STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Dept. of Career and Technical Education			
Salaries and wages	$4,643,906	$4,984,211	$340,305
Operating expenses	2,198,453	3,046,350	847,897
Grants	9,507,349	12,007,349	2,500,000
Grants - secondary	26,837,780	41,537,780	14,700,000
Marketplace for kids	300,000	300,000	
STEM initiative	100,000	100,000	
Adult farm management	1,706,138	1,706,138	
Workforce training	2,000,000	2,500,000	500,000
Center for distance education	9,461,254		(9,461,254)
Statewide area career center grants			
Total all funds	$56,754,880	$66,181,828	$9,426,948
Less estimated income	15,019,817	14,981,120	(38,697)
General fund	$41,735,063	$51,200,708	$9,465,645
FTE	50.30	23.50	(26.80)
Bill total			
Total all funds	$56,754,880	$66,181,828	$9,426,948
Less estimated income	15,019,817	14,981,120	(38,697)
General fund	$41,735,063	$51,200,708	$9,465,645
FTE	50.30	23.50	(26.80)

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

	Base Budget	House Changes	House Version
Salaries and wages	$4,643,906	$798,036	$5,441,942
Operating expenses	2,198,453	679,897	2,878,350
Grants	9,507,349	2,000,000	11,507,349
Grants - secondary	26,837,780	14,200,000	41,037,780
Marketplace for kids	300,000		300,000
STEM initiative	100,000		100,000
Adult farm management	1,706,138		1,706,138
Workforce training	2,000,000		2,000,000
Center for distance education	9,461,254	(9,461,254)	
Total all funds	$56,754,880	$8,216,679	$64,971,559
Less estimated income	15,019,817	(530,418)	14,489,399
General fund	$41,735,063	$8,747,097	$50,482,160
FTE	50.30	(26.80)	23.50

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

	Adds Funding for the Cost to Continue Salaries[1]	Adds Funding for Salary and Benefit Increases[2]	Adjusts Base Level Funding[3]	Adds Funding for Program Supervisor Positions[4]	Adds Funding for a New Capitol Rent Model[5]	Adds Funding for Cost to Continue Reimbursement Rates[6]
Salaries and wages	$66,188	$365,738	($28,764)	$394,874		
Operating expenses			500,000		$179,897	
Grants			2,000,000			
Grants - secondary						$4,000,000
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education						
Statewide area career center grants						
Total all funds	$66,188	$365,738	$2,471,236	$394,874	$179,897	$4,000,000
Less estimated income	156	48,190	2,471,236	0	0	0
General fund	$66,032	$317,548	$0	$394,874	$179,897	$4,000,000
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adds Funding for New and Expanding Secondary Programs[7]	Adds Funding for Grants for School District Career Advisors[8]	Adds Funding for Work-Based Learning Coordinators[9]	Adds Funding for Emerging Technology Grants[10]	Removes Funding for the Center for Distance Education[11]	Total House Changes
Salaries and wages						$798,036
Operating expenses						679,897
Grants						2,000,000
Grants - secondary	$8,000,000	$500,000	$1,500,000	$200,000		14,200,000
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education					($9,461,254)	(9,461,254)
Statewide area career center grants						
Total all funds	$8,000,000	$500,000	$1,500,000	$200,000	($9,461,254)	$8,216,679
Less estimated income	0	0	0	0	(3,050,000)	(530,418)
General fund	$8,000,000	$500,000	$1,500,000	$200,000	($6,411,254)	$8,747,097
FTE	0.00	0.00	0.00	0.00	(28.80)	(26.80)

[1] Funding is added for the cost-to-continue salary increases.

[2] The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from $1,429 to $1,648 per month:

	General Fund	Other Funds	Total
Salary increase	$224,706	$32,667	$257,373
Health insurance increase	92,842	15,523	108,365
Total	$317,548	$48,190	$365,738

[3] Base level funding is adjusted as follows:

	Federal Funds
Reduces funding for salaries due to staff retirements	($28,764)
Adds funding for the RUReady career resource network	500,000
Adds Carl D. Perkins funding for secondary school grants to provide total federal funding of $11,507,349 for grants	2,000,000
Total	$2,471,236

[4] Funding of $394,874 is added from the general fund for salaries and wages for 2 FTE program supervisor positions.

[5] Funding of $179,897 is added from the general fund for a new Capitol space rent model.

[6] 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).

[7] Funding of $8 million from the general fund is added for new and expanding secondary career and technical education programs.

[8] Funding of $500,000 from the general fund is added for grants to school districts to hire career advisors.

[9] Funding of $1.5 million from the general fund is added for grants to school districts for work-based learning coordinators.

[10] Funding of $200,000 is added for the emerging technology grant program to provide a total of $1,175,400 from the general fund.

[11] Funding of $9,461,254 for the Center for Distance Education is removed, including $6,411,254 from the general fund and $3,050,000 from the independent study operating fund.

This amendment also:

- Adds seven sections to amend North Dakota Century Code to require the Center for Distance Education to report to the Department of Public Instruction rather than the Department of Career and Technical Education.
- Adds a section to provide the Department of Career and Technical Education an exemption to continue funding appropriated from the federal State Fiscal Recovery Fund for career academies during the 2021-23 biennium into the 2023-25 biennium.

