

**2019 HOUSE APPROPRIATIONS**

**HB 1019**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/9/2019  
30626

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald/Carmen Hickle

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

1-20

**Chairman Representative David Monson:** Gavels in and announces the start of testimony for HB 1019 as an overview of the bill.

**Chairman Representative David Monson:** Notes that all members were present at the beginning of the meeting.

**(1:00) Wayde Sick:** State Director of the Department of Career and Technical Education (CTE). Introduces self, gives an introduction into the Department of Career and Technical Education and begins presenting **attachment 1** to the committee.

**(9:00) Mr. Sick:** Opens **attachment 2** and examines figures in **attachment 2** about data presented annually for the enrollment in CTE programs.

**Representative Mark Sanford:** Of the secondary concentrators, is there potential for dual credit programs?

**Mr. Sick:** Yes, there are opportunities for many to receive dual credit.

**Representative Mark Sanford:** What are the requirements for dual credit?

**Mr. Sick:** Localized agreement between school and university.

**(11:00) Representative Mark Sanford:** Is the basis for dual credit dependent on the qualification of the high school secondary teacher?

**Mr. Sick:** Yes.



**Dan Ruth:** Instructor must have a degree to the level above what they are teaching in order for the course to be available for dual credit.

**(12:20) Mr. Sick:** Returns to presenting **attachment 2**.

**(13:50) Mr. Sick:** Due to the figures in **attachment 2**, CTE enrolled students, specifically Native American students, had a higher rate of graduation when enrolled in a CTE course. Continues presenting **attachment 2**.

**(17:20) Chairman Representative David Monson:** Do you have a handout on the audit and all of the findings?

**Mr. Sick:** We do not, but we can get you this. **Returns to attachment 2**.

**(18:00) Mr. Sick:** Continues to describe the audit and the multiple findings produced from the audit, which is found on **page 6 of attachment 1**.

**(20:25) Chairman Representative David Monson:** So all of the findings have or are being corrected?

**Mr. Sick:** Yes, Chairman, they are either already fixed and taken into effect for the 2018-2019 school year or are currently being fixed. Continues explaining **attachment 2**.

**Chairman Representative David Monson:** What is your source of special funds?

**(21:50) Mr. Sick:** We collect fees from private training providers. Continues presenting **attachment 2**.

**(25:45) Chairman Representative David Monson:** When you put these budgets together, you did eliminate the STEMii completely, any others completely eliminated?

**Mr. Sick:** The part-time adult was fully eliminated.

**Chairman Representative David Monson:** I assume you are having a lot of trouble finding teachers for some of these areas in CTE?

**Mr. Sick:** Just like any educator position they are hard to fill. The Agriculture education at NDSU has seen higher enrollment. The trade industry is hardest to fill because we are trying to convince the individual to move from industry into the classroom.

**(28:00) Chairman Representative David Monson:** Do you certify the CTE teachers?

**Mr. Sick:** We refer and endorse them to SPV and they certify them. Continues to explain the budget recommendations and overview in **attachment 2**.

**(31:55) Chairman Representative David Monson:** What do you see as the difference between a career academy and a career tech ed. center?

**Mr. Sick:** Where dual credit and post-secondary students can both be studying there and many general courses are integrated into the CTE programs also. There are career academy's that have general ed. is embedded into CTE's.

**(32:20) Chairman Representative David Monson:** \$0 was put into by the state and now we are being asked to put in \$30M. Bismarck did there's with private funds.

**Mr. Sick:** They were able to do it on their own within the private sector, correct. Returns to **attachment 2**.

**(35:40) Chairman Representative David Monson:** I will have questions for Alan Peterson.

**Mr. Sick:** Returns to attachment 2.

**(37:30) Chairman Representative David Monson:** So if we don't put any money into Marketplace for Kids it will disappear?

**Mr. Sick:** Yes, it is roughly 60% of the budget for Marketplace for Kids comes from the state. The rest comes from the private sector and business donations.

**(39:00) Chairman Representative David Monson:** So the adult farm management will bring it back to the base?

**Mr. Sick:** Yes, to the base \$2M

**Representative Mark Sanford:** What are the reimbursement rates?

**Mr. Sick:** Reimbursing the career tech centers at 40%, FACS at 19%, career development program at 35% and all the other secondary programs at 27%.

**Representative Mark Sanford:** This would have what impact on them?

**Mr. Sick:** The estimates would go from 27 to 25%.

**(40:10) Chairman Representative David Monson:** Can you give us that information on a handout please?

**Mr. Sick:** Yes, we can.

**(40:45) Sarah Vollmer:** TrainND State-wide Director. Passed out **attachment 3**, introduced self to the committee and began presenting **attachment 3**.

**(43:30) Ms. Vollmer:** Explains the contributions by different entities as seen on **attachment 3**.

**(46:00) Ms. Vollmer:** More than 75% of businesses in North Dakota contain 10 or fewer employees. Continues to present **attachment 3**.

**(49:30) Dave Steffen:** Director of TrainND North East. I am here to testify in favor of HB 1019. Introduces self as a stand-in for Frank Schill and begins to read Mr. Schill's written testimony, which can be found on **attachment 4**.

**(53:50) Vice Chairman Representative Jim Schmidt:** Could you please repeat what you said about Sitting Bull College?

**Ms. Vollmer:** The TrainND of the Southwest region assisted Sitting Bull College for several summers in providing a welding instructor when they did not have an instructor.

**(54:20) Vice Chairman Representative Jim Schmidt:** The Dept. of Commerce talked about the grants to Tribal Colleges and \$500,000 is what the Legislature did. We only contributed that to one, because Tribal Colleges were not reporting any type of performance. Standing Rock did not provide us with any performance standards or meeting any performance standards, so they others did not receive the funding. Can help me understand why?

**Ms. Vollmer:** Sitting Bull College contacted TrainND to provided welding instruction to their college so we provided that.

**Chairman Representative David Monson:** How long did that last?

**Ms. Vollmer:** They lasted 2 summer programs and about 8 weeks each.

**(56:15) Chairman Representative David Monson:** Did they provide you any benefit feedback?

**Ms. Vollmer:** The feedback we got was just from the instructor and not from any of the actual students.

**(57:15) Representative Mark Sanford:** When you do something for 8 weeks in the summer does that lead to certification?

**Ms. Vollmer:** Mostly what I handled was welding training that sends you into a certification program afterwards.

**(58:15) Representative Mark Sanford:** So the certification is transferrable around the country?

**Ms. Vollmer:** Yes, they are transferrable.

**Representative Mark Sanford:** Are certifications being recognized for credit by higher education?

**(59:00) Ms. Vollmer:** Yes, they can be recognized. We also handle Certified Nurse Assistant (CNA) training.

**Representative Mark Sanford:** A TrainND program has the potential to lead to certification or credit in a 2 to 4-year program?

**(1:00:15) Ms. Vollmer:** Yes, absolutely. We can offer certifications for people involved in IT and Cyber Security as well.

**Representative Mark Sanford:** Do you utilize distance learning?

**Ms. Vollmer:** Yes, we do. The main topics are Cyber Security and a course for CNA. They would just have to come for labs and clinical portion.

**(1:01:50) Representative Mark Sanford:** Is there a challenge finding qualified instructors?

**Ms. Vollmer:** As far as campuses, one like Bismarck State College (BSC) has at least 3 officials in charge of helping with this. There are challenges, but we have established a great base to lead this into a 4-year program.

**(1:03:15) Vice Chairman Representative Jim Schmidt:** When you entered into an agreement with Sitting Bull College, did you require any performance type report for that assistance?

**Ms. Vollmer:** It went through a trend grant through BSC, but Sitting Bull College could not hire a welding instructor, so we hired out the BSC instructor over the summer to instruct the course. Their portion of the trend grant was supply welding training to Sitting Bull College.

**(1:05:15) Chairman Representative David Monson:** We are talking about two different programs here. The 2-year college usually provide these services and have you provided any contract services through tribal colleges to report any progress to you?

**(1:06:00) Ms. Vollmer:** No, not through them. We have had contracts with the school districts to provide training and development down there.

**Chairman Representative David Monson:** So the tribal colleges are just another client basically?

**Ms. Vollmer:** Yes, for the most part.

**(1:07:15) Alan Peterson:** State Director for the North Dakota Center for Distance Education (NDCDE). Passed out **attachments 5, 6 and 7**, introduced self to committee and began the overview of **attachment 5**.

**(1:11:00) Mr. Peterson:** The original purpose of NDCDE was to make sure rural students could move past 8<sup>th</sup> grade and obtain full education. Also to provide credit recovery if the first attempt was not successful.

**(1:13:50) Mr. Peterson:** The role we provide is a school for full-time students who often have special circumstances, which were listed on **page 1 of attachment 5**.

**Mr. Peterson:** We now have 2 schools where we share contracts with instructors. We reached out to a part-time Spanish teacher in Wyndmere, paid the second half of the contract and the teacher now teaches 70 students for us.

**(1:16:40) Representative Mike Nathe:** Last session not all the schools were printing courses in their fall books, but we amended that correct?

**Mr. Peterson:** Yes, we put together 2 amendments that all school districts reported on. They could then make it part of their registration process, which lead to a 30% increase in students this year.

**(1:18:50) Representative Mike Nathe:** Are all the schools utilizing CDE?

**Mr. Peterson:** The outside sources are considerably reduced and we have continued to increase every year. We will set our record this year at 12,000 enrollments, which makes 600 full-time students. 8.5 years ago was 500 enrollments.

**Representative Mike Nathe:** Any schools not utilizing CDE?

**Mr. Peterson:** No, every school district had taken courses from us and we have some elementary programs now and even kindergarten.

**(1:21:15) Chairman Representative David Monson:** When you are talking on line courses, you aren't talking iTV, but are they face to face courses with teacher and student.

**Mr. Peterson:** Yes, we stopped using iTV expect for reading in 2012, because it was too expensive. Our full-time teachers are assigned between 120-150 students and you cannot use iTV.

**(1:22:30) Chairman Representative David Monson:** What percentage of courses are delivered to ND students?

**(1:22:40) Mr. Peterson:** Of the 12,000 on line courses about 10,000.

**Mr. Peterson:** We support Driver's Education curriculum, but do not supply the instructors. Continues onto **page 2 of attachment 5.**

**(1:25:10) Mr. Peterson:** Our fastest increasing course load has been Career and Technical Education.

**(1:26:25) Mr. Peterson:** We will be traveling to Saskatchewan to review a working model and will report back to you in February.

**(1:27:10) Mr. Peterson:** We have been given around \$6M in general funds and \$2.9M in special funds per biennium. I also report quarterly. We get them in chunks, \$3M per year and the rest in fees.

**Mr. Peterson:** Introduces **attachment 6** as a mock draft bill to outline a student support payment in part 1 and part 2 we would continue to charge course fees.

**(1:29:10) Chairman Representative David Monson:** What do you charge those people signing up?

**Mr. Peterson:** Set at \$169 per course, but it is an average based on robotic courses and Advanced Placement courses that generally have more involved and out of state courses have extra fees as well.

**(1:30:15) Mr. Peterson:** Begins closing review of **attachment 5** and his written testimony. We are not asking for more money, just a different source.

**Chairman Representative David Monson:** We have to see this budget bill before we see the Senate bill from Senator Schaible. We will need to know a number before then.

**(1:31:55) Mr. Peterson:** The governor recommended \$8.9M.

**Chairman Representative David Monson:** It should really be a wash because the funds will be going towards you instead of the actual school district.

**Representative Mike Schatz:** Can we get a copy of your slides? (**attachment 7**)

**Mr. Peterson:** I sent a copy to Chairman Representative David Monson.

**(1:34:00) Levi Helmuth:** Director of Adult Farm Management. Introduced self and begins overview of Adult Farm Management by reading written testimony. The mission statement is to provide lifelong opportunities in economic and financial management for individuals involved in the farming and ranching business.

**Mr. Helmuth:** This bill calls to cut 60% of Adult Farm Management due unused funds. It took time to hire new staff, which lead to the unused funds, which are in the proposed cuts. The new staff has been hired.

**(1:38:00) Mr. Helmuth:** I ask that you continue to fund the Adult Farm Management.

**Chairman Representative David Monson:** Do you ever graduate from this program?

**Mr. Helmuth:** We bring in new enrollees all the time, but you do not really every graduate because farm cycles are different every year, so many of the enrolled people stay on.

**(1:39:30) Mr. Helmuth:** The older enrollees who have been around a long time help with billing troubles and help newer farmers out.

**Chairman Representative David Monson:** We do not keep rewarding past students for credits. These people keep taking the same course over and over and we keep paying for it.

**Mr. Helmuth:** Thanks the committee for their time.

**(1:41:00) Bob Heitkamp:** Executive Director of Marketplace for Kids. Passed out **attachment 8**, introduced self and began presenting **attachment 8**.

**(1:44:15) Melissa Meyer:** Career Advisor from Williston. Began presenting from **attachment 8**. Thanks committee and asks for questions.

**(1:47:10) Kent Ellis:** Introduced self to committee as someone who works around the state of North Dakota and works with Marketplace for Kids. Continues to present from **attachment 8** and introduces the overview of CTE and the role it plays in Marketplace for Kids.

**Mr. Ellis:** Marketplace for Kids is a real linkage from early school onto technical education and apprenticeships.

**(1:49:00) Representative Mike Schatz:** What kind of education attendance do you get on the days you offer?

**Mr. Ellis:** It varies on the days and the area. We typically have pretty good performance.

**(1:50:30) Mr. Heitkamp:** Total attendance was a 21% increase in 1 year.

**Representative Mike Schatz:** How do you select the dates, since they are primarily school days?

**Mr. Heitkamp:** It is a part of school curriculum on those days and they take a field trip. Usually an off day at the college campus and we are given the full campus.

**(1:51:20) Chairman Representative David Monson:** Did you have over 1,400 kids in one day in Williston?

**Mr. Heitkamp:** Yes. They also returned to school afterwards.

**(1:51:45) Chairman Representative David Monson:** It was one time funded, what did the Governor recommend?

**Mr. Heitkamp:** It was the last Governor cycle and one time funded.

**Chairman Representative David Monson:** You went from \$2.4M and now only want \$300K?

**Mr. Heitkamp:** Yes, that's what it was prior. Part of that funding goes directly to the schools for project reimbursement.

**(1:53:00) Mr. Sick:** The \$300K was budget cuts, not the funding.

**Chairman Representative David Monson:** Do you charge the schools?

**Mr. Heitkamp:** We do not charge a dime and even refund bus trips.

**(1:53:45) Chairman Representative David Monson:** What do you do if you lose funding?

**Mr. Heitkamp:** We would lose approximately 60% of our program and have grown over 21% in the last year.

**(1:54:50) Mr. Ellis:** We will be looking at hands on courses for 8<sup>th</sup> graders and major technical career fares around the middle schools.

**(1:55:40) Mr. Sick:** I believe we are at our allotted time, there are people from Fargo, Minot and Watford City that wanted to discuss Career Academy's.

**Representative Mark Sanford:** Is there middle school reimbursement for these programs?

**Mr. Sick:** Middle schools do reimburse in some STEM programs. CTE centers are reimbursed for some of their supplies.

**(1:57:00) Morgan Forness:** Superintendent of Northern Cass Schools. Passed out **attachment 9 and 10**, introduced self and began presenting **attachment 9** on career workforce academy.

**Mr. Forness:** We support HB 1019.

**Representative Mark Sanford:** Do you belong to a consortium?

**(2:01:30) Mr. Forness:** We partnered with Fargo schools.

**Representative Mark Sanford:** Are they delivered in your schools?

**Mr. Forness:** They are offered all over the county. Whether it is online or traveling, but we have to partner.

**Representative Mike Schatz:** Do you let the students drive to other schools during the school day?

**(2:02:40) Mr. Forness:** Yes, some school policy allows for self-travel and others have provided buses.

**(2:03:15) Don Dabbert:** Introduced self, passed out **attachment 11** and began presenting **attachment 11**.

**Mr. Dabbert:** Presented support for this bill. Continued presenting **attachment 11**. Asks if there are any questions.

**(2:07:00) Representative Mark Sanford:** Do middle schools have exploratory programs in these areas?



**Mr. Dabbert:** The original shop classes are pretty much gone. All of these schools that come together and offer these programs is a huge advantage to spark some interest in young people.

**Representative Mark Sanford:** There are not exploratory programs from electronics to construction to engineering to power available to the middle school curriculum?

**(2:08:30) Mr. Dabbert:** I cannot speak for the middle schools as a whole, but the schools I have visited do not carry these in their curriculum.

**Representative Mark Sanford:** There are none offered from grades 6, 7 or 8?

**Mr. Dabbert:** To my experience they do not appear to offer these anymore.

**(2:10:00) Chairman Representative David Monson:** Mr. Sick would be the one to ask that question to.

**Mr. Dabbert:** It could spark a fire and drive desire for these new students in order to keep our youth talent local.

**(2:11:45) Pam Stroklund:** Career and Technical Education Director of Minot Public Schools. Filling in for Dr. Mark Vollmer. Passed out **attachment 12** and began to present it to the committee.

**Ms. Stroklund:** Offers support for HB 1019.

**Chairman Representative David Monson:** Is there a career tech ed program in Minot?

**Ms. Stroklund:** We have 13 different programs we offer for area programs.

**(2:15:10) Chairman Representative David Monson:** Do you offer iTV?

**Ms. Stroklund:** We do not. We have over 400 students enrolled in biomedical classes throughout the area.

**Chairman Representative David Monson:** Do you envision students coming from all around?

**Ms. Stroklund:** We do already offer that and the career academy would help pull in outside students.

**(2:16:50) Kelly Kronschnabel:** Fire Chief for the City of Minot. Introduced self to committee and handed out **attachment 13** and began to present it.

**Ms. Kronschnabel:** Offers support for HB 1019 and asks for any questions.

**Representative Mark Sanford:** Is the vision that the facilities at the Magic City campus would expand?

**Ms. Kronschnabel:** I believe they would have a separate facility.

**(2:20:00) Heather Milbrath:** Marketing Coordinator at Gooseneck Implement. Introduced self to committee and passed out **attachment 14**.

**Ms. Milbrath:** offered support in favor of HB 1019.

**(2:21:30) Steven Holen:** Superintendent for the McKenzie County Public School District #1 in Watford City. Introduced self to committee and passed out **attachment 15**. Began to present from **attachment 15**.

**Mr. Holen:** Offered support in favor of HB 1019.

**Chairman Representative David Monson:** You would like one of these career academies built in Watford City?

**Mr. Holen:** Absolutely and we have the resources for it.

**(2:27:20) Delore Zimmerman:** Introduced self and handed out **attachment 16**. Began to present **attachment 16** to the committee.

**Mr. Zimmerman:** Offered support for HB 1019.

**(2:28:45) Mary Jensen:** Introduced self and passed out **attachment 17**.

**Ms. Jensen:** Offered support for the passing of HB 1019.

**(2:29:40) ElRoy Burkle:** Introduced self, passed out **attachment 18** and voiced support for the HB 1019.

**(2:30:45) Mason Sisk:** Introduced self, passed out **attachment 19** and voiced support for HB 1019.

**(2:32:15) Deana Weise:** Introduced self, passed out **attachment 20** and offered support in favor of HB 1019.

**Chairman Representative David Monson:** Anyone opposed to HB 1019? None in opposition.

**Chairman Representative David Monson:** Chairman closes the meeting.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/21/2019  
31079

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachment 1

**Chairman Representative David Monson:** Opens the hearing and attendance is taken.

**Representative Bob Martinson:** Introduces his grandsons who are attending the meeting today.

**Chairman Representative David Monson:** Welcomes Representative Bob Martinson's grandsons to the meeting and tells a story about family.

**(2:10) Chairman Representative David Monson:** We are going to be talking about Career and Technical Education (CTE) and that Levi Kinnischtzke is the one who takes care of a lot of the CTE info, but cannot be in attendance today.

**Chairman Representative David Monson:** I would like to cover how CTE and a few other department budgets may overlap and carry some of the same programs that would help sure up funding for other areas.

**Chairman Representative David Monson:** On page 2 of the green sheets there were some significant audit findings, so if anyone has some questions about that. The move from Information Technology Department (ITD) over to CTE and would mean that 29.8 full time employees (FTE) would be moved along with another 0.5 FTE over to the counsel. So, \$8.17M would go to ITD.

**(6:00) Chairman Representative David Monson:** The third thing in the sheets that I saw \$2.47M would be added for grant line item funding and would make a total of \$23.25M. The Governor has an extra \$2.477M recommended at that would be special funds.

**(7:10) Wayde Sick:** The \$4.77M was the budget stabilization funds that were placed in our budget to hold us even and it would put back in to the budget for K-12 funding.

**Chairman Representative David Monson:** Your reimbursement rate to the high schools, would that change?

**Mr. Sick:** The \$2.47M would still see a reduction in reimbursement rates and that is why we requested the additional \$1M in the cost to continue.

**Becky Deichert:** The request was for \$1M, so you will not see that on the green sheet specifically. The Governor's recommendation had \$700,000 and not \$1M. The \$2.47M was to keep them hold from foundation aid last biennium and we moved it to general fund instead of special.

**Chairman Representative David Monson:** It is coming from interest on Legacy Fund?

**Ms. Deichert:** We took it straight from the General Fund.

**(10:00) Chairman Representative David Monson:** You would still need another \$1M to keep the reimbursement rates the same.

**Mr. Sick:** Yes, that is correct. It would keep the rates the same.

**Chairman Representative David Monson:** The Governor did not have that in there, but it was \$700,000. What is your student reimbursement rate compared to a few years ago?

**Mr. Sick:** I actually have all of the trends all the back to the 1980's. Passed out **attachment 1** to the committee. The \$23M is all for K-12.

**Chairman Representative David Monson:** According to your sheet, the reimbursement for 2017-2019 biennium was \$20.77M.

**(13:15) Mr. Sick:** To clarify, there are a few extra departments in there as well, not just K-12.

**Representative Mike Nathe:** I see in Ibar here that the department request was to reimburse at 40% and you are currently at 27%?

**Mr. Sick:** No, that would not get us to the 40%, but the 40% is for the area career technical education centers and most of the high schools are funded at 27%.

**(14:00) Representative Mike Nathe:** I have a question about the audit findings and the \$100,000 that was awarded to you and you turned it into grant funds instead of returning it to the general fund. Did we give you the authority to move that money?

**Mr. Sick:** I do not believe so, it was strictly for the STEM initiative and since the funds were not used, it would be the practice to use any remaining general funds to pay for any other CTE program and those funds were eliminated from this budget request.

**(15:00) Chairman Representative David Monson:** You mentioned Marketplace for Kids and that had a onetime fund of \$300,000 and the Governor had no recommendation for this biennium on it.

**Chairman Representative David Monson:** The centers have grants with a total of \$2.4M and special funds were \$4.7M.

**Ms. Deichert:** Of the \$300,000, \$50,000 was from general fund and the rest came from foundation aid.

**Chairman Representative David Monson:** How did we do foundation aid? We paid it in the formula?

**Ms. Deichert:** It was a straight transfer over.

**(17:25) Chairman Representative David Monson:** What do we want to do about Marketplace for Kids?

**(17:50) Vice Chairman Representative Jim Schmidt:** This does not mean that we cannot take money from somewhere else and move it around?

**Chairman Representative David Monson:** Correct, we can move it and take it from somewhere else.

**Vice Chairman Representative Jim Schmidt:** Where would you recommend it comes from?

**Mr. Sick:** My recommendation would be to remove it from the optional adult farm management, but I would have to review that.

**Vice Chairman Representative Jim Schmidt:** You may want to do that because you might not like where we pull it from.

**(19:15) Representative Mike Nathe:** Your thought is to fully fund it from general funds?

**Vice Chairman Representative Jim Schmidt:** That would be my thought.

**Chairman Representative David Monson:** Are there more students taking CTE in 7<sup>th</sup> and 8<sup>th</sup> and you do not reimburse that?

**Mr. Sick:** Correct, and it is 27% reimbursement for 9-12<sup>th</sup> graders and 40% if they are in CTE center and those come out of the grants.

**Chairman Representative David Monson:** 7<sup>th</sup> and 8<sup>th</sup> grades do what?

**(20:10) Mr. Sick:** Mostly career development exploration that have instructors there and then some STEM programs.

**Chairman Representative David Monson:** How do they qualify?

**Mr. Sick:** They would apply, submit a budget and then it would be reviewed and approved by our board. We have seen a steady increase of students taking CTE courses and we can get you a breakdown.

**(21:35) Chairman Representative David Monson:** These may come out of a center?

**Mr. Sick:** They may come out of a center and would need to receive certification. There are 400 counselors throughout the state and around 100 are working with us and certified.

**Chairman Representative David Monson:** I asked for the number of students, but you used to reimburse at a higher level than you do now? What year did you cut it?

**Mr. Sick:** Yes, we were up in the 33% in the mid 1990's and the 2003 school year was a low and the last few years it has stayed consistent at 27%.

**Chairman Representative David Monson:** And this works for you and the schools?

**(23:40) Mr. Sick:** Yes, I believe 27% and 40% work. It covers salary and travel for instructors.

**Chairman Representative David Monson:** And do you purchase equipment from that?

**Mr. Sick:** So the grants are mostly to support the staff and we do buy some equipment, but not much and that usually comes from a different fund.

**Chairman Representative David Monson:** I promised Wayde we would talk about the career academies and we mentioned there may not be much appetite to fund the career academies because Bismarck built their own.

**(25:25) Representative Mark Sanford:** I think it is a bigger issue than career academies, the state has not been the payer of school facilities and there are a couple of other bills that would pay down some loans for districts. I do not know if the state wants to get into the funding of all the buildings.

**Representative Mark Sanford:** The bigger issue is starting with this type of facility; why would you not do that for K-12? That is the issue.

**Representative Mike Nathe:** I agree; you are cracking that door open. Bismarck did it for themselves and reached out to the schools with their template and got that done. So I think something like Fargo can get it done through the Private Sector.

**(27:30) Chairman Representative David Monson:** We do not build them for K-12, we just allow them to have a building fund and CTE does not have that luxury. The other thing is the Career academy is not just K-12, it goes through K-14.

**Chairman Representative David Monson:** My own thought on career academies, if you go through year 14, you are getting into higher education. I am not exactly a big fan of putting another one in because we have so many in the region. We would be adding basically 2 year colleges wherever someone would want to build them.

**Representative Mark Sanford:** If you want to fund these as a state, we have to have a discussion for what the model is because what works in Bismarck may not work somewhere else or there may be different areas of expertise and technology used.

**(30:30) Chairman Representative David Monson:** This is \$30M with a 50:50 match, for your enlightenment, we have been working on funding for higher education in their budgets on how we can create different ways for the colleges to come up with money for their own projects like deferred maintenance and how to get some of the bigger projects.

**Chairman Representative David Monson:** We are not done talking about that yet, but it could definitely relate somewhat to that.

**(33:00) Chairman Representative David Monson:** I had some questions about the education technology council (ETC) in the green sheets. On page 2 in section 6 there are 2 pieces of code where the ETC would appoint a director who would serve at the will of the council and has already been hired, correct?

**Mr. Sick:** Correct.

**Chairman Representative David Monson:** Hired the director for the center of distance of education and that is Alan Peterson. You are okay with moving that from CTE to ITD and it would stay in Fargo?

**Mr. Sick:** That is correct.

**Chairman Representative David Monson:** Committee, what are your feelings about the movement of distance education?

**(35:50) Representative Bob Martinson:** We agree with moving that from ITD into this budget.

**Chairman Representative David Monson:** That will explain why there is big spending in the general fund. What would that impact be?

**Ms. Deichert:** We have \$8.1M and there was a slight oversite, so we would need to add some special fund authority and I do not have that number on hand.

**Chairman Representative David Monson:** Why would you need special fund authority?

**Ms. Deichert:** The center for distance education receives some fees for their services.

**(37:25) Alan Peterson:** We do charge fees, but the amount put in, \$8.1M, does not account for the total of special funds, which used to be a part of it. Our total spent of special funds and general funds was just over \$9M last biennium.

**Mr. Peterson:** The \$8.1M represents the 10% reduction that was asked for and the extra that was asked to be reduced. We had about 1/3 support from special funds for schools and 2/3 support for general funds. We generally raise about \$3M in fees, the average price is \$169 for one student in one course.

**Mr. Peterson:** Over the biennium, I do not know if we hit \$3M, but that is used for operations, FTE and some fixed expenses like building lease and other places to be.

**Chairman Representative David Monson:** Is this on the NDSU campus?

**Mr. Peterson:** As of 4 years ago, we looked into problems with mold and asbestos issues. I was told we owned the building, but it ended up being owned by NDSU. I went to them and told them that it would cost \$2M to repair this building, so we asked permission to move to a rental. We are pretty close to Scheel's arena in a suite.

**(41:30) Chairman Representative David Monson:** Did they fix the mold issue?

**Mr. Peterson:** They raised the building and it is now a parking lot.

**Chairman Representative David Monson:** So roughly 2/3 of your budget is general fund and is used to pay instructors and your other 1/3 is special funds.

**Mr. Peterson:** Correct, we also have credit recovery courses if the students fail. Home schooled students have families pay and leave it up to the schools to decide for themselves. If a teacher cannot be found, we have to teach them and at smaller schools we could be a whole math or science department potentially.

**(43:15) Chairman Representative David Monson:** The schools for deaf and blind have their own budget funding. Did you have your own separate budget from ITD?

**Mr. Peterson:** It was a line item special fund in ITD.

**(44:20) Chairman Representative David Monson:** Can you step up to the microphone Rosi and tell us your role and if your budget gets moved and how does that affect your salary?

**Adam Mathiak:** I would have to check, but yes her salary would move over.

**(45:30) Rosi Kloberdanz:** Director of the Education Technology Council. CTE currently reports to the ETC and the budget was not discussed by the board, but we did discuss the distance education into CTE and that was approved.

**Chairman Representative David Monson:** So EduTech is going to be following along, or are you staying with ITD?



**(47:20) Ms. Kloberdanz:** I believe I would stay with ITD and EduTech, but we have undergone a workplace assessment that outlines the shared work in Informational Technology (IT) services.

**Chairman Representative David Monson:** Dan, I think we need you.

**(48:15) Dan Sipes:** I can give you a summary of how the budget is moving around in your bill and our bill.

**Chairman Representative David Monson:** So if we move the distance education from ITD into this budget, not everyone will be transferring? Is ITD's budget in the house or senate?

**(49:10) Mr. Sipes:** Our budget bill is HB 1021 and we are testifying soon. When you look at that budget, the ETC is the one being split in the Governor's recommended budget. The administrative assistant and ETC grant authority is moving to CTE.

**Mr. Sipes:** Rosi's position is a dual role and we are retaining her to coordinate the IT delivery services to our K-12 clients.

**(50:30) Chairman Representative David Monson:** We will have to coordinate with Government Operations.

**Mr. Sipes:** Levi Kinnischtzke is also doing our budget, so he can advise these committees on the details.

**(51:45) Chairman Representative David Monson:** Adds funding of \$525,000 for workforce training grants.

**Adam Mathiak:** The first page 2 of the green sheets has the outline you are looking for.

**(52:50) Chairman Representative David Monson:** A total of \$2.5 from the general fund and was not in the baseline?

**Adam Mathiak:** A portion was and it would increase it by the \$500,000 approximate increase, but it was in the baseline.

**Representative Mike Nathe:** On line 18, you see the baseline of \$2M with the addition of the \$500,000.

**(54:20) Chairman Representative David Monson:** We are going to take a quick break and we will return to CTE this afternoon.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/21/2019  
31127

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachments 1-2

**Chairman Representative David Monson:** Gavels in and opens up this portion of the meeting. Announces that a quorum is present and a few of the representatives will be returning after testifying.

**Chairman Representative David Monson:** This morning we talked about Career and Technical Education (CTE) and some of the money going out, but now we would like to talk a bit about money coming in.

**(1:35) Chairman Representative David Monson:** Levi Kinnischtzke is the authority on some of this, tell us what you know.

**(2:10) Levi Kinnischtzke:** Some items I briefed them on this morning was the transfer of CDE from ITD (Information Technology Department) to CTE. A transfer of 29.8 FTE would go from Center for Distance Education (CDE) to CTE and that total would \$8.7M. Of this, \$5.7M is for salaries and wages, \$2.5M is for operating expenses, \$86,000 for a new FTE (full time employee) and \$688,000 for other expenditures.

**Mr. Kinnischtzke:** Their budget was \$9M and due to the proposed cut, it is now at \$8.1M.

**Mr. Kinnischtzke:** Right now it is the \$8.7M for the CTE budget from general funds.

**Chairman Representative David Monson:** Why are we looking at only general fund?

**(4:50) Mr. Kinnischtzke:** That was the Governor's recommendation and would use only general fund dollars.

**Chairman Representative David Monson:** But special funds would still be used?

**Mr. Kinnischtzke:** Yes, but some schools spend their own money and then receive reimbursement as special funds due to the given special fund transfer authority.

**(5:45) Mr. Kinnischtzke:** The \$8.1M in general fund does not always match up with the green sheet.

**Chairman Representative David Monson:** I think we would want to keep them the same and not jump them up \$3M. Keep it roughly 2/3 general funds and 1/3 special funds.

**(7:00) Mr. Kinnischtzke:** When ITD did their budgeting, they reduced 1 FTE and it reduced to 28.8 FTE and after the proposed transfer, it would transfer 29.8 FTE and they will have to find one position cut in there.

**Chairman Representative David Monson:** I found a half FTE.

**Mr. Kinnischtzke:** That is for the education technology council (ETC). That ETC position would go to CTE. Rosi would be the EduTech director in ITD's budget position.

**(9:30) Chairman Representative David Monson:** Asks committee what they should do. I think we should leave the split the same because there will be money coming in and should be listed as special funds and should have the authority to spend that.

**Chairman Representative David Monson:** This should not be funded 100% through general funds. If we did, we would have \$3M less in general funds than the Governor's recommendation.

**Mr. Kinnischtzke:** Typically, 4 classes taken is around \$500 and \$169 is paid.

**(11:45) Chairman Representative David Monson:** We can give them authority to spend the special funds they receive from classes and fees. We should not limit them on the ability to sell classes and they will have to come to the budget section to get approval to act on these contracts and classes.

**Chairman Representative David Monson:** So, what level do you want to fund them? The baseline budget for Center for Distance Education (CDE) was \$9.7M in the last biennium and this can be found on page 3 of the green sheet.

**Chairman Representative David Monson:** I am just thinking we want to keep the general fund at around \$6M and IBARS (Internal Budget Analysis and Reporting System) would be under ITD?

**Mr. Kinnischtzke:** I think the decision may be decided on what funding level you want in total and then 1/3 be the special fund spending authority.

**(15:35) Chairman Representative David Monson:** Convert that baseline into this one and then try to at least make it the same in this budget as it was in the last and maybe add a little more.

**Mr. Kinnischtzke:** Of the \$9M in ITD's 2017-2019 appropriation for CDE, \$6M was from the general fund and the other \$3M was from special funds.

**Chairman Representative David Monson:** That would save us another \$3M in general funds that the Governor would prefer and keep our split. The question now is do we want to change it or leave it the same.

**Representative Bob Martinson:** I do not think I want to decrease it.

**Chairman Representative David Monson:** I do not think I would either, but to spend the special funds, we will have to give them authority and possibly give them FTE's.

**(17:55) Mr. Kinnischtzke:** The same dollar amount of \$6M from ITD's budget and regarding special funds, do you want that to be the remaining balance to equal the \$8.1M?

**Chairman Representative David Monson:** Just put it on the list that way for now, but we do not want to do it that way for the general funds.

**(18:50) Vice Chairman Representative Jim Schmidt:** I am confused using IBARS. I am trying to figure out how the figures shown relate to the information on our green sheets.

**Chairman Representative David Monson:** We are looking at the IBARS for the CTE budget.

**(21:30) Mr. Kinnischtzke:** Vice Chairman Representative Jim Schmidt's question was what is included in the department's optional request.

**Mr. Kinnischtzke:** There was \$7.5M in optional ongoing requests and \$250,000 of onetime. The optional request was \$250,000 for Marketplace for Kids and the 3 items that were optional requests were for \$700,000 for new and expanding programs, \$1.3M to maintain current reimbursement rates and \$5.5M increase to raise the reimbursement rates to schools.

