Career and Technical Education
Budget No. 270
Senate Bill No. 2019

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	**24.50**	**$29,556,283**	**$12,093,666**	**$41,649,949**
2017-19 base budget	26.50	31,698,298	9,697,887	41,396,185
Legislative increase (decrease) to base budget	(2.00)	($2,142,015)	$2,395,779	$253,764

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	**$29,306,283**	**$250,000**	**$29,556,283**
2015-17 adjusted legislative appropriations	31,698,298	0	31,698,298
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	($2,392,015)	$250,000	($2,142,015)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(7.5%)	100.0%	(6.8%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.		($54,785)	($81,221)	($136,006)
Added funding for employee health insurance premiums to reflect a revised premium rate of $1,240.83 per month.		61,059		61,059
Removed 1 FTE assistant program supervisor position and related funding of $157,200 and 1 FTE program coordinator position (Funding of $171,382 from the general fund for this position was removed as part of the August 2016 budget reductions).	(2.00)	(157,200)		(157,200)
Restored salaries and wages funding from the general fund removed as part of the August 2016 budget reductions.		168,618		168,618
Adjusted funding for operating expenses.		(26,751)		(26,751)

Adjusted funding for postsecondary grants, including a $290,500 transfer from the postsecondary grants line item to the grants line item for science, technology, engineering, and mathematics grants related to K-12 education.		(364,906)		(364,906)
Adjusted funding for adult farm management grants to provide total funding of $1,854,338, of which $597,822 is in the adult farm management line item and $1,256,516 is included in state-funded grants in the grants line item.		(80,616)		(80,616)
Adjusted funding for workforce training grants to provide total funding of $2 million from the general fund.		(803,500)		(803,500)
Adjusted funding for state-funded grants, including a $290,500 transfer from the postsecondary grants line item to the grants line item for science, technology, engineering, and mathematics grants related to K-12 education.		(883,934)		(883,934)
Removed ongoing funding for Marketplace for Kids program.		(250,000)		(250,000)
Added one-time funding for Marketplace for Kids program.		250,000		250,000
Added one-time funding from the foundation aid stabilization fund for Marketplace for Kids program, to provide total funding of $300,000.			50,000	50,000
Added one-time funding from the foundation aid stabilization fund for grants to school districts and area centers.			2,427,000	2,427,000
Total	(2.00)	($2,142,015)	$2,395,779	$253,764

FTE Changes

The 2017-19 biennium appropriation for the Department of Career and Technical Education includes funding for 24.50 FTE positions, a decrease of 2 FTE positions from the 2015-17 biennium. The Legislative Assembly removed 1 FTE assistant program supervisor position and 1 FTE program coordinator position.

One-Time Funding

The following is a summary of one-time funding included in the 2017-19 legislative appropriation for the Department of Career and Technical Education:

	General Fund	Other Funds	Total Funds
School district and area center grants, including $50,000 for the Marketplace for Kids program, from the foundation aid stabilization fund		$2,477,000	$2,477,000
Marketplace for Kids program	$250,000		250,000
Total	$250,000	$2,477,000	$2,727,000

Foundation Aid Stabilization Fund

During the November 2016 general election, Constitutional Measure No. 2 was approved by North Dakota voters, amending Section 24 of Article X of the North Dakota Constitution to allow the Legislative Assembly to use any excess principal balance of the foundation aid stabilization fund for education-related purposes whenever the balance exceeds 15 percent of the general fund appropriation for state aid to school districts and area centers for the most recently completed biennium.

The Legislative Assembly, in 2017 Senate Bill No. 2272 and 2017 House Bill No. 1155, amended North Dakota Century Code Section 54-44.1-12 to provide any reductions to the general fund appropriations to the Department of Career and Technical Education for grants to school districts due to an allotment are also to be offset by funding from the foundation aid stabilization fund. Senate Bill No. 2272 also creates a new section to Chapter 54-27 indicating that state school aid includes general fund appropriations for state school aid, transportation aid, and special education aid in the Department of Public Instruction as well as general fund appropriations for career and technical education grants to school districts and area centers in the Department of Career and Technical Education.

The Department of Career and Technical Education general fund appropriation for career and technical education grants to school districts and area centers is $22,736,666 for the 2015-17 biennium. Of this amount, $3,410,500, or 15 percent, must be included when calculating the required reserve in the foundation aid stabilization fund during the 2017-19 biennium. The total 2017-19 biennium general fund appropriations to the Department of Career and Technical Education for career and technical education grants to school districts and area centers is $20,442,999, resulting in $3,066,450, or 15 percent, to be included in the foundation aid stabilization fund required reserve for the 2019-21 biennium.

As a result of the passage of Constitutional Measure No. 2 and action taken by the 2017 Legislative Assembly, Section 4 of Senate Bill No. 2019 identifies $2,477,000 from the foundation aid stabilization fund for providing grants to school districts and area centers. Of this amount, $50,000 is for the Marketplace for Kids program.

Marketplace for Kids

The Legislative Assembly provided a total 2017-19 biennium appropriation of $300,000 to the Department of Career and Technical Education for the Marketplace for Kids program, the same as the 2015-17 biennium. Funding of $300,000 was provided as an ongoing general fund appropriation for the 2015-17 biennium. Funding of $300,000 was provided as one-time funding for the 2017-19 biennium, of which $250,000 is from the general fund and $50,000 is from the foundation aid stabilization fund.

Workforce Training Grants

Section 5 of Senate Bill No. 2019 identifies $2 million from the general fund for the purpose of providing workforce training grants for the 2017-19 biennium, a decrease of $803,500 from the adjusted 2015-17 biennium appropriation. Of the amount appropriated, $1 million is to be distributed equally to Bismarck State College, Lake Region State College, Williston State College, and the North Dakota State College of Science. The Department of Career and Technical Education shall award the remaining $1 million of workforce training grants based on job training needs throughout North Dakota and may consider applications from tribally controlled community colleges when determining these grant awards. Tribally controlled community colleges must collaborate with at least one of the four higher education institutions listed in this section when submitting applications for workforce training grants.

Other Sections in Senate Bill No. 2019

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.