Department of Career and Technical Education
Budget 270
Senate Bill No. 2019; House Bill No. 1228

	FTE Positions	General Fund	Other Funds	Total
2013-15 legislative appropriation	27.00	$32,392,916	$10,287,795	$42,680,711
2011-13 legislative appropriation	27.50	27,981,679	10,766,888	38,748,567
2013-15 appropriation increase (decrease) to 2011-13 appropriation	(0.50)	$4,411,237	($479,093)	$3,932,144

Item Description	Status/Result
Accrued leave payments - In Section 1 of Senate Bill No. 2019, the Legislative Assembly identified $96,477, of which $81,028 is from the general fund and $15,449 is from other funds, for accrued leave payments.	The department has spent $23,464 from the accrued leave payments line item related to retirements through March 2014. The department does not anticipate transferring funds from the accrued leave payments line item to the salaries and wages line item.
New and expanding programs funding - The Legislative Assembly provided funding of $1,205,000 from the general fund for the 2013-15 biennium for new and expanding programs and initiatives that would best serve the department.	The department plans to utilize funding provided for new and expanding programs as follows:

Description	Amount
New and expanding programs in schools	$700,000
Expansion of online and interactive video programs	150,000
Pilot program for distance delivery of welding program	150,000
Funding to expand emerging technology consortiums	205,000
Total	$1,205,000

New virtual career and technical education centers - The Legislative Assembly provided $500,000 from the general fund for the establishment of a new virtual career and technical education center.	The department has approved a proposal for a center in Cass County. The center is anticipated to be in operation by the fall of 2014. New area centers are eligible for 75 percent reimbursement in the first two years of operation, 60 percent for the next three years, and 40 percent thereafter.
Virtual area centers - The Legislative Assembly provided $3.2 million from the general fund to continue virtual area centers.	The department will provide $3,075,000 in funding to continue virtual area centers for the 2013-15 biennium as follows:

	Fiscal Year 2014	Fiscal Year 2015	Total
Roughrider Area Career and Technology Center	$370,000	$385,000	$755,000
North Central Area Career and Technology Center	115,000	125,000	240,000
Missouri River Area Career and Technology Center	385,000	400,000	785,000
Western Star Area Career and Technology Center	205,000	220,000	425,000
Grand Forks Area Career and Technology Center	370,000	500,000	870,000
Total	$1,445,000	$1,630,000	$3,075,000

Funding to maintain reimbursement percentages - The Legislative Assembly provided $500,000 from the general fund for costs to maintain the reimbursement percentages paid to support career and technical education programs.	The department has experienced increased costs to maintain reimbursement percentages at a consistent level as teachers' salaries increase. For the 2011-13 biennium, an increase of $480,000 was necessary to maintain reimbursement percentages. The Legislative Assembly in 2011 provided $400,000 from the general

fund to maintain reimbursement percentages, and the department used $80,000 from funding for new and expanding programs.

The department anticipates that the $500,000 from the general fund will not be sufficient to maintain the reimbursement percentages for the 2013-15 biennium. The cost of the reimbursement percentages for the 2013-15 biennium is estimated to be approximately $700,000. The department may need to use funding for new and expanding programs or reduce the reimbursement percentages.

Workforce training grants - The Legislative Assembly appropriated $4 million from the general fund to the department for grants to the institutions of higher education assigned primary responsibility for workforce training in the state. Of the $4 million, $1 million is one-time funding and requires matching funds from private industry equal to the amount of the grant, and $3 million is allocated to the four workforce training regions based on the number of employees in the region.

The workforce training regions are in the process of submitting proposals related to the $1 million of one-time funding. The workforce training regions have expressed concerns to the department regarding their ability to meet matching requirements.

The department will provide $1.5 million in grants for each fiscal year of the 2013-15 biennium. The following is a summary of grant awards:

Training Region	Fiscal Year 2014	Fiscal Year 2015	Total
Northwest - Williston State College	$333,404	$333,404	$666,808
Northeast - Lake Region State College	240,770	240,770	481,540
Southeast - North Dakota State College of Science	541,901	541,901	1,083,802
Southwest - Bismarck State College	383,925	383,925	767,850
Total	$1,500,000	$1,500,000	$3,000,000

STEM grants - In Senate Bill No. 2019, the Legislative Assembly provided $150,000 from the general fund for science, technology, engineering, and mathematics (STEM) program grants and in Section 4 of the bill required a dollar-for-dollar match.

As of March 2014, STEM grants were awarded to the West Fargo School District ($15,000) and the Bismarck School District ($15,000). The department is reviewing other grant applications and anticipates awarding all of the grant funds.

STEM network - The Legislative Assembly in 2013 provided $140,000 from the general fund in Senate Bill No. 2019 and $160,000 from the general fund in House Bill No. 1228 for the STEM network.

The purpose of the STEM network is to provide resources and opportunities for students to gain experience in STEM-related fields.

In House Bill No. 1228, the Legislative Assembly created a new section in North Dakota Century Code Chapter 15-20.1 to allow the department to receive gifts and donations for STEM grants and to provide a continuing appropriation.

Although the $160,000 from the general fund in House Bill No. 1228 was not identified as one-time funding, the department plans for it to be one-time funding. The department has contracted management to administer the STEM network. Through March 2014, the department has spent $24,000 for this program.

The department has not received any gifts or donations for STEM grants through March 2014.