**Chairman Representative David Monson:** And he did not add that in?

**Mr. Kinnischtzke:** Correct, that \$50,000 for Marketplace for Kids is from general funds and last time \$50,000 was from foundation aid and \$250,000 was from general funds.

**(24:45) Ms. Deichert:** It is earmarked for grants and it should have been \$50,000 less than what was done.

**Chairman Representative David Monson:** So the new green sheets will reflect that? I guess if we acted on it, it would work.

**Chairman Representative David Monson:** We decided we wanted to keep Marketplace for Kids open.

**Mr. Kinnischtzke:** That was due to a measure passed from the 2016 general election.

**Representative Mike Schatz:** Was there a reason the Governor did not include the funding for Marketplace for Kids? Is it in any other funding bill?

**(27:00) Chairman Representative David Monson:** He figured we would fund it and no, this is the only one.

**Vice Chairman Representative Jim Schmidt:** Is that \$30M in there for Career Academies something we could use to fund Marketplace for Kids?

**Representative Bob Martinson:** That \$30M is not in there.

**Chairman Representative David Monson:** It frees it up for us. Getting back to the funding source, we used \$50,000 last time, is that available this time?

**Mr. Kinnischtzke:** It is; the general fund is the more basic funding mechanism.

**(28:45) Chairman Representative David Monson:** If it is available to us, we may as well fund it here. How would that impact the foundation aid?

**Mr. Kinnischtzke:** Any funds appropriated would destabilize the foundation aid funds.

**Chairman Representative David Monson:** Do you know of other committee bills looking to tap into that? Could we take all \$300,000 from there?

**Ms. Deichert:** I know there is one bill out there using a revolving loan for school construction, but there would be \$300,000 in there to use.

**Representative Bob Martinson:** I think there is about \$14M. We should pass this out without funding until the DPI (Department of Public Instruction) comes the second half and then we will have a full idea on how much to fund Marketplace for Kids.

**(31:30) Chairman Representative David Monson:** This is just money sitting there and we could not make our foundation aid payments, that is when this would kick in?

**Ms. Deichert:** 15% of the previous biennia's fund would have to remain in the fund which is \$155M that is available to spend.

**Chairman Representative David Monson:** There would be a pecking order and this would be at the bottom. The odds of this happening are thin.

**Representative Bob Martinson:** That money is in their budget now. That total dollar amount has not been used because the student count is unsure.

**(33:20) Ms. Deichert:** In the 2017-2019 biennium, the legislature appropriated \$295M to go toward the state school aid formula. But a portion of that has been spent.

**Chairman Representative David Monson:** The foundation aid stabilization fund is not tapped and is not used to pay the current biennium's payment.

**Ms. Deichert:** That \$295M is allotted for that.

**Chairman Representative David Monson:** The regular foundation aid payments come out of general funds and the other portion called the Common Schools.

**(34:55) Ms. Deichert:** We put in \$1.4M and the Common Schools portion is around \$305M and the \$295M from Foundation Aid.

**Chairman Representative David Monson:** So, Representative Bob Martinson you are saying you would fund it through DPI?

**Representative Bob Martinson:** Yes, take it from DPI.

**Chairman Representative David Monson:** We would just send it through without funding for Marketplace for Kids and just use \$300,000 from DPI.

**(36:20) Mr. Sick:** That should not confuse it and funding it is the main priority. I would have to make sure Ms. Baesler wants that in her program area. It was CTE due to being a business feeder program, but the main point is to keep it funded.

**Chairman Representative David Monson:** So she will have to administer that. I am leaning to say just fund it in CTE's budget.

**Mr. Sick:** The local groups are in the Marketplace for Kids and there is a natural fit with CTE.

**Chairman Representative David Monson:** We will leave it in this budget.

**(38:10) Mr. Kinnischtzke:** What amount?

**Chairman Representative David Monson:** Leave it at \$300,000 for now. Mr. Skogen, can you explain TrainND?

**(39:00) Larry Skogen:** Introduces self as the President of Bismarck State College. Passes out attachments 1 and 2 and begins to outline the purpose and function of TrainND on **page 1 of attachment 1**.

**(41:30) Chairman Representative David Monson:** Do you make money doing TrainND?

**Mr. Skogen:** Some years it is more and some years it is less. We have made less since the oil boom.

**Chairman Representative David Monson:** What do you do with the money?

**Mr. Skogen:** We reinvest it into other programs.

**Chairman Representative David Monson:** So it is special fund money?

**(42:40) Mr. Skogen:** If you look at the chart on the bottom of **page 7 of attachment 1**, roughly 2/3 of the money used to develop this program comes directly from the industry and colleges contribute the infrastructure. We get about 27% of the appropriated funds.

**Chairman Representative David Monson:** So you charge these companies to train their workers and other states don't put any money in to this training. Idaho made \$1M by not funding when we do fund it. Should you raise the cost to employers?

**Mr. Skogen:** It is one thing to price something out for a large company, but 54% of companies that receive training are companies with less than 50 employees and are smaller. If we lose state funding, we will have to increase the price of training and the smaller companies will have to be phased out of this.

**(45:40) Mr. Skogen:** The businesses are paying the lion's share of it. If we lose the 27% we will have to price it higher and lose the smaller businesses, then fewer businesses will not use that training.

**Chairman Representative David Monson:** This was originally designed to be a onetime fund back at its conception.

**Mr. Kinnischtzke:** It is in their baseline and it is a line item in CTE's budget for workforce training and that item is all TrainND.

**(47:55) Mr. Skogen:** It was \$2M last year.

**Chairman Representative David Monson:** The 4 two-year colleges donate their heat, lights and buildings for this.

**Representative Mark Sanford:** Do the business payments count as the contributions such as technology given to the schools?

**Mr. Skogen:** It does not include the contributions for technology. The example can be shown by Great River Energy who has given us power plant technology simulators to emulate their mechanisms and that is not included.

**(50:10) Chairman Representative David Monson:** Mr. Skogen was telling me about his wind turbine and they do training on that. So if we do not fund it, then you will have to ask the industry to pay more and will end up paying more. They may or may not be as generous with the equipment they give to you because they are paying more. The training would not be worth much to them without proper equipment.

**Representative Mike Schatz:** When you have a wind tower like that, do all of the wind companies in ND contribute or how does that work?

**Mr. Skogen:** If we are going to add something to the facilities, they are generally purchased using grants and contributions from whichever company is highly involved. If the other companies want to use that, they would have to contract out.

**(53:40) Mr. Skogen:** Briefly explains the last few pages of **attachment 1**.

**Vice Chairman Representative Jim Schmidt:** Total revenue is down \$200,000, direct training revenue is down and events are down but time is up. How does that work?

**(55:30) Sara Vollmer:** We do a lot of work with union workers to handle apprenticeship programs and the students have a lot of training hours and those can fluctuate a lot depending on the number of students and depends year to year.

**Vice Chairman Representative Jim Schmidt:** Looking into year 2019, would you see them continuing to drop?

**Ms. Vollmer:** I would say yes. We do a lot of department training and for some that have had to cut their budgets, we will see less training from them due to lower funds. Oil and energy companies are seeing an increase in industry training.

**Vice Chairman Representative Jim Schmidt:** When you have a reduction in revenue like that, how do you make up for it?

**Ms. Vollmer:** Staff cuts and pay cuts to the instructors running those programs.

**(58:20) Chairman Representative David Monson:** Do you have the flexibility to add and layoff or are you locked into that number of TrainND FTE's? Can you go above a certain number of FTE's?

**Ms. Vollmer:** We left some open in case business increases, we would then have that flexibility to fill those positions, while saving money now.

**Ms. Vollmer:** Lake Region State is a college that handles a lot of small businesses. Over 75% of businesses in ND have less than 10 employees and that is especially seen in the Northeast quadrant and the cuts would be seen in the smaller companies.

**Chairman Representative David Monson:** So if we give money to CTE and they turn around and give that to you guys, is it still general fund money or would it become special funds?

**Ms. Vollmer:** It would still be general funds. We utilize it to market to all corners of the state.

**(1:01:20) Chairman Representative David Monson:** Bottineau is not a part of this?

**Ms. Vollmer:** Correct.

**(1:01:40) Representative Mark Sanford:** Is there any outstanding debt?



**Ms. Vollmer:** It is my understanding that Williston State College is the only one with this sort of debt and it is mainly due to the new building.

**Representative Mark Sanford:** Essentially the other 3 quadrants utilize already existing facilities.

**Chairman Representative David Monson:** So Williston went out and bought more facilities?

**(1:03:00) Mr. Skogen:** During the oil boom they built that building.

**Chairman Representative David Monson:** Ms. Deichert, do you know what that debt might be?

**Ms. Deichert:** I do not know that figure.

**Chairman Representative David Monson:** The Governor did shave that because of the 10% budget decrease.

**(1:04:30) Ms. Deichert:** Item 9 on the green sheet and the \$525,000 shows it is for workforce training, but actually for ongoing CTE. Workforce training is \$1.825M and that difference is \$700,000 and makes up the \$2.5M.

**Vice Chairman Representative Jim Schmidt:** I get frustrated that we keep moving this around. I am having a hard time following the money.

**Ms. Deichert:** It is in the same line; it is not really in the right spot. We added \$700,000 for continued work and should be in the grants line.

**Vice Chairman Representative Jim Schmidt:** Is this done in other bills?

**(1:06:30) Ms. Deichert:** We look at all of the green sheets. It is not necessarily wrong, just clumped together.

**Chairman Representative David Monson:** It is clumped together and not detailed. You said \$1.825M and \$2.5M is the new number and that makes \$700,000 and the green sheet shows \$500,000.

**Ms. Deichert:** The base shows \$2M.

**(1:07:45) Mr. Sick:** The current base for TrainND was \$2M and was reduced by \$174,000 and brought it down to the \$1.8M. We proposed the new and expanding and as the new CTE programs come online, we pull from that. This was added onto that line item instead of making its own.

**Chairman Representative David Monson:** Last year the baseline was \$2M of general funds?

**Mr. Sick:** Correct.

**Chairman Representative David Monson:** If we wanted to hold you we would be talking \$2M and the \$525,000 would be for high schools?

**(1:09:30) Mr. Sick:** The high schools would use that to create a program through us.

**Chairman Representative David Monson:** Any new requests?

**Mr. Sick:** Yes, we have 3 or 4 new requests for this spring.

**Representative Mark Sanford:** To clarify new and expanding, would this mean one that is totally new or something supported in the past?

**(1:10:30) Mr. Sick:** New would mean brand new and expanding could mean something previous that lost interest and now interest has returned, so we bring it back online.

**Chairman Representative David Monson:** If we do not give you this \$525,000, could you continue these new programs?

**Mr. Sick:** We would have to reduce reimbursement and we may not be able to start up these new programs.

**Chairman Representative David Monson:** Are these new programs due to newer schools popping up with higher enrollment.

**(1:12:20) Mr. Sick:** I think you answered your own question, but yes, rising enrollment and newer schools popping up with innovation being present.

**Chairman Representative David Monson:** Any other items for the committee to write down? Leave it at \$2M for now.

**(1:13:30) Chairman Representative David Monson:** What about adult farm management? That one could be trimmed to help make the Governor's cuts?

**Mr. Sick:** That is correct. We trimmed the areas we figured could be cut or reduced.

**Chairman Representative David Monson:** They would really have to ramp up spending and they will not have any carry over. If we funded at the level CTE had suggested to the Governor, then we will actually be taking a cut there and will get the same amount as they spent, not what was appropriated.

**Chairman Representative David Monson:** This would go to the baseline budget.

**(1:15:20) Alex Mathiak:** If you are cutting or reducing, it should cut from the baseline.

**Ms. Deichert:** Yes, that would bring them down to \$229,815.

**(1:16:05) Chairman Representative David Monson:** What do we want to do with adult farm management courses?

**Vice Chairman Representative Jim Schmidt:** Can you repeat why we went from the \$579,000 down to the \$229,000?

**Chairman Representative David Monson:** They did not spend what was appropriated and we went down to what they did spend.

**(1:17:10) Mr. Sick:** The large decrease was about \$350,000. There is \$1.5M in our grant line that could be moved into the adult farm management to better track those funds. It would bring the total of \$2.1M down into around \$1.6M. We have two separate line items for adult farm management and we would rather have 1 for transparency.

**Mr. Sick:** The two line items are for adult farm management and the other item is a board discretionary item.

**(1:19:00) Representative Mike Schatz:** Would that be designated for adult farm management or be board discretionary?

**Mr. Sick:** Would that be designated for adult farm management and bring it out of the board discretion. If they are not used, they are returned to the general funds.

**Vice Chairman Representative Jim Schmidt:** So, we have the basis of \$579,000 but a total of \$2.1M?

**Mr. Sick:** That is why I wanted to move it to one item.

**Chairman Representative David Monson:** So they are currently getting \$2.1M between two line items of adult farm management and grants, but we could make it all through the adult farm management, but it will have to be subtracted out of the grants line. Adult farm management will increase.

**(1:22:00) Vice Chairman Representative Jim Schmidt:** Does that mean it stays in the base?

**Chairman Representative David Monson:** Yes, it will.

**Representative Mark Sanford:** That then reduces the grants line item and it has some flexibility for the board to transfer. Was this always movable?

**Mr. Sick:** I am not sure why that dollar amount was placed in there.

**(1:23:25) Chairman Representative David Monson:** I missed your comment and answer.

**Representative Mike Schatz:** The \$229,000, has that number been a lot more in the past? Were they spending the whole \$2.1M?

**Mr. Sick:** I believe they have been decreasing and programs have been cut and there has been turnover.

**(1:24:50) Vice Chairman Representative Jim Schmidt:** My concern is the grants are part of the base and if they do not show up, do we just say though luck or do we refund them? Those are grants someone else puts in and if we do not get them, what happens?

**Representative Mark Sanford:** That was my question of what happened and when they received transfer authority.

**Chairman Representative David Monson:** Adult farm management has its own line item, but what other grants do you give out that did not get spent or will not get spent?

**Mr. Sick:** We planned to outline it on the spreadsheet we are making for you.

**(1:26:30) Chairman Representative David Monson:** Representative Meier had a STEM bill and we are not sure where it came from. It may have come from this line item. You said they are STEM grants?

**Mr. Sick:** Yes, that would be funded through CTE at \$100,000 per biennium and it is in the base budget.

**Chairman Representative David Monson:** Is that still in there? Do you have discretion to use that to fund something else?

**Mr. Sick:** If it is in discretion we would have to use it for exactly what it is listed as.

**(1:28:35) Chairman Representative David Monson:** It is probably just mixed in with your base and the grants line item which is discretionary, correct?

**Mr. Sick:** We would submit a request to the board and make sure that amount that the school is requesting is upheld.

**Chairman Representative David Monson:** So you will supply us with everything in that grant line and item and can you tell us if it is discretionary or set in stone?

**Mr. Sick:** Yes, we can do that.

**(1:30:00) Chairman Representative David Monson:** If we want to balance the budget, the \$30M is a large plum.

**Mr. Sick:** We can get you that on Wednesday.

**Chairman Representative David Monson:** Post-secondary goes to the colleges?

**(1:31:00) Mr. Sick:** It will go to the specific colleges. They apply for them for a specific program and those can change yearly and by each program.

**Chairman Representative David Monson:** So you can only give out whatever money we put in there and that does not show up on the higher education budgets and only the community colleges could get this?

**Mr. Sick:** Yes, all 5 community colleges including Bottineau have access.

**(1:32:20) Chairman Representative David Monson:** \$500,000 put in by the Governor.

**Mr. Sick:** That is federal spending authority.

**Chairman Representative David Monson:** Your operating expenses shows a big jump, but that is because you are inheriting almost 30 FTE's and that should be reduced in the ITD budget by a similar amount.

**Chairman Representative David Monson:** Salaries and wages would be the 29 FTE's because operating is going to be running paper and costs through your books now.

**(1:34:00) Chairman Representative David Monson:** We decided we are not going to do career academies, we are doing Marketplace for Kids, we will get a breakdown on grants, we will probably fund adult farm management after the level of submitted cuts, we decided we will allow the move for distance education and we have not appropriated any additional funds and our only decrease so far is adult farm management.

**Chairman Representative David Monson:** Tomorrow is commerce and we will stick with the smaller items.

**(1:37:05) Chairman Representative David Monson:** Closes hearing on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/23/2019  
31250

- Subcommittee  
 Conference Committee

Committee Clerk Signature Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachments 1-3

**Chairman Representative David Monson:** Gavels in the meeting and attendance is taken.

**Chairman Representative David Monson:** We are going to start today by working on Career and Technical Education (CTE) and hopefully get most of it finished today as well. Levi Kinnischtzke has a few items for us and we were given attachments 1, 2 and 3.

**(1:40) Mr. Kinnischtzke:** Attachment 1 is a breakdown of the green sheet in an easier to read format. The first line is to remove one assistant program supervisor. The agency proposed it to the Governor and he included it in his.

**Mr. Kinnischtzke:** The Governor recommended transferring the Center for Distance Education (CDE) and \$8.1M from ITD (Information Technology Department) to CTE. They would like to go to the 2/3 general fund and 1/3 special fund with spending authority.

**Mr. Kinnischtzke:** The salary number on the first page of attachment 1 shows the total number recommended and added up.

**(4:20) Chairman Representative David Monson:** If we gave them more authority to gather more special funds by selling more courses, could they do that? Is there any reason why we could not make that \$2.5M?

**Mr. Kinnischtzke:** Yes, we could do that. In ITD's budget for the last biennium for CDE was \$3M. When ITD submitted their budget to the Governor, they included the 10% cuts as well.

**Chairman Representative David Monson:** Then I see no reason not to give them even \$3M in special funds. It helps them if they can actually deliver more courses and collect more. Thoughts from the committee?

**(6:45) Chairman Representative David Monson:** What was their baseline in general funds?

**Mr. Kinnischtzke:** In 2017-2019 ITD, for general fund it was just over \$6M and of that \$5.8M was salary and the rest was operating expenses.

**Chairman Representative David Monson:** So it was about \$6M and the cut took them to \$5.7M.

**Mr. Kinnischtzke:** That includes temporary salaries and 1 FTE (full time employee) for CDE.

**(7:40) Chairman Representative David Monson:** One program cut for an assistant program supervisor and I am okay with leaving that out. I would say 28.8 is fine and I see no reason to cut their special funds line item from \$3M.

**(8:30) Representative Mark Sanford:** On the transfer of CDE, this is bringing them over at the base level?

**Mr. Kinnischtzke:** It was what was in ITD's budget that is being transferred to CTE and it includes the \$900,000 cut that ITD included when they submitted the budget to the Governor.

**Representative Mark Sanford:** So we are starting with the base budget that is last biennium's number?

**(10:15) Mr. Kinnischtzke:** This is a bit of an oddity because it is a new program in CTE, so we are reflecting what the Governor was recommending. If you guys want to restore CDE back to the level they received in the last biennium, it can be done.

**Mr. Kinnischtzke:** Last biennium they were around \$6M in general funds and \$3M in special funds for \$9M and they took a cut down to \$8.1M.

**Chairman Representative David Monson:** We need to see the baseline.

**Mr. Kinnischtzke:** The green sheet actually shows the baseline. As far as what is proposed versus the baseline, these sheets will show it.

**(12:25) Representative Bob Martinson:** I am confused and what we have done in the past, the proposed changes are what we have proposed in the past.

**Chairman Representative David Monson:** I do like to have what the Governor has proposed. Let's look at the green sheets.

**Representative Mike Schatz:** We do not have the CDE base budget on the green sheets, right?

**(14:35) Chairman Representative David Monson:** That would be correct.

**Mr. Kinnischtzke:** What is on **attachment 1** includes the green sheet information laid out in an easier way.

**Chairman Representative David Monson:** Would it be possible for you to get us a sheet that has the baseline for CDE when it was still a part of ITD?

**(16:40) Chairman Representative David Monson:** Calls a quick recess for Mr. Kinnischtzke to create another sheet.



# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/23/2019  
31272

- Subcommittee  
 Conference Committee

Committee Clerk Signature Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachments 1-4

**(00:15) Mr. Kinnischtzke:** Passes out **attachments 1 through 4** and begins to outline the base budget on **page 1**.

**Chairman Representative David Monson:** So we need to look at the bottom of **page 1** and the top of **page 2** for the baseline budget?

**Mr. Kinnischtzke:** Yes, and that would include 29.8 FTE (full time employee) instead of the 28.8 FTE.

**(2:45) Chairman Representative David Monson:** I think we stick with the 1 FTE reduction. That was \$159,000 reduction.

**Chairman Representative David Monson:** Subtract that out of the general fund, the \$6M they got last time.

**Mr. Kinnischtzke:** The 1 FTE is not related the CDE (Center for Distance Education). The 1 item of removing 1 FTE is in CTE's (Career and Technical Education) base budget and is not related to CDE.

**Chairman Representative David Monson:** On the second line of **attachment 1**, there would be no reduction of 1 FTE and would leave us at \$6M. Are there any things on **attachment 4** that we would want to adjust? Temporary salaries could be adjusted, but we should leave them flexibility.

**(5:50) Representative Mike Schatz:** Their office supply budget is \$1.56M, seems like a lot.

**(6:30) Mark Wagner:** You are talking the CDE budget and I am not familiar with that.

**Representative Mike Schatz:** If they are combining the two of them, CTE has their own supplies. Can we not reduce some?

**Chairman Representative David Monson:** CDE has their own office in Fargo and CTE is here. They could have bought in bulk, but I am not sure. We can reduce that if we think it is a bit much. We could probably pretty much just use their baseline budget because there is a little inflation.

**(8:15) Representative Mark Sanford:** When I look at **attachment 4**, we have a \$6M general base fund and see that \$5.7M transferred plus another \$265,000. So, is the reduction there the allotment proposed by the Governor?

**Mr. Kinnischtzke:** The difference is what ITD (Information Technology Department) submitted to the Governor to meet his cut requests. It was \$428,000 for salaries and \$478,000 for operating costs.

**Representative Mark Sanford:** And that was all general funds?

**Mr. Kinnischtzke:** All of the \$428,000 that was reduced, all of the salaries were general funds and all of the \$478,000 reduced for operating costs, that is also general funds.

**Chairman Representative David Monson:** They were planning to reduce staff?

**Mr. Kinnischtzke:** They reduced 1 FTE and temporary salaries and operating costs.

**(11:05) Chairman Representative David Monson:** How much money did they have in general fund carryover?

**Mr. Kinnischtzke:** I am not aware of them having any turnover.

**Chairman Representative David Monson:** So we do not know what they did not spend?

**Mr. Kinnischtzke:** Theoretically there should not be any carryover here.

**Chairman Representative David Monson:** I see some rounding of numbers on **attachment 4**, meaning they may not have used it and were being general. Whatever money we give them, there will be some money in there for raises.

**(12:35) Chairman Representative David Monson:** How many vacant positions do they have?

**Mr. Kinnischtzke:** There will be a report coming out from our office that includes the vacant FTE reports from all agencies. ITD has sent me back the vacant FTE report and it appears that there are 1.3 FTE vacancies, which includes a fulltime teacher and some fractional teacher vacancies.

**Chairman Representative David Monson:** Would they be able to fill that if we leave it in there? If we gave them a slight cut from the \$6M, that would still leave a little room for the expected raises and it would still bring them over the \$6M they got last time.

**(14:35) Representative Mike Schatz:** On the green sheet, they are reducing funds for department expenses, \$220,000 for grants and secondary grants and adult farm management grants, which makes up the \$525,000?

**Chairman Representative David Monson:** Just ignore the green sheets for now because they do not have the CDE information. CDE was \$9M, general fund was \$6M and special fund was \$3M. **Attachment 1** is more useful for CDE right now than the green sheet.

**Chairman Representative David Monson:** Look at **line 2 from attachment 1**. The request of the Governor was to take CDE down to \$5.7M in general funds knowing full well that we will add money back in for salary increases. What would 2% and 2% salary increase do on 28 FTE's?

**(17:45) Representative Mark Sanford:** **Attachment 1** is what?

**Chairman Representative David Monson:** That is the green sheet from ITD.

**Representative Mark Sanford:** **On line 3 of attachment 1**, I have a question. There is a lot of alphabet in here, can you clarify those for me.

**Chairman Representative David Monson:** We will go through the ETC (Educational Technology Council) line next.

**(19:10) Mr. Kinnischtzke:** That would be roughly \$120,000 for the 28 FTE's. Typically, with the compensation package, we show that in total and we do allocate that to special lines. The amount you are looking at here would probably want to be in the base and the compensation package would be its own line.

**Chairman Representative David Monson:** If they submitted to the Governor that they can live with \$5.7M, then we can keep in under \$6M.

**Mr. Kinnischtzke:** Are you asking if you would be under \$6M if that \$5.7M included the 2% and 2%? Because yes, you would still be under \$6M.

**(21:20) Chairman Representative David Monson:** How about we go \$5.8M in general funds and stay with \$3M or whatever they got last time in special funds?

**Chairman Representative David Monson:** Now Representative Mark Sanford, let's move to the alphabet soup line.

**Representative Mark Sanford:** We have ETC, then the ITD and finally the CTE in a special ETC line item in **line 3 of attachment 1**.

**(23:10) Chairman Representative David Monson:** So the total funds, general and special would be \$8.85M?

**Chairman Representative David Monson:** So, did you want to do anything else with **line 3 of attachment 1**? We have agreed on **line 1** to reduced 1 FTE. Leave **line 3** as it is.

**Representative Mike Schatz:** How long has that 1 FTE been vacant? If it has been for a while, let's take 2 FTE's.

**Chairman Representative David Monson:** That is a different program. **Line 2 on attachment 1** is the only line that is for CDE. We left them the authority to keep that FTE, but we took about \$200,000 out of the fund.

**(25:15) Vice Chairman Representative Jim Schmidt:** Taking the money is one thing, but taking the FTE is another because it will be restored next biennium. Let's take the FTE.

**Chairman Representative David Monson:** My thinking was take the money and leave the FTE because they could hire a teacher. The only way they can find that money is somewhere in their budget, but keeping the FTE they can hire a teacher and give more courses to raise more money.

**Vice Chairman Representative Jim Schmidt:** If it has been vacant for a significant amount of time, then it is useless.

**Representative Mark Sanford:** FTE's may be challenging to predict because there is not set enrollment like a normal school, it is a rolling enrollment because people come from everywhere and the numbers could fluctuate.

**(27:25) Chairman Representative David Monson:** How long was it vacant?

**Representative Mark Sanford:** It sounds like they did not have a high enough enrollment to hire the 1 FTE.

**Mr. Kinnischtzke:** The 1 FTE that was reduced by ITD, it was secondary teacher position that has been vacant for 6 months and they had plans to fill it.

**(28:30) Chairman Representative David Monson:** It could be a summer position.

**Representative Bob Martinson:** If you want to take the money and leave the FTE to give them flexibility, I would tend to agree.

**Representative Mike Schatz:** You are going from ITD to CTE, so are they going to have another person over there? Are we combining things that are more similar and one position can overlap with another?

**Chairman Representative David Monson:** I do not know where it was originally, but when CDE went to ITD because it was going to be more online delivery. Now the push for CTE is to offer more welding and career technology stuff. They are going to be hiring more CTE teachers to deliver these online. Nothing will change besides the kind of courses there is a demand for.

**(31:30) Chairman Representative David Monson:** I do not think we need to worry about them meshing because they are still totally different buildings and programs.

**Representative Mark Sanford:** Alan Peterson talked about not having programs in small communities. There was a demand to have these courses delivered and they are becoming an arm to deliver CTE to places it has never been before.

**Representative Mark Sanford:** If they can do agriculture technology for smaller communities, it brings the issue of finding qualified staff and that is a case for leaving the FTE there.

**(33:05) Chairman Representative David Monson:** That is a case to keep the FTE in there. They may go out and hire one and an extra 3 schools can get on that program and generate revenue as special funds.

**Vice Chairman Representative Jim Schmidt:** It is not like a teacher in a classroom. I see it as this position may not be sustainable because there is no demand for that position to be working. Is there more non-demand than demand for this type of position?

**(34:30) Representative Mark Sanford:** When I look at this, we have a request for a career center and the model works beautifully because it is in Bismarck and funded locally. When we start adding a career center line item, that implies we will have to do it all over the place because we would have to do it everywhere then.

**Representative Mark Sanford:** How do we then equalize this opportunity in CTE as much as possible. One of the ways we can do this is the transfer fitting the bigger picture of CTE. As this grows and other courses are developed, there will be a demand for those in the remote places. Could be an answer for equal access.

**Representative Mike Nathe:** Maybe there is no demand, but maybe they cannot find someone to fill that position because there is a teacher shortage.

**(37:00) Representative Tracy Boe:** I do not care about the FTE; I care about the money cut. IF we cut money and they find their own money to hire that FTE, they can hire someone.

**Vice Chairman Representative Jim Schmidt:** It is difficult to get rid of the FTE when someone is sitting in that position. Either take the money or the FTE, correct?

**Representative Tracy Boe:** No, take the money.

**Chairman Representative David Monson:** This is an organization that hires temporaries and get rid of them after a short period, a lot of times including substitute teachers.

**Vice Chairman Representative Jim Schmidt:** Is a this a full time equivalent or is this a FTE. I was assuming it meant that they would be there full time, but now it sounds like they are temporary full time.

**(39:30) Chairman Representative David Monson:** Teachers are usually only on 9 month contracts.

**Representative Mark Sanford:** CTE can be taught in a school district, it is also taught in area centers and there are virtual centers because the area centers cannot reach everywhere and deliver every type of education.

**Representative Mark Sanford:** This addition of CDE gives us even more of a chance to reach and deliver every type of CTE program. It really does depend on access to qualified staff.

**(41:55) Chairman Representative David Monson:** So, welcome back Vice Chairman Representative Jim Schmidt. The next line **item is 3 on attachment 1** and is 0.50 FTE. Is this Rosi Klobberdanz?

**Mr. Kinnischtzke:** Yes, she is the director of EduTech and ITD.

**Chairman Representative David Monson:** So EduTech is funded by ITD?

**Mr. Kinnischtzke:** This is similar to the proposal to move CDE from ITD to CTE. The Governor proposed that Rosi would stay in ITD and direct EduTech.

**Chairman Representative David Monson:** Do we need that then? Rosi would be 100% in ITD?

**Mr. Kinnischtzke:** Yes, she would have nothing to do with CTE and CDE.

**(44:15) Chairman Representative David Monson:** This should stay in ITD's budget. I do not exactly understand why this includes a half FTE. Are they subtracting a half FTE from theirs then?

**Mr. Kinnischtzke:** Yes, that is correct. Per the Governor's recommendation CDE and ETC would move to CTE.

**(45:50) Chairman Representative David Monson:** Mr. Wagner, do you want this? It would make our life easier if we just left it in ITD.

**(46:10) Mr. Wagner:** We are not positive of what this would exactly do.

**Chairman Representative David Monson:** We would either leave the whole thing or bring the whole thing. That is \$765,000 in funds.

**(47:10) Renae Bloms:** There are capital assets and it is more than just the FTE. Are you wondering why they included the FTE?

**Chairman Representative David Monson:** Why take half of an FTE? I see there are \$500,000 in capital assets and \$85,000 for grants from ITD.

**Mr. Kinnischtzke:** This is a totally separate person than Rosi and she would stay completely with EduTech and the 0.5 FTE is a part time person.

**Chairman Representative David Monson:** Does it fit in here better than in ITD?

**Ms. Bloms:** I can let you know.

**(49:25) Chairman Representative David Monson:** What does the \$500,000 in capital assets include?

**Vice Chairman Representative Jim Schmidt:** We would still keep the \$500,000 and \$85,000 if we cut the FTE, correct?

**Chairman Representative David Monson:** I do not know. I want to know what this is for. I am not usually one to worry about other funds.

**(50:15) Chairman Representative David Monson:** I think we can move to **item 4 on attachment 1**.

**Mr. Kinnischtzke:** What is on **attachment 1** is the green sheet information. I can point out what is proposed by this committee.

**(51:05) Mr. Kinnischtzke:** These are the items I have discussed with the chairman. This gist is that the CTE line item for grants has grown. It may be prudent to offer some line item transfers out of their grants so it is not one huge number.

**Mr. Kinnischtzke:** The following transfers are: line **item 5 from attachment 1**, which would transfer operating expenses from the grants line to the operating costs.

**Chairman Representative David Monson:** The big \$2M in grants included more for adult farm management. I asked Levi to put all adult farm management money into their line, so it would increase adult farm management's (AFM) budget, but equal out and not have their money scattered.

**Mr. Kinnischtzke:** That is line **item 12 on attachment 1**.

**(54:15) Chairman Representative David Monson:** This would take them from \$2M down to \$1.5M because they did not spend some of their funds?

**Mr. Kinnischtzke:** That \$1.5M has been stagnant and the Governor recommended reducing AFM by \$350,000. The transfer amount is \$1.5M from grants line item to AFM's line item.

**Chairman Representative David Monson:** The transfer amount is \$1.5M in grants to AFM. What will be the total if we add the \$500,000?

**(56:00) Mr. Kinnischtzke:** With no reductions, it would equal \$2.1M. The department proposed a reduction of \$350,000.

**Vice Chairman Representative Jim Schmidt:** My suggestion is to go with the reduced amount and transfer the grant money over. I would stay with \$1.794M and include the grant money.

**Chairman Representative David Monson:** If we left them with just shy of \$1.8M, that would have the reduction?

**Vice Chairman Representative Jim Schmidt:** I would say the \$1.794M because they still had that turn back that they did not spend.

**(57:50) Chairman Representative David Monson:** They did not spend that \$400,000.

**Representative Mark Sanford:** Where is the grant money coming from?

**Vice Chairman Representative Jim Schmidt:** Laundered general fund money.

**Chairman Representative David Monson:** We are saving \$400,000 general fund money.

**(58:45) Representative Mark Sanford:** I am assuming that the base level of \$30M that included grants that would go to schools and centers?

**Chairman Representative David Monson:** Yes. This \$31M in the bill would be reduced by \$1.5M down to \$29M, but AFM would be at \$1.7M next time.

**Chairman Representative David Monson:** We reduced AFM on **line 12 of attachment 1**.

**(1:00:45) Mr. Kinnischtzke:** We talked about line **item 5 on attachment 1**, but did not complete it.

**Chairman Representative David Monson:** We would further reduce the grants line item if we do item 5, we would reduce the other funds by \$575,000 and general fund grants line item \$142,207 on what other line?

**Mr. Kinnischtzke:** It would be operating costs. The \$42,207 is post-secondary grants.

**(1:02:15) Representative Mike Nathe:** What is the advantage from moving the grants to operation?

**Chairman Representative David Monson:** It makes it a lot simpler for us to say AFM is getting this much and find out later that they are getting more from another line. Post-secondary grants is also **line 10 of attachment 1**. It is so we can have it all in one place.



**Chairman Representative David Monson:** That may not make it easier under operating because we are clumping it together.

**Mr. Kinnischtzke:** The goal is to explain their grants line item, which has gotten pretty large and is not always transparent on what is in there.

**(1:04:15) Chairman Representative David Monson:** We will increase operating by \$675,000. The \$575,000 is from other funds.

**Representative Mike Schatz:** Where is the list of all the grants?

**Chairman Representative David Monson:** Marketplace for Kids is onetime funding, so it is not in there.

**Representative Mike Schatz:** We do not know what the grants are.

**(1:06:10) Mr. Wagner:** It would be **attachment 2**. The \$30M includes the federal funds.

**Chairman Representative David Monson:** In the bill it says base line items, so that would include federal funds. **Attachment 2** is just general funds.

**Mr. Wagner:** That is also from the auditor's recommendation.

**Vice Chairman Representative Jim Schmidt:** The general is \$22.5M and the federal is about \$7.5M?

**(1:07:45) Gwen Ferderer:** The federal split is 65-35, where 65% goes to secondary and 35% to post-secondary.

**Chairman Representative David Monson:** Do we want to move the post-secondary from grants into post-secondary?

**Mr. Kinnischtzke:** The thought is that eventually we would delineate the general fund dollars for secondary and general fund money for post-secondary.

