

April 2, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 2, remove "create and enact sections 15-20.1-26 and 15-20.1-27 of the"

Page 1, replace lines 3 through 7 with "provide a statement of legislative intent; and to provide for a report to the sixty-seventh legislative assembly."

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$4,699,975	\$112,790	\$4,812,765
Operating expenses	1,240,589	1,117,207	2,357,796
Grants	30,106,356	(20,899,007)	9,207,349
Grants - secondary	0	24,937,780	24,937,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	(39,225)	256,982
Adult farm management	579,822	1,564,427	2,144,249
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	<u>9,751,188</u>	<u>9,751,188</u>
Total all funds	\$38,922,949	\$16,845,160	\$55,768,109
Less estimated income	<u>9,616,666</u>	<u>5,086,455</u>	<u>14,703,121</u>
Total general fund	\$29,306,283	\$11,758,705	\$41,064,988
Full-time equivalent positions	24.50	27.80	52.30"

Page 2, remove lines 15 through 30

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 30

Page 5, replace lines 1 through 17 with:

"SECTION 3. CENTER FOR DISTANCE EDUCATION - FUNDING DESIGNATION - LEGISLATIVE INTENT - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. Section 1 of this Act includes the sum of \$9,751,188, of which \$6,701,188 is from the general fund and \$3,050,000 is from other funds for the center for distance education for the biennium beginning July 1, 2019, and ending June 30, 2021. The general fund appropriation of \$6,701,188 includes a sum of \$502,759 that may only be used for new enrollments during the biennium beginning July 1, 2019, and ending June 30, 2021. It is the intent of the sixty-sixth legislative assembly that the center for distance education develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the biennium beginning July 1, 2021, and ending June 30, 2023. The department of career and technical education shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the development of the new center for distance education fee structure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,699,975	\$4,793,318	\$19,447	\$4,812,765
Operating expenses	1,240,589	2,315,589	42,207	2,357,796
Grants	30,106,356	9,065,142	142,207	9,207,349
Grants - Postsecondary	296,207	341,396	(84,414)	256,982
Adult farm management	579,822	1,794,242	350,007	2,144,249
Workforce training	2,000,000	2,000,000		2,000,000
Educational Technology Council		770,978	(770,978)	
Grants - Secondary		22,537,780	2,400,000	24,937,780
Center for Distance Education		8,994,167	757,021	9,751,188
Marketplace for Kids		300,000		300,000
Total all funds	\$38,922,949	\$52,912,612	\$2,855,497	\$55,768,109
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121
General fund	\$29,306,283	\$37,709,491	\$3,355,497	\$41,064,988
FTE	24.50	52.80	(0.50)	52.30

Department 270 - Dept. of Career and Technical Education - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases¹	Removes Funding for the Educational Technology Council²	Line Item Transfers³	Restores Funding for Adult Farm Management Grants⁴	Adds Funding to Maintain Reimbursement Rates⁵	Adds Funding for New and Expanding Programs⁶
Salaries and wages	\$19,447					
Operating expenses			\$42,207			
Grants			142,207			
Grants - Postsecondary			(84,414)			
Adult farm management				\$350,007		
Workforce training						
Educational Technology Council		(\$770,978)				
Grants - Secondary			(100,000)		\$1,000,000	\$1,500,000
Center for Distance Education	34,262					
Marketplace for Kids						
Total all funds	\$53,709	(\$770,978)	\$0	\$350,007	\$1,000,000	\$1,500,000
Less estimated income	0	(500,000)	0	0	0	0
General fund	\$53,709	(\$270,978)	\$0	\$350,007	\$1,000,000	\$1,500,000
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

	Adds Funding for the Center for Distance Education⁷	Total Senate Changes
Salaries and wages		\$19,447
Operating expenses		42,207
Grants		142,207
Grants - Postsecondary		(84,414)
Adult farm management		350,007
Workforce training		
Educational Technology Council		(770,978)
Grants - Secondary		2,400,000
Center for Distance Education	\$722,759	757,021
Marketplace for Kids		
Total all funds	\$722,759	\$2,855,497
Less estimated income	0	(500,000)
General fund	\$722,759	\$3,355,497
FTE	0.00	(0.50)

¹ Funding of \$53,709 from the general fund is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The House approved 2019-21 biennium salary increases of 2 percent per year.

² Funding of \$770,978 for the Educational Technology Council is removed, of which \$270,978 is from the general fund and \$500,000 is from federal funds. Of the amount removed, \$82,412 was for salaries, \$103,566 was for operating expenses, \$85,000 was for grants, and \$500,000 was for capital assets. A 0.50 FTE administrative assistant II position related to the \$82,412 of salaries is also removed.

³ Funding of \$184,414 from the general fund is transferred between the following line items:

<u>Line Item Transfer</u>	<u>General Fund</u>
Grants - secondary line item to the grants line item	\$100,000
Grants - postsecondary line item to the grants line item	42,207
Grants - postsecondary line item to the operating expenses line item	<u>42,207</u>
Total	\$184,414

⁴ Funding of \$350,007 is restored for adult farm management grants to provide a total appropriation of \$2,144,249 from the general fund. The House approved \$1,794,242 of funding from the general fund for this program.

⁵ Funding of \$1 million is added from the general fund for the cost to continue and to maintain current reimbursement rates for Department of Career and Technical Education center expenditures, including instructor salaries and supplies. The House did not provide funding for the cost to continue and to maintain reimbursement rates.

⁶ Funding of \$1.5 million is added from the general fund for new and expanding Department of Career and Technical Education secondary programs. The House did not provide funding for new and expanding programs.

⁷ Funding of \$722,759 is added from the general fund for the Center for Distance Education, of which \$502,759 may be used only for new enrollments during the 2019-21 biennium. The Senate provided a total appropriation of \$9,751,188 for the Center for Distance Education, of which \$6,701,188 is from the general fund and \$3,050,000 is from the independent study operating fund, including 28.80 FTE positions. The House provided a total of \$8,994,167 for the Center of Distance Education, of which \$5,944,167 is from the general fund and \$3,050,000 is from the independent study operating fund, including 28.80 FTE positions.

This amendment also:

- Removes sections amending statutory provisions related to the Center for Distance Education and the Educational Technology Council.
- Adds a section requiring \$502,759 of funding from the general fund provided for the Center for Distance Education be used only for new enrollments. The section also provides a statement of legislative intent that the Center for Distance Education develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the 2021-23 biennium.