

**Department of Career and Technical Education
Budget No. 270
Senate Bill Nos. 2019 and 2018**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	23.50	\$62,077,324 ¹	\$18,678,009	\$80,755,333
2023-25 legislative appropriation	<u>23.50</u>	<u>53,315,277</u>	<u>110,764,213</u>	<u>164,079,490</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	0.00	\$8,762,047	(\$92,086,204)	(\$83,324,157)

¹This amount includes \$300,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$61,777,324.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 23.50 FTE positions for the Department of Career and Technical Education (CTE) for the 2025-27 biennium, the same as provided for the 2023-25 biennium.

New and vacant FTE pool - The Legislative Assembly transferred \$126,203 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item.

One-time funding - The Legislative Assembly appropriated one-time funding of \$1.55 million for CTE for the 2025-27 biennium, as follows:

	General Fund	Other Funds¹	Total Funds
Virtual reality career exploration hardware and software (Senate Bill No. 2019)		\$1,000,000	\$1,000,000
Rent, moving, and office equipment expenses (Senate Bill No. 2019)	\$300,000		300,000
Autonomous technology grants (Senate Bill No. 2018)		250,000	250,000
Total	\$300,000	\$1,250,000	\$1,550,000

¹Funding for these items is from the Strategic Investment and Improvements Fund (SIIF).

Status/Result

The department had between 0.5 FTE positions and 2.50 FTE positions vacant from July 2025 through January 2026.

Through January 2026, CTE had estimated vacant FTE position savings of \$69,154. The agency used \$27,383 for accrued leave payouts.

The following is a summary of the status of CTE's one-time funding items:

Virtual reality career exploration hardware and software	The department contracted with Be More Colorful to install the virtual reality career exploration system. Through March 2026, CTE has spent \$900,610 on the system and anticipates spending the entire \$1 million by the end of the 2025-27 biennium.
Rent, moving, and office equipment expenses	In August 2025, CTE relocated to the Hughes Education Center in central Bismarck. The department signed a 6-year contract with Bismarck Public Schools to lease the space for \$10,000 a month. The contract provides for a 2 percent annual increase in rent costs. The department is also required to pay the Information Technology Department (ITD) \$975 a month for wide area network access while being located outside of a state-owned building. The department anticipates spending approximately \$150,000 of the \$300,000 appropriation for rent, moving, and office equipment expenses.
Autonomous technology grants	The department awarded a \$250,000 grant to Williston State College and TrainND Northwest. Through March 2026, no funding has been requested for the grant program, but CTE anticipates the entire amount will be requested and spent by the end of the 2025-27 biennium.

Workforce training grants - In Senate Bill No. 2019, the Legislative Assembly appropriated \$3.25 million from the General Fund to CTE for grants to the institutions of higher education assigned primary responsibility for workforce training in the state.

Farm Management Program - In Senate Bill No. 2274 (2025), the Legislative Assembly amended the statutory authority for the Farm Management Program to be administered by the Agriculture Commissioner rather than CTE and appropriated \$1,900,000 of ongoing funding from the General Fund to the Agriculture Commissioner for the program. The Legislative Assembly removed the entire \$1,706,138 appropriation from the General Fund in the CTE base budget for the program in Senate Bill No. 2019.

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 and appropriated \$70 million from the federal Coronavirus Capital Projects Fund.

During the November 2021 special legislative session, in House Bill No. 1505, 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 Career Center Initiative Grant Program through the 2023-25 biennium. The department was required to repay the line of credit from funds available from the Coronavirus Capital Projects Fund. Section 1 of the bill included 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.

Through March 2026, CTE has distributed \$1.4 million of grants to four institutions of higher education. The department anticipates distributing the entire \$3.25 million appropriation by the end of the biennium and has awarded the funding as follows:

Training Region	Total
Northwest - Williston State College	\$1,006,848
Northeast - Lake Region State College	667,450
Southeast - North Dakota State College of Science	717,422
Southwest - Bismarck State College	858,280
Total	\$3,250,000

The Adult Farm Management Program was transferred to the Agriculture Commissioner on July 1, 2025.

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 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 Region 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

¹Funding 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.

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 authorized 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 1 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 was 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 was provided for a career academy project and the funding became uncommitted during the 2023-25 biennium, the department was authorized to redistribute the funding for existing projects under the program during the 2023-25 biennium.

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 Area 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) required the Office of Management and Budget to **transfer any uncommitted Coronavirus Capital Projects Fund appropriation authority from ITD for broadband infrastructure grants to CTE for career academy inflationary costs** during the 2023-25 biennium. The funding could 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 was not approved, the Office of Management and Budget was required to transfer the uncommitted funding to ITD for broadband infrastructure grants.

In Section 5 of Senate Bill No. 2019 (2025), the Legislative Assembly authorized CTE an exemption to continue any unspent funding appropriated from the Coronavirus Capital Projects Fund for career academies during the 2021-23 and 2023-25 bienniums into the 2025-27 biennium.

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.

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 transferred to CTE was \$6,319,473.

The department spent the entire \$26.5 million from SIIF during the 2023-25 biennium, continued \$5,460,836 from the Coronavirus Capital Projects Fund into the 2025-27 biennium, spent \$5,247,193 through March 2026, and anticipates the remaining \$213,643 will be spent by the end of the 2025-27 biennium.

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

Through March 2026, all career academy projects are operational and all grant funding for each project was distributed by the following dates:

Facility	Operational Start Date	Grant Funding Close Out Date
Bismarck Public Schools	August 2025	October 2025
Lake Area Career and Technology Center	August 2025	June 2025
Southwest Area Career and Technical Education Academy	August 2024	April 2025
Cass County Career and Technical Education Center	August 2025	April 2026
North Valley Career and Technology Center	August 2024	June 2024
Career Impact Academy	August 2025	October 2024
James Valley Career and Technology Center	August 2025	June 2025
Heart River Career and Technical Education Center	August 2024	October 2024
Minot Area Workforce Academy	August 2024	September 2023
Sheyenne Valley Area Career and Technology Center	August 2025	March 2026
Southeast Region Career and Technology Center	August 2024	February 2025
Bakken Area Skills Center	January 2024	June 2024
Williston Basin Career and Technical Education Center	August 2024	May 2024

Secondary funding policy - In Senate Bill No. 2019, the Legislative Assembly appropriated \$52,037,780 of ongoing funding from the General Fund to CTE for career and technical education grants to school districts and area centers for the 2025-27 biennium. The department reimburses schools for 27 percent of their career and technical education program expenses and area career and technical centers for 40 percent of program expenses.

During the December 2025, meeting of the Budget Section - Education and Environment Division, CTE reported that beginning in the 2026-27 school year, the career and technical education funding policy will change to a two-tier system that includes a base allocation to each school district and area and career technical center, based on proportional percentage of staff involved in career and technical education programs, and a performance allocation for which schools and centers will be required to demonstrate programs are meeting performance targets.

Under the new funding policy, school districts and area career and technical centers will receive a flat rate disbursement to support the operations of the school or center and may receive additional funding based on the number of member school districts served by the school or center, the number of unique programs provided, and student enrollment calculated based on course credits. The department anticipates providing secondary funding at the end of each calendar year under the new policy rather than the end of each fiscal year. The department will continue to review career and technical education expenses incurred by school districts and area career and technical centers that do not meet performance targets.