Department 270 - Department of Career and Technical Education
House Bill No. 1019

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	$50,482,160	$14,489,399	$64,971,559
2023-25 Base Level	41,735,063	15,019,817	56,754,880
Increase (Decrease)	$8,747,097	($530,418)	$8,216,679

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Transfer of the Center for Distance Education - Sections 3 through 9 provide the statutory changes necessary to transfer supervisory authority of the Center for Distance Education (CDE) from the Department of Career and Technical Education to the Department of Public Instruction.

Exemption - State Fiscal Recovery Fund - Section 10 provides the Department of Career and Technical Education an exemption to continue $20 million from the federal State Fiscal Recovery Fund appropriated during the November 2021 special legislative session into the 2023-25 biennium.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The operational audit for the Department of Career and Technical Education conducted by the State Auditor's office for the period ending June 30, 2021, identified the following audit finding:

Noncompliance with appropriations laws - The report states CDE, which reports to the Department of Career and Technical Education, overspent its 2019-21 biennium appropriation authority by $121,255. Of this amount, $120,000 was for online learning curriculum purchased from a vendor. The Center for Distance Education pays for the curriculum materials on an annual basis and in an effort to receive a discounted price for the materials for the 1st year of the 2021-23 biennium, payment of $120,000 was issued prior to June 30, 2021, resulting in CDE overspending its 2019-21 biennium appropriation authority.

The department indicated their fiscal office will implement oversight of CDE's budget and appropriation spending to ensure compliance with appropriation limits and the Director of the CDE will discuss major decisions with the department director prior to implementation.

Major Related Legislation

House Bill No. 1156 - This bill authorizes CDE to enter an agreement with a regionally accredited postsecondary institution to provide high school and postsecondary credit for the completion of an academic course.

House Bill No. 1199 - This bill appropriates $68,276,228 from a Bank of North Dakota line of credit to the Department of Career and Technical Education for the purpose of providing grants to entities approved by the State Board for Career and Technical Education to building career academies through the statewide area and career center initiative grant program. The bill also appropriates one-time funding of $2 million from the general fund to the Department of Career and Technical Education for the purpose of paying accrued interest on a Bank of North Dakota line of credit used for the statewide area and career center initiative grant program. An exemption is provided to allow the Department of Career and Technical Education to continue funding appropriated by the 2021 Legislative Assembly from the federal Coronavirus Capital Projects Fund for the statewide area and career center initiative grant program for the 2021-23 biennium into the 2023-25 biennium. The bill allows the Department of Career and Technical Education to award funding for a career academy project to foundations working with school districts on the project.

House Bill No. 1232 - This bill provides a one-time $500,000 appropriation from the federal State Fiscal Recovery Fund to the Department of Career and Technical Education for the purpose of purchasing career exploration virtual reality software capable of integrating with the RUReady career resource network.

House Bill No. 1519 - This bill provides a one-time appropriation of $250,000 from the federal State Fiscal Recovery Fund to the Department of Career and Technical Education for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to a workforce training center serving the Northwest area of the state. The department may require $1 of matching funds from the applicant for every $4 provided by the department.

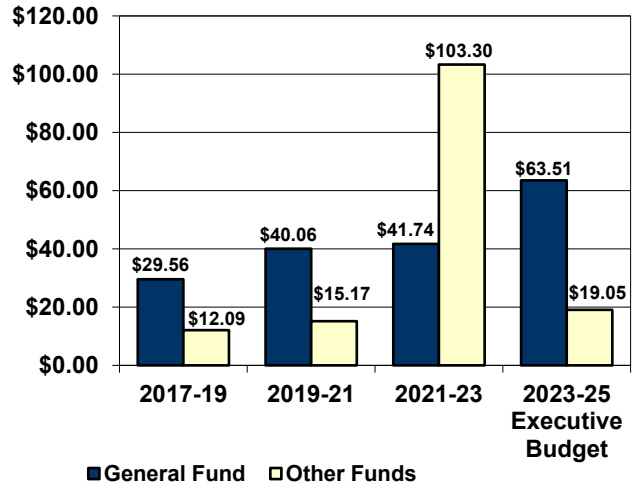
Senate Bill No. 2122 - This bill provides for a Legislative Management study of the workforce training center funding distribution model. The study must include the funding distribution model, statewide integration and alignment across workforce training centers, and awarding college credit for workforce training center-offered training.

Senate Bill No. 2269 - This bill provides the statutory changes necessary to transfer supervisory authority of CDE from the Department of Career and Technical Education to the Department of Public Instruction.

