

25.0186.01002
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

February 7, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2019

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 career and technical education.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds and
7 federal funds, to the department of career and technical education for the purpose of defraying
8 the expenses of the department of career and technical education, for the biennium beginning
9 July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Salaries and wages	\$5,118,145	\$0	\$5,118,145
13 Operating expenses	3,046,350	0	3,046,350
14 Grants	11,507,349	0	11,507,349
15 Grants - secondary	41,537,780	0	41,537,780
16 Marketplace for kids	300,000	0	300,000
17 Science, technology, engineering, and	100,000	0	100,000
18 —mathematics initiative			
19 Adult farm management	1,706,138	0	1,706,138

Sixty-ninth
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1	Workforce training	2,500,000	0	2,500,000
2	Total all funds	\$65,815,762	\$0	\$65,815,762
3	Less other funds	14,500,485	0	14,500,485
4	Total general fund	\$51,315,277	\$0	\$51,315,277
5	Full-time equivalent positions	23.50	0.00	23.50
6	Salaries and wages	\$5,118,145	\$720,245	\$5,838,390
7	New and vacant FTE pool	0	126,203	126,203
8	Operating expenses	3,046,350	1,399,261	4,445,611
9	Grants	11,507,349	2,500,000	14,007,349
10	Grants - secondary	41,537,780	7,000,000	48,537,780
11	Marketplace for kids	300,000	100,000	400,000
12	Science, technology, engineering, and	100,000	0	100,000
13	mathematics initiative			
14	Adult farm management	1,706,138	0	1,706,138
15	Workforce training	2,500,000	750,000	3,250,000
16	Total all funds	\$65,815,762	\$12,595,709	\$78,411,471
17	Less other funds	14,500,485	2,927,524	17,428,009
18	Total general fund	\$51,315,277	\$9,668,185	\$60,983,462
19	Full-time equivalent positions	23.50	0.00	23.50

20 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 21 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 22 items included in the appropriation in section 1 of this Act which are not included in the entity's
 23 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 24 committees of the seventieth legislative assembly regarding the use of this funding:

25	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
26	Virtual reality career exploration	\$1,000,000	\$0	\$1,000,000
27	Total	\$1,000,000	\$0	\$1,000,000

28 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
 29 department of career and technical education may not spend funds appropriated in the new and
 30 vacant FTE pool line item in section 1 of this Act, but may request the office of management and
 31 budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages

line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. 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:

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

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2019 - Dept. of Career and Technical Education - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$5,118,145	\$720,245	\$5,838,390
New and vacant FTE pool		126,203	126,203
Operating expenses	3,046,350	1,399,261	4,445,611
Grants	11,507,349	2,500,000	14,007,349
Grants - Secondary	41,537,780	7,000,000	48,537,780
Marketplace for kids	300,000	100,000	400,000
Adult farm management	1,706,138		1,706,138
Workforce training	2,500,000	750,000	3,250,000
STEM initiative	100,000		100,000
Total all funds	\$65,815,762	\$12,595,709	\$78,411,471
Less estimated income	14,500,485	2,927,524	17,428,009
General fund	\$51,315,277	\$9,668,185	\$60,983,462
FTE	23.50	0.00	23.50

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

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adjusts Base Level Funding ⁴	Adds Funding for Cost to Continue CTE Reimbursement Rates ⁵	Adds Funding for New and Expanding CTE Programs ⁶
Salaries and wages	\$357,630	\$543,726	(180,290)	(\$821)		
New and vacant FTE pool			126,203			
Operating expenses				399,261		
Grants				2,500,000		
Grants - Secondary					\$4,000,000	\$3,000,000
Marketplace for kids						
Adult farm management						
Workforce training						
STEM initiative						
Total all funds	\$357,630	\$543,726	(\$54,087)	\$2,898,440	\$4,000,000	\$3,000,000
Less estimated income	24,443	18,894	(3,744)	2,887,931	0	0
General fund	\$333,187	\$524,832	(\$50,343)	\$10,509	\$4,000,000	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Marketplace for Kids ⁷	Adds Funding for the Workforce Training Program ⁸	Adds One- Time Funding for Career Exploration ⁹	Total Senate Changes
Salaries and wages				\$720,245
New and vacant FTE pool				126,203
Operating expenses			\$1,000,000	1,399,261
Grants				2,500,000
Grants - Secondary				7,000,000
Marketplace for kids	\$100,000			100,000
Adult farm management				
Workforce training		\$750,000		750,000
STEM initiative				
Total all funds	\$100,000	\$750,000	\$1,000,000	\$12,595,709
Less estimated income	0	0	0	2,927,524
General fund	\$100,000	\$750,000	\$1,000,000	\$9,668,185
FTE	0.00	0.00	0.00	0.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
Salary increase	\$198,576	\$14,927	\$213,503
Health insurance increase	<u>134,611</u>	<u>9,516</u>	<u>144,127</u>
Total	\$333,187	\$24,443	\$357,630

² Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
New FTE positions	\$394,874	\$0	\$394,874
Vacant FTE positions	<u>129,958</u>	<u>18,894</u>	<u>148,852</u>
Total	\$524,832	\$18,894	\$543,726

³ Funding of \$180,290 for estimated savings from vacant FTE positions is removed and funding of \$126,203 is added for a 2025-27 new and vacant FTE pool line item as follows:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
New FTE positions	\$0	\$0	\$0
Vacant FTE positions	<u>(167,810)</u>	<u>(12,480)</u>	<u>(180,290)</u>
Total	(167,810)	(12,480)	(180,290)
Funding pool line item	<u>117,467</u>	<u>8,736</u>	<u>126,203</u>
Net savings	(\$50,343)	(\$3,744)	(\$54,087)

⁴ Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Federal Funds</u>	<u>Total</u>
Adjusts funding for base payroll changes	\$7	(\$828)	(\$821)
Adds funding for operating expenses, primarily related to professional services and fees, travel, information technology costs, and office equipment	10,502	388,759	399,261
Adds funding for grants to schools and area career and technical centers for career and technical education programs to provide a total of \$14,007,349 from federal funds	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total	\$10,509	\$2,887,931	\$2,898,440

⁵ Funding of \$4 million is added from the general fund for the cost to continue career and technical education reimbursement rates at schools (27 percent) and area career and technical centers (40 percent).

⁶ Funding of \$3 million from the general fund is added for new and expanding secondary career and technical education programs.

⁷ Funding of \$100,000 is added from the general fund for the Marketplace for Kids program to provide a total of \$400,000 from the general fund.

⁸ Funding of \$750,000 is added from the general fund for the workforce training program to provide a total of \$3.25 million from the general fund.

⁹ One-time funding of \$1 million is added from the general fund for virtual reality career exploration hardware and software.

Senate Bill No. 2019 - Other Changes - Senate Action

A section is added regarding the use of funding in the new and vacant FTE pool line item.