

**Department of Career and Technical Education
Budget 270
House Bill Nos. 1019, 1021, 1393**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation	26.50	\$33,920,062	\$9,697,887	\$43,617,949
2013-15 legislative appropriation	27.00	32,392,916	10,287,795	42,680,711
2015-17 appropriation increase (decrease) to 2013-15 appropriation	(0.50)	\$1,527,146	(\$589,908)	\$937,238
2015-17 general fund budget allotment (4.05 percent)	(0.00)	(1,373,763)	(0)	(1,373,763)
Adjusted 2015-17 appropriation after budget allotment	26.50	\$32,546,299	\$9,697,887	\$42,244,186

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

Desktop support services - Section 7 of 2015 House Bill No. 1021 requires certain agencies, including the Department of Career and Technical Education, to obtain desktop support services from the Information Technology Department. Section 8 of 2015 House Bill No. 1021 appropriated \$210,590 from the general fund, of which \$106,750 is considered one-time funding, for desktop support services for the Department of Career and Technical Education.

Virtual career and technical education centers - The Legislative Assembly provided \$500,000 from the general fund to continue the Cass County Area Technology Center.

Status/Result

The budget allotment reduced general fund appropriations for the Department of Career and Technical Education by \$1,373,763. The department reduced salaries and wages by \$215,000, operating expenses by \$268,590, grants by \$718,152, postsecondary grants by \$28,652, adult farm management by \$21,869, and workforce training by \$121,500. Specifically, within salaries, one STEM initiative FTE position was not filled, resulting in a savings of \$180,000. The remaining \$35,000 of salaries reductions is due to a business education FTE position being vacant for 4 months. Specifically, within operating expenses, desktop support services were reduced by \$210,590, travel by \$35,000, supplies and printing by \$15,000, professional services by \$2,500, operating fees by \$2,500, and training and certifications by \$3,000.

The department has included the full appropriation of \$210,590 for desktop support services in the general fund budget allotment. These services will be delayed until the 2017-19 biennium.

The department approved a proposal for a center in Cass County during the 2013-15 biennium. The center is now in operation. New area centers are eligible for 75 percent reimbursement in the first 2 years of operation, 60 percent for the next 3 years, and 40 percent thereafter. The \$500,000 appropriation is expected to be spent during the 2015-17 biennium.

Funding to increase reimbursement percentages - The Legislative Assembly provided \$700,000 from the general fund to increase reimbursement rates to support career and technical education programs and for the cost-to-continue programs.

STEM advancement initiative - In 2015 House Bill No. 1393, the Legislative Assembly provided \$100,000 from the general fund for science, technology, engineering, and mathematics (STEM) program initiatives.

Virtual area centers - The Legislative Assembly provided \$3.2 million from the general fund to continue virtual area centers.

Workforce training grants - The Legislative Assembly appropriated \$3 million from the general fund to the department for grants to the institutions of higher education assigned primary responsibility for workforce training in the state. The \$3 million is allocated to the four workforce training regions based on the number of employees in the region.

The department was appropriated \$200,000 to increase reimbursement rates for family and consumer sciences programming by 2 percent from 17 percent to 19 percent. Due to the general fund budget allotment, the reimbursement rates were only increased 1 percent, to 18 percent. The remaining \$500,000 is for costs to continue secondary and postsecondary career and technical education programs. These amounts are expected to be spent during the 2015-17 biennium.

As of March 2016 no STEM initiative funding has been spent but the department expects the full amount to be used during the 2015-17 biennium.

The department included \$93,471 of funding as part of the general fund budget allotment. The department will provide the remaining \$3,106,529 in funding to continue virtual area centers for the 2015-17 biennium as follows:

	Fiscal Year 2016	Fiscal Year 2017	Total
Roughrider Area Career and Technology Center	\$360,000	\$375,000	\$735,000
North Central Area Career and Technology Center	95,000	150,000	245,000
Missouri River Area Career and Technology Center	465,000	425,000	890,000
Western Star Area Career and Technology Center	86,529	200,000	286,529
Grand Forks Area Career and Technology Center	450,000	500,000	950,000
Total	\$1,456,529	\$1,650,000	\$3,106,529

The department will provide \$1.5 million in grants for each fiscal year of the 2015-17 biennium. The following is a summary of grant awards:

Training Region	Fiscal Year 2016	Fiscal Year 2017	Total
Northwest - Williston State College	\$358,946	\$358,946	\$717,892
Northeast - Lake Region State College	224,174	224,173	448,347
Southeast - North Dakota State College of Science	529,042	529,042	1,058,084
Southwest - Bismarck State College	387,838	387,839	775,677
Total	\$1,500,000	\$1,500,000	\$3,000,000