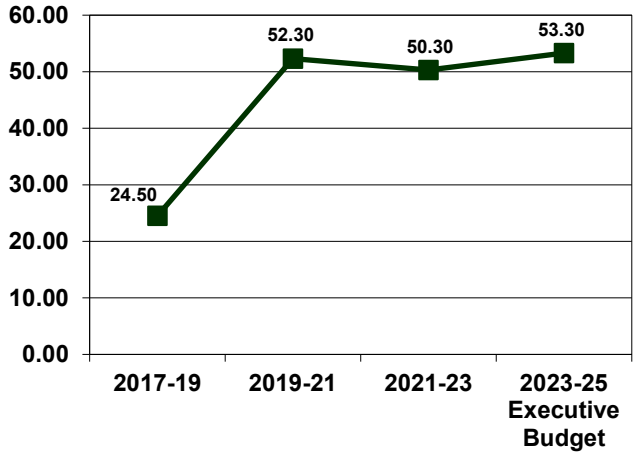
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing general fund appropriations	$31,698,298	$29,306,283	$40,064,988	$41,735,063	$63,507,771
Increase (decrease) from previous biennium	N/A	($2,392,015)	$10,758,705	$1,670,075	$21,772,708
Percentage increase (decrease) from previous biennium	N/A	(7.5%)	36.7%	4.2%	52.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(7.5%)	26.4%	31.7%	100.4%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. 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) ($157,200)
2. Restored salaries and wages funding from the general fund removed as part of the August 2016 budget reductions $168,618
3. 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 (STEM) grants related to K-12 education ($364,906)
4. Adjusted funding for adult farm management grants ($80,616)
5. Adjusted funding for workforce training grants to provide total funding of $2 million from the general fund ($803,500)
6. Adjusted funding for state-funded grants, including a $290,500 transfer from the postsecondary grants line item to the grants line item for STEM grants related to K-12 education ($883,934)
7. Removed ongoing funding for the Marketplace for Kids program (funding of $300,000 was added as a one-time appropriation, of which $250,000 was from the general fund and $50,000 was from the foundation aid stabilization fund) ($250,000)

2019-21 Biennium

1. Removed 1 FTE assistant program supervisor position ($159,737)
2. Added 28.80 FTE positions and related operating expenses for CDE transferred from the Information Technology Department, including $102,759 from the general fund for new CDE enrollments. The total amount added was $9,068,816, of which $3,050,000 was from the independent study operating fund. $6,018,816

3. Added funding for grants to school districts and area centers to provide total ongoing funding from the general fund of $23,246,580	$2,427,000
4. Reduced funding for part-time adult postsecondary grants ($40,000) and STEM infusion grants ($180,000)	($220,000)
5. Reduced funding for postsecondary grants to provide a total of $256,982	($25,818)
6. Reduced funding for adult farm management grants to provide a total of $1,894,249	($250,000)
7. Added funding for the Marketplace for Kids program	$300,000
8. Added funding for new and expanding secondary programs	$1,150,000
9. Added funding for cost to continue to maintain current reimbursement rates for the department's center expenditures, including instructor salaries and supplies	$1,000,000

2021-23 Biennium

1. Removed 1 FTE assistant program supervisor position and 1 FTE administrative assistant II position	($292,614)
2. Added funding for the cost to continue career and technical education course cost reimbursement rates at schools (27 percent) and area career and technical centers (40 percent)	$1,250,000
3. Added funding for new and expanding secondary programs	$1,000,000
4. Removed funding for postsecondary grants to eliminate the program	($256,982)
5. Reduced funding for adult farm management grants to provide a total of $1,706,138	($188,111)

2023-25 Biennium (Executive Budget Recommendation)

1. Adds funding for 2 FTE program supervisor positions	$394,874
2. Adds funding for cost to continue career and technical education reimbursement rates of 27 percent for schools and 40 percent for area career and technical centers	$4,000,000
3. Adds funding for new and expanding secondary career and technical education programs	$10,000,000
4. Adds funding for grants for school district career advisors to assist students with career exploration. This would fund approximately 90 career advisors across the state.	$3,000,000
5. Adds funding for grants to schools for work-based learning coordinators. This would fund approximately 16 coordinators across the state, primarily located at area career and technical centers.	$3,000,000
6. Adds funding for 1 FTE CDE teacher position	$176,554

