

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 2, remove "to amend and reenact sections 15-19-00.1, 15-19-01, 15-19-02,"

Page 1, remove line 3

Page 1, line 4, remove "the administration of the center for distance education; and"

Page 1, line 4, after "exemption" insert "; and to provide for a report"

Page 1, replace line 14 with:

"Salaries and wages	\$4,643,906	\$316,835	\$4,960,741"
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Page 1, replace line 17 with:

"Grants - secondary	26,837,780	18,200,000	45,037,780"
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Page 1, replace line 22 with:

"Workforce training	2,000,000	500,000	2,500,000"
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Page 1, remove line 24

Page 2, replace lines 1 through 3 with:

"Statewide area career center initiative grant program	<u>0</u>	<u>26,500,000</u>	<u>26,500,000</u>
Total all funds	\$56,754,880	\$38,735,478	\$95,490,358
Less estimated income	<u>15,019,817</u>	<u>25,961,303</u>	<u>40,981,120</u>
Total general fund	\$41,735,063	\$12,774,175	\$54,509,238
Full-time equivalent positions	50.30	(28.80)	21.50"

Page 2, line 4, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, line 5, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 7 through 10 with:

"Statewide area career center initiative grant program	<u>\$88,276,228</u>	<u>\$26,500,000</u>
Total other funds	<u>\$88,276,228</u>	<u>\$26,500,000</u>

The 2023 25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of career and technical education shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, remove lines 11 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 30

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Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, replace lines 1 through 21 with:

"SECTION 3. ESTIMATED INCOME - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The estimated income line item in section 1 of this Act includes the sum of \$26,500,000 from the federal coronavirus capital projects fund for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department of career and technical education must distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this section is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project."

Page 8, line 25, after "2021" insert "Special Session"

Page 8, after line 26, insert:

"SECTION 5. EXEMPTION - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - UNCOMMITTED FUNDS. Notwithstanding section 1 of chapter 548 of the 2021 Special Session Session Laws, if funding approved for a career academy project under the statewide area career center initiative grant program becomes uncommitted after December 31, 2022, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025."

SECTION 6. WORKFORCE TRAINING GRANTS - SALARIES AND WAGES EXPENSES. The workforce training line item in section 1 of this Act includes the sum of \$500,000 from the general fund which the department of career and technical education shall distribute to each eligible organization in the state dedicated to expanding workforce opportunities, training, and education for the purpose of defraying salaries and wages expenses of the organization's employees. The department of career and technical education shall distribute the funding identified in this section as follows:

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|---|-----------|
| 1. An organization in the northwest region of the state | \$230,000 |
| 2. An organization in the northeast region of the state | \$40,000 |
| 3. An organization in the southwest region of the state | \$120,000 |
| 4. An organization in the southeast region of the state | \$110,000 |

Renumber accordingly

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STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,643,906	\$5,441,942	(\$481,201)	\$4,960,741
Operating expenses	2,198,453	2,878,350		2,878,350
Grants	9,507,349	11,507,349		11,507,349
Grants - secondary	26,837,780	41,037,780	4,000,000	45,037,780
Marketplace for kids	300,000	300,000		300,000
STEM initiative	100,000	100,000		100,000
Adult farm management	1,706,138	1,706,138		1,706,138
Workforce training	2,000,000	2,000,000	500,000	2,500,000
Center for distance education	9,461,254			
Statewide area career center grants			26,500,000	26,500,000
Total all funds	\$56,754,880	\$64,971,559	\$30,518,799	\$95,490,358
Less estimated income	15,019,817	14,489,399	26,491,721	40,981,120
General fund	\$41,735,063	\$50,482,160	\$4,027,078	\$54,509,238
FTE	50.30	23.50	(2.00)	21.50

Department 270 - Dept. of Career and Technical Education - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes FTE Positions ²	Removes Salary Funding for Funding Pool ³	Adds Funding for New and Expanding Secondary Programs ⁴	Adjusts Funding for Career Advisors and Coordinators ⁵	Adds Funding for Workforce Training Grants ⁶
Salaries and wages	\$62,525	(\$394,874)	(\$148,852)			
Operating expenses						
Grants						
Grants - secondary				\$4,000,000		
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						\$500,000
Center for distance education						
Statewide area career center grants						
Total all funds	\$62,525	(\$394,874)	(\$148,852)	\$4,000,000	\$0	\$500,000
Less estimated income	10,615	0	(18,894)	0	0	0
General fund	\$51,910	(\$394,874)	(\$129,958)	\$4,000,000	\$0	\$500,000
FTE	0.00	(2.00)	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Career Academies ⁷	Total Senate Changes
Salaries and wages		(\$481,201)
Operating expenses		
Grants		
Grants - secondary		4,000,000
Marketplace for kids		
STEM initiative		
Adult farm management		
Workforce training		500,000
Center for distance education		
Statewide area career center grants	\$26,500,000	26,500,000
Total all funds	\$26,500,000	\$30,518,799
Less estimated income	26,500,000	26,491,721
General fund	\$0	\$4,027,078
FTE	0.00	(2.00)

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¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$62,196	\$10,964	\$73,160
Health insurance increase	<u>(10,286)</u>	<u>(349)</u>	<u>(10,635)</u>
Total	\$51,910	\$10,615	\$62,525

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding of \$394,874 from the general fund for 2 FTE program supervisor positions that were added by the House are removed by the Senate.

³ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	<u>(129,958)</u>	<u>(18,894)</u>	<u>(148,852)</u>
Total	(\$129,958)	(\$18,894)	(\$148,852)

⁴ Funding of \$4 million is added for new and expanding secondary career and technical education programs to provide a total of \$12 million from the general fund. The House added \$8 million from the general fund.

⁵ Funding from the general fund is adjusted by removing \$500,000 for grants for school district career advisors and adding \$500,000 for grants to schools for work-based learning coordinators to provide a total of \$2,000,000 from the general fund for work-based learning coordinators. The House added \$500,000 from the general fund for grants for school district career advisors and \$1,500,000 from the general fund for work-based learning coordinators.

⁶ Funding is added for workforce training grants to provide a total of \$2.5 million from the general fund. The House did not add funding for this program.

⁷ One-time funding of \$26.5 million is added from the federal Coronavirus Capital Projects Fund for career academy inflationary costs under the statewide area career center initiative grant program. The House did not add funding for this purpose.

_____ This amendment also:

- Removes seven sections added by the House to transfer supervisory authority of the Center for Distance Education from the Department of Career and Technical Education to the Department of Public Instruction. Statutory changes necessary to authorize this change are provided in Senate Bill No. 2269.
- Adds a section to identify \$26.5 million from the federal Coronavirus Capital Projects Fund for career academy inflationary costs during the 2023-25 biennium. The funding is to be provided proportionally to existing career academy projects under the statewide area career center initiative grant program based on funding allocations provided to each project during the 2021-23 biennium. During the 2023-24 interim, the department is required to provide a report to the Legislative Management regarding the amount of inflationary funding provided to each project to date, expected funding to be provided to each project for the remainder of the biennium, and the construction status of each project. The department is required to provide an updated report to the 69th Legislative Assembly.
- Adds a section to provide the Department of Career and Technical Education an exemption that if funding is returned for a previously approved career academy project, the department is authorized to redistribute the funding to other existing career academy projects during the 2023-25 biennium.
- Adds a section providing that of the \$2.5 million from the general fund in the workforce training line item, the Department of Career and Technical Education distribute \$500,000 to eligible workforce training organizations for the purpose of defraying salaries and wages expenses of the organization's employees.