**Representative Mike Schatz:** Where do we find this online?

**(1:09:20) Chairman Representative David Monson:** This is something we requested for CTE to give us.

**Mr. Kinnischtzke:** Not these allocations because this is a breakdown of how they use their money.

**Chairman Representative David Monson:** You have some flexibility in that grants line item?

**(1:10:30) Ms. Ferderer:** Correct. This is all based on classes.

**Chairman Representative David Monson:** As schools submit applications, you have to decide if you will fund them or not.

**Representative Mike Schatz:** What does local administration do to teach kids?

**Ms. Ferderer:** That is for the career centers, hires an administrator and for operating expenses.

**(1:11:45) Chairman Representative David Monson:** When you talk administration, that includes the whole office staff, their salaries and everything else. How many career centers are you funding here? Each would get around \$300,000?

**Ms. Ferderer:** A total of 10 and some have to rent places because they do not have established buildings.

**(1:13:10) Vice Chairman Representative Jim Schmidt:** I think of administration as bodies that are moving things around I think it should be defined as career center operating costs.

**Ms. Ferderer:** I have it labeled as administration/operating.

**Chairman Representative David Monson:** A different label would be helpful. Innovation grants, what is that?

**(1:14:25) Mr. Wagner:** That is through our technology and engineering and may be STEM or something innovative that the schools may apply for.

**Chairman Representative David Monson:** So you have a lot of flexibility. What is FACS OCC?

**Mr. Wagner:** That would be similar to child development and health.

**Representative Mike Schatz:** What is professional grants?

**(1:15:20) Mr. Wagner:** That would be like FFA.

**Chairman Representative David Monson:** What is Tech Ed CATTs?

**Mr. Wagner:** Tech and Engineering.

**Chairman Representative David Monson:** It buys curriculum. You did not give pilot distancing anything.

**(1:16:00) Mr. Wagner:** We did not have any requests for that.

**Chairman Representative David Monson:** Of that \$22M, \$20M in general funds is for K-12 and special funds is \$2.377M

**Representative Mike Schatz:** I would still like to find it on a computer. I thought IBARS would break down **attachment 2**.

**(1:17:55) Chairman Representative David Monson:** That grants line item will not be \$30M because we have moved a few things. They are asking for some enhancements.

**Representative Mark Sanford:** Will it be level?

**Chairman Representative David Monson:** So far it will still be level. Do we want to increase or decrease?

**(1:18:45) Chairman Representative David Monson:** On new and expanding courses, you are asking to increase this?

**Mr. Wagner:** That includes all courses on **attachment 3**, which shows all of the new and expanding programs.

**Chairman Representative David Monson:** So the \$441,000 is not completed? So you are asking to increase this by \$1.5M. If we do not increase it then all schools will take a cut in reimbursement.

**Mr. Wagner:** We would have to decide if we would want to cut the program.

**(1:20:40) Chairman Representative David Monson:** Everyone takes a bit of a cut then. This would all be general fund right? Any chance that the Perkin's funds will grow?

**Ms. Ferderer:** Yes, we have already received an increase in over \$330,000 and we are asking for an increase in spending authority.

**Chairman Representative David Monson:** Do you think it will be over \$2M?

**(1:22:00) Ms. Ferderer:** We received \$478,000 and we are receiving another \$344,000.

**Chairman Representative David Monson:** They think they will receive \$2M in federal fund increases. They have \$800,000 so far and increase their authority to \$2M, which is line **item 6 on attachment 1**.

**(1:23:35) Chairman Representative David Monson:** What about grants for new and expanding? If they fund them all, we would be adding \$1.5M to be funding all of these. We saved roughly \$300,000 on line **item 2 of attachment 1**.

**Ms. Ferderer:** On **line 13**, the \$700,000 would be part of the \$1.5M. That was the original \$700,000 we asked for and we saw a bunch of requests, so we are changing that \$700,000 to \$1.5M because we would be short after the applications we received.

**Chairman Representative David Monson:** If we did **line 13**, you are saying you would want \$1.5M?

**(1:25:55) Vice Chairman Representative Jim Schmidt:** Instead of prioritizing down to the \$700,000, you are asking for more money?

**Ms. Ferderer:** We do approve them and it is whether we can fund them.

**Chairman Representative David Monson:** Each program would have to take a smaller cut if we do not approve that much?

**Ms. Ferderer:** Yes, each program would take a cut.

**Vice Chairman Representative Jim Schmidt:** You approved for the additional that you do not have on **attachment 3**. I would stop at \$700,000 and not ask for more.

**(1:27:35) Ms. Ferderer:** When we originally put in this budget, we did not know what the bigger ones would be and we typically do about \$350,000 a year, so that is the \$700,000.

**Chairman Representative David Monson:** You had requests that were not approved by the board yet, so you had \$441,000 approved at that point. You talked to the Governor and he said to give you \$700,000 and had more coming in and brings that to \$1.5M.

**Chairman Representative David Monson:** We can reduce operating in CTE if we want to give it out to the kids. We do not want to squeeze them too tight.

**(1:29:15) Chairman Representative David Monson:** Welcomes new guests to the EE section of House Appropriations. You bankers should give us some advice.

**Representative Mark Sanford:** So essentially the \$1.5M would be added to the funds on **attachment 2**?

**Chairman Representative David Monson:** The base line general funds is \$20,248,537? And your base line special will go up and Perkins would go up by \$2M, so that would be **line 6 on attachment 1**.

**(1:31:40) Chairman Representative David Monson:** We could move something from the bill under operating, which is pretty slim at \$1.2M. They want **line 15 on attachment 1** in grants increased.

**Chairman Representative David Monson:** If we increase this, we will have to defend this on the floor.

**(1:32:50) Vice Chairman Representative Jim Schmidt:** We have the general fund on **attachment 2** as \$22M and they want to add another \$1.5M.

**Chairman Representative David Monson:** That is what they are asking us to do. The general fund portion of that is only \$20.2M. We have already decided we will increase the special line item by \$2M.

**Vice Chairman Representative Jim Schmidt:** I am alright with the special fund increase. Where is the \$700,000 at?

**Chairman Representative David Monson:** That is line **item 13 on attachment 1**.

**Vice Chairman Representative Jim Schmidt:** And that would be added to the general fund?

**Chairman Representative David Monson:** Yes.

**(1:34:20) Vice Chairman Representative Jim Schmidt:** If we cannot find that, we should not do that.

**Chairman Representative David Monson:** Can you explain the increase of the \$2M in the bill itself?

**(1:34:50) Mr. Kinnischtzke:** It is not workforce training; it would be going in a grants line item for workforce development.

**Chairman Representative David Monson:** So it would be added to the grants. The base line says \$30M now, next biennium would be \$32M in that line item or would we be seeing \$2M in workforce training?

**Mr. Kinnischtzke:** Any increases you have would increase the grants line item.

**Chairman Representative David Monson:** We have workforce training all over the place. I think the colleges made a good case for how they spend the TrainND money. That would be post-secondary funding?

**(1:37:15) Representative Mike Nathe:** This will come back to conference down the road right? Maybe we set the new and expanding programs down road when the new revenue forecast comes out and we can deal with them in full committee.

**Chairman Representative David Monson:** We are going to be accused of reducing the funding for CTE because they will get less money and less reimbursement.

**Vice Chairman Representative Jim Schmidt:** Is that less than what they requested or less than what we have given in the past?

**(1:38:40) Chairman Representative David Monson:** They had \$0 before and are now requesting \$700,000 and now \$1.5M.

**Representative Mike Nathe:** They would not be working backwards because they did not have this before.

**Chairman Representative David Monson:** We will scratch line **item 13 on attachment 1** for now. **Line 18** on the bill itself for workforce training, does that show up on **attachment 1**?

**(1:40:20) Mr. Kinnischtzke:** No, I did not include that, but the base is \$2M and the only change was a \$175,000 reduction from the Governor. The committee decided against it.

**Chairman Representative David Monson:** So that would be just TrainND and you are okay with that staying at \$2M? I was impressed by the college's presentation of that.

**Vice Chairman Representative Jim Schmidt:** We have programs spread out everywhere. The two year colleges are doing very well and I would like to put the focus on them and take it out of here. Not fund the \$2M workforce training in this and just keep TrainND whole.

**(1:42:20) Chairman Representative David Monson:** On **line 18** in the bill, that \$2M would go and wherever TrainND is, would stay whole. That is not on Levi's cheat sheet. **Line 18** in the bill is gone.

**Chairman Representative David Monson:** A quick recess is called.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
1/23/2019  
31288

- Subcommittee  
 Conference Committee

Committee Clerk Signature Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachments 1-4

**(00:30) Chairman Representative David Monson:** Do we want to take any away from the operating cost?

**Mr. Kinnischtzke:** That \$500,000 is IT related.

**Chairman Representative David Monson:** Why is ITD (Information Technology Department) giving up \$500,000 worth of technology?

**(1:40) Becky Deichert:** It is a billed grant for equipment.

**Chairman Representative David Monson:** Becky explained to me that there is actually 1.5 FTE (full time employee) in ITD that is associated with this. One of Rosi and the other is the half person. Rosi stays and the half FTE comes over to CTE (Career and Technical Education).

**Chairman Representative David Monson:** The operating seems kind of high for a half FTE. I would like a breakdown of that. If they bring in \$500,000 of other funds for IT equipment, that will be a good deal.

**(3:30) Mr. Kinnischtzke:** Constitutional measure 2 was passed in 2016 to allow the department of Career and Technical Education to be under the Foundation Aid Stabilization fund. Now the budget needs to be calculated for the 50% reserve and see how much was given for secondary programs from the general fund.

**Mr. Kinnischtzke:** We need to be able to go into CTE's budget each biennium to see how much was given for secondary programs. In the grants line item, it is not readily available.

**Mr. Kinnischtzke:** Line **item 7 on attachment 1** gives a new grants line item to identify this amount.

**(5:20) Chairman Representative David Monson:** Does that have anything to do with **attachment 2**?

**Mr. Kinnischtzke:** I have not had a chance to overview **attachment 2**.

**Chairman Representative David Monson:** It is not in addition to, right?

**Mr. Kinnischtzke:** True.

**(6:20) Chairman Representative David Monson:** A little question mark by **item 7 on attachment 1**.

**Chairman Representative David Monson:** We talked about **14 on attachment 1**.

**(6:45) Mr. Kinnischtzke:** It takes money out of the grants line item and puts it in post-secondary line item. I was informed this morning that the amount in their line item is actually \$28,800 instead of the \$9560.

**Chairman Representative David Monson:** Is that going to mean that Innovation Grants on **attachment 2** will go down by \$20,000?

**Ms. Ferderer:** **Attachment 2** is only K-12, so that is taken into account. The overall allocation for both is \$120,000.

**Chairman Representative David Monson:** Line **item 14** is okay then. We agreed that Marketplace for Kids should be funded again, right?

**(9:30) Vice Chairman Representative Jim Schmidt:** I agree.

**Chairman Representative David Monson:** Line **items 11-15** are okay, minus **13** for now. **Lines 1 and 2** are okay. **Line 3** is under review and **line 4** should just be changed to \$0 instead of a cut. **Items 5 and 6** are done and there is a pending question on **7**.

**Chairman Representative David Monson:** **Item 8 on attachment 2** is a big number.

**(12:10) Mr. Kinnischtzke:** Last session, \$2.4M was appropriated as onetime foundation aid funding and the proposal was to turn that into base line funding.

**Chairman Representative David Monson:** It will increase the base by \$2.4M.

**Mr. Kinnischtzke:** Foundation Aid is available for CTE as a constitutional measure, but is not in their base line funding as of now.

**Mr. Kinnischtzke:** It would increase the base and the general funds.



**(13:50) Vice Chairman Representative Jim Schmidt:** Can we keep it out of the base?

**Mr. Kinnischtzke:** It would not stay in their base and that dollar amount will not be reflected in the future because it is one time.

**Ms. Deichert:** That number is technically their base, but we were looking for something to supplement general fund money, so they used onetime funding from Foundation Aid.

**(15:10) Chairman Representative David Monson:** That is hard to understand.

**Ms. Deichert:** The expenses are there in the base, but it was funded as a onetime deal.

**Representative Mark Sanford:** It is part of the ongoing cost and is taken from 2 sources.

**Ms. Deichert:** It is in their budget, not DPI's (Department of Public Instruction).

**Chairman Representative David Monson:** Foundation Aid is general fund?

**Ms. Deichert:** It is Foundation Aid Stabilization Fund.

**(16:30) Chairman Representative David Monson:** Leave it as onetime funding so there is no effect on it. How are we adding additional funding for grants?

**Mr. Kinnischtzke:** It is labeled that way because it was onetime funding last time.

**Chairman Representative David Monson:** It would be the same funding and the same source?

**Mr. Kinnischtzke:** It would be the same as last biennium's budget.

**(18:00) Chairman Representative David Monson:** Line **item 9 on attachment 1** is the Governor's recommendation.

**Mr. Kinnischtzke:** You will not find that dollar amount in the bill. It is included in post-secondary grants.

**Chairman Representative David Monson:** So **items 9 and 10 on attachment 1** go together.

**(19:05) Mr. Kinnischtzke:** This is a situation where dollars are in a line and should be somewhere else. This would be a reduction of \$220,000 would be from the grants line item and **item 10** would be \$25,000 for post-secondary.

**(20:00) Mr. Wagner:** The part time adult would be a computer course, could be cake decorating or even welding. YouTube has probably taken care of those and that is why we recommended the reduction. We encouraged them to do some STEM grants.

**Chairman Representative David Monson:** So you are fine with those?

**Mr. Wagner:** Correct.

**Chairman Representative David Monson:** It would be a cut to the existing baseline.

**(21:45) Chairman Representative David Monson:** We could probably okay **item 7**.

**Chairman Representative David Monson:** Other proposed changes on **page 2 of attachment 1**.

**Mr. Kinnischtzke:** There would be corresponding changes to the Century Code if CDE is transferred. This would explain proposed changes **item 1 on attachment 1**.

**Chairman Representative David Monson:** Why do we want to do that?

**(23:25) Mr. Kinnischtzke:** ETC (Educational Technology Council) would be moving to CTE also.

**Chairman Representative David Monson:** Rosi is the director of ITD and this?

**Mr. Kinnischtzke:** Correct. She would have nothing to do with ETC then if it was also transferred. Passes out **attachments 3 and 4**.

**Chairman Representative David Monson:** And ETC recommends anything to you guys?

**Mr. Wagner:** No.

**(24:45) Chairman Representative David Monson:** Why would we want to move them if they do not do anything for you?

**Mr. Wagner:** CDE answers to ETC and CDE (Center for Distance Education) would now be ours under CTE.

**Chairman Representative David Monson:** Proposed change **item 1** is okay then. Proposed **item 2** goes hand in hand with **item 1**. Anything else in the bill that we need to do?

**Chairman Representative David Monson:** Section 3 of page 2 in HB 1019 green sheet outlines the appropriations of any funds for the purpose of funding competitive grants for career academies, which we took that out and is not in the bill.

**(28:30) Chairman Representative David Monson:** Anyone else have any ideas or notes? We removed **line 18** in the bill, which drops the request to \$0.

**Mr. Kinnischtzke:** The workforce training item you are thinking of is \$2M for TrainND and the committee decided not to fund the new and expanding programs training.

**Mr. Kinnischtzke:** The \$2M for workforce training is **line 18** in the bill and you are thinking of the \$700,000 and \$1.5M were what you were thinking.

**Chairman Representative David Monson:** So we should not cross out **line 18** in the bill?

**(31:00) Vice Chairman Representative Jim Schmidt:** I thought we were out of the \$2M in total.

**Mr. Kinnischtzke:** That \$2M is TrainND.

**Chairman Representative David Monson:** **Line 20** on the bill, \$9.6M came from where?

**Mr. Kinnischtzke:** That is from the Perkins Federal Grants.

**Chairman Representative David Monson:** That number will not stay though right? We can ignore that number?

**(32:05) Mr. Kinnischtzke:** We have not discussed anything that would affect Perkins funding.

**Representative Mike Nathe:** Where does the Governor get his recommendation for \$12M?

**Mr. Kinnischtzke:** That increase is due to \$500,000 of federal fund authority for ETC, the \$2M for additional federal funding they may see on top of the \$9.6M.

**(33:40) Chairman Representative David Monson:** Anything else?

**Mr. Kinnischtzke:** The last thing we would have left is the compensation package and **item 3 on attachment 1**, which we would agree on unless we want a slight tweak.

**(35:00) Chairman Representative David Monson:** Closes the hearing on CTE and HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
2/4/2019  
32107

- Subcommittee  
 Conference Committee

Committee Clerk Signature Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachment 1

**Chairman Representative David Monson:** Opens meeting and announces that all committee members are present.

**Levi Kinnischtzke:** Begins to present **attachment 1 page 1**.

**(1:50) Chairman Representative David Monson:** It shows 24.5 FTE (full time employee) currently and with the move of 29.8 FTE, they will be over double?

**Mr. Kinnischtzke:** Correct, but they will be doing a different job because it is the merger with CDE (Center for Distance Education). Returns to presenting the figures from **attachment 1**.

**(5:45) Chairman Representative David Monson:** All of the transfer funding is \$0, but you talked about them.

**Mr. Kinnischtzke:** I talked about the CDE transfer from ITD (Information Technology Department) to CTE (Career and Technical Education). The zeroed out items are being moved around for more transparency. Moves onto one-time funding area on **attachment 1**.

**(7:15) Chairman Representative David Monson:** I do not see anything else that we need to address.

**Representative Mark Sanford:** The \$30M grant in one-time funding, what is that exactly?

**(7:55) Mr. Kinnischtzke:** That funding was for the career academies.

**Representative Mark Sanford:** Are they the academies that would be split around the state or just Fargo?

**Mr. Kinnischtzke:** It was to be spread around the whole state. That was under an executive recommendation that would be comprised of CTE, Commerce, Job Service and DPI (Department of Public Instruction) for the Fargo workforce development council.

**Representative Mark Sanford:** I wanted to get clarification in my mind.

**(9:40) Chairman Representative David Monson:** The one in Fargo was all special funds, but those will have to be through high schools and by not putting it in the Commerce bill, we are not giving them our blessing.

**(10:15) Representative Mark Sanford:** They can do these locally and regionally with their existing local resources.

**Chairman Representative David Monson:** I do not know that they could put it on state land. Anything else on HB 1019?

**(11:00) Vice Chairman Representative Jim Schmidt:** We are about \$14.1M above last biennium? That includes our \$2.2M?

**Chairman Representative David Monson:** That also includes transferring the 29.8 FTE. Are the salary increases including?

**(11:40) Mr. Kinnischtzke:** Yes, I have included those. After adding in the compensation package for the CDE and ETC (Educational Technology Council) would be CDE would \$9.1M and ITD about \$771,000.

**Chairman Representative David Monson:** So we are around \$10M for that transfer.

**Mr. Kinnischtzke:** Yes, around \$9.8M.

**(12:25) Chairman Representative David Monson:** So yes, we are up, but it is well reasoned due to the large transfer. Who wants to carry this bill?

**Vice Chairman Representative Jim Schmidt:** I think someone who has more information and experience with education should carry it.

**Representative Mike Schatz:** Thank you for the endorsement.

**(13:40) Chairman Representative David Monson:** Do you feel comfortable? There really is not anything we have talked about. We have cut a lot of stuff and the transfer itself is around \$10M and if you add the raises, that is a big increase and explains why we have increased.

**(15:00) Chairman Representative David Monson:** Closes meeting on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
2/6/2019  
32308

- Subcommittee  
 Conference Committee

Committee Clerk Signature Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachment 1

**Chairman Representative David Monson:** Opens meeting on HB 1019.

**Mr. Kinnischtzke:** The first part of amendment 19.0207.01001 (**attachment 1**) for HB 1019 shows the increases on **page 1 of attachment 1**.

**(00:30) Mr. Kinnischtzke:** CDE (Centers for Distance Education) is \$0 because it was in ITD (Information Technology Department), so the amount added from ITD to CTE (Career and Technical Education) is \$9.1M.

**(1:15) Mr. Kinnischtzke:** Outlines the grants items on **page 1 of attachment 1**.

**Mr. Kinnischtzke:** There is the grants post-secondary line that only has funding for the post-secondary.

**(2:15) Mr. Kinnischtzke:** The committee decided to keep workforce training at \$2M.

**Chairman Representative David Monson:** Adult farm management is around \$1.8M, where before it was split up between two line items and is now one. The \$1.214M was taken out of the grants line item.

**(3:05) Mr. Kinnischtzke:** There was a \$300,000 cut in adult farm management.

**Chairman Representative David Monson:** There was carryover swept back in, correct? The Governor recommended to sweep back the unspent money? They had \$413,000 that did not get spent, I believe.

**Mr. Kinnischtzke:** I guess I am not aware of any carryover funding from that.

**(4:15) Chairman Representative David Monson:** They claimed that was money they wanted back in.

**Representative Tracy Boe:** If my memory serves me, there were vacant instructor positions through the last biennium that were not spent and we adjusted that to reflect the unspent funds.

**(5:15) Representative Mark Sanford:** I see this went up 20%, can you explain that?

**Representative Mike Schatz:** The CDE went from ITD over to CTE, which was 29 FTE (full time employee). That is why there was such a huge increase.

**Chairman Representative David Monson:** That was done well enough.

**(6:30) Mr. Kinnischtzke:** The one-time funding approved by this agency is the school district and area center grants and Marketplace for kids.

**Mr. Kinnischtzke:** Section 4 amends the Century Code to keep the ITD director in EduTech and transfers the director of ITD position to the director of CTE.

**(8:15) Representative Mike Schatz:** There is a half FTE position from ITD and moved to CTE, why was that again?

**Mr. Kinnischtzke:** The half person came over because that person is associated with the ITD and that person was a half-time FTE.

**Chairman Representative David Monson:** Is there a direct connection between the ETC (Education Technology Council) person and CDE?

**(9:35) Mr. Kinnischtzke:** The ETC oversees CDE, but it is currently in ITD and the director of ETC and EduTech is staying with ITD. So, there would be no director for the ETC, so they are related. The director of CTE will now oversee that.

**Chairman Representative David Monson:** That half FTE that is associated with the ETC will actually be Wayde Sick then, the head of CTE?

**Mr. Kinnischtzke:** That half FTE will be a separate person.

**(11:20) Mr. Kinnischtzke:** Sections 5 and 6 on **pages 3 and 4 of attachment 1** are outlined and correspond to section 7, which removes the sections from ITD's chapter. It is just a correction and movement of language from their budget.

**Chairman Representative David Monson:** So this is all in the ITD budget language and is just being moved over?

**Mr. Kinnischtzke:** Correct.

**(13:10) Mr. Kinnischtzke:** The Statement Purpose of Amendment (SPA) is listed on **page 6 of attachment 1** and describes the bill and amendment purpose.

**Mr. Kinnischtzke:** The total transfer is \$8.85M, in which \$5.8M is from general funds and the \$3.05M is from other funds in the independent study fund.

**Chairman Representative David Monson:** That is just students paying fees.

**(15:25) Mr. Kinnischtzke:** The CDE item is all salary and the other is the operating expenses. You will notice that the CDE line items are a little over \$9.1M and the difference between the \$8.85M and the \$9.1M is the increase in salary and compensation packages of the 2% and 2% increase.

**(16:35) Mr. Kinnischtzke:** Because CDE and ETC are their own items, they will have their own line items and outlines the salaries and benefits, operating costs and etc. They will all be included on **page 5 of attachment 1**.

**(17:20) Mr. Kinnischtzke:** A lot of this has already been discussed.

**Mr. Kinnischtzke:** No new dollars added there, just line item transfers.

**(18:25) Chairman Representative David Monson:** So, we did not make reductions to those grants that go to secondary or post-secondary. I would guess we will get questions on why we did not reduce the secondary grants.

**Chairman Representative David Monson:** We are encouraging kids to take more CTE courses and the reimbursements will not be as bid because there are more students and more programs and that is why we held it. Same amount split between a larger number of students and more programs.

**Representative Mike Schatz:** Aren't those coming out of the student grants.

**(20:35) Mr. Kinnischtzke:** The amount coming out of the foundation aid is the \$2.4M. The rest of the post-secondary grants is predominantly general funds.

**Chairman Representative David Monson:** So the big chunk is general fund money.

**Mr. Kinnischtzke:** Of the \$22.8M, the amount that is other funds is \$2.4M from foundation aid and the remainder is general funds.

**(21:40) Chairman Representative David Monson:** The grants on **page 5 of attachment 1** is all one-time funding. The \$2.4M is coming from the foundation aid stabilization fund and the \$300,000 is from Marketplace for kids. We did reduce the number of FTE by 1 and the rest are transferred over from ITD.

**Chairman Representative David Monson:** Why did we cut that? The Governor recommended and identified cutting that I believe.



**Mr. Kinnischtzke:** It was a vacant position.

**(24:10) Chairman Representative David Monson:** Any other questions? It is possible to have HB 1016 and HB 1019 out tomorrow.

**(26:00) Chairman Representative David Monson:** You and Mr. Kinnischtzke can hash things out after. **Motion to adopt amendment made by Representative Mike Schatz and Representative Tracy Boe seconded. Motion carries via voice vote with 7 yeas, 0 nays and 0 absent.**

**(26:45) Chairman Representative David Monson:** **Motion for Do Pass as amended made by Representative Mike Schatz and seconded by Representative Mike Nathe. Roll Call Vote is taken. Motion carries with 7 yeas, 0 nays and 0 absent.**

**(27:40) Chairman Representative David Monson:** Closes meeting on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1019  
2/15/2019  
32836

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

## **Explanation or reason for introduction of bill/resolution:**

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

## **Minutes:**

**Chairman Jeff Delzer:** Opens hearing on HB 1019.

**Representative Mike Schatz:** Begins to outline **amendment 19.0207.01001** to the committee.

**(1:40) Representative Mike Schatz:** That transfer of CDE (Center for Distance Education) comes from ITD (Information Technology Department).

**Representative Corey Mock:** The FTE (full time employee) that was removed, ITD was removing one of the FTE and was that before the transfer?

**Representative David Monson:** I believe that is a separate one.

**(2:55) Representative Mike Schatz:** Returns to page 1 of amendment 19.0207.01001.

**(5:55) Chairman Jeff Delzer:** On adult farm management, it looks like you are adding \$1.2M, is that correct?

**Representative David Monson:** We reduced adult farm management, but this is very complicated because it was mixed up with grants. We took it out of the grants line item and moved them into their own line item. The \$579,822 was in the base and there was a large amount in the grants line item. We thought rather than complicating it, we wanted to put it all together in one line. This is the total amount now.

**Chairman Jeff Delzer:** You better be prepared to mention that on the floor Representative Mike Schatz.

**(7:45) Representative Mike Schatz:** Returns to page 1 of amendment 19.0207.01001.

**Chairman Jeff Delzer:** Is that something you want to do every session? This is foundation stabilization aid and that is usually one-time funding. Is this something that we think needs to be funded and is foundation aid the right place to take that from?

**Representative Mike Schatz:** We did not get into that.

**(9:35) Representative David Monson:** What we talked about was trying to keep it the same when they made a case for what they needed.

**Chairman Jeff Delzer:** Was it funded before last biennium? Why did we call it one-time funding, I am guessing that is because we took it from somewhere else?

**(10:15) Mr. Kinnischtzke:** In order to replenish the CTE (Career and Technical Education) budget, foundation aid stabilization money was used to bring them whole after cuts. The money was made available to them through a constitutional measure.

**Chairman Jeff Delzer:** It was general fund before. We should maybe move that back to general fund before. Where is the Marketplace for kids money coming from? That must be general fund. If it is something that you think should continue, does it not belong in the grants line?

**Representative David Monson:** Marketplace for kids was one-time funding last time. It has been funded before.

**Mr. Kinnischtzke:** It has been funded for a while, but last session was the first time it was one-time funding.

**(12:30) Chairman Jeff Delzer:** One-time funding is for infrastructure that is not normal. I know we are pretty tight in the stabilization aid. The Governor was taking a lot out of there, but that was for next time.

**Representative David Monson:** This \$300,000 is one-time because it was last time and we do not know what our future will bring. We wanted to talk about it every session and revisit the need for it and keep up with the growth progress of it.

**Chairman Jeff Delzer:** It should be looked at each time.

**Representative David Monson:** We could give them their own line item. We took \$22M out of the \$30M and made them their separate line items. We felt that it was a very good program and we left it as one-time, but we could make it a grants line item.

**(14:40) Chairman Jeff Delzer:** Have the school districts and area center grants changed any?

**Mr. Kinnischtzke:** That is correct. The amounts that were transferred from the grants line items were transferred and one of the new items is the grants stash secondary line item.

**Chairman Jeff Delzer:** You have split that up a little bit, but it is \$22M and a part of the \$30M. You must have increased the secondary and post-secondary quite a bit?

**Mr. Kinnischtzke:** There is an increase in around \$1.8M, but that is because the grants were not included last session and were one-time. They are included in the total in the bill and ongoing funding is including.

**(16:45) Chairman Jeff Delzer:** Then we can adopt this amendment, but we need to move those up. I think we should switch it to general fund money. Sections 4 and 5 are about the transfer?

**Representative Mike Schatz:** Yes.

**Representative Thomas Beadle:** I was wondering if the money for CTE training was in here?

**(18:00) Chairman Delzer:** That is not included and is in Commerce.

**Representative Mike Schatz:** I move to adopt amendment 19.0207.01001 and  
**Representative David Monson seconds.**

**Representative David Monson:** We have to adopt this and further amend.

**Chairman Jeff Delzer:** Any further discussion?

**Mr. Kinnischtzke:** I wanted to answer a question regarding the removal of 1 FTE. It was a part of meeting the Governor's recommendation.

**(19:30) Voice vote, motion carried.**

**Representative David Monson:** I move to further amend HB 1019 to move the one-time funding description for the school district and area center grants and Marketplace for kids to general fund and not one-time funding.

**(20:30) Chairman Jeff Delzer:** New line grants motion made by Chairman Representative David Monson and seconded by Representative Mark Sanford. We have a motion to further amend and move school district and area center grants and Marketplace for kids to their own line items. Voice vote, motion carries.

**(21:30) Representative Corey Mock:** I would move that we reduce 1 more FTE from the transfer of CDE to CTE.

**Representative David Monson:** I would second that. We visited a little bit about this and made sure it is a straight transfer.

**(22:45) Chairman Jeff Delzer:** Further discussion? Motion made by Representative Mock and seconded by Representative David Monson to reduce 1 more FTE.

**Representative Randy Schobinger:** Where do we make that reduction if I want to write it down?

**Mr. Kinnischtzke:** It is in one of the footnotes of **amendment 19.0207.01001**.

**(23:50) Representative David Monson:** In the amendment, you can take the full time equivalence, the line would be 28.3 FTE and the final number would be 52 FTE.

**(24:20) Chairman Jeff Delzer:** Voice vote to further amend on motion to remove 1 more FTE. Motion carries.

**Representative Mike Schatz:** Motion to do pass as amended, seconded by Representative David Monson. Clerk takes roll call vote. Motion carries with 20 yes, 1 nay and 0 absent. Representative Mike Schatz will carry the bill.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; to create and enact sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council; to amend and reenact section 15-19-06 of the North Dakota Century Code, relating to the centers for distance education operating fund; and to repeal sections 54-59-17 and 54-59-18 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council"

Page 1, replace lines 10 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - secondary	0	22,837,780	22,837,780
Grants - postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000	0	2,000,000
Centers for distance education	0	9,104,812	9,104,812
Educational technology council	0	770,978	770,978
Total all funds	\$38,922,949	\$14,100,308	\$53,023,257
Less estimated income	<u>9,616,666</u>	<u>8,013,455</u>	<u>17,630,121</u>
Total general fund	\$29,306,283	\$6,086,853	\$35,393,136
Full-time equivalent positions	24.50	29.30	53.80"

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 1 through 6 with:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
School district and area center grants	\$2,427,000	\$2,427,000
Marketplace for kids	<u>300,000</u>	<u>300,000</u>
Total all funds	\$2,727,000	\$2,727,000
Less estimated income	<u>2,477,000</u>	<u>2,427,000</u>
Total general fund	\$250,000	\$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of career and technical education shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 3. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND - ONE-TIME GRANTS.** The estimated income line item in section 1 of this Act

includes \$2,427,000 of one-time funding from the foundation aid stabilization fund for grants to school districts and area centers.

**SECTION 4. AMENDMENT.** Section 15-19-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-19-06. Special funds - Deposit of collections - Transfers from general fund appropriations.**

1. A special operating fund for the center for distance education must be maintained within the state treasury and all income and fees collected by the center for distance education from any source must be remitted monthly by the director to the state treasurer and credited to the special operating fund. All expenditures from the fund must be within the limits of legislative appropriations and must be made upon vouchers, signed and approved by the ~~technology~~ director ~~appointed by the educational technology council~~ of the department of career and technical education. Upon approval of the vouchers by the office of the budget, warrant-checks must be prepared by the office of management and budget. The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the center for distance education general fund appropriation to the special operating fund whenever its balance falls so low as to require supplementation.
2. The educational technology council may establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the center for distance education. The administrative operational fund must be deposited in the Bank of North Dakota and may be drawn upon by the state director of the center for distance education for the payment of necessary expenses in the administration and operation of the center for distance education within the limits and rules prescribed by the educational technology council. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the council in accordance with the rules adopted by the council, and thereafter the council may periodically authorize additional transfers to the administrative operational fund, but the balance in the fund may never exceed ten thousand dollars, and any unencumbered balance at the end of any biennium must revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director.
3. The educational technology council may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the center for distance education. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the council or the center for distance education as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the council or center for distance education which is designated by the council and donor for the scholarship fund must be deposited in the scholarship fund at the Bank of North Dakota. The state director of the center for distance education may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the educational technology council. The interest earned by the scholarship fund is appropriated to the center for distance education.

**SECTION 5.** Section 15-20.1-26 of the North Dakota Century Code is created and enacted as follows:

**Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.
  - f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.
  - h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of non public schools.
3. The council shall select a chairman from among its members.
4. The term of office for the members appointed by the governor is four years.
5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty



cents per day and reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**SECTION 6.** Section 15-20.1-27 of the North Dakota Century Code is created and enacted as follows:

**North Dakota educational technology council - Powers and duties.**

The educational technology council shall:

1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.
6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
7. Appoint a technology director who shall serve at the will of the council.
8. Hire the director of the center for distance education.

**SECTION 7. REPEAL.** Sections 54-59-17 and 54-59-18 of the North Dakota Century Code are repealed."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Changes	House Version
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - Postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000		2,000,000
Educational Technology Council		770,978	770,978
Centers for Distance Education		9,104,812	9,104,812
Grants - Secondary		22,837,780	22,837,780
Total all funds	\$38,922,949	\$14,100,308	\$53,023,257
Less estimated income	9,616,666	8,013,455	17,630,121
General fund	\$29,306,283	\$6,086,853	\$35,393,136
FTE	24.50	29.30	53.80

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Removes 1 FTE Assistant Program Supervisor Position <sup>3</sup>	Transfers the Centers for Distance Education <sup>4</sup>	Transfers the Educational Technology Council <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$32,673	\$220,407	(\$159,737)			
Operating expenses						
Grants						(\$220,000)
Grants - Postsecondary						(25,818)
Adult farm management						(350,007)
Workforce training						
Centers for Distance Education		254,812		\$8,850,000		
Educational Technology Council		5,856			\$765,122	
Grants - Secondary						
<b>Total all funds</b>	<b>\$32,673</b>	<b>\$481,075</b>	<b>(\$159,737)</b>	<b>\$8,850,000</b>	<b>\$765,122</b>	<b>(\$595,825)</b>
Less estimated income	36,455	0	0	3,050,000	500,000	0
General fund	(\$3,782)	\$481,075	(\$159,737)	\$5,800,000	\$265,122	(\$595,825)
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>(1.00)</b>	<b>29.80</b>	<b>0.50</b>	<b>0.00</b>

	Adds Funding for Anticipated Federal Funds Increases <sup>2</sup>	Line Item Transfers <sup>4</sup>	Adds One-Time Funding <sup>5</sup>	Total House Changes
Salaries and wages				\$93,343
Operating expenses	\$400,000	\$675,000		1,075,000
Grants	1,600,000	(22,421,214)		(21,041,214)
Grants - Postsecondary		71,007		45,189
Adult farm management		1,564,427		1,214,420
Workforce training				
Centers for Distance Education				9,104,812
Educational Technology Council				770,978
Grants - Secondary		20,110,780	\$2,727,000	22,837,780
<b>Total all funds</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,727,000</b>	<b>\$14,100,308</b>
Less estimated income	2,000,000	0	2,427,000	8,013,455
General fund	\$0	\$0	\$300,000	\$6,086,853
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29.30</b>

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

**General Fund**

Salary increase	\$240,123
Health insurance increase	240,952
<b>Total</b>	<b>\$481,075</b>

<sup>3</sup> One FTE assistant program supervisor position is removed.