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	$0	$250,000	$0	$0	$0

Major One-Time General Fund Appropriations

2017-19 Biennium

Marketplace for Kids program	$250,000

2019-21 Biennium

None	$0

2021-23 Biennium

None	$0

2023-25 Biennium (Executive Budget Recommendation)

None	$0

Department of Career and Technical Education - Budget No. 270
House Bill No. 1019
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	50.30	$41,735,063	$15,019,817	$56,754,880	50.30	$41,735,063	$15,019,817	$56,754,880
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases		$79,132	$156	$79,288		$66,032	$156	$66,188
Salary increase		689,963	43,631	733,594		224,706	32,667	257,373
Health insurance increase		252,288	15,174	267,462		92,842	15,523	108,365
Reduces federal funding for salaries due to staff retirements			(28,764)	(28,764)			(28,764)	(28,764)
Adds funding for FTE program supervisor positions	2.00	394,874		394,874	2.00	394,874		394,874
Adds funding for a new Capitol space rent model		179,897		179,897		179,897		179,897
Adds federal funding for the RUReady career resource network			500,000	500,000			500,000	500,000
Adds federal funding for secondary school grants			2,000,000	2,000,000			2,000,000	2,000,000
Adds funding for cost to continue career and technical education reimbursement rates		4,000,000		4,000,000		4,000,000		4,000,000
Adds funding for new and expanding secondary career and technical education programs		10,000,000		10,000,000		8,000,000		8,000,000
Adds funding for grants for school district career advisors		3,000,000		3,000,000		500,000		500,000
Adds funding for grants to schools for work-based learning coordinators		3,000,000		3,000,000		1,500,000		1,500,000
Adds funding for emerging technology grants				0		200,000		200,000
Adds funding for an FTE CDE teacher position	1.00	176,554		176,554				0
Adds funding for CDE teacher salaries and operating expenses			1,500,000	1,500,000				0
Removes funding for CDE				0	(28.80)	(6,411,254)	(3,050,000)	(9,461,254)
Total ongoing funding changes	3.00	$21,772,708	$4,030,197	$25,802,905	(26.80)	$8,747,097	($530,418)	$8,216,679
One-Time Funding Items								
No one-time funding items				$0				$0
Total one-time funding changes	0.00	$0	$0	$0	0.00	$0	$0	$0
Total Changes to Base Level Funding	3.00	$21,772,708	$4,030,197	$25,802,905	(26.80)	$8,747,097	($530,418)	$8,216,679
2023-25 Total Funding	53.30	$63,507,771	$19,050,014	$82,557,785	23.50	$50,482,160	$14,489,399	$64,971,559
Federal funds included in other funds			*$14,345,040*				*$14,334,425*	
Total ongoing changes as a percentage of base level	*6.0%*	*52.2%*	*26.8%*	*45.5%*	*(53.3%)*	*21.0%*	*(3.5%)*	*14.5%*
Total changes as a percentage of base level	*6.0%*	*52.2%*	*26.8%*	*45.5%*	*(53.3%)*	*21.0%*	*(3.5%)*	*14.5%*

Other Sections in Department of Career and Technical Education - Budget No. 270

	Executive Budget Recommendation	House Version
Transfer of the Center for Distance Education		Sections 3 through 9 provide the statutory changes necessary to transfer supervisory authority of CDE from the Department of Career and Technical Education to the Department of Public Instruction.
Exemption - State Fiscal Recovery Fund	Section 4 would provide the Department of Career and Technical Education an exemption to continue $68,276,228 from the Coronavirus Capital Projects Fund and $20,000,000 from the federal State Fiscal Recovery Fund appropriated during the November 2021 special legislative session into the 2023-25 biennium.	Section 10 provides the Department of Career and Technical Education an exemption to continue $20 million from the federal State Fiscal Recovery Fund appropriated during the November 2021 special legislative session into the 2023-25 biennium.

Other Sections in Department of Career and Technical Education - Budget No. 270

	Executive Budget Recommendation	House Version
Bank of North Dakota line of credit	Section 2 would require the Bank of North Dakota to extend a $108,276,228 line of credit to the Department of Career and Technical Education to provide funding to local communities for the construction of career centers. The department would be required to repay the line of credit from funding appropriated from the federal Coronavirus Capital Projects Fund ($68,276,228) and funding made available by the 2025 Legislative Assembly through a deficiency appropriation ($40,000,000). Section 5 would declare Section 2 an emergency measure.	
Line item transfers	Section 3 would allow the Director of the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Director of the Department of Career and Technical Education.	