM education and have increased awareness and pursuit of STEM careers. These events have also instilled an increased confidence in student's abilities. Some of the reported activities at these STEM days included: a star lab, flower planting, structure building, rockets, automation, how power works, how pump jacks in the oil field work, detection of elements by optical emission, intercropping, and a variety of health care activities. STEM careers represented at these events included: Civil Engineering, Precision Agriculture, Photography, Drone Technologies, and a variety of Health Careers (including Pharmaceutical and Fitness).

The grants awarded this year are well on their way to a similar outcome. Funds were also used to sponsor a STEM Expo in Fargo and will be used to sponsor an E-Sports Tournament in Grand Forks. They were also used to create an Asset Map providing information about STEM activities across the state. You may have visited STEM Day at the ND Capitol on February 9, where many of our grant recipients showcased their programs.

Looking to the future, the ND STEM Ecosystem is developing opportunities to further utilize the expertise of its board members and increase their capacity to serve as STEM leaders in the state. We will continue to pursue partnerships with Industry that will broaden students' engagement in STEM. We are also planning a STEM conference to bring stakeholders together to explore the future of

STEM in the state and to leverage resources in every region that will increase accessibility to STEM for all students.

The Marketplace for Kids is a program to encourage elementary students to explore entrepreneurship and self-employment, as well as career opportunities in North Dakota. This is completed through Marketplace for Kids Education Days, that are held across the state every year. At these regional events, elementary age students learn about careers in North Dakota and students can showcase their entrepreneurial ideas. You'll see Covid had a huge impact on Education Days in the 2020-21 school year but rebounded in 2021-22. Twelve Education Days have occurred or will be held during the 2022-23 school year, with an estimated 8,000 attendees.

Next, what are the goals for the agency moving into the 2023-25 biennium.

- 1) We plan to transition to a new Program Reimbursement Platform to allow for easier use by agency and local users.
- 2) Access the CTE Capital Projects Funds and assist local projects to progress towards completion.
- 3) Move forward toward the goal of 100% of our students enrolled in CTE coursework. In preparation for session, we reviewed the in-demand occupation list, as determined by the Workforce Development Council, and cross walked it back to available Post-Secondary and Secondary programs. Almost every in-demand occupation can be walked back to an available Secondary program. The key is providing access to all students, no matter where they are located. Areas we are exploring expanding or creating is the educator pathway and more areas in public safety, such as law enforcement and firefighting.
- 4) Study and potentially restructure the agency's funding model, to help incentivize access to all students.

- 5) Coordinate virtual CTE Course offerings between Area Career and Technology Centers and the Center for Distance Education.
- 6) Continue to expand work-based learning opportunities through increased awareness for employers and additional training and professional development for local CTE staff and employers.

Now I will review the agency's budget, comparing the current 2021-23 biennium budget, the 2023 - 25 Executive Budget, 2023-25 Agency Requests, and actions the House took. I will review each line. Anything that is impacted drastically by a decision package will be discussed on the next slide.

This slide lists the submitted decision packages, which explains the variances between the current biennium's budget and the executive budget. There is also a one-pager in your packet that lists the submitted packages. The decision packages are as follows:

Cost to Continue – \$4 million

Currently, High School Career and Technical Education programs are reimbursed at our comprehensive high schools at 27% and at the Area Career and Technology Centers at 40%. To account for increases in costs and maintain reimbursement rates, the Department is requesting \$4 million for cost to continue. This was calculated by adding up programs we were unable to fund this current biennium due to limited funding and the historical increase in costs.

New and Expanding Programs – \$20 million

Every year, new CTE programs are introduced and make substantial expansions. To support these programs, not at the expense to reimbursement of existing programs, the agency is requesting \$20 million. This will provide funding for new programs at comprehensive high schools, existing, and new Area Career and Technology Centers. The new Centers were funded with the CTE Capital Projects Grant in the 2021-23 biennium and will begin operation in the 2023-25 biennium. This funding will

continue to provide for more equitable access to diverse and quality CTE programs to more students in more areas of the state. New programs must align with in-demand occupations, as identified by the North Dakota Workforce Development Council. The Department of Career and Technical Education would also include in this request funds to enable the Department to fund access to a career advisor for every school district across the state. Career Advisors would support counselors by assisting students with career exploration. Currently school counselors are beyond capacity assisting students with social and academic needs. Career Advisor's sole responsibility would be career exploration. This would fund approximately 90 career advisors across the state, both years of the biennium. \$3 million would be set aside for funding Career Advisors. This also would support legislation passed in the 2021 session that adjusted the ratio of counselors required in our schools. Career Advisors can assist in filling that ratio.

Work-Based Learning Coordinators – \$3 million

To continue to expand work-based learning opportunities, the Department of Career and Technical Education is requesting \$3 million to provide full funding for up to sixteen Work-Based Learning coordinators. The WBL Coordinators are to be located throughout the state, primarily housed at Area Career and Technology Centers. Another option, to support more WBL Coordinators, is to provide a partial reimbursement, like the other programs we have across the state. These positions would be the conduit between education and business, developing work-based learning opportunities as well as support the Learn Everywhere Initiative, as passed by the 67th Legislative Assembly.