*removes additional 2 FTEs*

<sup>4</sup> Transfers 29.80 FTE positions and related funding of \$8,850,000 from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5,800,000 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund.

<sup>5</sup> Transfers 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$265,122 is from the general fund for salaries (\$76,556), operating expenses (\$103,566), and grants (\$85,000). The remaining \$500,000 is from federal funds for capital assets.

<sup>6</sup> Base level funding is adjusted as follows:

General Fund

Reduces funding for grants	(\$220,000)
Reduces funding for postsecondary grants	(25,818)
Reduces funding for adult farm management grants	<u>(350,007)</u>
Total	(\$595,825)

<sup>7</sup> Adds funding of \$2 million for anticipated increases in federal funds, of which \$400,000 is for operating expenses and \$1.6 million is for grants.

<sup>8</sup> Funding of \$22,421,214 is transferred from the grants line item to the following line items:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Operating expenses	\$100,000	\$575,000	\$675,000
Grants - Secondary	20,110,780	0	20,110,780
Grants - Postsecondary	71,007	0	71,007
Adult farm management	<u>1,564,427</u>	<u>0</u>	<u>1,564,427</u>
Total	\$21,846,214	\$575,000	\$22,421,214

<sup>9</sup> One-time funding of \$2,727,000 is added, of which \$300,000 is from the general fund for the Marketplace for Kids program and \$2,427,000 is from the foundation aid stabilization fund for grants to school districts and area centers.

Sections are added to:

- Identify \$2,427,000 of one-time funding from the foundation aid stabilization fund for grants.
- Change the position responsible for approving Center for Distance Education expenditures from the technology director of the Educational Technology Council to the director of the Department of Career and Technical Education.
- Transfer the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education by including related statutory provisions under the Department of Career and Technical Education chapter of the Century Code and repealing related provisions from the Information Technology Department chapter.

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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; to create and enact sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council; to amend and reenact section 15-19-06 of the North Dakota Century Code, relating to the center for distance education operating fund; and to repeal sections 54-59-17 and 54-59-18 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council"

Page 1, replace lines 10 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - secondary	0	22,537,780	22,537,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	8,994,167	8,994,167
Educational technology council	0	770,978	770,978
Total all funds	\$38,922,949	\$13,989,663	\$52,912,612
Less estimated income	9,616,666	5,586,455	15,203,121
Total general fund	\$29,306,283	\$8,403,208	\$37,709,491
Full-time equivalent positions	24.50	28.30	52.80"

Page 2, after line 6, insert:

**"SECTION 3. AMENDMENT.** Section 15-19-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-19-06. Special funds - Deposit of collections - Transfers from general fund appropriations.**

1. A special operating fund for the center for distance education must be maintained within the state treasury and all income and fees collected by the center for distance education from any source must be remitted monthly by the director to the state treasurer and credited to the special operating fund. All expenditures from the fund must be within the limits of legislative appropriations and must be made upon vouchers, signed and approved by the ~~technology director appointed by the educational technology council~~ of the department of career and technical education. Upon approval of the vouchers by the office of the budget, warrant-checks must be prepared by the office of management and budget. The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the center for distance education general fund appropriation to the special operating fund whenever its balance falls so low as to require supplementation.

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2. The educational technology council may establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the center for distance education. The administrative operational fund must be deposited in the Bank of North Dakota and may be drawn upon by the state director of the center for distance education for the payment of necessary expenses in the administration and operation of the center for distance education within the limits and rules prescribed by the educational technology council. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the council in accordance with the rules adopted by the council, and thereafter the council may periodically authorize additional transfers to the administrative operational fund, but the balance in the fund may never exceed ten thousand dollars, and any unencumbered balance at the end of any biennium must revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director.
  
3. The educational technology council may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the center for distance education. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the council or the center for distance education as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the council or center for distance education which is designated by the council and donor for the scholarship fund must be deposited in the scholarship fund at the Bank of North Dakota. The state director of the center for distance education may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the educational technology council. The interest earned by the scholarship fund is appropriated to the center for distance education.

**SECTION 4.** Section 15-20.1-26 of the North Dakota Century Code is created and enacted as follows:

**15-20.1-26. Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
  
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.



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- f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.
  - h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of nonpublic schools.
3. The council shall select a chairman from among its members.
  4. The term of office for the members appointed by the governor is four years.
  5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty cents per day and reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**SECTION 5.** Section 15-20.1-27 of the North Dakota Century Code is created and enacted as follows:

**15-20.1-27. North Dakota educational technology council - Powers and duties.**

The educational technology council shall:

1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.

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- 6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
- 7. Appoint a technology director who shall serve at the will of the council.
- 8. Hire the director of the center for distance education.

**SECTION 6. REPEAL.** Sections 54-59-17 and 54-59-18 of the North Dakota Century Code are repealed."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Changes	House Version
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - Postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000		2,000,000
Center for Distance Education		8,994,167	8,994,167
Educational Technology Council		770,978	770,978
Grants - Secondary		22,537,780	22,537,780
Marketplace for Kids		300,000	300,000
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$13,989,663</b>	<b>\$52,912,612</b>
Less estimated income	9,616,666	5,586,455	15,203,121
General fund	\$29,306,283	\$8,403,208	\$37,709,491
<b>FTE</b>	<b>24.50</b>	<b>28.30</b>	<b>52.80</b>

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Removes 1 FTE Assistant Program Supervisor Position <sup>3</sup>	Transfers the Center for Distance Education <sup>4</sup>	Removes 1 FTE Center for Distance Education Position <sup>5</sup>	Transfers the Educational Technology Council <sup>6</sup>
Salaries and wages	\$32,673	\$220,407	(\$159,737)			
Operating expenses						
Grants						
Grants - Postsecondary						
Adult farm management						
Workforce training						
Center for Distance Education		248,110		\$8,850,000	(\$103,943)	
Educational Technology Council		5,856				\$765,122
Grants - Secondary						
Marketplace for Kids						
<b>Total all funds</b>	<b>\$32,673</b>	<b>\$474,373</b>	<b>(\$159,737)</b>	<b>\$8,850,000</b>	<b>(\$103,943)</b>	<b>\$765,122</b>
Less estimated income	36,455	0	0	3,050,000	0	500,000
General fund	(\$3,782)	\$474,373	(\$159,737)	\$5,800,000	(\$103,943)	\$265,122
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>(1.00)</b>	<b>29.80</b>	<b>(1.00)</b>	<b>0.50</b>

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	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Anticipated Federal Funds Increases <sup>8</sup>	Line Item Transfers <sup>9</sup>	Adds Funding for Grants to School Districts and Area Centers <sup>10</sup>	Adds Funding for the Marketplace for Kids Program <sup>11</sup>	Total House Changes
Salaries and wages						\$93,343
Operating expenses		\$400,000	\$675,000			1,075,000
Grants	(\$220,000)	1,600,000	(22,421,214)			(21,041,214)
Grants - Postsecondary	(25,818)		71,007			45,189
Adult farm management	(350,007)		1,564,427			1,214,420
Workforce training						
Center for Distance Education						8,994,167
Educational Technology Council						770,978
Grants - Secondary Marketplace for Kids			20,110,780	\$2,427,000		22,537,780
					\$300,000	300,000
<b>Total all funds</b>	<b>(\$595,825)</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,427,000</b>	<b>\$300,000</b>	<b>\$13,989,663</b>
Less estimated income	0	2,000,000	0	0	0	5,586,455
<b>General fund</b>	<b>(\$595,825)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,427,000</b>	<b>\$300,000</b>	<b>\$8,403,208</b>
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28.30</b>

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

<u>General Fund</u>	
Salary increase	\$237,884
Health insurance increase	236,489
<b>Total</b>	<b>\$474,373</b>

<sup>3</sup> One FTE assistant program supervisor position is removed.

<sup>4</sup> Transfers 29.80 FTE positions and related funding of \$8,850,000 from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5,800,000 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund.

<sup>5</sup> One FTE office assistant III position for the Center for Distance Education and related salaries and wages funding of \$103,943 from the general fund is removed. Including salaries and health insurance increases of \$248,110 approved by the House, the total appropriation for the Center for Distance Education is \$8,994,167, of which \$5,944,167 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund. The total authorized FTE for the Center for Distance Education is 28.80 positions.

<sup>6</sup> Transfers 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$265,122 is from the general fund for salaries (\$76,556), operating expenses (\$103,566), and grants (\$85,000). The remaining \$500,000 is from federal funds for capital assets.

<sup>7</sup> Base level funding is adjusted as follows:

<u>General Fund</u>	
Reduces funding for grants	(\$220,000)
Reduces funding for postsecondary grants	(25,818)
Reduces funding for adult farm management grants	(350,007)
<b>Total</b>	<b>(\$595,825)</b>

<sup>8</sup> Adds funding of \$2 million for anticipated increases in federal funds, of which \$400,000 is for operating expenses and \$1.6 million is for grants.

<sup>9</sup> Funding of \$22,421,214 is transferred from the grants line item to the following line items:



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	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Operating expenses	\$100,000	\$575,000	\$675,000
Grants - Secondary	20,110,780	0	20,110,780
Grants - Postsecondary	71,007	0	71,007
Adult farm management	<u>1,564,427</u>	<u>0</u>	<u>1,564,427</u>
Total	\$21,846,214	\$575,000	\$22,421,214

<sup>10</sup> Funding of \$2,427,000 is added for grants to school districts and area centers to provide a total appropriation of \$22,537,780 from the general fund in the grants - secondary line item.

<sup>11</sup> Funding of \$300,000 is added from the general fund for the Marketplace for Kids program. One-time funding of \$300,000 was appropriated for the 2017-19 biennium, of which \$250,000 was from the general fund and \$50,000 was from the foundation aid stabilization fund.

Sections are added to:

- Change the position responsible for approving Center for Distance Education expenditures from the technology director of the Educational Technology Council to the director of the Department of Career and Technical Education.
- Transfer the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education by including related statutory provisions under the Department of Career and Technical Education chapter of the Century Code and repealing related provisions from the Information Technology Department chapter.

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1019**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: 19.0207.01001 Voice Vote - passed

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Mike Schatz Seconded By Representative Tracy Boe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson			Representative Tracy Boe		
Vice Chair Jim Schmidt					
Representative Bob Martinson					
Representative Mike Nathe					
Representative Mark Sanford					
Representative Mike Schatz					

Total (Yes) Voice Vote - passed No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Representative Mike Schatz

If the vote is on an amendment, briefly indicate intent: voice vote carried to adopt amendment 19.0207.01001.

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1019**

House Appropriations - Education and Environment Division Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Mike Schatz Seconded By Representative Mike Nathe

Representatives	Yes	No	Representatives	Yes	No
Chair David Monson	X		Representative Tracy Boe	X	
Vice Chair Jim Schmidt	X				
Representative Bob Martinson	X				
Representative Mike Nathe	X				
Representative Mark Sanford	X				
Representative Mike Schatz	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Mike Schatz

If the vote is on an amendment, briefly indicate intent:

Date: 2/15/2019  
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 19.0207.01001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Schatz Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

**Voice Vote/Motion Carries**

Date: 2/15/2019  
 Roll Call Vote #: 2

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: **Further amend remove 2427 from foundation aid stabilization fund to general fund adding it to grant secondary and creating a new line for market place for kids in section 1 of bill for 300 thousand**

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Monson Seconded By Representative Sanford

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

Date: 2/15/2019  
 Roll Call Vote #: 3

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1019**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: Further amend ad remove 1 FTE

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Mock Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich					
Representative Anderson			Representative Schobinger		
Representative Beadle			Representative Vigesaa		
Representative Bellew					
Representative Brandenburg					
Representative Howe			Representative Boe		
Representative Kreidt			Representative Holman		
Representative Martinson			Representative Mock		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

**Voice Vote/Motion Carries**

Date: 2/15/2019  
 Roll Call Vote #: 4

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. HB 1019**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Representative Schatz Seconded By Representative Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle		X	Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 20 No 1

Absent 0

Floor Assignment Representative Schatz

**Motion Carries**



**REPORT OF STANDING COMMITTEE**

**HB 1019: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 2, after "education" insert "; to create and enact sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council; to amend and reenact section 15-19-06 of the North Dakota Century Code, relating to the center for distance education operating fund; and to repeal sections 54-59-17 and 54-59-18 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council"

Page 1, replace lines 10 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - secondary	0	22,537,780	22,537,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	8,994,167	8,994,167
Educational technology council	0	770,978	770,978
Total all funds	\$38,922,949	\$13,989,663	\$52,912,612
Less estimated income	9,616,666	5,586,455	15,203,121
Total general fund	\$29,306,283	\$8,403,208	\$37,709,491
Full-time equivalent positions	24.50	28.30	52.80"

Page 2, after line 6, insert:

**"SECTION 3. AMENDMENT.** Section 15-19-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-19-06. Special funds - Deposit of collections - Transfers from general fund appropriations.**

1. A special operating fund for the center for distance education must be maintained within the state treasury and all income and fees collected by the center for distance education from any source must be remitted monthly by the director to the state treasurer and credited to the special operating fund. All expenditures from the fund must be within the limits of legislative appropriations and must be made upon vouchers, signed and approved by the ~~technology director appointed by the educational technology council~~ technology director of the department of career and technical education. Upon approval of the vouchers by the office of the budget, warrant-checks must be prepared by the office of management and budget. The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the center for distance education general fund appropriation to the special operating fund whenever its balance falls so low as to require supplementation.
2. The educational technology council may establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the center for distance education. The administrative operational fund must be deposited in the Bank of North Dakota and may be drawn upon by the state director of the center for distance education



for the payment of necessary expenses in the administration and operation of the center for distance education within the limits and rules prescribed by the educational technology council. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the council in accordance with the rules adopted by the council, and thereafter the council may periodically authorize additional transfers to the administrative operational fund, but the balance in the fund may never exceed ten thousand dollars, and any unencumbered balance at the end of any biennium must revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director.

3. The educational technology council may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the center for distance education. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the council or the center for distance education as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the council or center for distance education which is designated by the council and donor for the scholarship fund must be deposited in the scholarship fund at the Bank of North Dakota. The state director of the center for distance education may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the educational technology council. The interest earned by the scholarship fund is appropriated to the center for distance education.

**SECTION 4.** Section 15-20.1-26 of the North Dakota Century Code is created and enacted as follows:

**15-20.1-26. Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.
  - f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.

- h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of nonpublic schools.
3. The council shall select a chairman from among its members.
  4. The term of office for the members appointed by the governor is four years.
  5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty cents per day and reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**SECTION 5.** Section 15-20.1-27 of the North Dakota Century Code is created and enacted as follows:

**15-20.1-27. North Dakota educational technology council - Powers and duties.**

The educational technology council shall:

1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.
6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
7. Appoint a technology director who shall serve at the will of the council.
8. Hire the director of the center for distance education.

**SECTION 6. REPEAL.** Sections 54-59-17 and 54-59-18 of the North Dakota Century Code are repealed."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Base Budget	House Changes	House Version
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - Postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000		2,000,000
Center for Distance Education		8,994,167	8,994,167
Educational Technology Council		770,978	770,978
Grants - Secondary		22,537,780	22,537,780
Marketplace for Kids		300,000	300,000
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$13,989,663</b>	<b>\$52,912,612</b>
Less estimated income	9,616,666	5,586,455	15,203,121
<b>General fund</b>	<b>\$29,306,283</b>	<b>\$8,403,208</b>	<b>\$37,709,491</b>
FTE	24.50	28.30	52.80

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Removes 1 FTE Assistant Program Supervisor Position <sup>3</sup>	Transfers the Center for Distance Education <sup>4</sup>	Removes 1 FTE Center for Distance Education Position <sup>5</sup>	Transfers the Educational Technology Council <sup>6</sup>
Salaries and wages	\$32,673	\$220,407	(\$159,737)			
Operating expenses						
Grants						
Grants - Postsecondary						
Adult farm management						
Workforce training						
Center for Distance Education		248,110		\$8,850,000	(\$103,943)	
Educational Technology Council		5,856				\$765,122
Grants - Secondary						
Marketplace for Kids						
<b>Total all funds</b>	<b>\$32,673</b>	<b>\$474,373</b>	<b>(\$159,737)</b>	<b>\$8,850,000</b>	<b>(\$103,943)</b>	<b>\$765,122</b>
Less estimated income	36,455	0	0	3,050,000	0	500,000
<b>General fund</b>	<b>(\$3,782)</b>	<b>\$474,373</b>	<b>(\$159,737)</b>	<b>\$5,800,000</b>	<b>(\$103,943)</b>	<b>\$265,122</b>
FTE	0.00	0.00	(1.00)	29.80	(1.00)	0.50

	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Anticipated Federal Funds Increases <sup>8</sup>	Line Item Transfers <sup>9</sup>	Adds Funding for Grants to School Districts and Area Centers <sup>10</sup>	Adds Funding for the Marketplace for Kids Program <sup>11</sup>	Total House Changes
Salaries and wages						\$93,343
Operating expenses		\$400,000	\$675,000			1,075,000
Grants	(\$220,000)	1,600,000	(22,421,214)			(21,041,214)
Grants - Postsecondary	(25,818)		71,007			45,189
Adult farm management	(350,007)		1,564,427			1,214,420
Workforce training						
Center for Distance Education						8,994,167
Educational Technology Council						770,978
Grants - Secondary			20,110,780	\$2,427,000		22,537,780
Marketplace for Kids					\$300,000	300,000
<b>Total all funds</b>	<b>(\$595,825)</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,427,000</b>	<b>\$300,000</b>	<b>\$13,989,663</b>
Less estimated income	0	2,000,000	0	0	0	5,586,455
<b>General fund</b>	<b>(\$595,825)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,427,000</b>	<b>\$300,000</b>	<b>\$8,403,208</b>
FTE	0.00	0.00	0.00	0.00	0.00	28.30

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>
Salary increase	\$237,884
Health insurance increase	236,489
Total	\$474,373

<sup>3</sup> One FTE assistant program supervisor position is removed.

<sup>4</sup> Transfers 29.80 FTE positions and related funding of \$8,850,000 from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5,800,000 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund.

<sup>5</sup> One FTE office assistant III position for the Center for Distance Education and related salaries and wages funding of \$103,943 from the general fund is removed. Including salaries and health insurance increases of \$248,110 approved by the House, the total appropriation for the Center for Distance Education is \$8,994,167, of which \$5,944,167 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund. The total authorized FTE for the Center for Distance Education is 28.80 positions.

<sup>6</sup> Transfers 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$265,122 is from the general fund for salaries (\$76,556), operating expenses (\$103,566), and grants (\$85,000). The remaining \$500,000 is from federal funds for capital assets.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>
Reduces funding for grants	(\$220,000)
Reduces funding for postsecondary grants	(25,818)
Reduces funding for adult farm management grants	(350,007)
Total	(\$595,825)

<sup>8</sup> Adds funding of \$2 million for anticipated increases in federal funds, of which \$400,000 is for operating expenses and \$1.6 million is for grants.

<sup>9</sup> Funding of \$22,421,214 is transferred from the grants line item to the following line items:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Operating expenses	\$100,000	\$575,000	\$675,000
Grants - Secondary	20,110,780	0	20,110,780
Grants - Postsecondary	71,007	0	71,007
Adult farm management	1,564,427	0	1,564,427
Total	\$21,846,214	\$575,000	\$22,421,214

<sup>10</sup> Funding of \$2,427,000 is added for grants to school districts and area centers to provide a total appropriation of \$22,537,780 from the general fund in the grants - secondary line item.

<sup>11</sup> Funding of \$300,000 is added from the general fund for the Marketplace for Kids program. One-time funding of \$300,000 was appropriated for the 2017-19 biennium, of which \$250,000 was from the general fund and \$50,000 was from the foundation aid stabilization fund.

Sections are added to:

- Change the position responsible for approving Center for Distance Education expenditures from the technology director of the Educational Technology Council to the director of the Department of Career and Technical Education.

- Transfer the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education by including related statutory provisions under the Department of Career and Technical Education chapter of the Century Code and repealing related provisions from the Information Technology Department chapter.

**2019 SENATE APPROPRIATIONS**

**HB 1019**

# 2019 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1019  
3/1/2019  
JOB 33056

- Subcommittee  
 Conference Committee

Committee Clerk: Alice Delzer / Marne Johnson

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education; to create and enact sections 15-20.1-26 and 15-20.1-27 of the NDCC, relating to the meetings, compensation, powers, and duties of the educational technology council; to amend and reenact section 15-19-06 of the NDCC, relating to the center for distance education operating fund; and to repeal sections 54-59-17 and 54-59-18 of the NDCC, relating to the meetings, compensation, powers, and duties of the educational technology council.

### Minutes:

01. Testimony of Wayde Sick, Director
02. 2019-2021 Biennium Budget
03. Testimony of Sara Vollmer
04. CTE Budget – Dr. Peterson
05. Memorandum of Understanding – Dr. Peterson
06. Career Workforce Academy
07. Home Builders Association of F-M-John Gunkelman
08. Testimony of Morgan Forness
09. Testimony of Donald Shilling
10. Testimony of Steven Holen
11. Testimony of Delore Zimmerman
12. Testimony of Chris Owen
13. Testimony of ElRoy Burkle
14. Testimony of Mason Sisk
15. Testimony of Deana Wiese
16. Marketplace for Kids 2019
17. Testimony of Myra Pearson
18. Testimony of Reese Boehm

**Chairman Holmberg:** Called the Committee to order on HB 1019. All committee members were present except Senator Bekkedahl. Levi Kinnischtzke, Legislative Council, Chris Kadmas, Legislative Council and Becky Deichert, OMB were also present. We will start with an overview of the department.

**Wayde Sick, State Director, Dept. of Career & Technical Education:** Testified in favor of HB 1019 and provided **Attachment # 1**, He also did a power point of his presentation, **Attachment # 2** – entitled North Dakota Department of Career and Technical Education, 2019-2021 Biennium Budget, Senate Appropriations – March 1, 2019. Mr. Sick presents these materials concurrently.

**(24:20) Chairman Holmberg:** We see here, as these budgets come through we see duplication of programs targeting the same folks, you have the Marketplace for Kids, an entrepreneurial program for kid; in DPI we have the entrepreneurial program for kids, that's less money than this, but is there any working together? Then we have the Adult Farm Management, we haven't heard the 1020, the budget for extension service, but it seems to me they have programs in the same area. How do we as a legislature understand the entire picture, when the money is in different budgets?

**Wayde Sick:** We have not discussed with DPI what they are doing. That is a discussion we need to have to determine if we are duplicating. As far as Adult Farm Management, we will address that later today. Levi is partnering with Farm Services across the state, he will be able to elaborate on that.

**(26:45)** Mr. Sick continued with his presentation on Center for Distance Education on page 8 of attachment #1; and page 21 of attachment #2.

**(28:10) Chairman Holmberg:** Typically, what happens is these budget bills come in later in the session on the floor, so that if the House were to pass that other one, then there might be no need, that will happen at some point.

**(28:30) Wayde Sick:** Continued testimony with Education Technology Council.  
See Cost to Continue.

**Chairman Holmberg:** Could you provide a breakdown of what those percentages have been over the last four biennia? So they can get an idea of what has happened historically. Senator Poolman will chair that subcommittee.

**Wayde Sick:** Continued testimony, see New and Expanding Programs. Career Academies

**(35:55) Chairman Holmberg:** The particular program in the executive budget was general fund?

**Wayde Sick:** I believe the intent was Legacy Fund earnings.

**Becky Deichert, OMB:** It would have to be a transfer from the general fund.

**(36:30) Sara Vollmer, TrainND Director SW:** I am representing all 4 Train ND regions. testified in favor of HB 1019 and provided **Attachment # 3**.

**(44:33) Chairman Holmberg:** You commented about the success of TrainND, we have looked at what happens to the people who are trained through TrainND, we have found that it provides more salary for the person, but some of us were here in 1999, it seems to us that TrainND, the four quadrants were going to fund themselves, year after year, they come back for increased funding. Where are we at, as far as the four quadrants, there seems to be an inequality between the four districts. When we voted in 1999, we were led to believe at that time, that over a period of years, it would be self-funding.



**Sara Vollmer:** You are correct. Every region has its own niche market. As far as the funding model, one of the important things to consider is yes, the vast majority of the budget is from companies paying for their training, however, the small companies have no budget for training. So certainly our outreach to those companies is a lot of what we do to try to reach the small areas of our state. The director from the NE region is a good example, he will have the really small companies, they won't have the training budgets other companies have. The other thing we invest our money in is infrastructure pieces for new curriculum. The chancellor is very interested in cyber security right now with BSC into that realm. Some of those upstart costs certainly cost a lot of money for us for equipment, also the outreach of it. We do that with our money with our publications.

**Chairman Holmberg:** Does the money go out \$500,000 to each region?

**Sara Vollmer:** It is allocated by a figure from Job Service. It is the percentage of employers within each region. Last legislative session the SW region received 26%. Obviously, the SE gets the largest percentage because of Fargo.

**Chairman Holmberg:** I am guessing the northeast is the trailer as far as funding goes.

**Senator Robinson:** Would you get to the subcommittee, a summary of the last two biennia of the income you have received by region, for the work you do. She agreed to do that.

**(49:40) Senator Mathern:** In the fund raising that you do, do you provide an incentive to certain company programs? For example, one small company provides a contribution, but another doesn't, does the one that puts money in have a greater access to the training program?

**Sara Vollmer:** A good example in our region, we have two welding trailers we take around our region to train welders within a lot of the power plants and coal mines. Several of the power companies, Basin Electric, Greater Energy, they helped us build those trailers for training. They certainly get first access to the trailer for scheduling, and they get a discounted price. Someone who didn't invest would get charged rental.

**(52:02) Dr. Alan Peterson, State Director, Center for Distance Education (CDE):** Testified in favor of HB 1019 and provided **Attachment # 4** –CTE Budget & State Board for Career and Technical Education Compare Adjusted 2017-2019 to 2019-2021 Biennium Budget and Facts Applied to HB 1019; and **Attachment #5** – Memorandum of Understanding. **(56:47)** We are a small agency, 25.5 FTEs. HB 1019, we were cut \$220,000; that keeps us from enrolling students. Just so you know when you have an agency, that's doing its part, doing it efficiently, that's what that chart is about. Each year we are teaching more and more kids. Please see Attachment # 4, page 1 for definitions. We do research on what is going online in ND. In the past year, we called every school in ND to find out what are the difficulties they are having, we got a lot of information, very helpful to us. there is a part in the law, we are to make registration simple for all schools in North Dakota, every courses we offer has to be in the hands of that school. We do have at least one course in all 178 districts.

**Senator Robinson:** Please explain the numbers you have on the bottom of the first page, in terms of FTE student's enrollments; talk to us about unduplicated counts. How many students are accessing the program?

**Dr. Peterson:** The unduplicated students would be the last column, the yellow one. There's an average of 1.5 courses per year, per student. We only have about 80 students, on average students from North Dakota take about 2 courses from us a year. We have 6300 unique students projected in this past year.

**Chairman Holmberg:** I notice you still don't offer speech class.

**Dr. Peterson:** We have 350 courses. We did try speech; PE was much better. The fastest growing are the career tech courses, particularly courses like cyber security and those types of things.

**Chairman Holmberg:** Do you still have a contract with Alaska?

**Dr. Peterson:** We do have some Alaskan students. When I came on board, there were a lot of providers from out of state online. I talked to the governor at that time, they didn't want to block anyone from coming out of state. We at CDE out-competed those groups that were coming in from out of state, so what we focused on was to be better in North Dakota. About 75% of our business was out of state, and 75% was paper, we had correspondence courses. more business in ND. We no longer do any paper courses, it's all online. If go to the back page, please see attachment #4, page 2.

**(1:06:58) Chairman Holmberg:** When you were putting together your budget, did you do the 10% of 5% reduction that had been asked in the executive budget? Was this \$220,000 part of that?

**Dr. Peterson:** We're being switched. We are in between homes. I was trying to work with the governor's office, how much money can you put in the budget. There was a request, can we get you out of general funds; at least the block grants of general funds. My budget appeared in the House side, it was \$9 million general funds, I corrected them, it's a combination of \$6 million in general funds, and \$3 million in special funds. They made that correction. We were told we were going to get a 10% cut, and we prepared for that, as it shakes out, you will have to ask Dan Sipes to go through all those details, the money is less than what we had before.

Why are our numbers increasing? See attachment #4, page 2. **(1:14:00)** Option three is somewhere between a study resolution and you making new law about how to fund us so that if there are more students that need our services, how are they going to pay for it? Several states have tried this because they couldn't make a decision, New Hampshire being the example, they wrote a memo of understanding (please see attachment #5) between the state and their school, enforced it for eight years, and this session it became law. What it enabled them to do is come up with how and why to fund, if it worked, they could come back and say this is how we want to go forward. It's probably for the sub-committee to go through the details, but I asked several legislators their thoughts about this, they encouraged me to do so because it does give you another option.

**Chairman Holmberg:** We have at time written into the session law what the intent of the committee is; work with the sub-committee on that.

**Senator Robinson:** Talk to us about the popular demand for your high priority courses. What are those new programs that top the chart?

**Dr. Peterson:** I don't have the figures; it does fluctuate a great deal. I didn't mention how many part time teacher we have had; we've had up to 50. Two years ago, the most was social science, 4 years ago was math, overall, if you bunch them together, the most is career and tech. We count some things that are typical, like accounting. There are very few accounting in small schools, we are the business department is some schools. Career and Tech is now large, because of cyber things, but also because of FACS, business, ag, because not as many ag teachers. This year happens to be science; we couldn't find enough science teachers. I have no evidence that we put anybody out of a job. It isn't speech, but for our Spanish teacher, we pay part of her salary to Wyndmere school, she teaches 70 kids for us, and she stayed with Wyndmere, and works there.

**Levi Helmuth, President, Adult Farm Management Education Association:** Testified in favor of HB (1:24:44) Our mission statement is to provide adult lifelong learning opportunities and economic and financial management for individuals involved in the farming and ranching business. We offer one on one economic and financial concepts, rather than provide financial numbers, we teach them what they mean, why they are what they are and how they affect their operation. A secondary benefit is the database the program generates, creates regional, state and national databases, the balance sheets, income statements, cash flows and enterprise analysis that are generated are distributed in regional and statewide average books. Available in FINBIN. We are one of 11 states that contribute data. Instructors are an economic benefit to their communities, they present at extension meetings, classrooms and other ag meetings. This last biennium has not been standard due to turnover and retirement. Those positions have been filled, but it took time. This resulted in unused funds. I would ask for the reinstatement of those cut funds. Adult Farm Management works with farm extension, but we are complimentary, not duplicative. Extension is education through research and outreach, Adult Farm Management is education in career tech ed and one on one sessions. I ask for full funding, to provide educational opportunities for North Dakota's farmers and ranchers.

**V. Chairman Wanzek:** You talk about management, doesn't that correlate with marketing and marketing processes and strategies and helping producers understand how to tie that to their business decisions?

**Levi Helmuth:** I would call it all part of management. Managing the money is just as important as managing the commodity. We do provide help with that. We help them set up accounts in QuickBooks and keep accurate records; assist with calculating cash flow break-even point vs. our economic enterprise. Yes, we do; management is a broad word.

**Senator Robinson:** Tell us about the clients; the number you are serving today versus where we were in the past.

**Levi Helmuth:** We are at 600 right now; four years ago we more, some have retired, some producers left. We are down in enrollment, in 2015 the Williston program closed, we used to have a program at Northwood, that closed. In losing those two programs, that's a whole region, I work in Dickinson, so I cover Watford down to Scranton, and Beach to Halliday, if we would have the funding reinstated, we could get a position in Williston, we could get our enrollment back up, and we could fill in some blank spots on the map.

**Senator Robinson:** Do we do anything with extension research at NDSU?

**Levi Helmuth:** I am housed in the Dickinson research extension center, they provide an office and I am an economic resource when they have questions. It's collaborative, but no overlap. There are people housed in Carrington, Langdon, and Minot extension centers, we do collaborate with them

**Ken Ellis, President, Marketplace for Kids:** I'm here to support this program as a premier early entrepreneurship for young people in the state of North Dakota. My economic background is in the energy industry. One of the thing that is evident is the vast majority of people working out there are working at entrepreneurs. This entrepreneurship starts as an introduction to students at a young age thinking there is a viable career option in going into business for themselves. You want to retire early; you must get technical skills. This program is a statewide effort, there are sites across the state where students come in, bring their own projects, engage with entrepreneurs, and have those on display, talk about them, and how they are looking at how to go into business. This is a program that started in 1995. We will be seeing 10,000-11,000 students this year, the classes are from local businessmen. A lot of it is hands on, especially for students to look at options, other than our four year academics. Through apprenticeships, 2 year degrees. It's about innovation, developing your own business, hiring your own individuals, and be able to present your ideas publically. This is something that the 8<sup>th</sup> graders, they will be going into business very shortly, we need to support small business in North Dakota. **(1.31.23)**

**Chairman Holmberg:** I was looking up, it's called North Dakota young entrepreneur education program, out of Minot, they do middle school, that is in a different budget.

**Ken Ellis:** An area we are moving into now is something called T4, in Watford City, on March 21<sup>st</sup>. We are going to have six classes from BSC, two from Bismarck Public Schools, TrainND, and others. They are bringing in classes, to show students what they are looking for. It is going to be 40 minutes of building electronic circuits, and working with confined space, instrument control, working with all the skill sets to keep our energy industry going.

**(1.34.47) John Gunkelman, President, Home Builders Association of Fargo-Moorhead:** Testified in favor of HB 1019 and provided **Attachment # 6** – Career Workforce Academy, a letter with several signatures of business leaders and owners supporting Governor Burgum's recommendation for a career academy public/private partnership matching grant program. These people have pledged private sector financial support for the creation of the Cass County Career Academy.

**Chairman Holmberg:** So that would be half of what the appropriation was.

**John Gunkelman:** Correct. I am here to express support for Governor Burgum's recommendation for a career academy public/private partnership matching grant program. He then presented **Attachment # 7-** Home Builders Association of Fargo-Moorhead: His testimony states that it is time to introduce the trades to K-12 students in a meaningful way to plant that seed that construction and homebuilding offers lucrative, fulfilling futures with little to no debt.

**(1:42:21) Senator Mathern:** I am very supportive of these training programs: but we need more people here. How can we build the economy?

**John Gunkelman:** To this day I can't figure out why we can't reach the workers, it's not just North Dakota. There are contracting companies around Fargo that they can bring in a crew from South America, that can be here for 3 months. I totally agree. We definitely need more people. Chris came in from legislative council.

**Morgan Forness, Superintendent at Central Cass Public School, Casselton, ND:** Testified in favor of HB 1019 and provided **Attachment # 8**, a letter stating that the Cass County Career and Technical Education Center is in full support of career Workforce Academy – matching grant program as outlined in Governor Burgum's budget. His letter also lists the top 6 reasons for an Academy. **(1:48:55)**

**Donald Schilling, Chairman of General Equipment and Supplies, Inc.:** Testified in favor of HB 1019 and provided **Attachment # 9** which states they support the workforce development through CTE classes and the Career Academy. Proper funding of CTE, TrainND and the Career Academies are an instrument of business growth. **(1:54:35)**

**Steven Holen, Superintendent of Schools for the McKenzie County Public School District # 1, Watford City, ND:** Testified in favor of HB 1019 and provided **Attachment # 10** asking particularly for funding for Career Academy. This is a very progressive way to move forward. **(1:58:45)**

**(1.58.52) Chairman Holmberg:** A cynic might say the program is great for those who have a lot of resources in their area, but other areas of the state may not be able to participate at all.