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)

[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:

	General Fund	Other Funds	Total
Salary increase	$62,196	$10,964	$73,160
Health insurance increase	(10,286)	(349)	(10,635)
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.

	General Fund	Other Funds	Total
New FTE positions	$0	$0	$0
Vacant FTE positions	(129.958)	(18.894)	(148.852)
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 million 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 $1.5 million 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.

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	$4,643,906	$5,441,942	($457,731)	$4,984,211	$4,960,741	$23,470
Operating expenses	2,198,453	2,878,350	168,000	3,046,350	2,878,350	168,000
Grants	9,507,349	11,507,349	500,000	12,007,349	11,507,349	500,000
Grants - secondary	26,837,780	41,037,780	500,000	41,537,780	45,037,780	(3,500,000)
Marketplace for kids	300,000	300,000		300,000	300,000	
STEM initiative	100,000	100,000		100,000	100,000	
Adult farm management	1,706,138	1,706,138		1,706,138	1,706,138	
Workforce training	2,000,000	2,000,000	500,000	2,500,000	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	$1,210,269	$66,181,828	$95,490,358	($29,308,530)
Less estimated income	15,019,817	14,489,399	491,721	14,981,120	40,981,120	(26,000,000)
General fund	$41,735,063	$50,482,160	$718,548	$51,200,708	$54,509,238	($3,308,530)
FTE	50.30	23.50	0.00	23.50	21.50	2.00

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

	Adjusts Funding for Salary and Benefit Increases[1]	Removes Salary Funding for Funding Pool[2]	Adds Funding for Operating Expenses[3]	Reduces Funding for Cost to Continue Reimbursement Rates[4]	Adds Funding for New and Expanding Secondary Programs[5]	Removes Funding for Career Advisors[6]
Salaries and wages	$85,995	($543,726)				
Operating expenses			$168,000			
Grants					$500,000	
Grants - secondary				($500,000)	1,500,000	($500,000)
Marketplace for kids						
STEM initiative						
Adult farm management						
Workforce training						
Center for distance education						
Statewide area career center grants						
Total all funds	$85,995	($543,726)	$168,000	($500,000)	$2,000,000	($500,000)
Less estimated income	10,615	(18,894)	0	0	500,000	0
General fund	$75,380	($524,832)	$168,000	($500,000)	$1,500,000	($500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Workforce Training Grants[7]	Total Conference Committee Changes
Salaries and wages		($457,731)
Operating expenses		168,000
Grants		500,000
Grants - secondary		500,000
Marketplace for kids		
STEM initiative		
Adult farm management		
Workforce training	$500,000	500,000
Center for distance education		
Statewide area career center grants		
Total all funds	$500,000	$1,210,269
Less estimated income	0	491,721
General fund	$500,000	$718,548
FTE	0.00	0.00

[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:

	General Fund	Other Funds	Total
Salary increase	$75,380	$10,964	$86,344
Health insurance adjustment	0	(349)	(349)
Total	$75,380	$10,615	$85,995

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

[2] 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.

	General Fund	Other Funds	Total
New FTE positions	($394,874)	$0	($394,874)
Vacant FTE positions	(129.958)	(18.894)	(148.852)
Total	($524,832)	($18,894)	($543,726)

[3] Funding of $168,000 is added from the general fund for operating expenses of the department. The House and Senate did not add funding for this purpose.

[4] Funding for the cost to continue career and technical education reimbursement rates at schools (27 percent) and area career and technical centers (40 percent) is reduced by $500,000 to provide a total of $3.5 million from the general fund. The House and Senate provided $4 million from the general fund.

[5] Funding of $2 million, of which $1.5 million is ongoing funding from the general fund and $500,000 is one-time funding from the strategic investment and improvements fund (SIIF), is added for new and expanding secondary career and technical education programs to provide a total of $10 million, including $9.5 million from the general fund.

The House provided $8 million from the general fund. The Senate provided $12 million from the general fund.

[6] Funding of $500,000 from the general fund for school district career advisors is removed. The House added $500,000 from the general fund for the program. The Senate did not provide funding for the program.

[7] Funding of $500,000 is added for workforce training grants to provide a total of $2.5 million from the general fund, the same as provided by the Senate. The House provided $2 million, the same as the base level.

The Conference Committee:

- Did not remove $394,874 from the general fund for 2 FTE program supervisor positions. These positions were added by the House but removed by the Senate.
- Did not add $500,000 from the general fund for grants to schools for work-based learning coordinators. The House provided $1.5 million from the general fund. The Senate added $500,000 to provide a total of $2 million from the general fund. The Conference Committee provided $1.5 million from the general fund.
- Did not provide one-time funding from the federal Coronavirus Capital Projects Fund for career academy inflationary costs under the statewide area career center initiative grant program. The Senate provided $26.5 million. A section identifying this funding included in the Senate version was not added by the Conference Committee.

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. These sections were also removed by the Senate.
- Adds a section to identify one-time funding of $500,000 from SIIF for new and expanding secondary career and technical education programs. The Senate did not add this section.
- 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. This section was also added by the Senate.
- 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. This section was also added by the Senate.