Department of Career and Technical Education
Budget No. 270
House Bill Nos. 1019, 1199, 1232, 1519, and 1543

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	23.50	$53,200,708[1]	$110,744,848	$163,945,556[2]
2021-23 legislative appropriation	50.30	41,735,063	103,296,045	145,031,108
2023-25 appropriation increase (decrease) to 2021-23 appropriation	(26.80)	$11,465,645	$7,448,803	$18,914,448

[1]This amount includes $2,000,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is $51,200,708.

[2]This amount does not include any transfers of appropriation authority from the Office of Management and Budget (OMB) funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description	Status/Result
FTE position changes - The Legislative Assembly approved 23.50 FTE positions for the Department of Career and Technical Education (CTE) for the 2023-25 biennium, a decrease of 26.80 FTE positions from the 2021-23 biennium. The Legislative Assembly added 2 FTE program supervisor positions and transferred 28.80 FTE Center for Distance Education positions to its own separate state agency under the supervision of the Superintendent of Public Instruction pursuant to Senate Bill No. 2269 (2023).	The 28.80 FTE Center for Distance Education positions were transferred on July 1, 2023. Of the 2 FTE program supervisor positions, one individual started in August 2023 and another individual has been hired with an anticipated start date of June 2024.
Targeted market equity - The Legislative Assembly appropriated $82.5 million, of which $45.1 million is from the general fund, to OMB for a targeted market equity pool to be distributed to state agencies.	The Department of Career and Technical Education received $109,588 for targeted market equity increases, of which $92,691 is from the general fund and $16,897 is from federal funds. Equity increases were provided to 22 employees.
New and vacant FTE funding pool - The Legislative Assembly reduced $543,726 of 2023-25 biennium appropriation authority for CTE for the new and vacant FTE funding pool, of which $394,874 was for new FTE positions and $148,852 was for estimated vacant salary savings. Of the total, $524,832 was from the general fund and $18,894 was from federal funds.	Through January 2024, CTE received $181,838 from the new and vacant FTE funding pool to fill 1 new FTE position and had estimated vacant FTE position savings of $134,742. The department used $56,968 of the savings for other purposes, including accrued leave payouts, reclassifications, and temporary salary funding. The number of vacancies in the agency has ranged from 2 to 5 with an average monthly vacancy rate of 3.3 FTE positions.
One-time funding - The Legislative Assembly appropriated one-time funding of $98.3 million for CTE for the 2023-25 biennium, as follows:	The following is a summary of the status of CTE's one-time funding items:

	General Fund	Other Funds	Total Funds
New and expanding secondary career and technical education programs (House Bill No. 1019)[1]		$500,000	$500,000
Statewide area and career center initiative grant program (House Bill No. 1199)[2]	$2,000,000	68,276,228	70,276,228
RUReady career resource network career exploration virtual reality software (House Bill No. 1232)[3]		500,000	500,000

New and expanding secondary career and technical education programs	Through March 2024, CTE has not spent new and expanding secondary career and technical education program funding. The department reimburses schools and area career centers at the end of each fiscal year and anticipates spending the entire $500,000 by the end of the 2023-25 biennium.
Statewide area and career center initiative grant program	See the **Statewide area career center initiative grant program** section.

Uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants (House Bill No. 1519)[4]		487,500	487,500
Statewide area and career center initiative grant program inflationary costs (House Bill No. 1543)[1]		26,500,000	26,500,000
Total	$2,000,000	$96,263,728	$98,263,728

[1]Funding for these items is from the strategic investment and improvements fund (SIIF).

[2]Other funds appropriated for the statewide area and career center initiative grant program in House Bill No. 1199 is from a Bank of North Dakota line of credit. The $2 million from the general fund is to pay accrued interest on the line of credit.

[3]The $500,000 appropriated in House Bill No. 1232 for the purchase of career exploration virtual reality software capable of integrating with the RUReady career resource network is from the State Fiscal Recovery Fund.

[4]Of the funding appropriated in House Bill No. 1519 for uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants, $475,000 is from the State Fiscal Recovery Fund for grants and $12,500 is from SIIF for administration of the program.

RUReady career resource network career exploration virtual reality software	The department has spent the entire $500,000 to implement the career exploration virtual reality software.
Uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants	Through March 2024, CTE has spent $377,920 from the federal State Fiscal Recovery Fund and anticipates spending the remaining $97,080 from the State Fiscal Recovery Fund and $12,500 from SIIF by June 2024.
Statewide area and career center initiative grant program inflationary costs	See the **Statewide area career center initiative grant program** section.