Workforce Training – \$2 million

Due to the continuing workforce training needs of the state, TrainND is requesting an additional \$2 million in funding. Currently, the four TrainND regions have a biennial state appropriation of \$2 million. These additional funds would be used to update equipment and training to address the ever-evolving workforce needs of the state. This would also provide funding for TrainND to have a presence in parts

of the state where a gap in workforce training exists. Sara Vollmer, TrainND Director for the Southeast Region will present on TrainND, later in the Hearing.

Funding for Additional FTE at Department of CTE – \$198,000 per FTE

As Career and Technical Education continues to grow, the workload for CTE staff continues to rise. Programs continue to increase in number and diversity and more alternate teachers are entering the classrooms which requires more attention of Department of CTE staff. This will provide adequate time for the Program Area Supervisors to provide more direct technical assistance to instructors, therefore ensuring quality CTE programs, improving instructor retention, and supporting statewide Career Technical Student Organizational activities. The Department has been extremely frugal in its FTE count, decreasing staffing from 27.5 FTE in the 2013-15 biennium to 21.5 in the 2021-23 biennium. This is as lean as the agency can be and the Department now needs to look to expand to ensure we continue to provide services. The Department is requesting four additional staff, that would be utilized as program supervisors and communication and marketing support for the entire agency.

One-Time Optional Requests:

Continuation of New and Expanding CTE Centers – \$88,276,228

This has been addressed by previous Legislative Action. First HB1199 was fast-tracked through both chambers, allowing the Agency to receive loan authority from the Bank of North Dakota for the \$68.3M, with the intent of the loan to be paid off when we do receive the Coronavirus Capital Projects Grant funds. We also requested and received from the House, an exemption to carry over the \$20M of ARPA funds, in the event those funds are not fully expended by the end of the biennium.

I also request an additional amendment to be considered. It would read as follows:

Page 8, after line 26, insert:

SECTION 22. EXEMPTION- FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND- MATCHING

FUNDS. *The amount appropriated to the department of career and technical education from federal funds derived from the federal coronavirus capital projects fund for a statewide area career center initiative grant program as contained in subsection 1 of section 6 of chapter 15 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department of career and technical education for the statewide area career center initiative grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.*

Renumber accordingly

The reason for this, in the event a project does not use all their funds or does not happen, the Department would be able to reallocate dollars to a different project.

New and Expanding CTE Centers Inflation Impact – \$40 million

Due to the delay in receipt of the federal Coronavirus Capital Projects funds and inflationary costs, grantees will be unable to deliver what was stated in the applications. The Department is requesting \$40 million, to grant out to awarded applicants, to deliver upon their submitted and approved 2022 applications. In visiting with the grantees, they are anticipating up to a 40% increase in construction costs. Without sufficient funding, grantees will need to scale back programming. This may have a negative impact on the private sector donation pledges.

The following slide shows the estimated overage of each of the thirteen projects and provided by the author of each approved grant, working with their architects and contractors to provide an estimate. As you can imagine, many of these projects have not gone out for bid, due to the delay in access to funding, so these are estimates.

CTE Centers Not Approved in 2021-23 – \$20 million

Although thirteen different projects were funded across the state during the 2021-23 biennium, there are still gaps in the state that are not served by Area Career and Technical Education Centers. This funding is to continue the initiative, started in the 2021 Legislative Session, to close the gaps on access to quality and diverse CTE programming.

Finally, the agency has a few additional asks, that were not included in our initial budget request.

In 2015, CTE's operating general fund was \$603,109. With the allotment of 6.55% in 2016 and subsequent 10% reductions in the 2019-21 and 21-23 biennia, the operating general fund is now at \$404,345. This is a reduction of \$198,764.

Federal funds for operating remained the same from 2015 through 2019. Then CTE saw operating increases as follows:

2020	\$1,868
2021	\$4,919
2022	\$12,850
2023	\$11,066

Increase in federal funds is \$30,703 since 2015.

CTE would like to request an increase in general funds of \$168,061 to bring our operating line back to where we were eight years ago. We would use these dollars for address increase costs in supplies, travel, etc. We have become very lean, due to the reductions we have made to our Operating Line but can no longer operate with our limited funds.

Secondly, we are appreciative of the employee salary increases the Legislature is currently considering, yet according to the House version of HB1019, \$43,631 of the salary increase and \$15,174 of the increase to address insurance costs are to be provided with the agency's federal dollars. As previously stated, we have seen an increase in our federal administrative dollars of \$30,703 since 2015. We cannot support the proposed increase utilizing federal dollars as we do not have sufficient funds.

Finally, any proposed equity increase would need to be funded 100% with General Funds as we do not have the federal funds to support those increases.

Senator Dever and members of the Senate Appropriations Human Resources Sub-Committee.

This concludes my testimony, and I am happy to answer any questions you may have.