**Steven Holen:** As far as resources, we do have resources in the energy industry that are willing to step up as partners. Speaking of the local school district in the western part of the state we are struggling to keep up with our facilities, passing bond referendums, all those infrastructure issues that are coming back to our taxpayers. To go and push an initiative like this in conjunction with those other asks that we're making would be extremely difficult. I do support this across the state. We believe that Careers Academies have a place in western North Dakota with the workforce needs that we have. My response would be that resources that could be allocated to a project, as important as this is, is a stretch for any of us.

**(2.00.09) Delore Zimmerman, Interim Executive Director of the Valley Prosperity Partnership (VPP):** Testified in favor of HB 1019 and provided **Attachment # 11**, stating that workforce development, including career and technical education is among the VPP's top priorities. His written testimony also includes a list of the members of the Steering

Committee for VPP. Speaking to the Fargo workforce academy, they are ready to go when the legislation passes. We support TrainND, and also career and tech education. We think these kinds of investments are important for the state of ND. We strongly support these programs.

**(2:02:35) Senator Dever:** We've talked about high school and college kids, preparing them for the future, I'm curious if there are efforts for people seeking a second career and gaining skills to improve their life?

**Mr. Zimmerman:** I think TrainND specifically would be the one to work with people that are looking to revisit their skills and renew their occupation or career. I think that would be a place, the career academies, not so much.

**(2:02:40) Chris Owen, Grant Project/Compliance Coordinator, Minot, ND:** Testified in favor of HB 1019 and provided **Attachment # 12**, stating the city of Minot supports the Governor's proposed \$30 million with a one to one match for career academies. They also support TrainND and CTE. We need a CTE program in Minot, and we have the money for the match from a grant by HUD, which must be used by September 30, 2022.

On a personal level, I am a product of technical education, auto shop is what helped me get through high school, and graduate and it sustained me. At the age of 18, I told my dad I knew it all, those shop skills helped me. I have a son at UND, those soft skills he learned, those are going to serve him well. My younger son is sophomore; he is excited about going into the medical field. CTE is a huge deal. I support CTE as a person and on behalf of the city of Minot.

**(2:10:05) ElRoy Burkle, Executive Director of ND Small Organized Schools(NDSOS):** Testified in favor of HB 1019 and provided **Attachment # 13**. NDSOS goes on record of supporting efforts of both ND Career and Technical Education (CTE) and ND Center for Distance Education (CDE)

**(2:12:00) Mason Sisk, Economic Development Association of ND (EDND):** Testified in favor of HB 1019 and provided **Attachment # 14**, which states they support workforce development.

**(2:15:00) Deana Wiese, Executive Director, Technology Council of ND TechND:** Testified in favor of HB 1019 and provided **Attachment # 15**, supporting CTE and asking for funding for new and expanding programs and CTE's cost to continue as well as the career academy concept.

**(2:17:10) Matt Gardner, Greater ND Chamber:** Testified in favor of HB 1019 but did not provide written testimony. He stated they support CTE. Workforce is the number one issue our members face. I have spoken and supported different pieces of legislation to support the workforce challenges. Our primary goal is to develop a workforce development system that provides a pipeline of skilled employees to meet the needs of North Dakota businesses. I think the programs that CTE offers are needed and ask this committee to give a favorable recommendation.

**(2:19:05) Senator Dever:** I know there are people in the room, who are concerned about this issue. When we talk about productivity, we talk about behavioral health, we are doing more this session on that issue than we have ever done, when we talk about behavioral health, government has a role to play, but they can't fix it. As we talk about workforce development, recognize that employers can help their employees through those kinds of issues. Those are real issues for those employers, and let the people in the room you are part of the solution.

**Matt Gardner:** I agree, we need all the able bodied people out there to work and be productive.

Written testimony submitted but not presented during the hearing:

# 16. Marketplace for Kids 2019

# 17. Testimony of Myra Pearson, Chairperson, Spirit Lake Tribe RE: TrainND

# 18. Testimony of Reese Boehm, TrainND Southwest Advisory Board Member

**Chairman Holmberg: Senator Poolman, Senator Erbele and Senator Robinson will be on the subcommittee. The hearing was closed on HB 1019.**

# 2019 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1019  
3/11/2019  
Job # 33516

- Subcommittee  
 Conference Committee

Committee Clerk: Rose Laning / Florence Mayer

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education

### Minutes:

Testimony Attached # 1.

Legislative Council: Levi Kinnischtzke  
OMB: Becky Deichert

**Senator Poolman:** Called the sub-committee to order on HB 1019. Senator Erbele and Senator Robinson were also present.

**Senator Poolman:** Handed out Attachment #1 - North Dakota Center for Distance Education Requested Funding.  
She had talked to Senator Schaible and he gave attachment #1 to her.

**Wayde Sick, Director, Dept. of Career and Technical Education:** You have a proposal that Dr. Alan Peterson has given to Senator Schaible, relating the budget requests. In HB 1019, the Center for Distance Education (CDE) is at \$8,994,167 which was a cut of \$220,000. We are requesting that to be restored so that would bring the general fund dollars to \$3,010,000 per year or \$6,020,000 per biennium. There is also a special fund increase request to \$3,050,000 per biennium for a total of \$9,070,000.

Dr. Peterson is looking at an additional \$502,759 which would bring the base of general fund and special fund to \$9.5M. He can go into more detail, but they were asked to forecast what their enrollments may be, what the cost per student would be, and calculate a number where they would be able to serve the students that they're presently serving plus the potential increase that they may see. That is where the \$502,759 came from.

**Senator Poolman:** It is my understanding that Senator Schaible wants funding to be directed to new students and not just enrolled students. Am I correct in that?

**Dr. Alan Peterson, Director, Center for Distance Education (CDE):** You are correct. I labeled it "total base" and "total base plus". I have been asked what our maximum number of students that we now serve under the present guidelines. The \$9,070,000 is appropriated and general funds. How many students does that support? We came up with 10,736



enrollments is the maximum we can support with \$6M plus special funds and tuition. I was asked how much it costs per enrollment from the general fund so approximately \$563 per enrollment. This was in case we need it. If we do not meet 10,736 enrollments over the 2-year period, then there are sufficient funds to be solvent for the end of the biennium. If there is a need, **Brian Duchscherer** and I were at same meeting, they were predicting more use of CDE in the future.

We set a cap because the legislators asked for that. It is not a blank check; it is 8% per year. That amounts to the \$502,759 of general funds. There will be more income on top of that because we continue to charge tuition. Not told where the money comes from, but the \$6,020,000 is what we've had in the past. If this is enacted this way, this would be six years running with these two years at \$6,020,000. If there is growth and a need, there would be a fund someplace at \$563/enrollment that we would have access to. To verify this, we'd have the electronic infrastructure that we could produce the numbers of how many enrollments we have, etc. If this group wants to hold it at \$5.8M, I would still ask that the number be lower than 10,736. There are funding level comparisons on the bottom of the page.

**(9:11) Senator Robinson:** You had some discussion before the Senate Appropriation Committee about the number of students and those that drop out, but what kind of percentage are we looking at with students who enroll, matriculate and complete the courses? I would assume it is high?

**Alan Peterson:** We have something called "drop grace". That means a student might mistakenly get in a class. Since we lease courses, we have this policy that if you are in the class for more than 14 days, then you pay. Of those 10,000 enrollments, the drops are taken out of there. I don't know if it says on this copy, but we were only talking about completions and that's 97%.

**Senator Poolman:** Asked Wayde to go over the changes in the House version.

**Wayde Sick:** A few items that were not acted on in the House were cost to continue. As we continue to educate our students, the costs to educate them rises as you provide pay increases to instructors, the cost of supplies, etc. We submitted to the Governor, half a million dollars for costs to continue and after looking at how our programs are growing, that may be closer to a million dollars. If unused, those would be returned at the end of the biennium. That was not included in the Governor's budget, but we advocated on the House side for it and again on the Senate side. It is probably the most important piece. Without that, the reimbursement rates will be impacted.

The second item is \$1.5M for the new and expanding programs. We submitted to the Governor's office a request of \$700,000, which is historically what the agency has requested. Looking at the growth of Career and Tech Ed, the \$1.5M could be used up very quickly. The House did not include the \$700,000, the Governor did.

The third request is restoring the \$350,007 that was reduced from the Adult Farm Management Program. That was done by the agency in order to make the 10% reduction that was requested of us. There were some programs we eliminated that were really underutilized and weren't making a large difference. Those funds would be to expand programing not to increase reimbursement rates to existing programs.

**(13:47) Senator Robinson:** Is that not the area where you've lost some coordinators?

**Wayde Sick:** Correct. We have lost a few instructors over the last few years, mainly due to retirement.

The last request is the \$30M for the career academies which was in the governor's executive budget but not included in the House version of 1019.

**Senator Robinson:** The order that you gave us these priorities, is that the priority?

**Wayde Sick:** Yes, that \$1M would make sure we do not go backwards. The \$1.5 would allow us to continue to expand our programming.

**(15:23) Senator Poolman:** Speaking with those who are doing distance work, they expressed concern on their funding levels. Would that be included in the cost to continue? Or is that a separate line item?

**Wayde Sick:** I am speculating that would be a yes. I would venture to say that those are the concerns.

**Senator Erbele:** (Microphone off) Can we get a copy of this priority list?

**Senator Poolman:** It is in his priority list in main testimony; (\$1M cost to continue, \$1.5M new and expanding programs, \$350,007 restore adult farm management reduction and \$30M Career Academy Grant program.)

The Educational Technology Council, can you talk about that?

**(16:52) Wayde Sick:** With the Center for Distance Ed, the proposal for it to be absorbed into Career and Tech Ed and EduTech being absorbed fully into ITD, the Educational Technology Council would essentially have no responsibilities. The proposal would be to transition the Education Technology Council into a PreK-12 coordinating council where SB 2215 will be heard tomorrow in front of House Education lays out what the membership would be; all the different education entities, the different associations, small-organized schools, etc. They would all have a seat at the table to look at gaps or duplications and how they want to streamline. In SB 2215, it lays out that the Board of Public Instruction would oversee the development of this coordinating council and then the coordinating council would have the authority to hire an executive director if they see fit to administer this entity. In HB 1019 there is a small operating line for the Education Technology Council, as well has a half time FTE, and some federal fund authority which is unnecessary because it is a federal grant that ETC used to apply for and then sub grant the funds out. Between the funds in HB 1019 that are now set aside for the Education Technology Council, would be part of the funding that would be used to administer the K-12 coordinating council. I believe the Dept. of Public Instruction is also looking at funds, but not exactly sure where they are with that and what their intent would be.

**Senator Poolman:** Is this just coordinating technology in K-12 Education?

**Wayde Sick:** It would be coordinating K-12 across the board, not just technology.

**Senator Poolman:** With the purpose of?

**Wayde Sick:** Finding efficiencies without affecting effectiveness. Looking at duplication, looking at gaps, how can we fill those gaps.

**Dr. Peterson:** On the left hand side of your handout from the main hearing, those are the objectives or expectations for that board.

**Senator Poolman:** When we are talking about gaps and duplications in education services, we're looking at courses that would be duplicated with the merger? Correct? (Yes)

**Dr. Peterson:** The process has not been solidified at all.

**Wayde Sick:** I have 2215 with me, in case there is something I missed.

**Senator Erbele:** In previous budgets, we have always talked about equipment needs and I do not see that here. Are you sitting well with that?

**Wayde Sick:** Typically, the federal Perkins funds are what we use for equipment. It is typically not a general fund item. We do have the emerging technology consortium, which is a general fund of \$1.5M. That comes out of our grants line.

**Senator Erbele:** They used to show up more on our sheets and I did not see them. Thanks.

**Senator Poolman:** Adjourned the hearing on HB 1019.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1019  
3/27/2019  
# 34282

- Subcommittee  
 Conference Committee

Committee Clerk: Marne Johnson

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

1 attachment

Legislative Council: Levi Kinnischtzke  
OMB: Becky Deichert

Senator Poolman called the sub-committee to order on HB 1019. Senator Erbele and Senator Robinson were also present.

**Senator Poolman:** Levi will take us through long sheet. Today will be the last day of information, next time we'll start crafting some amendments.

**Levi Kinnischtzke:** Passed out attachment #1, Career and Technical Education Budget. (0:45-13:00) At a high level summary in the ITD, during the 2017-2019 biennium, the total appropriation for CDE was a little over \$9 million. For the executive recommendation, to meet the 10% reduction guidelines, ITD reduced funding for that program by 10%, that's why funding that was initially recommended to be transferred was \$8.1 million, the House approved \$8.85 million, of which \$5.8 million is from the general fund, \$3 million is from other funds. Then the full house appropriations committee reduced one FTE for CDE, the net effect is listed.

The House transferred the entire program, except for the current director. That position oversaw both ETC and EduTech as that individual was the director of both, that person stayed in ITD. The rest of the program has moved over.

The House did not reduce training grants, TrainND still has a total appropriation for sect 1 of HB 1019, is still \$2 million which is the same as the base budget.

The next few lines are various transfers, I worked with Mr. Sick and the rest of his staff to look at the budget and look at way to move some funding between line items to provide more transparency. Over the course of several biennia their grants line item has grown a little bit, it currently includes some funding for programs that have separate line items. Although there is an adult farm management line item, there was also some funding in the grants line item for adult farm management. That's one example of where we worked to find out how much

funding is in the grants line item, do a line item transfer and move them to operating expenses. One of the biggest transfers was because of the constitutional measure that passed in the 2016 general election, CTE is now underneath the umbrella of the Foundation Aid Stabilization Fund, as such, we need to calculate the total general fund grants that are used for secondary education in their department as part of the 15% reserve balance in the Foundation Aid Stabilization Fund. For that reason, it is important to know what the amount is for secondary education funding out of CTE, we created a new line item. In the House version, there is a new line item which includes some federal funding, there is a grants secondary line item, which is general fund, and there is still the grants post-secondary line item. Going forward, the budget will be clear and straight forward, transparent for legislators and other interested parties.

I will now step into SB 2215 and SB 2216. I know Mr. Sick has some additional information. From a high level over view, SB 2215 and SB 2216 involve the policy and language that would allow CDE to be under the direction of CTE rather than ITD. That's essentially what SB 2216 does. SB 2215 does a variety of things, the largest is that it would repeal the Educational Technology Council (ETC) and replace it with a new K12 education coordinating council, which is a replacement with different duties, there seems to be some support in the policy committees related to those bill. If those bills pass, the ETC would no longer be in existence, and thus the funding that was transferred by the House from ITD to CTE for ETC would no longer be necessary. There would have to be a discussion on what kind of funding would be necessary for the new education coordinating council, potentially in the DPI bill, but from CTEs perspective that fund would not be necessary if those policy changes are passed in those two separate bills.

**Wayde Sick, Director, Dept. of Career and Technical Education (15:10)** The only thing I have to add is SB 2215 and SB 2216 have passed out of House Education Committee with the intent that came out from the Senate side, they should be going to the House floor.

**Senator Poolman:** It's safe to say we can take out the appropriation as well as the language of section 4.

**Wayne Sick:** Correct.

**Senator Erbele:** Going back to the front page, you had TrainND, you said the total in there is \$2 million. Going up the line, the \$350,000 for adult farm management, what's the total in there?

**Levi Kinnischtzke:** The adult farm management line item in the 17-19 biennium was \$579,000, that's prior to the transfers we're discussing. One of the transfers that was approved by the House was transferring almost \$1.6 million from the grants line item to the adult farm management line item. The adult farm management line item in the House's version is just below \$1.8 million. If you add that reduction of \$350,000 back in, it would be \$2.1 million.

**Senator Erbele:** If we move back up to the top of the page, talking about the 29.8 FTE CDE positions from ITD, and we see the executive recommendation was at \$8.1 million out of general, the House version we're at \$5.8 million general and \$3.05 million other funds, what is the House proposing those funds be?

**Levi Kinnischtzke:** That \$3.05 million is funding that CDE gets from customers and school districts. It's through a fund called the independent operating fund, that dollar amount is the same amount included in the 17-19 biennium appropriation. There was a funding source change in the executive budget, where the transfer was included all as general fund, and the House restored it back to the way it was approved in the previous biennium.

**Senator Erbele:** The Marketplace for Kids is \$300,000 the total amount for that program?

**Levi Kinnischtzke:** Correct.

**Senator Poolman:** We had some discussion there might be some duplication with the commerce budget having a young entrepreneur program, I think they will probably remove that and this will be their one go to.

**Senator Robinson:** Given what we have in front of us, what would be your greatest concern with this budget if it was approved as it came out of the House?

**Wayde Sick:** The greatest concern I have is the one million cost to continue. As I mentioned, without that \$1 million cost to continue, we would have to reduce our reimbursement rates up to 2% back to the schools and the centers. The second concern is the \$ 1.5 million request for new and expanding programs. Looking at what we have for applications to date for the upcoming school year, we're looking at \$434,000 in applications for the 19-20 school year. You are looking at almost a half million dollars. There is still time for schools to apply. The request of \$1.5 million to fund these new and expanding programs is a high priority. The \$350,000 mentioned earlier on adult farm management, restoring that so we can expand into areas where that service is not being provided, and finally, this is the large one, funding of the career academies. I believe that Dr. Peterson from CDE had a \$220,000 request to restore his general fund so that we can hold steady with CDE and what they are accomplishing.

**Senator Erbele:** Going back to the adult farm management, you said to expand into areas you aren't currently in, do you have those areas identified?

**Wayde Sick:** Two areas of the state that don't have these services right now is the north west and north east parts of the state. That has come from instructors retiring, I do know Dakota College of Bottineau is looking at trying to find an instructor that would potentially cover the north west. There is interest to fill those voids.

**Senator Poolman:** Back to the CDE, I've been talking to Senator Schiabe about some language we would add if we add that money in, we would add some language pertaining to the rates you're changing for those courses, to make sure they're a little closer to what it costs.

Is it possible to get a list of the grants, where they go, who much they are, to each district?

**Wayde Sick:** Yes, we will email it. It will be a series of spreadsheets. You just see the total budget and how much contributing, you can expand and see that break down.

Senate Appropriations Committee  
HB 1019 Career & Tech Ed subcommittee  
March 27, 2019  
Page 4

**Senator Poolman:** Closed the meeting.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1019  
4/2/2019  
JOB # 34424

- Subcommittee  
 Conference Committee

Committee Clerk: Alice Delzer / Mary Jo Wocken

### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for Career and Tech Education

### Minutes:

No testimony submitted

**Senator Poolman** called the subcommittee hearing on HB 1019 to order. Let the record show that all 3 members were present: Senator Poolman, Chair., Senator Erbele and Senator Robinson. Becky Deichert, OMB and Levi Kinnischtzke, Legislative Council were also present. Today our goal is to put together our amendments. Let us know what your needs are it makes our job easier. I will walk through what I think we want to do, and then I will probably entertain a motion for some of the changes that we want to make, and then we'll let Levi talk about some of the other changes that we've already discussed.

The 4 major requests for CTE under costs to continue \$1M. New and expanding programs we want to include \$1.5M, and the restoration of the adult farm management reduction \$350,007. We want to include that as well. Under the Center for Distance Education we worked with Senator Schaible, and we want to restore \$220,000 in General Funds and we want to add \$502,759 dedicated to new enrollments only, capped at 8% for a year. We also want to add some legislative intent language there, saying that the Center for Distance Education shall develop a fee structure during the 2019-2021biennium, become self-sustaining. That would be the goal that we set out for them under legislative intent. That is the bulk of the amendments that we had discussed. Is there any discussion?

**Senator Erbele:** I think those are very good amendments that really support the programs. If you are looking for a motion I would like to discuss that I would be willing to say that I would move that we would add that to the amendments where the costs to continue the new and expanded programs and they would add all the farm management if you want to do the career and business education separate we can hold that separate or I can do that now as well.

**Senator Poolman:** We can do that all at once.

**Senator Erbele:** Then I would continue with the numbers that you have shared with Distance Education of \$220,502, along with the intent language to become self- sustaining.



**Senator Erbele Made the motion. 2<sup>nd</sup> by Senator Robinson.**

**Senator Poolman:** It has been moved and 2<sup>nd</sup> to make those changes. Again the cost to continue adding \$1M, new and expanding programs \$1.5 M, restoration of adult farm management at \$350,007; and general funds restoration to the Center for Distance Education of \$220,000 and an additional General Fund appropriation of \$502,759 for new enrollments only, capped at 8% per year; and again the intent language that the Center for Distance Education tells about the fee structure during the next biennium, to become self-sustaining. Are we all good on the motion?

**A roll call vote was taken: Yea: 3; Nay, 0; Absent:0.**

**Levi Kinnischtzke,** Legislative Council Salary. As everyone is aware now the Senate and the House have agreed upon a compensation package and that is for the first year of the 2019-2021 biennium is a 2% salary increase with a minimum \$120 monthly increase or a minimum monthly increase of maximum of \$200; and then in the second year is a 2.5% increase. So our staff will add that into each budget going forward. So that is the compensation adjustment. There is also some small adjustments, a small recap in the House working with the CT staff. We had transferred some dollars between line items to an effort to add some clarity to the CT budget. There were a couple of items that we needed tweaked to make sure some of the dollars were going to the appropriate line items, so there were a couple of small transfers that we had discussed in our last sub-committee meeting. That involves moving \$42,207 from the post-secondary grants line to the grants line item and then also moving \$42, 207 from the post-secondary grants line to the operating expense line item, and then also moving \$100,000 from the secondary grants line into the grants line item. Again that is just in an effort to add some clarity to the CTE budget and having dollars be in the appropriate spot. The last amendment that had been previously discussed by the sub-committee involved the Educational Technology Council. Senate bills 2215, and 2216 largely deal with statutory changes related to the Educational Technology Council, so based off our previous discussion, those bills will be the vehicle that will deal with the future of Educational Technology Council, so from HB 1019 perspective, the funding of \$770,978 that was included in the House version will no longer be necessary. So, the amendment that was previously discussed by the subcommittee removes that \$770,978 and then also would remove the related sections in the bill that were about the ETC. So Sections 4,5,6 of the bill would no longer be necessary. Also the second three would not be as well and that would be an item to be discussed in SB 2215 and SB 2216.

**Senator Poolman:** Levi was there also. Was the .5 FTE in there too, for that Educational Technology Council that needs to be moved?

**Levi Kinnischtzke:** That is correct Madam Chair. Including that \$770,000 as the authorization for .5 FTE.

**Senator Robinson:** I am trying to follow through on the changes that we made. I've got a note here regarding the grants. Did that address the issue we had with Train ND?

**Levi Kinnischtzke:** Legislative Council. Train ND will show up as a workforce training grant, the base line was \$2M and the House kept it at \$2M.

**Senator Poolman:** Just to summarize what this next motion would be. Number one would be the compensation adjustment, now that we've made those agreements. Number two would relate to the line item transfers to provide some clarity \$42,207 from the post-secondary grant line item to the grant, \$42, 207 from post- secondary to grants to the operating and \$100,000 from the secondary grant to the grant line item; the third piece would be removing the Educational Technology council and funding so that \$770,978 that's removed; and the .5 FTE is removed and the language of Sections 3,4,5,6 are removed all because they now appear in different bills. So the chair would entertain a motion for those amendments now.

**Senator Robinson: moved and 2<sup>nd</sup> by Senator Erbele.**

**Senator Poolman: It was moved and seconded to make that second group of amendments, compensation adjustment, money on transfers and removing the Educational Technology Council language and funding.**

**A Roll Call vote was taken. Yea: 3; Nay: 0; Absent: 0. It carried.**

**Senator Poolman:** I want to thank all the good folks who are here today. This now will go to conference committee. We still have work to do with the House. Thank you. This meeting is adjourned.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1019  
4/3/2019  
JOB # 34480

- Subcommittee  
 Conference Committee

Committee Clerk: Alice Delzer/Justin Velez

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education; to provide a statement of legislative intent; and to provide for a report to the sixty-seventh legislative assembly. (Do Pass as Amended)

### Minutes:

1. Proposed Amendment # 19.0207.2001.  
2. Proposed Amendment # 19.0207.2002

**Chairman Holmberg:** opened the hearing on HB 1019. All committee members were present. Adam Mathiak, Legislative Council and Larry Martin, OMB were also present.

**Senator Poolman:** Submitted Attachment # 1, Proposed Amendment # 19.0207.2001

**Senator Poolman:** moved the Amendment. 2<sup>nd</sup> by Senator Robinson.

**Senator Poolman:** (The recorder started while Senator Poolman is speaking) The salary and benefits are changed to reflect our new negotiations. The funding of 770,978 dollars for the Educational Technology Council is removed because the Educational Technology Council is no longer going to exist. 270,000 dollars of that was general funds, 500,000 dollars was federal funds and we also removed the .5 FTE administrative assistant that went along with that. Eventually, that is going to have to be some sort of a flip over to the DPI budget because they are creating a different coordinating council under the Department of Public Instruction and so as we go to conference committee we will have to make sure there is funding. They are more interested, not in the FTE, but in possibly contracting for the leadership of that council and so that is something that will have to be aware of going into conference committees but from this budget all of this has been dropped. There were some funding transfers that needed to be made that were just basically mistakes in the house, it is just technical changes. We are moving 100,000 dollars under grants from the secondary line item to the grants line item, 42,207 dollars from post-secondary to the grants line item and

another 42,000 dollars for the post-secondary to the operating line item so that is not any sort of change from the houses intent, that is just shifting them in to the right line items. Funding of 350,000 dollars is restored to the Adult Farm Management Program, so we added that back in. We also added the one million dollars of general fund dollars for the cost to continue, if we hadn't done that, the schools that see reimbursements for career and technical education courses would see lower percentages they would see a reduction in those reimbursements. Funding for 1.5 million dollars is added for the new and expanding programs so they apply to the Department of Career and Technical Education when they want to start offering those types of courses and that allows them to take on new schools, they already have a number of applications that would be immediately denied if we didn't have that funding in there as well. The last piece relates to the Senate for Distance Education, 722,759 dollars is added, 502,000 dollars of that may only be used for new enrollment. We also added some legislative intent language to ensure that they develop a new fee structure with the goal of becoming self-sustaining.

**Chairman Holmberg:** It was aggressive but it was an area of need.

**V. Chairman Krebsbach:** Market place for kids, is that included in this budget?

**Senator Poolman:** Market place for kids I believe is on the 5<sup>th</sup> line item.

**Chairman Holmberg:** All in favor of amendment say aye. It carried.

**Senator Sorvaag:** I would like to introduce another amendment. # 19.0207.02002.

**Chairman Holmberg:** The amendment is identical except for one change on page 3.

**Senator Sorvaag:** What I'm adding is the 30 million for the work force development grants, but first I want to explain to the committee why I'm giving it here. There has been talk of doing this since the house had left it out. My understanding was someone else was going to put it in and that didn't happen. When I talked to Chairman Poolman yesterday and realized they were running it out so I do apologize to the subcommittee that I did not bring it in front of them. That wasn't the intent but they move faster than I could I guess would be the best way. I think we all heard the testimony on the need for workforce development. Obviously this grant is at a high amount but the reason I left it at that amount was because it is a statewide grant that is beneficial to school districts and areas all over to develop. I think we have all heard the discussions for it and against it, whether it's right, the appropriate amounts or it shouldn't be piloted but at the end of the day I put it back to what the original request was, for 30 million to work force development grants which all have to be met but they are available state wide.

**Senator Sorvaag:** I move the amendment # 19.0207.02002. 2<sup>nd</sup> by Senator Bekkedahl.

**Senator Bekkedahl:** I guess my concern from the start has been funds would be used for bricks and mortar. I understand the concept and what they are trying to do, I would rather see it go into programs in efforts to get more kids into programs in existing facilities. Is there any prohibition on construction in your amendment?

**Senator Sorvaag:** It is my understanding they could apply for it and the grant would be determined. I think in some situations it boils down to are there buildings to put it into. I just put it back in because of executive recommendation.

**V. Chairman Wanzek:** You said that, that \$30M would need to be matched. What was the level of match? Is it one for one?

**Senator Sorvaag:** My understanding is it is one for one.

**Senator Mathern:** I hope we support Senator Sorvaag's amendment. Since day one of this legislative session we have been hearing about the need for employees, we've been hearing the cry for employees that are prepared for the skilled level trades, and we have been hearing how our children have different abilities some for universities and some for getting work of their hands going as soon as possible. I think this amendment keeps this alive. It really isn't enough; we need 150-200 million dollars to make sure we have these facilities available for our schools. I think it keeps the concept alive and helps to give hope to the school districts that want to go in this direction. There is an appetite for this at the state wide level and it probably provides modeling, so that the first schools that get their applications in and have a plan will develop models that will be useful for everyone around the state. While it is not enough, I think it keeps hope alive and brings it to the next legislative session where we can work on it further.

**Senator Poolman:** I would urge a no vote on the amendment. We did not include it for a number of reasons. The first being, we have a career academy here in Bismarck and both Bismarck public schools and BFC work together to do that without direct state funds. I know the Fargo community and the private business community in Fargo is very much behind this but the Fargo/West Fargo public schools were noticeably silent, we didn't hear or see anything from them. I just see in Bismarck how critical the k- 12 piece would be to that. All of our high schools run on the same schedule, course work, course descriptions, everything revolves around that career academy. It made me very nervous that we did not hear from the public school system in those two major districts that would benefit from this. There is a perception it is very Fargo based, and not as statewide as we would like to think that it would be. We are pretty aggressive in our funding for career and technical education adding 1.5 million dollars for new and expanding programs going into these communities and making sure that those existing programs are not receiving cuts. I would urge a no vote on the amendment. I understand the reasons why Fargo would pursue this, I think we should resist it because if we are going to build building for career and technical education why won't we start building them for k-12. I would ask you to vote no.

**Senator Sorvaag:** I just want to state there are more school districts than Fargo and West Fargo also in Cass County and they have support of growing central Cass in some of those. There is support out there and we are much more than Fargo and I represent much more than Fargo.

**Senator Robinson:** I think Senator Poolman captured the issues we discussed. At the end of the day those issues and then the fiscal note, where do we draw the line here is what we struggle with. I am getting calls from the Cass County area to support this thing and I struggle with this thing too because I think Senator Mathern makes some good points

regarding the need in this area but the dollars and the issues that Senator Poolman referenced caused our committee to, we have to draw the line somewhere. Whether this thing resurfaces or comes back, who knows. Those were the concerns in the committee.

**Senator Poolman:** One more concern I had, discussing the Department of Commerce, what will the criteria be for applying for these dollars and they hadn't solidified criteria yet. That is also what made me pause is that, there isn't a definitive criteria set up for this program yet either. I was a little worried that maybe the criteria would be catered to the certain groups that we are looking for, for these funds.

**V. Chairman Wanzek:** I am struggling with this too. I am trying to understand how career academy works. I am trying to understand with the infrastructure we have out there, can we spend this money any more prudent way that would directly help with the programs that are out there now. I understand the issue of workforce and the need for that. Couldn't we put this money into what we have in place and somehow provided assistance for young students that want to go into a trade or a vocational type job.

**Chairman Holmberg:** One thing to keep in mind is, it is 30 million dollars. When I visited with my school people back home, they had no interest in this bill.

**Senator Robinson:** There were some folks out of Minot that expressed interest in this concept and that lends it to Senator Mathern's comment regarding if we are going to go down this road it is going to take more money than what is in this particular bill. We had to draw the line somewhere and it is a tough call.

**V. Chairman Krebsbach:** Yes, it was brought up that Minot did come in testify. However, I did some further checking on that and Minot High School has a career tech program going at this time and, has had one going for many years and is very much utilized. There is interest in expanding it to the university and so on. The gentleman that came in and testified had not been in contact with the school at all and you have to have a unified system on this. You have to have your higher education, k-12, and your community behind it and until that is reached I don't see purpose for this at this time.

**Senator Mathern:** Senator Krebsbach sort of gave the criteria, great job. This money would not go out unless that criteria were met. The school is together, the community, and the business community are criteria before we would grant this money. I would say to Senator Poolman the fact that Bismarck has a facility like this, that is setting the model. That is a very positive thing. This is essentially saying to other school districts, other communities around the state, and higher education; get behind what Bismarck has done. I suspect Fargo would probably not get this money to any greater extent than any other community. It would be great if this was a grant to Fargo but that doesn't make sense. I see Senator Sorvaag's amendment doesn't say anything about Fargo, it basically says this is not jackpotted, this is for any place in the state that comes forward with a plan meeting that criteria. I suspect Bismarck might be the most talented in terms of getting that grant. I think it's meeting a need that is expressed by everybody who has testified here, even Moody's in their report said; look North Dakota, you've plateaued. You're not going anyplace further unless you get a workforce.

**Senator Sorvaag:** I was approached by somebody who wanted to make Cass county a pilot and just from the discussion I figured that would go nowhere. That is the intent we have so the whole state can take advantage of it. This is not just a Fargo or Cass county issue.

**Chairman Holmberg:** asked for a voice vote on Senator Sorvaag's motion. All in favor say aye. the motion did not carry.

**Senator Poolman: Moved a Do Pass as Amended. on 1019. 2<sup>nd</sup> by Senator Robinson.**

**Chairman Holmberg:** call the roll on a Do Pass as Amended on HB 1019.

**A Roll Call vote was taken. Yea:14; Nay: 0; Absent: 0. Senator Poolman will carry the bill.**

**The hearing was closed on HB 1019.**

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	9,751,188	9,751,188
Total all funds	\$38,922,949	\$16,845,160	\$55,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
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."

Renumber 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
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$52,912,612</b>	<b>\$2,855,497</b>	<b>\$55,768,109</b>
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121
<b>General fund</b>	<b>\$29,306,283</b>	<b>\$37,709,491</b>	<b>\$3,355,497</b>	<b>\$41,064,988</b>
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 Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
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						
<b>Total all funds</b>	<b>\$53,709</b>	<b>(\$770,978)</b>	<b>\$0</b>	<b>\$350,007</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>
Less estimated income	0	(500,000)	0	0	0	0
<b>General fund</b>	<b>\$53,709</b>	<b>(\$270,978)</b>	<b>\$0</b>	<b>\$350,007</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

	Adds Funding for the Center for Distance Education <sup>7</sup>	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		
<b>Total all funds</b>	<b>\$722,759</b>	<b>\$2,855,497</b>
Less estimated income	0	(500,000)
<b>General fund</b>	<b>\$722,759</b>	<b>\$3,355,497</b>
FTE	0.00	(0.50)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

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 regarding the center for distance education; 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	9,100,993	39,207,349
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	<u>0</u>	<u>9,751,188</u>	<u>9,751,188</u>
Total all funds	\$38,922,949	\$46,845,160	\$85,768,109
Less estimated income	<u>9,616,666</u>	<u>5,086,455</u>	<u>14,703,121</u>
Total general fund	\$29,306,283	\$41,758,705	\$71,064,988
Full-time equivalent positions	24.50	27.80	52.30"

Page 2, replace lines 10 through 14 with:

"School district and area center grants	\$2,427,000	\$0
Marketplace for kids	300,000	0
Workforce development grants	<u>0</u>	<u>30,000,000</u>
Total all funds	\$2,727,000	\$30,000,000
Less estimated income	<u>2,477,000</u>	<u>0</u>
Total general fund	\$250,000	\$30,000,000"

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."

Renumber 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	30,142,207	39,207,349
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	\$32,855,497	\$85,768,109
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121
General fund	\$29,306,283	\$37,709,491	\$33,355,497	\$71,064,988
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 Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
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 Education <sup>2</sup>	Adds One- Time Funding for Workforce Development Grants <sup>1</sup>	Total Senate Changes
Salaries and wages			\$19,447
Operating expenses			42,207
Grants		\$30,000,000	30,142,207
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			
<b>Total all funds</b>	<b>\$722,759</b>	<b>\$30,000,000</b>	<b>\$32,855,497</b>
Less estimated income	0	0	(500,000)
General fund	\$722,759	\$30,000,000	\$33,355,497
FTE	0.00	0.00	(0.50)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

<sup>8</sup> One-time funding of \$30 million is added from the general fund for workforce development grants for career academies. The House did not include funding for workforce development grants for career academies.

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.



Date: 4-2-19  
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1019**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: Re: New + Expanding programs, Restoration of Farves center for Distance Ed. + add Language Management

- Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Robinson    Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson	<input checked="" type="checkbox"/>	
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Poolman	<input checked="" type="checkbox"/>				
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) 3    No 0  
 Absent 0  
 Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 4-2-19  
 Roll Call Vote #: 2

**2019 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1019**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: Compensatory adjustment line items transferred re: grants  
Remove language + funding re: Ed. Tech. Council + remove  
Sections 3, 4, 5 + 6 of Bill.

