# Department of Career and Technical Education
# Department No. 270
# 2025 Senate Bill No. 2019

## EXECUTIVE BUDGET RECOMMENDATION
## 2025-27 BIENNIUM

### Budget Summary

| | FTE Positions | General Fund | Other Funds | Total |
|---|---|---|---|---|
| Executive budget recommendation | 23.50 | $59,828,157 | $17,435,093 | $77,263,250 |
| Base level | 23.50 | 51,315,277 | 14,500,485 | 65,815,762 |
| Increase (decrease) | 0.00 | $8,512,880 | $2,934,608 | $11,447,488 |
| Percentage increase (decrease) | 0.0% | 16.6% | 20.2% | 17.4% |

**NOTE:**
More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

### Selected Highlights

- Adds $261,195, of which $242,928 is from the general fund and $18,267 is from federal funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds $144,127, of which $134,611 is from the general fund and $9,516 is from federal funds, for a health insurance premium increase of $250 per month (15.2 percent), from $1,643 to $1,893, per employee
- Adds $543,726, of which $524,832 is from the general fund and $18,894 is from federal funds, to replace the 2023-25 biennium new FTE pool ($394,874) and vacant FTE pool ($148,852)
- Adds $2.5 million from federal funds for grants to schools for career and technical education programs
- Adds $4 million 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)
- Adds $3 million from the general fund for new and expanding secondary career and technical education programs
- Adds $500,000 from the general fund for grants to schools for work-based learning coordinators to provide a total of $2 million from the general fund for the program
- Adds $100,000 from the general fund for the Marketplace for Kids program to provide a total of $400,000 from the general fund

### Deficiency Appropriations

There are no deficiency appropriations recommended in the executive budget for this agency.

### Significant Audit Findings

The operational audit of the Department of Career and Technical Education conducted by the State Auditor's office for the period ending June 30, 2023, did not identify any significant audit findings.

### Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 5 fees. The agency did not recommend any changes to the fees.

### Major Related Legislation

**House Bill No. 1037** - This bill appropriates $750,000 of one-time funding from the general fund to the Department of Career and Technical Education for providing uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to a workforce training center serving the northwest area of the state to assist in providing workforce training to minimize workforce shortages in the state, including the oil and gas industry, and to create and develop a drone racing course during the 2025-27 biennium. The bill allows the department to require grant recipients to provide $1 of matching funds for every $4 provided by the state.

**NOTE:**
Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.

# Department of Career and Technical Education - Budget No. 270
# Agency Worksheet - Senate Bill No. 2019

| | Executive Budget | | | |
|---|---|---|---|---|
| | **FTE Positions** | **General Fund** | **Other Funds** | **Total** |
| **2025-27 Biennium Base Level** | 23.50 | $51,315,277 | $14,500,485 | $65,815,762 |
| **2025-27 Ongoing Funding Changes** | | | | |
| Base payroll changes | | $7 | ($828) | ($821) |
| Salary increase | | 242,928 | 18,267 | 261,195 |
| Health insurance increase | | 134,611 | 9,516 | 144,127 |
| Adds funding to replace the 2023-25 new FTE pool | | 394,874 | | 394,874 |
| Adds funding to replace the 2023-25 vacant FTE pool | | 129,958 | 18,894 | 148,852 |
| Adds funding for operating expenses | | 10,502 | 388,759 | 399,261 |
| Adds federal funding for grants to schools for career and technical education programs | | | 2,500,000 | 2,500,000 |
| Adds funding for the cost to continue career and technical education reimbursement rates | | 4,000,000 | | 4,000,000 |
| Adds funding for new and expanding secondary career and technical education programs | | 3,000,000 | | 3,000,000 |
| Adds funding for grants to schools for work-based learning coordinators | | 500,000 | | 500,000 |
| Adds funding for the marketplace for kids program | | 100,000 | | 100,000 |
| Total ongoing funding changes | **0.00** | **$8,512,880** | **$2,934,608** | **$11,447,488** |
| **One-Time Funding Items** | | | | |
| No one-time funding items | | | | $0 |
| Total one-time funding changes | **0.00** | **$0** | **$0** | **$0** |
| **Total Changes to Base Level Funding** | **0.00** | **$8,512,880** | **$2,934,608** | **$11,447,488** |
| **2025-27 Total Funding** | **23.50** | **$59,828,157** | **$17,435,093** | **$77,263,250** |
| *Federal funds included in other funds* | | | *$17,280,119* | |
| *Total ongoing changes - Percentage of base level* | *0.0%* | *16.6%* | *20.2%* | *17.4%* |
| *Total changes - Percentage of base level* | *0.0%* | *16.6%* | *20.2%* | *17.4%* |

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

| Section Description | Executive Budget |
|---|---|
| FTE position adjustments | Section 3 would allow the Department of Career and Technical Education to increase or decrease authorized FTE positions as needed, subject to the availability of funds. |

Sixty-ninth
Legislative Assembly
of North Dakota

**SENATE BILL NO. 2019**
**(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the state board for career and technical education and to provide an exemption.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2025 and ending June 30, 2027, as follows:

| | Base Level | Adjustments or Enhancements | Appropriation |
|---|---|---|---|
| Salaries and Wages | $5,118,145 | $948,227 | $6,066,372 |
| Operating Expenses | 3,046,350 | 399,261 | 3,445,611 |
| Grants | 11,507,349 | 2,500,000 | 14,007,349 |
| Grants-Secondary | 41,537,780 | 7,500,000 | 49,037,780 |
| Grants-Stem | 100,000 | 0 | 100,000 |
| Adult Farm Management | 1,706,138 | 0 | 1,706,138 |
| Workforce Training | 2,500,000 | 0 | 2,500,000 |
| Marketplace for Kids | 300,000 | 100,000 | 400,000 |
| Total All Funds | $65,815,762 | $11,447,488 | $77,263,250 |
| Less Estimated Income | 14,500,485 | 2,934,608 | 17,435,093 |
| Total General Fund | $51,315,277 | $8,512,880 | $59,828,157 |
| Full-Time Equivalent Positions | 23.50 | 0.00 | 23.50 |

**SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-eight legislative assembly for the 2023-25 biennium:

| One-Time Funding Description | 2023-25 | 2025-27 |
|---|---|---|
| New and expanding programs grants | $500,000 | $0 |
| Total All Funds | $500,000 | $0 |
| Total Special Funds | 500,000 | 0 |
| Total General Fund | $0 | $0 |

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium.

**SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the state board for career and technical education may increase or decrease authorized full-time equivalent positions as needed, subject to the availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The state board for career and technical education shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.