Workforce training grants - In House Bill No. 1019, the Legislative Assembly appropriated $2.5 million from the general fund to CTE for grants to the institutions of higher education assigned primary responsibility for workforce training in the state.

In Senate Bill No. 2122 (2023), the Legislative Assembly provided for a Legislative Management study of the workforce training center funding distribution model. The bill provided 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.

Through March 2024, CTE has distributed $1.1 million of grants to four institutions of higher education. The department anticipates awarding the entire $2.5 million appropriation by the end of the biennium and has allocated the funding as follows:

Training Region	Total
Northwest - Williston State College	$609,572
Northeast - Lake Region State College	346,334
Southeast - North Dakota State College of Science	908,548
Southwest - Bismarck State College	635,546
Total	$2,500,000

The Legislative Management assigned the workforce training center funding study to the Workforce Committee. The Department of Career and Technical Education has recommended changing the workforce training grant allocation from a covered employment calculation to an outcome-based calculation that includes 60 percent of appropriated funds being distributed equally to the four community colleges, 20 percent distributed based on training hours, and 20 percent based on unduplicated participants. The State Board for Career and Technical Education is in the process of developing a workforce training funding policy. Through March 2024, the Workforce Committee has not made any recommendations regarding the study.

Work-based learning coordinators - In House Bill No. 1019, the Legislative Assembly appropriated $1.5 million from the general fund to CTE for grants to schools for work-based learning coordinators to develop work-based learning opportunities for students. During the 2023 legislative session, it was estimated the appropriation would fund approximately

Through March 2024, CTE has not spent any funding for grants to schools for work-based learning coordinators. The funding will be distributed to schools on a reimbursement basis at the end of each fiscal year. The department is allowing up to 50 percent of coordinator salaries to be paid with grant funds, rather than 100 percent, resulting in 15 coordinators being hired at schools and area career

8 coordinators across the state, primarily located at area career and technical centers.

Statewide area career center initiative grant program - During the 2021 regular legislative session, the Legislative Assembly created a statewide area career center initiative grant program in House Bill No. 1015 (2021) and appropriated $70 million from the federal Coronavirus Capital Projects Fund.

During the November 2021 special legislative session, in House Bill No. 1505 (2021), the Legislative Assembly amended House Bill No. 1015 and adjusted the appropriation to **$88,276,228 for a statewide area career center initiative grant program, of which $68,276,228 is from the Coronavirus Capital Projects Fund and $20,000,000 is from the federal State Fiscal Recovery Fund**. The department was required to establish the application process and develop eligibility requirements for the grant program.

During the 2023 regular legislative session, the Legislative Assembly in **House Bill No. 1199** provided a one-time appropriation of **$68,276,228 from a Bank of North Dakota line of credit** to CTE for providing grants to entities approved by the State Board for Career and Technical Education during the 2021-23 biennium to build career academies through the statewide area and a career center initiative grant program through the 2023-25 biennium. The department is required to repay the line of credit from funds available from the Coronavirus Capital Projects Fund. Section 1 of the bill includes a one-time appropriation of **$2,000,000 from the general fund** to the department for **paying accrued interest on the line of credit**. The Bank was required to provide the line of credit at the prevailing interest rate charged to North Dakota governmental entities. House Bill No. 1199 was declared an emergency measure.

Section 3 of House Bill No. 1199 provided the department an exemption to continue the $68,276,228 appropriated from the Coronavirus Capital Projects Fund during the November 2021 special legislative session into the 2023-25 biennium. The section authorizes the department to provide the funding to foundations that are working with school districts on career academy projects approved by the State Board for Career and Technical Education.

In subsection 2 of Section 7 of House Bill No. 1543 (2023), the Legislative Assembly provided a one-time appropriation of **$26.5 million from SIIF** to CTE for the purpose of defraying **inflationary costs of existing projects** approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department is required to distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this subsection is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department may redistribute the funding for existing projects under the program during the and technical centers. Grant funding may not be used for a position that is not performing work-based learning coordinator duties at least 50 percent of the position's time. The department anticipates spending the entire appropriation by the end of the 2023-25 biennium.

During the 2021-23 biennium, CTE received 17 project applications totaling $117 million.