- Recommendation:
- Adopt Amendment
  - Do Pass     Do Not Pass     Without Committee Recommendation
  - As Amended     Rerefer to Appropriations
  - Place on Consent Calendar
- Other Actions:     Reconsider     \_\_\_\_\_

Motion Made By Erbele    Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson	<input checked="" type="checkbox"/>	
Senator Erbele	<input checked="" type="checkbox"/>				
Senator Poolman	<input checked="" type="checkbox"/>				
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) 3    No 0  
 Absent 0  
 Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:



Date: 4-3-19

Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1019

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 19.0207.02001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Poolman    Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Voice Vote Carried*

Date: 4-3-19

Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1019

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 19.0207.02002

- Recommendation:  Adopt Amendment
- Do Pass     Do Not Pass     Without Committee Recommendation
- As Amended     Rerefer to Appropriations
- Place on Consent Calendar
- Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Sorvaag Seconded By Bekkedahl

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Voice vote failed

If the vote is on an amendment, briefly indicate intent:

adding \$30,000 for Workforce Development grant

Date: 4-3-19

Roll Call Vote #: 3

**2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1019**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Poolman    Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14    No 0

Absent 0

Floor Assignment Poolman

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1019, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1019 was placed on the Sixth order on the calendar.

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	9,751,188	9,751,188
Total all funds	\$38,922,949	\$16,845,160	\$55,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
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."

ReNUMBER 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 Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
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 Education <sup>2</sup>	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)

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

**2019 CONFERENCE COMMITTEE**

**HB 1019**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
4/12/2019  
34719

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

**Chairman Representative Mike Schatz:** Opens meeting on HB 1019 and attendance is taken. We will look at the changes the Senate has made as they relate to the House. We will start with 0.01002.

**Senator Nicole Poolman:** The salary increase is agreed upon. The council funds will be removed because that is going away and will have to appear in DPI (Department of Public Instruction). That funding and FTE (full time employee) was removed.

**Chairman Representative Mike Schatz:** The ETC (Education Technology Council) was the one that oversaw CDE (Center for Distance Education), correct?

**Senator Nicole Poolman:** They took a look at technology across the board I believe.

**Levi Kinnischtzke, LC:** ETC was the oversight body for CDE.

**(4:20) Chairman Representative Mike Schatz:** If you are getting rid of that, who would govern CDE?

**Senator Nicole Poolman:** I think they just answer to the director of CTE. There was technical movement of line items to clean things up a little bit for technical purposes. Number 4 is \$350,000 for adult farm management grants for a total appropriation of \$2.1M. We added \$1M to general fund for the cost to continue that they can give to schools and to avoid rate reduction. Funding of \$1.5M for general fund was added for new and expanding programs. We wanted to make sure that they had everything they needed and we should not prevent schools from expanding. There was extra funding for CDE that adds \$722,000. There is language that has \$502,000 set aside for new enrollments. We move all of the totals to equal the same for FTE and we added some intent language that directs CDE to create a fee structure to become self-sustaining. We were told they need to charge more for their courses.



**Representative David Monson:** On the adult farm management grants, you added \$350,000? We were under the impression that there was carryover, but we were under the impression that there was one location that closed. We have a problem with people taking the same courses over and over. We thought maybe we should be concentrated on getting new people and not keep funding the same people. I do not remember what the amount of carryover was exactly.

**Senator Larry Robinson:** One of the concerns we had was the state of the farm economy in ND. We might be in the new norm. I do not know how we can deal with repetition on this, but there were some openings up in the north and if we can impact that ag sector, we wanted to. They assured us that they would move to fill those positions.

**(11:15) Representative David Monson:** How much money was carried over from last time?

**Mr. Kinnischtzke:** The department did not have any authority to carry any over. One of the line item transfers was moving adult farm management from the grants line item into their own item and that was about \$1.6M. That will account for the increase.

**Senator Nicole Poolman:** That was so we can see all of the dollars and where they are going.

**Representative David Monson:** The term carryover probably was not right. We wanted to be able to track how much was available for them.

**Chairman Representative Mike Schatz:** Any other discussion? We see a \$3M increase from the Senate to the House. I am not sure that we realized we could remove the ETC altogether. It never came up in our conversation to be removed.

**Senator Nicole Poolman:** They were waiting for a policy bill.

**Representative David Monson:** This was so long ago that we worked on this, but the ITD (Information Technology Department) director was working for two groups at the same time. Most of that would transfer over into CTE with the transfer of CDE. I am not recalling exactly everything.

**(14:55) Senator Nicole Poolman:** The pre-K-12 council will be formed under DPI. That will eventually have to go into DPI because it was not set when we both had the bills initially. It is shifting where they are located.

**Representative David Monson:** I know we did not put the money into DPI. I am pretty sure we did not. We would not have known about that and we have to talk about that.

**Chairman Representative Mike Schatz:** There is no language to eliminate that is there?

**Senator Nicole Poolman:** We actually did eliminate that.

**Mr. Kinnischtzke:** The changes related to ETC are in SB 2215 and 2216, but the repeal of this is in SB 2215 and they are being removed in that bill. It is not exactly a 1:1 replacement of ETC, but the Senate amendments remove the funding and it would be repealed in Century Code.

**Chairman Representative Mike Schatz:** That clears that up then. It was not included in the SPA.

**(18:25) Mr. Kinnischtzke:** It will not include that because it is in a separate bill.

**Representative David Monson:** You referenced two bills that we did not ever see in our sections. They repealed ETC and are starting a new council and there is no funding? What do we have to do?

**Mr. Kinnischtzke:** If SB 2215 and 2216 go forward, the repeal of ETC is not a debate topic. Funding would not be necessary in this budget, but it would be needed in DPI most likely and it would need to be decided how much, if any, will be needed.

**Representative David Monson:** I just do not quite understand why it does not follow in HB 1019, but it is in SB 2013. This will fund everything from K-12 to some college.

**Senator Nicole Poolman:** It will have a broader focus, but the funding is going to be just for the operation of that council.

**(21:00) Representative David Monson:** There was a \$312,000 and \$300,000 item in DPI's budget that were for things education related that they said they needed. I will have to talk to Superintendent Baesler about that. I am really not 100% clear on that exactly, but I will follow up with her on that. We might need to talk about that next week.

**Senator Nicole Poolman:** Some of those general grant items may be able to absorb some of those costs. The 0.5 FTE and a bit of funding will probably be needed.

**Becky Deichert, OMB:** The \$300,000 is the pre-K vision steering committee. The \$312,000 is for the advanced education contract piece.

**Representative David Monson:** We will have to dig in to some more of that.

**Senator Nicole Poolman:** That will have to be a part of the DPI conference committee.

**Chairman Representative Mike Schatz:** Any more discussion?

**Representative David Monson:** We are almost out of time, but when we sent this out, we were short of money and did not have the newest projection. The new programs are something we can talk a bit about and I do not know if this is the right number.

**(24:35) Chairman Representative Mike Schatz:** Closes conference committee on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
4/15/2019  
34747

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachment 1

**Chairman Representative Mike Schatz:** Opens meeting on HB 1019 and attendance is taken. Any comments?

**Representative David Monson:** Section 3 was added, if I read this correctly. I had a question about \$502,000 of the \$759,000 for the CTE (Career and Technical Education) used for new enrollments. Why do they need to have general fund for that?

**Senator Nicole Poolman:** It was negotiated out that they need general funds for that because they expect to have growth going forward.

**(2:20) Representative David Monson:** We do expect growth from more students, but that growth should generate new income. We could put it as special funds.

**Senator Nicole Poolman:** That is covered in section 2 and they are not generating enough fees by what they charge.

**Representative David Monson:** It is not a specific science on how much they will need. I am fine with the study and I would like to see them become self-sustaining. We are hoping there are out of state students coming in and generating even more money. I am looking at **attachment 1** and I still have some trouble with the acronyms. I think we can work out the FTE (full time employee) for those. You have \$1M added to keep reimbursement rates steady. What is the planned reimbursement rate?

**(5:00) Senator Nicole Poolman:** FACS courses are 19%, area career and technology centers are 40%, career development are 35%, occupational programs are 27%, travel at 30% and the cost to continue would decrease those by 2%. The schools and CTE programs that are receiving money would see a 2% cut without receiving any more money.

**Representative David Monson:** What would the reimbursement rates be without them?

**Senator Nicole Poolman:** They would all be reduced 2%.

**Representative David Monson:** Dealing with the Perkins Funds, it looks like we have been reimbursing 27% of the salary. We had it at 30% in the 1990's and it dipped to 24% and we have been increasing it back up to 27%. I want to know exactly how much it would take to stay at exactly 27%.

**Senator Nicole Poolman:** That is just the programs coming in. With the increase in students, that is the money needed.

**(7:55) Representative David Monson:** Adds funding for new and expanding programs is in here at \$1.5M. According to the data they gave us, there were some that had applied and some had not been accepted, they do not need \$1.5M for the approved applications.

**Senator Nicole Poolman:** There have only been \$395,000 approved and there are 12 that have enquired, but not applied. There is certainly room in that number.

**Representative David Monson:** Will they get it? I think \$1.5M may be a bit of an overkill.

**Senator Nicole Poolman:** I was wondering how you felt about the additional adult farm management. We added \$350,000, is that something the House is okay with?

**Representative David Monson:** I guess in our deliberations, we felt that with one of them closing already, they should not need as much. They wanted to be made whole and get all of the money back. I guess we were not convinced they needed that exactly. They should have enough to operate all of their programs.

**(11:20) Senator Robert Erbele:** I think they are wanting to expand 2 more in the NE.

**Senator Nicole Poolman:** The NE and NW.

**Senator Robert Erbele:** I think there would be a needed increase to facilitate that.

**Senator Nicole Poolman:** There are currently two part-time locations that want to increase to full-time.

**Representative David Monson:** I would like to see some data on that and proof of need.

**Chairman Representative Mike Schatz:** It seems to me that the last time we talked about this it dealt with repetition for the people using it.

**(13:15) Representative David Monson:** I understand that things change and just because they took a class 5 years ago, it does not mean it has not changed. It could be like taking biology 101 5 times and getting credit, so we had questions about how effective it is. I would like to see some of the older farmers graduate for a few years and have newer faces get in there.

**Chairman Representative Mike Schatz:** The \$2.4M in secondary grants; are those part of the new and expanding and the reimbursement rates? It does not quite add up.

**(17:15) Senator Nicole Poolman:** It says \$2.4M because there was money moved from the secondary line items.

**Chairman Representative Mike Schatz:** Any other comments or amendments? I am looking at the operating expenses, grants and secondary grants that we differ in. The ETC is being moved to DPI (Department of Public Instruction), so it can be removed.

**Representative David Monson:** This is a new development. Do we need to put this into DPI then? I have no problem moving it with the money, but I wanted to make sure there is a place to put it if we remove it from here. The move from here to DPI and transferring the FTE and money that goes with them. We would be fine with whatever move as long as that is the suggested move by them. This whole move was very confusing.

**Senator Nicole Poolman:** I think it is more of getting rid of a council that does not have much of a purpose. I think they are starting fresh with something different.

**Representative David Monson:** We might need a bit more information on that one.

**Chairman Representative Mike Schatz:** The grants, you have \$2.4M and CDE (Center for Distance Education) is \$757,000, for a total of \$3.3M. Those are the issues I guess we are at and I think we need a bit more information.

**Senator Larry Robinson:** I think we should give ourselves a bit of time to work on these issues.

**(22:45) Chairman Representative Mike Schatz:** Should we shoot for another meeting on Wednesday?

**Senator Larry Robinson:** That will work.

**(23:10) Chairman Representative Mike Schatz:** Closes meeting on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
4/17/2019  
34801

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachments 1-2

**Chairman Representative Mike Schatz:** Opens meeting on HB 1019 and attendance is taken. We have some new information for us here too.

**Representative David Monson:** I have a list of new and expanding programs, but it is not a big deal. What else would you like?

**Chairman Representative Mike Schatz:** We asked for some more information, did we get it?

**Senator Nicole Poolman:** Yes. We asked about how ETC (Education Technology Council) needs to be put into DPI (Department of Public Instruction). There was information on the \$1M calculation on the reimbursement. They were predicting approximately \$8M for CTE (Career and Technical Education) reimbursement. Some attachments on adult farm management came to us as well.

**Levi Kinnischtzke, LC:** Attachments 1 and 2 are the emails forwarded to all of us and it includes the information requested from CTE. I did not print out the payments to schools because it was very lengthy.

**(4:30) Representative David Monson:** Looking at attachment 1, I am not sure I have all of the information I would like yet. Their enrollment has dropped some down to 971, but as we discussed in our committee, we suspected that a lot of these take it over and over and 52% have been in the same course for 10 years. The tuition ranges from \$650-850. Who pays that?

**Senator Robert Erbele:** I believe it is the farmers that pay it.

**Representative David Monson:** If the farmer pays that, what is the total cost? That would be 1,000 people at \$850, that is \$850,000 a year. That should be other funds coming into them. Is this program costing whatever we put in plus that \$1.7M per biennium?

**Mr. Kinnischtzke:** The yearly tuition is paid by the farmers.

**Representative David Monson:** The farmers pay that, but they do not report it. What does the state money do?

**Mr. Kinnischtzke:** The general fund dollars are for a portion of the cost of the program and the farmers pay the remainder.

**(8:25) Representative David Monson:** In a biennium, we are putting in \$1.7M of state money?

**Senator Nicole Poolman:** That is a good point. In many budgets we get to see where the special funds are used or gathered, do we see that in here?

**Mr. Kinnischtzke:** No, those dollars are not collected by the department and not received by the state?

**Senator Nicole Poolman:** We are subsidizing this?

**Mr. Kinnischtzke:** The tuition they end up paying does not come back to the state.

**Senator Robert Erbele:** On the \$2.14M is out share from the state in addition to the tuition payments?

**Mr. Kinnischtzke:** Correct.

**(10:45) Senator Nicole Poolman:** I think we need a better breakdown of program costs.

**Chairman Representative Mike Schatz:** I realize having a lot of committee hearings going on that we do not all have time. Are there any other questions we want answered?

**Senator Nicole Poolman:** What do we think about the cost to continue and expanding programs?

**Chairman Representative Mike Schatz:** I guess we are still at the \$3.355M increase over the House version and I do not feel great about that so far.

**Representative David Monson:** I believe I asked without the \$1M in added funding for cost to continue and maintain reimbursement rates, what would be the reimbursement rates without that.

**Senator Nicole Poolman:** In the testimony provided, they said it would be a reduction of 2% to each of those rates. **Attachment 2** explains the cost to continue.

**(13:35) Representative David Monson:** I would like to have a bit of time to review these attachments. We know there are more students and that this is an area we would really like to grow. We do have the list of new and expanding programs on **page 3 of attachment 2**.

**Chairman Representative Mike Schatz:** I think we all do. Closes meeting on HB 1019.



# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
4/18/2019  
34853

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

Attachment 1

**Chairman Representative Mike Schatz:** Opens meeting on HB 1019 and attendance is taken. We will begin on **attachment 1** and some of the differences we had. The first was the 0.5 FTE (full time employee) transfer. The next was to add funds to ETC (Education Technology Council), where we added \$500,000 and you removed it. The next is adding funds for adult farm management. Add funds for cost to continue and reimbursement rates. The next adds funds to new and expanding programs. Add funds to CDE (Center for Distance Education) and CDE new enrollments. I see about 7 differences.

**Senator Nicole Poolman:** That is all of them.

**Chairman Representative Mike Schatz:** Number 1 and 2; the half position taken out of ETC is moot because ETC is dissolving and there will not be one. That is not a real issue then and that will go over to DPI's (Department of Public Instruction) K-12 coordinating council. Number 2 is gone with it then too. I would like to get down to the adult farm management grants. We had taken out \$350,000 and the Senate put that back in. There were several issues with that involving the reduction of enrollment. We come to \$2.852M per biennium and the payment reimbursement is \$1.66M. That comes to \$1.794M and that is over \$150,000 extra on the reimbursement. Your extra \$350,000 would be \$500,000 total extra and that is why we cut it.

**(6:05) Representative David Monson:** Begins to outline **attachment 1 on page 1**.

**(10:50) Senator Larry Robinson:** They had to shut down some due to short staff employment numbers and that could have an impact on the lower enrollment.

**Senator Nicole Poolman:** This money was not always intended to keep them running, it is to help expand to other corners of ND.

**Senator Robert Erbele:** Early on, I was not aware of it being in-home classes.  
**Representative Mike Schatz:** Anything else on adult farm management? Let's take a look at the extra \$1M for cost to continue and why that was added.

**Senator Nicole Poolman:** Wayde Sick had sent us an email offering where that comes from and it helps them continue their current reimbursement rates. The cost to continue is actually \$1.28M, but some schools may not offer some, so they can absorb the remaining costs.

**(14:10) Representative David Monson:** This is a high priority to me because I believe in these and I know firsthand how big of a difference 25% versus 27% reimbursement. My goal is limit general fund spending and find other places to pull money from. I would like to find more sources of funding. We could fund this from the foundation aid stabilization fund. That will be a tight fund the way it is going forward. There is money in that and it is something we could use as a source of funding for this. I do not know if that is necessarily a good idea.

**Senator Nicole Poolman:** I would rather see us make smaller cuts to each line item and not cut the cost to continue. The new and expanding programs are not a set in stone thing, so we could cut \$200,000 from that line item. I would rather have us remove some here and there than take from foundation aid. That is my preference.

**Chairman Representative Mike Schatz:** Any other comments on that? The next item is \$220,000 for CDE funding. What was that for again?

**Senator Nicole Poolman:** That was a restoration of what had been cut.

**Chairman Representative Mike Schatz:** Did we cut that from the baseline?

**Levi Kinnischtzke, LC:** That \$220,000 was included in the 2017-2019 budget in ITD's (Information Technology Department) budget to meet the guideline of the 10% cut. The \$220,000 was included in the operating budget. The House increased the total amount compared to the Executive recommendation and the Senate added it back in.

**Chairman Representative Mike Schatz:** The last is the CDE new enrollments. I do not remember that being in there.

**(18:50) Mr. Kinnischtzke:** That was discussed in greater terms to the Senate.

**Chairman Representative Mike Schatz:** Were we privileged to that?

**Representative David Monson:** I think we heard that request, but we were working with a smaller number of dollars when we sent this out.

**Chairman Representative Mike Schatz:** Anything else important?

**Mr. Kinnischtzke:** I know the foundation aid fund was mentioned and the estimated balance is approximately \$238,000.

**(20:15) Chairman Representative Mike Schatz:** Closes meeting on HB 1019.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee – Education and Environment Division Roughrider Room, State Capitol

HB 1019  
4/22/2019  
34896

- Subcommittee  
 Conference Committee

Committee Clerk: Parker Oswald

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

### Minutes:

**Chairman Representative Mike Schatz:** Opens meeting and attendance is taken. Are there any ideas on how to reduce the budget a little? I have a few I would like to share quick. The first is the reduction of adult farm management grants, which the Senate had added \$350,000. My proposal is to reduce \$250,000 down to \$100,000. We wanted to take out \$350,000 from the \$1.5M for new and expanding programs for a net of \$1.15M. Next, CDE (Center for Distance Education) new enrollment at \$502,000 with a reduction of \$400,000 for a net of \$102,000 and those reductions total \$1M. That was my proposal.

**Levi Kinnischtzke, LC:** I believe I got everything.

**Senator Larry Robinson:** The maintain reimbursement rates would not be touched?

**Chairman Representative Mike Schatz:** Correct. That is at 27%.

**Senator Nicole Poolman:** Thank you for the proposal and I am glad to see some taken from a few areas instead of one place. I am eager to move forward with these so we do not have to cut too much out. I am comfortable with this.

**Senator Robert Erbele:** I would be satisfied.

**(5:20) Representative David Monson:** Moves a senate recede and further amend to add back in \$100,000 for adult farm management grants, \$1.15M for new and expanding programs and \$102,759 for CDE new enrollments. \$1M is all that is taken out from the Senate's version.

**Senator Nicole Poolman:** If the Senate recedes from ours, we also need to add the changes. Everything would be the same for other areas. It would look like the Senate version except the 3 reductions. **Seconds motions.**

**Chairman Representative Mike Schatz: Roll call vote is taken, motion carries with 6 yeas, 0 nays and 0 absent. Representative Mike Schatz will carry.**

**Chairman Representative Mike Schatz:** Closes meeting on HB 1019.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1521-1523 of the House Journal and pages 1284-1286 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

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	24,587,780	24,587,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	(39,225)	256,982
Adult farm management	579,822	1,314,427	1,894,249
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	9,351,188	9,351,188
Total all funds	\$38,922,949	\$15,845,160	\$54,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
Total general fund	\$29,306,283	\$10,758,705	\$40,064,988
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 \$9,351,188, of which \$6,301,188 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 \$6,301,188 includes a sum of \$102,759 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."

Renumber accordingly

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2.154

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1019 - Dept. of Career and Technical Education - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,699,975	\$4,793,318	\$19,447	\$4,812,765	\$4,812,765	
Operating expenses	1,240,589	2,315,589	42,207	2,357,796	2,357,796	
Grants	30,106,356	9,065,142	142,207	9,207,349	9,207,349	
Grants - Postsecondary	296,207	341,396	(84,414)	256,982	256,982	
Adult farm management	579,822	1,794,242	100,007	1,894,249	2,144,249	(\$250,000)
Workforce training	2,000,000	2,000,000		2,000,000	2,000,000	
Educational Technology Council		770,978	(770,978)			
Grants - Secondary		22,537,780	2,050,000	24,587,780	24,937,780	(350,000)
Center for Distance Education		8,994,167	357,021	9,351,188	9,751,188	(400,000)
Marketplace for Kids		300,000		300,000	300,000	
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$52,912,612</b>	<b>\$1,855,497</b>	<b>\$54,768,109</b>	<b>\$55,768,109</b>	<b>(\$1,000,000)</b>
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121	14,703,121	0
General fund	\$29,306,283	\$37,709,491	\$2,355,497	\$40,064,988	\$41,064,988	(\$1,000,000)
FTE	24.50	52.80	(0.50)	52.30	52.30	0.00

**Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
Salaries and wages	\$19,447					
Operating expenses			\$42,207			
Grants			142,207			
Grants - Postsecondary			(84,414)			
Adult farm management				\$100,007		
Workforce training						
Educational Technology Council		(\$770,978)				
Grants - Secondary			(100,000)		\$1,000,000	\$1,150,000
Center for Distance Education	34,262					
Marketplace for Kids						
<b>Total all funds</b>	<b>\$53,709</b>	<b>(\$770,978)</b>	<b>\$0</b>	<b>\$100,007</b>	<b>\$1,000,000</b>	<b>\$1,150,000</b>
Less estimated income	0	(500,000)	0	0	0	0
General fund	\$53,709	(\$270,978)	\$0	\$100,007	\$1,000,000	\$1,150,000
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

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	Adds Funding for the Center for Distance Education <sup>2</sup>	Total Conference Committee Changes
Salaries and wages		\$19,447
Operating expenses		42,207
Grants		142,207
Grants - Postsecondary		(84,414)
Adult farm management		100,007
Workforce training		
Educational Technology Council		(770,978)
Grants - Secondary		2,050,000
Center for Distance Education	\$322,759	357,021
Marketplace for Kids		
Total all funds	\$322,759	\$1,855,497
Less estimated income	0	(500,000)
General fund	\$322,759	\$2,355,497
FTE	0.00	(0.50)

<sup>1</sup> 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 same as the Senate. The House approved 2019-21 biennium salary increases of 2 percent per year.

<sup>2</sup> Funding of \$770,978 for the Educational Technology Council (ETC) 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. The Senate also removed the funding and FTE for the ETC.

<sup>3</sup> 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

The Senate also provided for these transfers.

<sup>4</sup> Funding of \$100,007 is restored for adult farm management grants to provide a total appropriation of \$1,894,249 from the general fund. The Senate approved \$2,144,249 and the House approved \$1,794,242 from the general fund for this program.

<sup>5</sup> 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 same as provided by the Senate. The House did not provide funding for the cost to continue and to maintain reimbursement rates.

<sup>6</sup> Funding of \$1.15 million is added from the general fund for new and expanding Department of Career and Technical Education secondary programs. The Senate provided \$1.5 million for new and expanding programs. The House did not provide funding for new and expanding programs.

<sup>7</sup> Funding of \$322,759 is added from the general fund for the Center for Distance Education (CDE), of which \$102,759 may be used only for new enrollments during the 2019-21 biennium. The Conference Committee approved a total appropriation of \$9,351,188 for CDE, of which \$6,301,188 is from the general fund and \$3,050,000 is from the independent study operating fund, including 28.80 FTE.

The Senate provided a total appropriation of \$9,751,188 for CDE, of which \$6,701,188 was from the general fund and \$3,050,000 was from the independent study operating fund, including 28.80 FTE positions. The House provided a total of \$8,994,167, of which \$5,944,167 was from the general fund and \$3,050,000 was from the independent

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study operating fund, including 28.80 FTE positions.

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This amendment also:

- Removes sections amending statutory provisions related to the Center for Distance Education and the Educational Technology Council. These sections were also removed by the Senate.
- Adds a section requiring \$102,759 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. The Senate version included \$502,759 from the general fund for this purpose.



**2019 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1019 as (re) engrossed

**House Appropriations Education and Environment Committee**

- Action Taken**
- HOUSE accede to Senate Amendments**
  - HOUSE accede to Senate Amendments and further amend**
  - SENATE recede from Senate amendments**
  - SENATE recede from Senate amendments and amend as follows**
  
  - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

<b>Representatives</b>	4/12	4/15	4/17	<b>Yes</b>	<b>No</b>	<b>Senators</b>	4/12	4/15	4/17	<b>Yes</b>	<b>No</b>
(C) Representative Mike Schatz	X	X	X			Senator Nicole Poolman	X	X	X		
Representative David Monson	X	X	X			Senator Larry Robinson	X	X			
Representative Tracy Boe	X	X	X			Senator Robert Erbele	X	X	X		
Total Rep. Vote						Total Senate Vote					

Vote Count      Yes: \_\_\_\_\_      No: \_\_\_\_\_      Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**2019 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1019 as (re) engrossed

**House Appropriations Education and Environment Division Committee**

- Action Taken**
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative David Monson

Seconded by: Senator Nicole Poolman

Representatives	4/18	4/22		Yes	No	Senators	4/18	4/22		Yes	No
(C) Rep. Schatz	X	X		X		Sen. Poolman	X	X		X	
Rep. Monson	X	X		X		Sen. Erbele	X	X		X	
Rep. Boe	X	X		X		Sen. Robinson	X	X		X	
Total Rep. Vote						Total Senate Vote					

Vote Count      Yes: 6      No: 0      Absent: 0

House Carrier      Representative Mike Schatz      Senate Carrier      Senator Nicole Poolman

LC Number      19.0207      02004      of amendment

LC Number      19.0207      04000      of engrossment

Emergency clause added or deleted

Statement of purpose of amendment:

It will look like: Senate amendment version with reductions of \$250,000 to adult farm management grants, a reduction of \$350,000 to new and expanding programs and a reduction of \$400,000 to CDE new enrollment program for a net reduction of \$1M.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1019, as engrossed:** Your conference committee (Sens. Poolman, Erbele, Robinson and Reps. Schatz, Monson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1521-1523, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1521-1523 of the House Journal and pages 1284-1286 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

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	24,587,780	24,587,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	(39,225)	256,982
Adult farm management	579,822	1,314,427	1,894,249
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	9,351,188	9,351,188
Total all funds	\$38,922,949	\$15,845,160	\$54,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
Total general fund	\$29,306,283	\$10,758,705	\$40,064,988
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 \$9,351,188, of which \$6,301,188 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 \$6,301,188 includes a sum of \$102,759 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 - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,699,975	\$4,793,318	\$19,447	\$4,812,765	\$4,812,765	
Operating expenses	1,240,589	2,315,589	42,207	2,357,796	2,357,796	
Grants	30,106,356	9,065,142	142,207	9,207,349	9,207,349	
Grants - Postsecondary	296,207	341,396	(84,414)	256,982	256,982	
Adult farm management	579,822	1,794,242	100,007	1,894,249	2,144,249	(\$250,000)
Workforce training	2,000,000	2,000,000		2,000,000	2,000,000	
Educational Technology Council		770,978	(770,978)			
Grants - Secondary		22,537,780	2,050,000	24,587,780	24,937,780	(350,000)
Center for Distance Education		8,994,167	357,021	9,351,188	9,751,188	(400,000)
Marketplace for Kids		300,000		300,000	300,000	
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$52,912,612</b>	<b>\$1,855,497</b>	<b>\$54,768,109</b>	<b>\$55,768,109</b>	<b>(\$1,000,000)</b>
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121	14,703,121	0
<b>General fund</b>	<b>\$29,306,283</b>	<b>\$37,709,491</b>	<b>\$2,355,497</b>	<b>\$40,064,988</b>	<b>\$41,064,988</b>	<b>(\$1,000,000)</b>
FTE	24.50	52.80	(0.50)	52.30	52.30	0.00

**Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
Salaries and wages	\$19,447					
Operating expenses			\$42,207			
Grants			142,207			
Grants - Postsecondary			(84,414)			
Adult farm management				\$100,007		
Workforce training						
Educational Technology Council		(\$770,978)				
Grants - Secondary			(100,000)		\$1,000,000	\$1,150,000
Center for Distance Education	34,262					
Marketplace for Kids						
<b>Total all funds</b>	<b>\$53,709</b>	<b>(\$770,978)</b>	<b>\$0</b>	<b>\$100,007</b>	<b>\$1,000,000</b>	<b>\$1,150,000</b>
Less estimated income	0	(500,000)	0	0	0	0
<b>General fund</b>	<b>\$53,709</b>	<b>(\$270,978)</b>	<b>\$0</b>	<b>\$100,007</b>	<b>\$1,000,000</b>	<b>\$1,150,000</b>
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

	Adds Funding for the Center for Distance Education <sup>7</sup>	Total Conference Committee Changes
Salaries and wages		\$19,447
Operating expenses		42,207
Grants		142,207
Grants - Postsecondary		(84,414)
Adult farm management		100,007
Workforce training		
Educational Technology Council		(770,978)
Grants - Secondary		2,050,000
Center for Distance Education	\$322,759	357,021
Marketplace for Kids		
<b>Total all funds</b>	<b>\$322,759</b>	<b>\$1,855,497</b>
Less estimated income	0	(500,000)
<b>General fund</b>	<b>\$322,759</b>	<b>\$2,355,497</b>
FTE	0.00	(0.50)

<sup>1</sup> 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 same as the Senate. The House approved 2019-21 biennium salary increases of 2 percent per year.

<sup>2</sup> Funding of \$770,978 for the Educational Technology Council (ETC) 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. The Senate also removed the funding and FTE for the ETC.

<sup>3</sup> 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	42,207
Total	\$184,414

The Senate also provided for these transfers.

<sup>4</sup> Funding of \$100,007 is restored for adult farm management grants to provide a total appropriation of \$1,894,249 from the general fund. The Senate approved \$2,144,249 and the House approved \$1,794,242 from the general fund for this program.

<sup>5</sup> 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 same as provided by the Senate. The House did not provide funding for the cost to continue and to maintain reimbursement rates.

<sup>6</sup> Funding of \$1.15 million is added from the general fund for new and expanding Department of Career and Technical Education secondary programs. The Senate provided \$1.5 million for new and expanding programs. The House did not provide funding for new and expanding programs.

<sup>7</sup> Funding of \$322,759 is added from the general fund for the Center for Distance Education (CDE), of which \$102,759 may be used only for new enrollments during the 2019-21 biennium. The Conference Committee approved a total appropriation of \$9,351,188 for CDE, of which \$6,301,188 is from the general fund and \$3,050,000 is from the independent study operating fund, including 28.80 FTE.

The Senate provided a total appropriation of \$9,751,188 for CDE, of which \$6,701,188 was from the general fund and \$3,050,000 was from the independent study operating fund, including 28.80 FTE positions. The House provided a total of \$8,994,167, of which \$5,944,167 was from the general fund and \$3,050,000 was 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. These sections were also removed by the Senate.
- Adds a section requiring \$102,759 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

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**House Carrier: Schatz**  
**Senate Carrier: Poolman**

develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the 2021-23 biennium. The Senate version included \$502,759 from the general fund for this purpose.

Engrossed HB 1019 was placed on the Seventh order of business on the calendar.

**2019 TESTIMONY**

**HB 1019**



**Department 270 - Department of Career and Technical Education  
House Bill No. 1019**

**Executive Budget Comparison to Prior Biennium Appropriations**

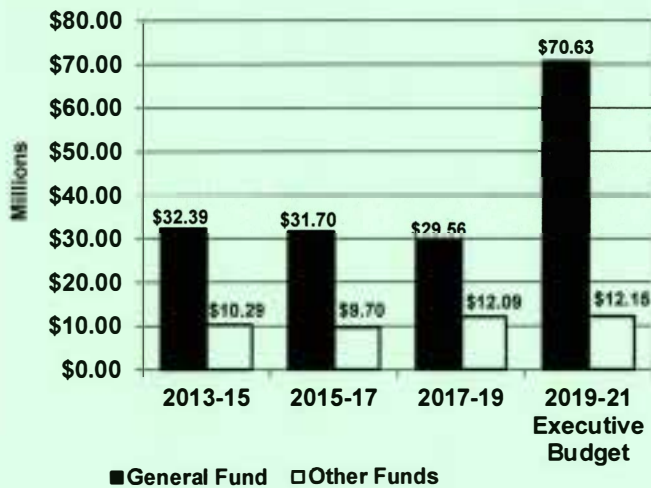
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	53.80	\$70,630,514	\$12,145,373	\$82,775,887
2017-19 Legislative Appropriations <sup>1</sup>	24.50	29,556,283	12,093,666	41,649,949
Increase (Decrease)	29.30	\$41,074,231	\$51,707	\$41,125,938

<sup>1</sup>The 2017-19 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$478,156 resulting from Emergency Commission action during the 2017-19 biennium.

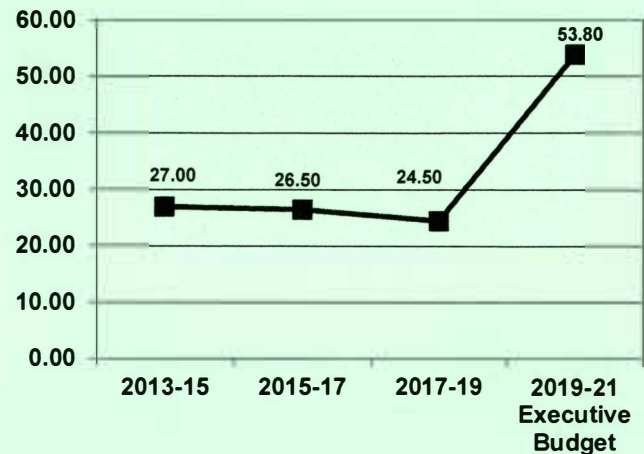
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$40,630,514	\$30,000,000	\$70,630,514
2017-19 Legislative Appropriations	29,306,283	250,000	29,556,283
Increase (Decrease)	\$11,324,231	\$29,750,000	\$41,074,231

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$70,630,514	\$12,145,373	\$82,775,887
2019-21 Base Level	29,306,283	9,616,666	38,922,949
Increase (Decrease)	\$41,324,231	\$2,528,707	\$43,852,938

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$407,262 is for salary increases, \$204,058 is for health insurance increases, and \$33,502 is for retirement contribution increases	\$644,821	\$1	\$644,822
2. Removes 1 FTE assistant program supervisor position	(\$159,737)	\$0	(\$159,737)
3. Transfers 29.80 FTE Center for Distance Education positions from the Information Technology Department	\$8,171,203	\$0	\$8,171,203
4. Transfers 0.50 FTE Educational Technology Council administrative assistant II position from the Information Technology Department	\$76,556	\$0	\$76,556



5. Adds funding for the Educational Technology Council, including operating expenses (\$103,566), capital assets (\$500,000), and grants (\$85,000)	\$188,566	\$500,000	\$688,566
6. Reduces funding for department expenses, including operating expenses (\$7,749), grants (\$220,000), postsecondary grants (\$25,818), and adult farm management grants (\$350,007)	(\$595,825)	(\$7,749)	(\$603,574)
7. Adds funding for anticipated federal funds increases, including operating expenses (\$400,000) and grants (\$1.6 million)	\$0	\$2,000,000	\$2,000,000
8. Adds funding for grants to school districts and area centers to provide a total of \$28,950,988, of which \$23,246,580 is from the general fund and \$5,704,408 is from federal funds	\$2,477,000	\$0	\$2,477,000
9. Increases funding for workforce training grants to provide a total of \$2,525,429 from the general fund	\$525,429	\$0	\$525,429
10. Adds one-time funding for competitive workforce development grants to build career academies	\$30,000,000	\$0	\$30,000,000

**Other Sections Recommended to be Added in the Executive Budget  
(As Detailed in the Attached Appendix)**

**Workforce development grants for career academies** - Section 3 would identify \$30 million of one-time funding from the general fund to the Department of Career and Technical Education for the purpose of providing competitive workforce development grants to build career academies for the 2019-21 biennium. A committee consisting of the leaders or designees of the Department of Career and Technical Education, Department of Commerce, Job Service North Dakota, and Department of Public Instruction would develop a competitive process in consultation with the Workforce Development Council, Economic Development Foundation, and the Career and Technical Education Board, to distribute the funds with a required 1-to-1 match from private sector or political subdivision funds.

**Line item transfers** - Section 4 would authorize the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Department of Career and Technical Education during the 2019-21 biennium.

**Educational Technology Council - Meetings - Compensation** - Section 5 would create and enact North Dakota Century Code Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

**Educational Technology Council - Powers and duties** - Section 6 would create and enact Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.

**Continuing Appropriations**

There are no continuing appropriations for this agency.

**Significant Audit Findings**

The operational audit for the Department of Career and Technical Education conducted by the State Auditor's office for the period ending June 30, 2017 revealed the following significant audit findings:

- The department coded expenditures to incorrect appropriation lines and accounts in the state's accounting system.
- Of the \$100,000 appropriated by the 2015 Legislative Assembly from the general fund to the department for a science, technology, engineering, and mathematics initiative, \$51,408 was spent by the department during the 2015-17 biennium. The remaining \$48,592 was awarded to school districts as additional grant payments instead of returning this funding to the general fund;
- The department made improper payments for salary, travel, and miscellaneous expenditures due to using incorrect reimbursement rates and from unsupported reimbursement requests from school districts;
- The department has not completed a review of access privileges to deactivate login IDs not being used within the budget and reimbursement process (BRP) system; and
- There have been no reconciliations of the state's accounting system to the budget and the BRP system since the BRP system was implemented during the 2014-15 school year.

**Major Related Legislation**

At this time, no major related legislation has been introduced affecting this agency.

**Career and Technical Education - Budget No. 270**  
**House Bill No. 1019**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2019-21 Biennium Base Level</b>	24.50	\$29,306,283	\$9,616,666	\$38,922,949
<b>2019-21 Ongoing Funding Changes</b>				
Base payroll changes		(\$3,782)	\$36,455	\$32,673
Salary increase		407,261	1	407,262
Health insurance increase		204,058		204,058
Retirement contribution increase		33,502		33,502
Removes 1 FTE assistant program supervisor position	(1.00)	(159,737)		(159,737)
Transfers 29.80 FTE CDE positions from ITD	29.80	8,171,203		8,171,203
Transfers 0.50 FTE ETC positions from ITD	0.50	76,556		76,556
Adds funding for the Educational Technology Council		188,566	500,000	688,566
Reduces funding for operating expenses			(7,749)	(7,749)
Adds funding for anticipated federal funds increases			2,000,000	2,000,000
Adds funding for grants to school districts and area centers		2,477,000		2,477,000
Reduces funding for other grants		(220,000)		(220,000)
Reduces funding for postsecondary grants		(25,818)		(25,818)
Reduces funding for adult farm management grants		(350,007)		(350,007)
Adds funding for workforce training grants		525,429		525,429
<b>Total ongoing funding changes</b>	<b>29.30</b>	<b>\$11,324,231</b>	<b>\$2,528,707</b>	<b>\$13,852,938</b>
<b>One-time funding items</b>				
Adds funding for workforce development grants		\$30,000,000		\$30,000,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$30,000,000</b>	<b>\$0</b>	<b>\$30,000,000</b>
<b>Total Changes to Base Level Funding</b>	<b>29.30</b>	<b>\$41,324,231</b>	<b>\$2,528,707</b>	<b>\$43,852,938</b>
<b>2019-21 Total Funding</b>	<b>53.80</b>	<b>\$70,630,514</b>	<b>\$12,145,373</b>	<b>\$82,775,887</b>

**Other Sections for Career and Technical Education - Budget No. 270**

	<b>Executive Budget Recommendation</b>
Workforce development grants for career academies	Section 3 would identify \$30 million of one-time funding from the general fund to the Department of Career and Technical Education for the purpose of providing competitive workforce development grants to build career academies for the 2019-21 biennium. A committee consisting of the leaders or designees of the Department of Career and Technical Education, Department of Commerce, Job Service North Dakota, and Department of Public Instruction would develop a competitive process in consultation with the Workforce Development Council, Economic Development Foundation, and the Career and Technical Education Board, to distribute the funds with a required 1-to-1 match from private sector or political subdivision funds.
Line item transfers	Section 4 would authorize the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Department of Career and Technical Education during the 2019-21 biennium.

**Other Sections for Career and Technical Education - Budget No. 270**

**Executive Budget Recommendation**

Educational Technology Council - Meetings - Compensation

Section 5 would create and enact North Dakota Century Code Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

Educational Technology Council - Powers and duties

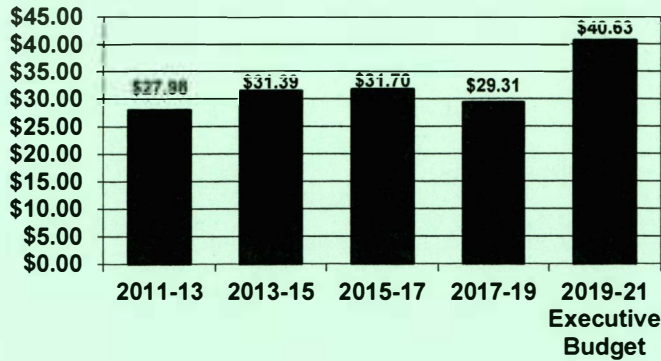
Section 6 would create and enact Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.

Department 270 - Department of Career and Technical Education

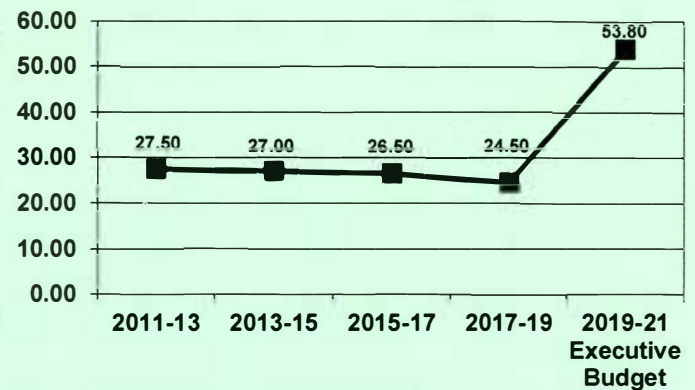
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$27,981,679	\$31,392,916	\$31,698,298	\$29,306,283	\$40,630,514
Increase (decrease) from previous biennium	N/A	\$3,411,237	\$305,382	(\$2,392,015)	\$11,324,231
Percentage increase (decrease) from previous biennium	N/A	12.2%	1.0%	(7.5%)	38.6%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	12.2%	13.3%	4.7%	45.2%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

#### 2013-15 Biennium

- |   |             |
|---|-------------|
| 1. Provided funding to continue current reimbursement rates   | \$500,000   |
| 2. Provided funding for new and expanded programs, to expand online and interactive video delivery of programs, to develop a pilot program to interactively deliver a career and technical education program, and to develop a 14-school emerging technology consortium to reduce costs | \$1,205,000 |
| 3. Provided funding for science, technology, engineering, and mathematics (STEM) programs   | \$150,000   |
| 4. Provided funding for the STEM network  | \$300,000   |

#### 2015-17 Biennium

- |  |             |
|--|-------------|
| 1. Added funding to continue Cass County Area Technology Center  | \$500,000   |
| 2. Added funding to increase reimbursement rates and for secondary and postsecondary career and technical education programs               | \$700,000   |
| 3. Added funding for new and expanding programs to increase course offerings   | \$700,000   |
| 4. Reduced funding for grants, including STEM program grants (\$160,000), STEM network (\$140,000), and other grant adjustments (\$10,436) | (\$310,436) |
| 5. Added funding for a STEM advancement initiative   | \$93,450    |

#### 2017-19 Biennium

- |  |             |
|--|-------------|
| 1. Removed 1 FTE assistant program supervisor position and related funding of \$157,200 and 1 FTE program coordinator position (funding of \$171,382 from the general fund for this position was removed as part of the August 2016 budget reductions) | (\$157,200) |
| 2. Restored salaries and wages funding from the general fund removed as part of the August 2016 budget reductions  | 168,618     |
| 3. Adjusted funding for postsecondary grants, including a \$290,500 transfer from the postsecondary grants line item to the grants line item for STEM grants related to K-12 education   | (\$364,906) |
| 4. Adjusted funding for adult farm management grants   | (\$80,616)  |



- |  |             |
|--|-------------|
| 5. Adjusted funding for workforce training grants to provide total funding of \$2 million from the general fund  | (\$803,500) |
| 6. Adjusted funding for state-funded grants, including a \$290,500 transfer from the postsecondary grants line item to the grants line item for STEM grants related to K-12 education  | (\$883,934) |
| 7. Removed ongoing funding for the Marketplace for Kids program. (Funding of \$300,000 was added as a one-time appropriation, of which \$250,000 was from the general fund and \$50,000 was from the foundation aid stabilization fund.) | (\$250,000) |

**2019-21 Biennium (Executive Budget Recommendation)**

- |  |             |
|--|-------------|
| 1. Removes 1 FTE assistant program supervisor position   | (\$159,737) |
| 2. Transfers 29.80 FTE Center for Distance Education positions from the Information Technology Department                              | \$8,171,203 |
| 3. Transfers 0.50 FTE Educational Technology Council administrative assistant II position from the Information Technology Department   | \$76,556    |
| 4. Adds funding for grants to school districts and area centers to provide total ongoing funding from the general fund of \$23,246,580 | \$2,477,000 |
| 5. Adds funding for workforce training grants  | \$525,429   |

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF CAREER AND TECHNICAL  
EDUCATION AS SUBMITTED BY THE  
OFFICE OF MANAGEMENT AND BUDGET**

**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, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,699,975	\$6,291,927	\$10,991,902
Operating Expenses	1,240,589	2,969,407	4,209,996
Capital Assets	-	500,000	500,000
Grants	30,106,356	34,642,000	64,748,356
Grants-Postsecondary	296,207	(25,818)	270,389
Adult Farm Management	579,822	(350,007)	229,815
Workforce Training	<u>2,000,000</u>	<u>(174,571)</u>	<u>1,825,429</u>
Total all funds	\$38,922,949	\$43,852,938	\$82,775,887
Less estimated income	<u>9,616,666</u>	<u>2,528,707</u>	<u>12,145,373</u>
Total general fund	\$29,306,283	\$41,324,231	\$70,630,514
Full-time equivalent positions	24.50	29.30	53.80

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
School district and area center grants	2,427,000	-
Marketplace for kids	300,000	-
Career academies	-	<u>30,000,000</u>
Total all funds	2,727,000	30,000,000
Total special funds	<u>2,477,000</u>	<u>30,000,000</u>

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000 in section 1, or so much of the sum as may be necessary, to career and technical education for the purpose of providing competitive grants to build career academies throughout the state, for the biennium beginning July 1, 2019, and ending June 30, 2021. A committee comprised of the leaders or their designees of career and technical education, the department of commerce, job service north Dakota and the department of public instruction will develop a competitive process in consultation with the workforce development council, economic development foundation and the career and technical education board, to distribute the funds with a required one to one match from the private sector or political subdivision.

**SECTION 4. TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this act for the department of career and technical education as may be requested by the state director as determined necessary for activities that are proper and consistent with the provisions of this act.

**SECTION 5.** Sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code are created and enacted as follows:

**15-20.1-26. Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.
  - f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.
  - h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of non public schools.
3. The council shall select a chairman from among its members.
4. The term of office for the members appointed by the governor is four years.
5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty cents per day and to reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**15-20.1-27. North Dakota educational technology council - Powers and duties.**

The educational technology council shall:

1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.
6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
7. Appoint a technology director who shall serve at the will of the council.
8. Hire the director of the center for distance education.



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**House Appropriations  
Education and Environment Division  
HB 1019**

**Department of Career and Technical Education  
January 9, 2019**

Chairman Monson and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education.

As the state's economy continues to grow and diversify, we continue to hear that the number one issue holding the state back is a lack of a skilled workforce. The state has low unemployment rates, high labor participation rates and many unfilled jobs. The solution to introduce and deliver the skills and training needed is through Career and Technical Education, at both secondary and postsecondary levels. To continue to provide this exposure and training to our students, we need to continue to provide access not only in our metro areas, but in rural North Dakota as well.

According to the December 2018 Online Job Openings Report, published by Job Service North Dakota, we have 13,373 open jobs in ND. There has been discussion that this number is much lower than the actual number, due to various reasons. Estimates are around 30,000. According to the data, around 75% of the jobs open in North Dakota require an associate degree or less. These are the types of careers CTE can provide the foundation for, although many careers that require a bachelor's degree or more can be tracked back to one of the current CTE Coordinated Plans of Study. A plan of study is a series of secondary courses assembled that can qualify a student for the CTE State Scholarship.

According to the national state directors' association, AdvanceCTE research, students and parents are very happy with the education students receive when they enroll in CTE

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courses. This is not an attempt to bash general education, but an attempt to show the value of CTE. As a former teacher, I was asked several times, “why do we need to learn this” or “when am I ever going to use this?” Career and Technical Education instructors can always provide an answer that a student can understand and appreciate.

The mission of the State Board for Career and Technical Education is to work with others to provide all North Dakota citizens with the technical skills, knowledge, and attitudes necessary for successful performance in a globally competitive workplace. In other words, provide the skills needed to continue to grow our economy; provide a quality education to our students, while working with business and industry to ensure the skills taught are truly on a career path to success and to fill our workforce needs. The Department of Career and Technical Education does this by providing funds and technical assistance to CTE programs around the state and ensuring quality and employer alignment.

As you may be aware, in October 2018, the North Dakota Workforce Development Council published several recommendations for the Governor to consider when he developed his executive budget. These recommendations were made after over a year of data analysis and stakeholder engagement conversations. On the screen you will see the 5 strategic themes all the recommendations fall in to. They are:

- 1) Technical Skills Gap
- 2) Need for Youth Engagement and Earlier and More Diverse Career Exploration
- 3) Nursing and Healthcare Technical Shortage
- 4) Support for Populations with barriers to employment
- 5) Need for net in-migration of North Dakotans

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Career and Technical Education can play a role in at least the first four priorities and to a lesser degree priority number five. Career and Technical Education is providing career exposure and foundational skills. We are not perfect and there is still work to be done in these areas that the department and K12 education does need to improve upon. Access to all is one area of improvement, earlier engagement is a second and alignment with postsecondary and business and industry is a third. Under Wayne Kutzer, former state director, the state has made strides to improve and expand CTE. I plan to continue to build on those efforts.

The Department of Career and Technical Education provides technical assistance and financial support to CTE programs and teachers across the state. We require industry standards where they are available, assist programs in selecting curriculum that matches those industry standards and we evaluate programs every five years. We also provide technical assistance to middle schools, some elementary programming in STEM and entrepreneurship, as well as all the public and tribal two-year campuses. We evaluate the campuses' CTE programs also on a five-year cycle and certify their CTE instructors. Our responsibility to the two-year campuses is through the federal "Carl Perkins" funding we administer. Every CTE program must provide a student leadership component, with many schools electing to meet this requirement through a Career and Technical Student Organization (CTSO). The current CTSOs in the state are FFA, SkillsUSA, DECA, FBLA, FCCLA, TSA. Our staff provide the statewide leadership and coordination. CTSOs are a great leadership and motivating factor for students.

Currently the state supports the program areas listed on this slide. It is also the yellow sheet in your packet. The Department commits much of its time providing technical assistance and funding to these programs. Trade, Industry and Health Sciences is unique as all the

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instructors in these classrooms and labs once were in their respective industries. Through a partnership with Valley City State University and the Education Standards and Practices Board, we have developed a transition to teaching program that allows individuals to move into the classrooms. The slide you see now lists the various Trade, Industry and Health Sciences programs offered by our high schools and career and technical centers. We have seen program growth and unfortunately in some cases decline over the years. Many times, programs discontinue when schools are unable to find an instructor when a vacancy occurs. Overall though, we have seen a net increase of 30 programs since 2015. This is an area where distance education may be the answer to ensure students have access to programs, no matter where they may attend school.

So, what is the current impact of Career and Technical Education? During the 2017-18 school year, 21,880 high school students took at least one CTE course, with 6,520 of them being concentrators. During the same year 11,144 colleges students took at least one CTE course with 5,919 concentrators. If you look at this slide, you will see that this is consistent with what we have had through the years.

The next slide will show you how well our high school CTE concentrators are doing. As you can see, a huge measure of CTE concentrator success is in our graduation rates, especially in the areas of minorities and economically disadvantaged youth. Math and reading achievement numbers are misleading as we use the State Assessments for achievement rates. Students take the reading and math state assessments in their 10<sup>th</sup> grade year, prior to them having the opportunity to take full advantage of Career and Technical Education opportunities.

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An extremely visible part of Career and Technical Education are the Career Technical Student Organizations or CTSOs. Each of these CTSOs relate back to specific coursework. Being involved in a CTSO is not extracurricular. It is co-curricular. Every year thousands of students across ND participate in CTSOs through the various competitions and leadership events. The Department is exploring how we can support another CTSO, HOSA or the Health Occupations Student Association. This association is growing in North Dakota, thanks to the work of the Area Health Education Centers or AHEC.

So how does Career and Technical Education provide these services? In your materials is a listing of our nine-member Board, six appointed by the Governor from six regions across the state and three legislated members. The plane white sheet in your packet lists our current board. The CTE Board operates much like a school board in that it sets our policies on funding to schools, programming that we support, teacher certification, and our funding priorities. There is also a listing of the Area Career and Technology Centers in your materials. This is the green sheet in your packet. It lists the member schools and the CTE programming they each offer. Area Centers have become an increasingly valuable delivery tool for CTE programming. Much of the increase in accessibility to CTE is due to their efforts. Later you will hear from Dr. Alan Peterson from the Center for Distance Education. The Governor, in his executive budget, recommends the Center for Distance Education become a part of the Department of Career and Technical Education. I believe this merger will benefit the students of North Dakota by providing more access to the quality CTE programs offered not only at the Area Career and Technology Centers, but by the traditional high school programs. Dr. Peterson will be able to explain the mission of CDE and how this partnership will align.

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As requested by the committee, I will now discuss our most current fiscal audit. The most recent financial audit had five findings. They are as follows along with the department's corrective action.

- 1) The Department of Career and Technical Education coded expenditures to incorrect appropriation lines and accounts in the state's accounting system. Funds that were listed in our grant line were used for expenditures considered operating expenditures. The funds were used to fund the RUReady career planning online platform and teacher mentor stipends. Our corrective action is to work with OMB and the legislative branch to move the appropriate dollar amounts from the grant line into an operating line. The agency feels these programs are vital to the success of CTE in the state and need to continue. To meet the state auditor's office recommendation, the Department will need to move \$142,207 of General Funds grant dollars and \$575,000 of Federal Fund grant dollars to our operating line.
- 2) The Department overspent their general funds spending authority for the STEM advancement initiative. The agency was appropriated \$100,000 to expand STEM. Of the \$100,000, \$51,408 was spent on the STEM initiative. The remaining funds were used as grants to schools to support current CTE programming in the form of supplemental payments. The Department's Corrective action is to eliminate supplemental payments to schools and centers, effective the 2017-18 school year. This may be a hardship to these programs, but it is not the intent of those funds.
- 3) The Department made improper payments for salary, travel and miscellaneous expenditures. Programs are reimbursed a portion of the expenditures of salary, travel and supplies. The information the auditor's office reviewed did include mistakes made

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by CTE staff (\$6,176 of \$429,149, primarily in travel expenditures. Corrective action includes more training for CTE staff to minimize mistakes and to require schools and CTE centers to include all expenditure and travel receipts.

- 4) The Department has not completed a review of access privileges to deactivate login IDs for the Budget and Reimbursement Process (BRP). The agency has implemented an annual review process to find and deactivate inactive accounts.
- 5) The agency did not complete a reconciliation between ConnectND and BRP or Budget Reimbursement Process. The timeframe reviewed during the audit was during the pilot stage of the BRP system. It was in test form and was not to be used as the final reimbursement program. The agency staff went through additional and tedious steps to ensure reimbursements were correct. Updates to the BRP system have been made and the system is operational, allowing for a reconciliation.

The next request of the committee are the major components of the Department's base budget. The next slide fulfills this request. This can also be found on House Bill 1019. I will briefly go through each line item. Salaries and Operating Expenses are self-explanatory. I will explain grants during the next slide, specifically general fund grants. The Postsecondary grants are for the enhancement and expansion of new programs at the community colleges. The Adult Farm Management provides funds to support instructors that assist our state's farmers and ranchers. The Adult Farm Management program consistently supports around 600 farmers and ranchers each year to become more profitable. This slide shows how since 2008, farmers and ranchers that are in the Adult Farm Management program have additional Net Farm Income compared to all other North Dakota farms. Levi Helmuth, an Adult Farm Management Instructor, will explain this program in further detail later. Also, to ensure

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transparency, I will explain why my slide amount does not match up with budget sheets you may have received and are in House Bill 1019. The current legislatively appropriated line for Adult Farm Management is \$579,822. The State Board for Career and Technical Education also has a line item within the overall grant line of \$1,564,427 designated to support the Adult Farm Management program. This brings the base budget amount for Adult Farm Management to \$2,144,249. The final line item that is a major component of our base budget is the Workforce Training line item of \$2,000,000. These funds are allocated to support the four TrainND regions around the state. Sara Vollmer from TrainND Southwest will provide testimony later, explaining the impact of TrainND. The agency base budget is comprised of \$29,306,283 in General Funds, \$9,461,692 Federal Funds and \$154,974 of Special Funds. Our federal funds primarily support secondary and postsecondary CTE programs with the purchase of equipment and to support special populations and non-traditional students to enroll in CTE and succeed in CTE coursework.

The next slide breaks down the general fund secondary grants the agency administers. They are:

- Secondary Program Reimbursement – The agency reimburses CTE programs at schools and area career and technology centers for a portion of their expenses as well as providing a 4% incentive for providing coursework to other schools.
- STEM Matching – The STEM Matching grant is a grant where schools can receive \$15,000 from the Department to encourage business and industry partners to participate in and contribute to STEM activities in K12 Education. This is a matching grant that requires a dollar for dollar match from the private sector.



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- Emerging Technology Grants – The Emerging Technology program is a program that supports the development of Emerging Technology Consortiums. Currently there are seven consortiums in the state, including 97 schools. The intent of the program is for the schools to share high price STEM equipment instead of purchasing it on their own.
- Innovative Grants – These are small grants that are awarded to support activities such as FIRST Robotics, VEX Robotics and other related STEM activities.
- Technical Assessments – A number of Area Career and Technology Centers provide technical assessments for students. This is a pre and post test system to illustrate student learning.
- Pilot Distance Delivery Grant – This is a program that can be used to provide distance access of CTE programming.

The next slide illustrates the reductions the agency submitted to make the 90% budget at the request of the Governor's Office. This is also the blue sheet in your packet. The Governor's request was to hold K12 spending even, while cutting 10% of the remaining budget. The Department of Career and Technical Education reduction totaled \$930,133. The reductions and explanations of why these reductions were made are as follows:

- Adult Farm Management – This reduction is of anticipated unused funds during the 2017-19 biennium, but a reduction will not allow us to expand the program into underserved areas.
- Workforce Training – This reduction was to fulfill the final 10% reduction.
- Program Enhancements to postsecondary programs – This was a 10% reduction.

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- Part Time Adult – The part time adult program was a reimbursement to schools to provide adult training. The program was small and underutilized.
- STEM Infusion Initiative – This is a contract with NDSCS to assist schools to develop STEM activities with targeted populations. We feel this work can be brought within the agency.
- 1 FTE – We were required to reduce our FTE count by 5%, which equates to one Full Time Equivalent. This has been a vacant position.

The next request of the committee is to explain the 2019-21 Budget Recommendations included in the Executive Budget. As you can see major increases were made that I will explain during the following few slides. The spreadsheet breaks the budget down by CTE, CDE and ETC, which I will explain the later slides.

- Salaries - These increases include an FTE increase of 29.30, but this is a transfer from the Information Technology Department, not the creation of new positions.
- Operating Expenses – Again this is an increase due to the transfer of programming from ITD.
- Capital Assets – This is Federal Spending Authority that was provided to the Education Technology Council.
- Grants – This is a large increase due to the Career Academy Grant program. I will go into detail about this program.
- I have already explained the Postsecondary Grants, Adult Farm Management and Workforce Training Line items.

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The total executive budget for the Department of Career and Technical Education is \$82,775,887; with \$70,630,514 in General Funds, \$12,048,148 in Federal Funds and \$97,225 in Special Funds.

The major increase in the grants line is due to the Governor's recommendation of a competitive Career Academy Grant Program. This is a \$30 million competitive matching grant program. The proposal was also a recommendation of the Workforce Development Council and would require a one to one match from private or political subdivisions. To ensure partnership and industry alignment, guidance will be drafted, and applications will be reviewed by a team comprised of representatives from CTE, DPI, JSND and the Department of Commerce. This idea stems from the success that has been seen from other centers such as the Bismarck Career Academy. Applicants will be required to ensure there is industry and community support and higher education partnership including dual credit and postsecondary offerings. There are several people in the audience today that will be providing testimony for this program. To provide communities the time to complete the application process and begin work, the legislature may want to consider continuing appropriation or an exemption. This work may not be completed by the end of the 2019-21 biennium.

The second increase is due to the transfer of the Center for Distance Education to the Department of Career and Technical Education. A policy bill will be introduced that will change statute to move CDE under the Department of CTE. As I mentioned, this partnership/merger will further provide access to students across the state. Currently our Area Career and Technology Centers are providing distance education. Combining these two entities can cut down on unnecessary duplication and leverage the expertise each have. ACTE Centers have

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content and instructional expertise. CDE possesses distance education knowledge. As previously mentioned Dr. Peterson will be able to elaborate on CDE and the transition.

The final major change is the transfer of the Education Technology Council to the Department of Career and Technical Education. A policy bill will be introduced that will transition the duties of the ETC to a K12 collaboration board. Currently the ETC is an advisory council to EduTech and the Center for Distance Education.

The final request of the committee is to report if we are aware of any changes to federal funding. Currently, we do not anticipate any major changes to funding levels of our federal Perkins funds.

To conclude my testimony, I would like the opportunity to discuss the agency change requests to the executive budget recommendations. They are on the screen and is the gold sheet in your packet. They are as follows:

- Marketplace for Kids – The Department of Career and Technical Education has supported Marketplace for Kids to provide elementary entrepreneurship programming in schools across the state. During the 2017-18 school year, over 5,600 students participated in one of eleven events held in various locations across the state. State Director Robert Heitkamp will provide testimony later about the impact of this program.
- Cost to Continue – In order to continue to fund our current programs at the current reimbursement rates, the department estimates we will need an additional \$1,000,000. Without this funding, we will be forced to reduce reimbursement rates across all programs.

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- New and Expanding Programs – At the request of the department, the Governor included \$700,000 for new and expanding programs. Due to the recent increase in programming, we believe this will be inadequate to keep up with new and expanding program demands. We are requesting an additional \$800,000 to meet this growth, bringing our new and expanding total to \$1,500,000.
- Restore Adult Farm Management Reduction – By restoring the cut, funding will allow for programs to expand into underserved areas. Gaps in services exist in the extreme northwest and northeast parts of the state.
- Restore Workforce Training Reduction – Restoring the cut to TrainND will allow for TrainND to continue to operate at its current level and ensure it is providing incumbent worker training.

Chairman Monson and members of the committee, this concludes my testimony. I would be happy to answer any questions you may have. If you do not have any, I would like to ask Sara Vollmer, TrainND Director of the southwest region to provide details on the TrainND program.

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## CTE Program Areas

Agriculture Education

Business Education

Career Development

Career Resource Network

Family and Consumer Sciences

Information Technology

Marketing Education

Special Populations

Technology and Engineering Education

Trade, Industry and Health Sciences (T&I)

Auto Collision

Auto Technology

Aviation

Commercial Art

Building Trades

CDL

Culinary Arts

Diesel Technology

Drafting

Electronics

Facilities Maintenance

Graphic Arts

Health Sciences

Machine Tooling

Oil & Gas Technology

Power Sports Engines

Radio Broadcasting

Welding Technology

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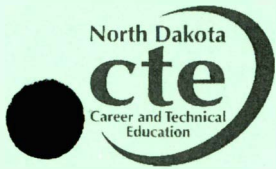
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# Area Career and Technology Centers

[www.nd.gov/cte/links/centers.html](http://www.nd.gov/cte/links/centers.html)

Member School Districts - 93

## Secondary Programs Offered 2018-19

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<b>Cass County Career &amp; Technical Education Center (Virtual)</b>	
<a href="http://www.casscte.com">www.casscte.com</a>	
<b>Member Schools</b> Central Cass Fargo Northern Cass West Fargo	<b>Programs</b> Agricultural Education Automated Manufacturing Aviation Technology Diesel Technology Health Sciences Information Technology Welding Technology
<b>Grand Forks Area Career &amp; Technology Center (Virtual)</b>	
<a href="http://www.gfareactc.org">www.gfareactc.org</a>	
<b>Member Schools</b> Central Valley Grand Forks Hatton Hillsboro Larimore May-Port CG Northwood Thompson	<b>Programs</b> Agricultural Education Automotive Technology Aviation Technology Health Sciences Information Technology
<b>Great Northwest Area Career and Technology Center (Virtual)</b>	
<a href="http://www.gnwec.k12.nd.us/programs/career_tech_center">www.gnwec.k12.nd.us/programs/career_tech_center</a>	
<b>Member Schools</b> Alexander Burke Central Divide County Grenora Mandaree New Town Parshall Powers Lake Ray Stanley Tioga Trenton Watford City Williston Yellowstone	<b>Programs</b> Agricultural Education Automotive Technology Construction Technology Health Sciences Welding Technology
<b>James Valley Area Career &amp; Technology Center (Jamestown)</b>	
<a href="http://www.jamestown.k12.nd.us/james-valley-ctc">www.jamestown.k12.nd.us/james-valley-ctc</a>	
<b>Member Schools</b> Gackle-Streeter Jamestown Montpelier Pingree-Buchanan	<b>Programs</b> Agricultural Education Automotive Collision Automotive Technology Business Education Career Development Early Childhood Education Construction Technology Health Sciences Machining Technology



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**Lake Area Career & Technology Center (Devils Lake)**

[www.devils-lake.k12.nd.us/lactc](http://www.devils-lake.k12.nd.us/lactc)

**Member Schools**

Devils Lake High School  
Minnewaukan  
Munich  
North Dakota School for the Deaf  
Starkweather

**Programs**

Automotive Technology  
Business Education  
Career Development  
Early Childhood Education  
Construction Technology  
Culinary Arts  
Health Sciences  
Information Technology  
Marketing Education  
Special Populations  
Welding Technology

**Missouri River Area Career & Technology Center (Virtual)**

[www.mrecnd.org/mractc](http://www.mrecnd.org/mractc)

**Member Schools**

Ashley  
Beulah  
Bismarck  
Center-Stanton  
Elgin-New Leipzig  
Flasher  
Garrison  
Goodrich  
Hazen  
Hazelton/Moffit/Braddock  
(HMB)  
Kidder County  
Linton  
Mandan  
McClusky  
Napoleon  
New Salem  
Selfridge  
Solen-Cannonball  
Standing Rock  
Strasburg  
Turtle Lake-Mercer  
Underwood  
Washburn  
White Shield  
Wilton  
Wing  
Wishek  
Zeeland

**Programs**

Agricultural Education  
Aviation Technology  
Early Childhood Education  
Graphic Communications  
Electronics Technology  
Health Sciences  
Information Technology  
Marketing Education  
Technology and Engineering Education  
Welding Technology

**North Valley Area Career & Technology Center (Grafton)**

[www.northvalleyctc.org](http://www.northvalleyctc.org)

**Member Schools**

Cavalier  
Grafton  
Inkster (Midway)  
North Border Pembina  
North Border Walhalla  
Park River  
St. Thomas  
Valley-Edinburg

**Programs**

Agricultural Education  
Automotive Technology  
Business Education  
Career Development  
Building Trades  
Health Sciences  
Marketing Education  
Machining Technology  
Welding Technology

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<b>Roughrider Area Career and Technology Center (Virtual)</b>	
<a href="http://www.ractc.k12.nd.us">http://www.ractc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Beach Belfield Dickinson Glen Ullin Hebron Hettinger	Killdeer Mott-Regent New England Richardton-Taylor Scranton South Heart
<b>Sheyenne Valley Area Career and Technology Center (Valley City)</b>	
<a href="http://www.sheyennevalleyctc.k12.nd.us">www.sheyennevalleyctc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Barnes County North at Wimbledon Maple Valley-Tower City Valley City	Agricultural Education Automotive Technology Career Development Building Trades Graphic Communications Health Sciences Information Technology Welding Technology
<b>Southeast Region Career &amp; Technology Center (Wahpeton &amp; Oakes)</b>	
<a href="http://www.srctc.k12.nd.us">www.srctc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Campbell-Tintah Ellendale Fairmount Hankinson Lidgerwood Lisbon North Sargent Oakes Richland #44 Sargent Central Wahpeton Wyndmere	Agricultural Education Automotive Technology Career Development Early Childhood Education Building Trades Health Sciences Marketing Education Restaurant Management

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**Governor's 90% Request Guidelines  
Proposed Budget Reductions  
for Career and Technical Education**

Adult Farm Management	\$350,007
Workforce Training (TrainND)	\$174,571
Program Enhancements (Post-Secondary)	\$25,818
Part Time Adult	\$40,000
STEMii	\$180,000
FTE (Trade & Industry Assistant Supervisor)	\$159,133
<b>TOTAL</b>	<b>\$930,133</b>

**STATE BOARD FOR CAREER AND TECHNICAL EDUCATION**  
**Compare Adjusted 2017 - 2019 - 2021 Biennium Budget**

FUNDS BY LINE ITEM		2017 - 19 Adjusted Budget	Executive Recommendations			Executive Budget			Total Budget	Optional Request
			CTE	CDE	ETC	CTE	CDE	ETC		
<b>SALARIES AND WAGES</b>										
	State	\$4,082,376	(\$163,618)	\$6,336,000	\$82,990	\$3,918,858	\$6,336,000	\$82,990	\$10,337,848	
	Federal	\$617,599	\$36,455			\$654,054			\$654,054	
	Special	\$0							\$0	
	<b>Total</b>	<b>\$4,699,975</b>	<b>(\$127,063)</b>	<b>\$6,336,000</b>	<b>\$82,990</b>	<b>\$4,572,912</b>	<b>\$6,336,000</b>	<b>\$82,990</b>	<b>\$10,991,902</b>	
<b>OPERATING EXPENSES</b>										
	State	\$423,871		\$2,577,156		\$423,871	\$2,577,156		\$3,001,027	
	Federal	\$661,744	\$400,000			\$1,061,744			\$1,061,744	
	Special	\$154,974	(\$7,749)			\$147,225			\$147,225	
	<b>Total</b>	<b>\$1,240,589</b>	<b>\$392,251</b>	<b>\$2,577,156</b>	<b>\$0</b>	<b>\$1,632,840</b>	<b>\$2,577,156</b>	<b>\$0</b>	<b>\$4,209,996</b>	
<b>CAPITAL ASSETS</b>										
	State								\$0	
	Federal				\$500,000			\$500,000	\$500,000	
	Special								\$0	
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>	
<b>GRANTS</b>										
	State	\$22,174,007	\$32,707,000		\$85,000	\$54,881,007		\$85,000	\$54,966,007	\$6,950,000 **
	Federal	\$8,182,349	\$1,600,000			\$9,782,349			\$9,782,349	
	Special	\$2,477,000	(\$2,477,000)			\$0			\$0	
	<b>Total</b>	<b>\$32,833,356</b>	<b>\$31,830,000</b>	<b>\$0</b>	<b>\$85,000</b>	<b>\$64,663,356</b>	<b>\$0</b>	<b>\$85,000</b>	<b>\$64,748,356</b>	
<b>GRANTS POST SECONDARY</b>										
	State	\$296,207	(\$25,818)			\$270,389			\$270,389	
	Federal	\$0							\$0	
	Special	\$0							\$0	
	<b>Total</b>	<b>\$296,207</b>	<b>(\$25,818)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$270,389</b>	<b>\$0</b>	<b>\$0</b>	<b>\$270,389</b>	
<b>ADULT FARM MANAGEMENT</b>										
	State	\$579,822	(\$350,007)			\$229,815			\$229,815	\$350,007
	Federal	\$0							\$0	
	Special	\$0							\$0	
	<b>Total</b>	<b>\$579,822</b>	<b>(\$350,007)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$229,815</b>	<b>\$0</b>	<b>\$0</b>	<b>\$229,815</b>	
<b>WORKFORCE TRAINING</b>										
	State	\$2,000,000	(\$174,571)			\$1,825,429			\$1,825,429	\$174,571
	Federal	\$0							\$0	
	Special	\$0							\$0	
	<b>Total</b>	<b>\$2,000,000</b>	<b>(\$174,571)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,825,429</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,825,429</b>	
<b>FUNDS BY SOURCE</b>										
	GENERAL FUND	\$29,556,283	\$31,993,086	\$8,913,156	\$167,990	\$61,549,369	\$8,913,156	\$167,990	\$70,630,515	\$7,474,578
	FEDERAL FUND	\$9,461,692	\$2,036,455	\$0	\$500,000	\$11,498,147	\$0	\$500,000	\$11,998,147	
	SPECIAL FUND	\$2,631,974	(\$2,484,749)	\$0	\$0	\$147,225	\$0	\$0	\$147,225	
	<b>TOTAL</b>	<b>\$41,649,949</b>	<b>\$31,544,792</b>	<b>\$8,913,156</b>	<b>\$667,990</b>	<b>\$73,194,741</b>	<b>\$8,913,156</b>	<b>\$667,990</b>	<b>\$82,775,887</b>	<b>\$7,474,578</b>

\*\* \$5,500,000 Increase reimbursement rates  
 \$500,000 Maintain current rates  
 \$700,000 New & Expanded  
 \$250,000 Marketplace

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CTE's Change Requests to Executive Budget

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Marketplace for Kids	\$300,000
Cost to Continue	\$1,000,000
New and Expanding Programs (currently \$700,000 in Gov. Budget)	\$1,500,000
Restore Adult Farm Management Reduction	\$350,007
Restore Workforce Training Reduction	\$174,571
<b>TOTAL</b>	<b>\$3,324,578</b>



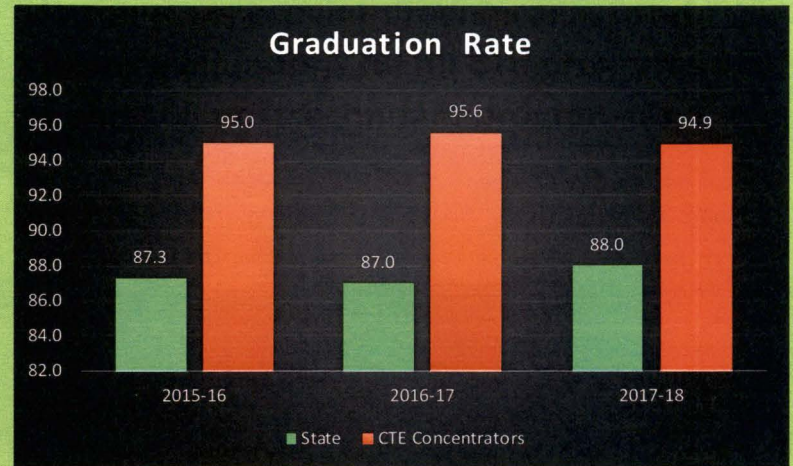


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The Department of Career and Technical Education (CTE) provides technical assistance, professional development activities, and performs evaluations for all CTE programs in the state, which includes 568 secondary and 168 postsecondary programs.