The State Board for Career and Technical Education awarded funding from the State Fiscal Recovery Fund in January 2022 and funding from the Coronavirus Capital Projects Fund in March 2022 to successful applicants. The entire $88.3 million appropriated during the 2021-23 biennium was awarded for 13 projects as follows:

City	Facility	Amount
Bismarck	Bismarck Public Schools	$5,372,203
Devils Lake	Lake Area Career and Technology Center	1,241,074
Dickinson[1]	Southwest Area Career and Technical Education Academy	10,000,000
Fargo	Cass County Career and Technical Education Center	10,000,000
Grafton	North Valley Area Career and Technology Center	4,752,290
Grand Forks	Career Impact Academy	10,000,000
Jamestown	James Valley Career and Technology Center	798,700
Mandan	Heart River Career and Technical Education Center	10,000,000
Minot[1]	Minot Area Workforce Academy	10,000,000
Valley City	Sheyenne Valley Area Career and Technology Center	3,131,986
Wahpeton	Southeast Regional Career and Technology Center	2,979,975
Watford City[1]	Bakken Area Skills Center	10,000,000
Williston	Williston Basin Career and Technical Education Center	10,000,000
Total		$88,276,228

[1]Funding for projects in Dickinson, Minot, and Wahpeton are funded with one-third funding from the Coronavirus Capital Projects Fund and two-thirds funding from the State Fiscal Recovery Fund.

The department utilized the Bank of North Dakota line of credit beginning in March 2023. The United States Department of the Treasury approved North Dakota's state grant plan to utilize funding from the Coronavirus Capital Projects Fund for costs associated with career academies in June 2023. The funding was received in August 2023. The department used $9,959,586 from the line of credit, which was repaid in August 2023. The department spent $165,547 from the general fund for interest on the line of credit, of which $71,709 was paid during the 2021-23 biennium and $93,838 was paid during the 2023-25 biennium. Through March 2024, CTE has distributed $38.3 million of the $68.3 million from the Coronavirus Capital Projects Fund to the career academy projects.

Through March 2024, CTE has distributed $9 million of the $26.5 million from SIIF for inflationary costs.

In March 2024, the Treasury approved North Dakota's state grant plan amendment to allow funding from the Coronavirus Capital Projects Fund be used for career academies rather than broadband infrastructure grants. The amount

2023-25 biennium. The department is required to report to the Legislative Management during the 2023-24 interim and to the Appropriations Committees of the 69th Legislative Assembly regarding the amount of inflationary funding provided for each project and the construction status of each project.

In Section 4 of House Bill No. 1019, the Legislative Assembly provided CTE an exemption to continue the $20 million appropriated from the State Fiscal Recovery Fund during the November 2021 special legislative session for the statewide career center initiative grant program into the 2023-25 biennium.

In Section 5 of House Bill No. 1019, the Legislative Assembly provided an exemption to allow CTE to redistribute the $68,276,228 appropriated from the Coronavirus Capital Projects Fund and the $20,000,000 appropriated from the State Fiscal Recovery Fund during the November 2021 special legislative session for existing projects under the program if any of the funding becomes uncommitted after December 31, 2022.

Section 10 of House Bill No. 1021 (2023) requires OMB to **transfer any uncommitted Coronavirus Capital Projects Fund appropriation authority from the Information Technology Department for broadband infrastructure grants to CTE for career academy inflationary costs** during the 2023-25 biennium. The funding may only be spent by CTE if the federal government approves a state plan amendment on the planned use of money in the fund. If the state plan amendment is not approved, OMB shall transfer the uncommitted funding to ITD for broadband infrastructure grants. The Department of Career and Technical Education is required to report to the Legislative Management on the use of this funding and OMB is required to report to the Legislative Management regarding appropriation authority transferred pursuant to this section. Section 12 declares Section 10 to be an emergency measure.

transferred to CTE was $6,319,473. Through March 2024, CTE has not distributed the repurposed funding.

Funding awarded by CTE from SIIF and repurposed Coronavirus Capital Projects Fund authority for inflationary costs of the 13 career academy projects is as follows:

Facility	SIIF	Coronavirus Capital Projects Fund	Anticipated Completion Date
Bismarck Public Schools	$1,612,702	$384,582	Fall 2025
Lake Area Career and Technology Center	372,563	88,845	Fall 2025
Southwest Area Career and Technical Education Academy	3,001,941	715,875	Fall 2024
Cass County Career and Technical Education Center	3,001,941	715,875	Fall 2025
North Valley Area Career and Technology Center	1,426,609	340,204	Fall 2024
Career Impact Academy	3,001,941	715,875	Fall 2025
James Valley Career and Technology Center	239,765	57,177	Fall 2025
Heart River Career and Technical Education Center	3,001,941	715,875	Fall 2024
Minot Area Workforce Academy	3,001,941	715,875	Fall 2024
Sheyenne Valley Area Career and Technology Center	940,203	224,211	Fall 2025
Southeast Regional Career and Technology Center	894,571	213,329	Fall 2024
Bakken Area Skills Center	3,001,941	715,875	January 2024
Williston Basin Career and Technical Education Center	3,001,941	715,875	Fall 2024
Total	$26,500,000	$6,319,473	