## 94.93%

In 2018, 94.93% of “CTE Concentrators” in North Dakota graduated on time, compared to 88% of all high school students. A CTE Concentrator is a student who has earned two or more credits in a single CTE program area recognized by the state.



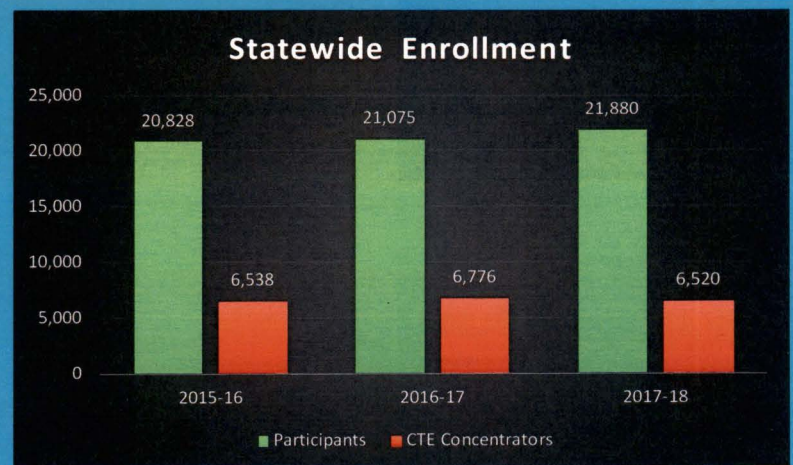
There are over **177** individual CTE courses offered as electives for schools.

- ### Career & Technical Education:
- Connects students to real careers.
  - Makes education meaningful through applied learning.
  - Provides a talent pipeline for North Dakota businesses.

Since the 2014-15 school year, the number of approved CTE programs of study has grown by **5.5%**.

Approximately **9 out of 10** secondary CTE students in North Dakota met or exceeded the state’s technical skills proficiency level.

High School CTE program duplicated enrollment is **31,024**. The unduplicated high school student count is **21,880** or **69%** of all high school students.



# CTE Program Areas

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## Agricultural Education

Provides leadership, support, and curriculum integration for state agricultural education programs, the FFA career and technical student organization and postsecondary students in agriculture. Works with over 1,000 farmers and ranchers to provide education through the Adult Farm Management Program.

## Business Education

Provides leadership, support, and curriculum integration for state business education programs, the Future Business Leaders of America (FBLA) career and technical student organization at the secondary level and Phi Beta Lambda (PBL) at the postsecondary level.

## Family and Consumer Sciences Education

Provides leadership, support and curriculum integration for state family and consumer sciences programs and the Family, Career and Community Leaders of America (FCCLA) career and technical student organization.

## Information Technology Education

Provides leadership, support, and curriculum integration for state information technology programs. Partnered with Cisco to provide free Networking and Information Communications Technology curriculum and training to schools. Provides secondary information technology students with free certification of CompTIA IT Fundamentals, IC3, and MTA.

## Marketing Education

Provides leadership, support, and curriculum integration for state marketing programs and the DECA career and technical student organization. DECA prepares emerging leaders and entrepreneurs in marketing, finance, hospitality, and management in high schools and colleges.

## Technology and Engineering Education

Provides leadership, support, and curriculum integration for state technology and engineering programs and the Technology Student Association (TSA) career and technical student organization.

## Trade, Industry, Technical Education, & Health Sciences

Provides leadership, support, and curriculum integration for state TITH programs and SkillsUSA career and technical student organization at the secondary and postsecondary level. Partners with a multitude of industry leaders to align technical programs and instructor certifications with national standards.

Program Area	2017-18 STARS Programs Data (Duplicated) 9-12	2017-18 MIS03 Courses Data (Duplicated) 9-12	2017-18 MIS03 Courses Data (Duplicated) 6-8
Agricultural Education	4,363	6,581	2,566
Business Education	7,952	13,619	8,290
Family and Consumer Sciences	8,650	13,310	8,893
Health Sciences Education	2,342	3,865	*
Information Technology	874	1,368	88
Marketing Education	1,835	2,685	*
Technology and Engineering Education	2,786	4,356	7,414
Trade, Industry and Technical Education	2,222	4,068	*
	<b>31,024</b>	<b>49,852</b>	<b>27,251</b>

\* Not offered at this grade level.



# CTE Program Support Services

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## Career Development

Provides leadership, support and curriculum integration for Career Development Programs in over 102 schools. Provides career advisor training for counselors, educators and professionals interested in high school career development, leading to a globally recognized credential.

## Career Resource Network

Provides technical support and guidance for RUReady.ND.gov, a web-based career information delivery system. Develops and delivers professional development resources to support career professionals and educators. Produces the Career Outlook magazine annually, a publication with labor market information and college and career readiness resources.

## Education Data and Research

Updates Labor Market Information data for the Career Resource Network publications and other CTE program areas. Compiles, analyzes, and enters yearly data in the Perkins Consolidated Annual Report portal.

## Educational Equity

Assists schools in efforts to promote enrollments in and completion of programs leading to nontraditional careers.






## Special Populations

Provides training and support for Career and Technical Resource Educators and Basic Skills Educators who provide academic assistance to at-risk CTE students in local schools and colleges.

## Standards and Curriculum

Adopting national and/or industry standards in all CTE curricular areas. Integrating and identifying academic content throughout CTE curriculum.

# North Dakota Career and Technical Education

-  Administers an innovation grant which provides support for secondary school robotic teams to compete at robotic competitions hosted by postsecondary institutions.
-  Provides support to five established virtual area centers which increases student access to CTE programs through a distance education delivery system.
-  Initiated and continues "Clinical Practice" an alternative teacher certification for individuals transitioning from industry and other levels of education to teaching at the secondary and postsecondary level.
-  Provides funding for 7 emerging technology consortiums which rotate high tech equipment between 99 member schools.
-  Provides the opportunity for students to take CTE courses through online and ITV delivery.
  - Online Delivery**
    - 7 Transmitting Schools
    - 69 Receiving Schools
    - 41 Classes Offered
    - 1,074 students enrolled in CTE courses delivered online in school year 2018-19
  - ITV Delivery**
    - 10 Transmitting Schools
    - 69 Receiving Schools
    - 32 Classes Offered
    - 618 students enrolled in CTE courses delivered through ITV in school year 2018-19



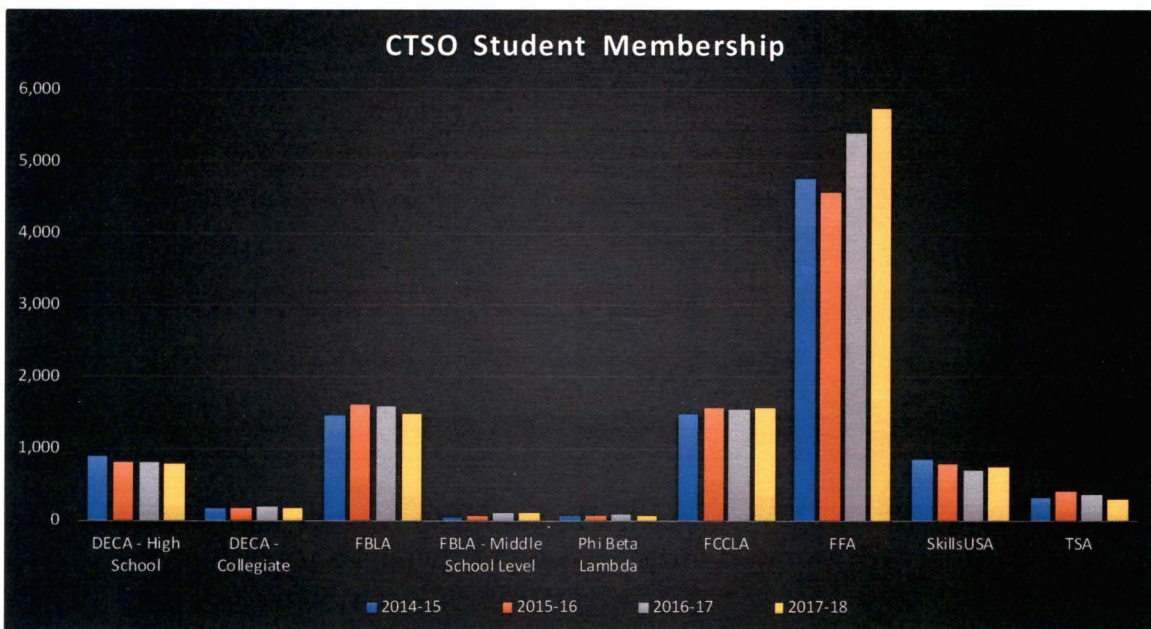
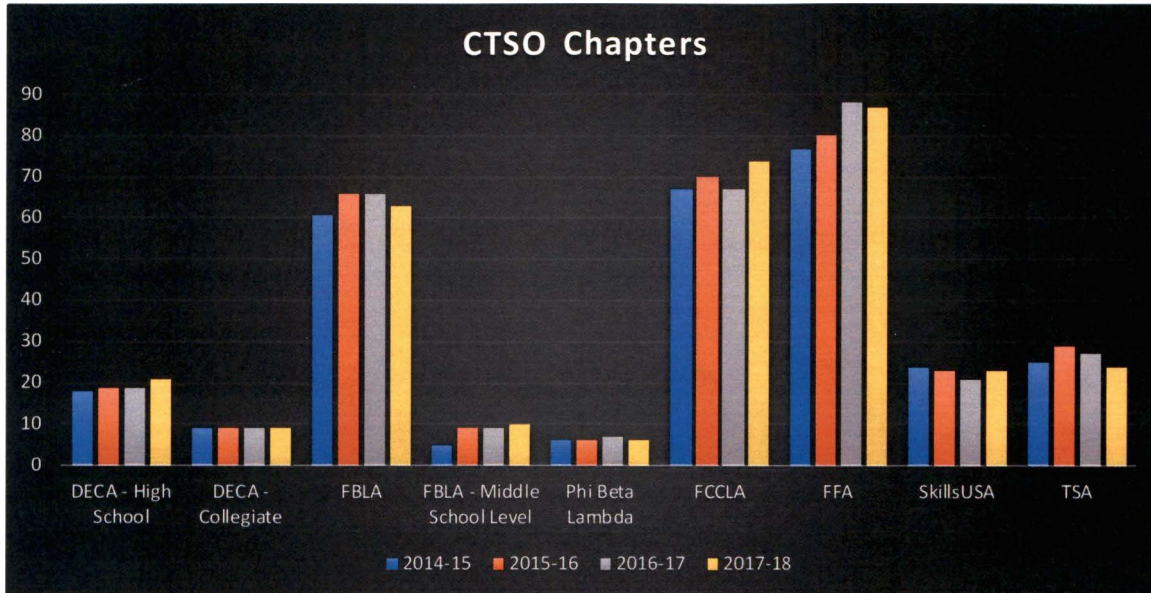
# Career & Technical Student Organizations

Career and Technical Student Organizations (CTSOs) provide students with the opportunity to:

- Learn more about careers
- Develop leadership skills in preparation for college and career
- Test their skills at state and national competitions

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## CTSO Chapters & Membership



**North Dakota Department of Career and Technical Education**  
 600 East Boulevard Avenue - State Capitol, 15th Floor  
 Bismarck ND 58505-0610  
 Phone: (701) 328-3180  
 Website: [www.cte.nd.gov](http://www.cte.nd.gov)  
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#2

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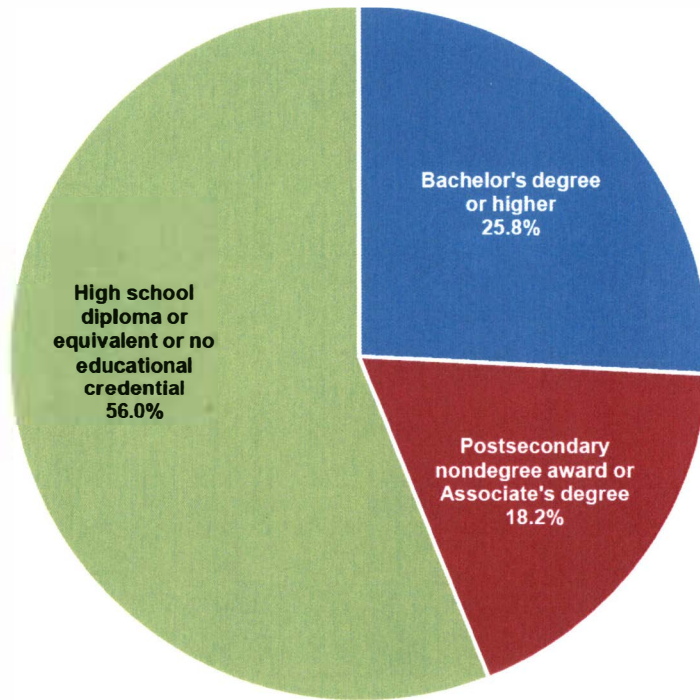
# North Dakota Department of Career and Technical Education

2019-2021 Biennium Budget  
House Appropriations  
Education and Environment Division  
January 9, 2019



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# Workforce Needs – November Online Job Openings Report



DEC 2018	
TOTAL	13,373
DOC OR PROF	266
MASTER'S	293
BACHELOR'S	1,851
ASSOCIATE'S	353
POSTSEC AWARD	1,350
HIGH SCHOOL	3,191
NO EDU CRED	2,028
UNASSIGNED	4,041

The "unassigned" category is excluded from the pie chart



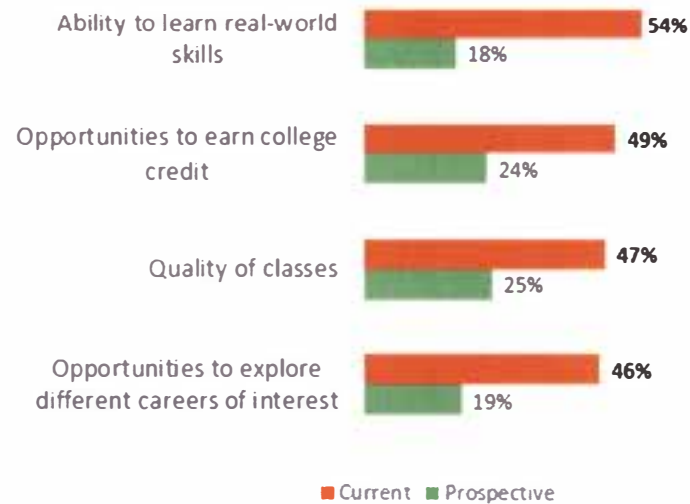
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# CTE Delivers for Parents and Students

**55%** of Current CTE Parents/Students *Very Satisfied* with overall school experience (**92% satisfied**)

**27%** of Prospective Parents/Students *Very Satisfied* with overall school experience (**78% satisfied**)

How satisfied are you with...? (Very Satisfied)



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# North Dakota Workforce Development Council Summary Report

1. TECHNICAL SKILLS GAP
2. NEED FOR YOUTH ENGAGEMENT & EARLIER AND MORE DIVERSE CAREER EXPLORATION
3. NURSING AND HEALTHCARE TECHNICAL SHORTAGE
4. SUPPORT FOR POPULATIONS WITH BARRIERS TO EMPLOYMENT
5. NEED FOR NET IN-MIGRATION OF NORTH DAKOTANS



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# Technical Assistance

- Programs
  - Industry Standards
  - Curriculum Suggestions
  - Funding
  - Program Evaluations (5 year cycle)
- Teachers
  - Certification - traditional and alternative
  - Professional Development
- Career and Technical Student Organizations
  - Leadership and Coordination



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# Program Areas

Agriculture Education  
Business Education  
Career Development  
Career Resource Network  
Family and Consumer Sciences Education  
Information Technology Education  
Marketing Education  
Special Populations/Educational Equity  
Technology and Engineering Education  
Trade, Industry and Health Sciences (T&I)



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# Secondary Trade, Industry and Health Sciences

- Auto Collision
- Auto Technology
- Aviation
- Commercial Art
- Building Trades
- Commercial Drivers License
- Culinary Arts
- Diesel Technology
- Drafting
- Facilities Maintenance
- Graphic Arts
- Health Sciences
- Machine Tooling
- Oil & Gas Technology
- Power Sports Engines
- Radio Broadcasting
- Welding Technology
- Electronics Tech



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# Growth of Career and Technical Education

	2015		2016		2017		2018		2019	
	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)
Agriculture	80	0	78	(2)	85	7	86	1	93	7
Business Education	85	5	88	3	87	(1)	89	2	87	(2)
Career Development	63	0	67	4	70	3	75	5	79	4
Family & Consumer Sciences	91	2	95	4	96	1	95	(1)	98	3
Family & Consumer Occupational	15	0	17	2	17	0	16	(1)	14	(2)
Health Sciences	26	0	25	(1)	25	0	25	0	26	1
Information Technology	14	0	13	(1)	13	0	13	0	13	0
Marketing Education	20	0	23	3	24	1	23	(1)	25	2
Technology & Engineering	54	2	56	2	51	(5)	48	(3)	47	(1)
Trade & Industry	81	1	72	(9)	68	(4)	70	2	77	7
	529	10	534	5	536	2	540	4	559	19



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# CTE Impact – Enrollment and Concentrator Data

## Secondary (9-12)

- 21,880 Enrolled
- 6,520 Concentrators
  - 69% of all 9-12 Grade Students Enroll in a CTE course
  - 21% of all 9-12 Grade Students are CTE Concentrators

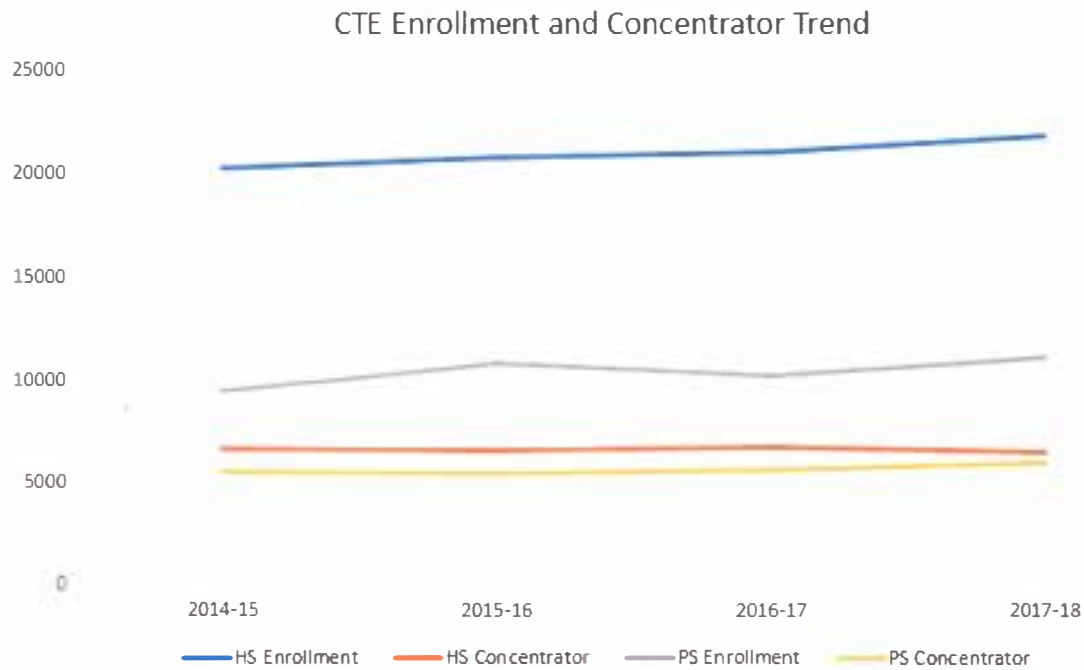
## Postsecondary

- 11,144 Enrolled
- 5,919 Concentrators



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# CTE Impact – Enrollment and Concentrator Trend



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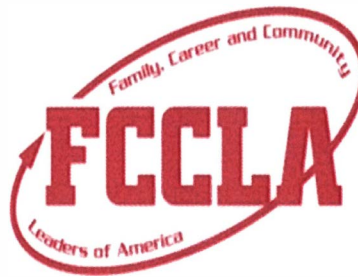
# Impact of CTE – Performance of CTE Concentrators

North Dakota 2017-18	Reading Achievement Rates			Math Achievement Rates			High School Student Graduation Rates		
	"Concentrators" met Proficient* level	All Students who met Proficient* level	Difference	"Concentrators" met Proficient* level	All Students who met Proficient* level	Difference	CTE Graduates	All Student Graduates	Difference
Total Enrolled	51.54%	41.50%	10.0%	32.01%	34.00%	-2.0%	94.93%	88.00%	6.93%
Female	58.05%	49.50%	8.6%	31.78%	39.00%	-7.2%	94.89%	90.10%	4.79%
Male	46.15%	34.50%	11.7%	32.19%	34.00%	-1.8%	94.97%	86.00%	8.97%
American Indian or Alaska Native	32.12%	22.50%	9.6%	12.69%	10.00%	2.7%	91.10%	72.00%	19.10%
Asian/All Others	37.04%	46.00%	-9.0%	20.00%	37.50%	-17.5%	89.29%	88.70%	0.59%
Black or African American	29.31%	15.00%	14.3%	11.86%	17.50%	-5.6%	96.83%	75.90%	20.93%
Hispanic or Latino	37.68%	31.00%	6.7%	13.24%	21.50%	-8.3%	90.91%	75.00%	15.91%
White	53.79%	46.50%	7.3%	34.45%	38.50%	-4.1%	95.47%	91.40%	4.07%
Economically Disadvantaged/Low Income	40.24%	16.00%	24.2%	19.63%	17.00%	2.6%	90.14%	75.40%	14.74%
Individual with Disabilities	19.94%	9.50%	10.4%	9.49%	7.00%	2.5%	77.72%	68.60%	9.12%



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# Career Technical Student Organizations



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# North Dakota Department of Career and Technical Education



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# Major Components of Base Budget

Budget Line Items	
Salaries	\$4,699,975
Operating Expenses	\$1,240,589
Grants	\$28,541,929
Postsecondary Grants	\$296,207
Adult Farm Management	\$2,144,249
Workforce Training	\$2,000,000
<b>Total Funds</b>	<b>\$38,922,949</b>
General Funds	\$29,306,283
Federal Funds	\$9,461,692
Special Funds	\$154,974
<b>Total Funding Source</b>	<b>\$38,922,949</b>



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# How are the funds used

Secondary Grants – General Fund	
Secondary Program Reimbursement	\$21,101,300
STEM Matching	\$150,000
Emerging Technology Grants	\$1,100,000
Innovative Grants	\$120,000
Technical Assessments	\$120,000
Pilot Distance Delivery Grant	\$150,000
<b>Total</b>	<b>\$22,741,300</b>



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# 90% Budget Reductions

	90% Reduction
Adult Farm Management	\$350,007
Workforce Training (TrainND)	\$174,571
Program Enhancements (Postsecondary)	\$25,818
Part Time Adult	\$40,000
STEMii	\$180,000
FTE (Trade & Industry Assistant Supervisor)	\$159,133
<b>TOTAL</b>	<b>\$930,133</b>



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# 2019-2021 Executive Budget Recommendations

Budget Line Items	
Salaries	\$10,991,902
Operating Expenses	\$4,209,996
Capital Assets	\$500,000
Grants	\$63,183,929
Postsecondary Grants	\$270,389
Adult Farm Management	\$1,794,242
Workforce Training	\$1,825,429
<b>Total Funds</b>	<b>\$82,775,887</b>
General Funds	\$70,630,514
Federal Funds	\$12,048,148
Special Funds	\$97,225
<b>Total Funding Source</b>	<b>\$82,775,887</b>



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# Career Academies

- \$30 Million Appropriation
- Competitive grant program
  - Required one to one match from private or political subdivision
- Recommendation from the North Dakota Workforce Development Council (WDC)
- Partnership between CTE, DPI, JSND and Dept. of Commerce to develop guidance and review applications
- Consultation by WDC, Economic Development Foundation and the State Board for Career and Technical Education



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# Center for Distance Education

- \$8,913,156 budget transfer
  - \$6,336,000 – Salaries
  - \$2,577,156 – Operating
  - 28.8 FTE
- Transfer would provide more access to Career and Technical Education courses via distance education
- Partnership between CDE and Career and Technical Education Centers would provide for efficiencies
- Dr. Alan Peterson, State Director for CDE will provide testimony
- Separate policy bill for the transfer of CDE from ITD to the Department of CTE



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# Education Technology Council

- \$765,122 Budget Transfer
  - \$82,990 – General Funds
  - \$500,000 – Federal Fund authority
  - \$85,000 – Special Fund authority
  - .5 FTE
- Separate policy bill to repurpose the ETC into a PK12 Education Collaboration Board



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# Change Requests to the Executive Budget Recommendations

Program Area	
Marketplace for Kids	\$300,000
Cost to Continue	\$1,000,000
New and Expanding Programs (currently \$700,000 in Gov. Budget)	\$1,500,000
Restore Adult Farm Management Reduction	\$350,007
Restore Workforce Training Reduction	\$174,571
<b>TOTAL</b>	<b>\$3,324,578</b>



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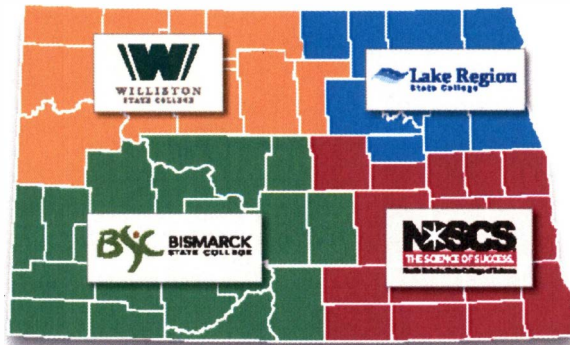
Thank you.  
Any questions?

Wayde Sick  
[wasick@nd.gov](mailto:wasick@nd.gov)  
701-328-2259

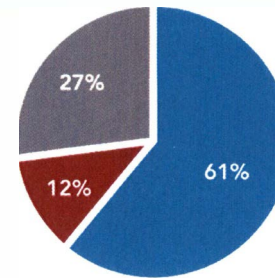


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# TrainND



FUNDING SOURCES (FY18)



■ Business Training Revenues ■ College Contributions  
■ Legislative Appropriated Funds

FY18 RESULTS	
Number of businesses receiving training	701
Total training hours	178,976
Percent of returning businesses	47%
Number of employees trained	13,639
Client and employee satisfaction	99%

Since its inception in 2000, TrainND has delivered.

**24,827**  
companies served

**251,306**  
employees trained







[It's a competitive world. Train for it.]

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TrainND provides proven, comprehensive and inclusive workforce training to North Dakota through an extensive and diverse network of specialists.

**TrainND Background**

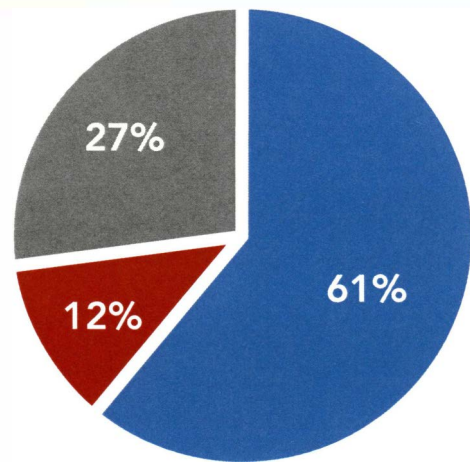
In 1999, the ND legislature established TrainND in response to recommendations made by a 31-person statewide task force on workforce development. Each of the four TrainND service regions is managed by a college in the NDUS. Regional advisory boards ensure industry engagement and training relevance.

For 20 years TrainND has affordably, efficiently and collaboratively leveraged state, local and private resources to help North Dakota businesses grow and compete on a global level.

**FY18 RESULTS**

Number of businesses receiving training	701
Total training hours	178,976
Percent of returning businesses	47%
Number of employees trained	13,639
Client and employee satisfaction	99%
Businesses served <50 employees	54%

**FUNDING SOURCES (FY18)**



■ Business Training Revenues   ■ College Contributions  
 ■ Legislative Appropriated Funds

Since it's inception in 2000, TrainND has delivered.

**24,827**  
companies served

**251,306**  
employees trained

**OUR FUNDING REQUEST 2019-2021**

**\$2 MILLION**

# Testimonials

A#3  
4/9/19  
HB1019  
Pg. 2

*I am in strong support of TrainND Northeast and the workforce training they provide to our many programs, businesses and schools here on the Spirit Lake Reservation. TrainND Northeast has proven to be a valuable resource to our Tribe for well over a decade. As a Tribal Nation with ever changing staffing needs, we have found TrainND to be an excellent partner, flexible to customize training solutions that meet the unique needs of our organization.*

**Myra Pearson** Chairperson, Spirit Lake Tribe

*TrainND Northwest is a key business partner for Oasis Petroleum, supporting our workforce development needs since 2013. Together, we've developed multiple safety, technical and operational training programs serving hundreds of our personnel in production, midstream and completion activities. TrainND Northwest is responsive to our business needs and their team is highly competent across a wide range of training programs. We would highly recommend them to any organization.*

**Jason Swaren** Oasis Petroleum

*The workforce training provided by TrainND Southwest has proven to be a very valuable resource as we continue to grow in many facets of the manufacturing world. Our employees have been able to use the knowledge they have gleaned from the courses to improve their technical skills, which in turn, has led to more business for us. With the addition of more business, we have been able to hire more people, who in turn, have been able to learn additional skills and techniques. We have also been able to add more jobs that has helped our community continue to grow. Keeping up-to-date and offering training is such a key aspect in retaining staff. We strongly support the efforts of TrainND.*

**Kristal K. Fields** Training Specialist, Steffes

*The Greater North Dakota Chamber has long been a supporter of TrainND, which has become a critical part of North Dakota's workforce development system. One of the reasons TrainND is so valuable is their partnership with the business community to meet local training needs regardless of industry or location. As North Dakota seeks to grow and diversify its economy, TrainND will continue to be a critical part of developing our 21st-century workforce.*

**Arik Spencer** GNDC

Testimony  
House Bill 1019  
Appropriations – Train ND

#4  
1-9-19  
HB 1019

By Frank Schill  
Superintendent of Edmore Public School  
Lead Administrator, North East Service Cooperative

Chairman Monson, Members of the House Appropriations Committee:

I am Frank Schill, Superintendent of Edmore Public School. I also serve as the lead administrator for the Northeast Service Cooperative. I am here to testify in favor of HB 1019 and more specifically the continued support of Train ND.

In 2014 the Edmore school district brought outside trainers from the Alert, Lockdown, Inform, Counter, Evacuate (A.L.I.C.E.) training center in Ohio to Edmore to provide hands-on training for my staff. The objective of ALICE training is to assist school personnel in their ability to identify; prepare; prevent; and protect themselves and their students from an active shooter while waiting for law enforcement to arrive. The cost of the training approached \$5,000.

Since 2014 Train ND personnel have received training in train-the-trainer and have provided school district personnel ALICE training at a substantial lower cost. This year Edmore staff received hands on training from Train ND personnel for \$2,000.00 and 14 school districts within NESC have provided on-site ALICE training for their staff. The training provided by Train ND has been quality and provided locally thus saving transportation costs to bring in trainers from outside the State.

During the NESC inservice scheduled for January 21, 2019, 50 staff members are signed up for ALICE training to be provided by Train ND personnel. These schools include: Devils Lake, Dakota Prairie, Lake Region Special Education Unit, Lakota, Maddock, Minnewaukan, North Dakota School for the Deaf, North Star, Rolette, Starkweather, Tate Topa, and Warwick.

Schools in the RRVEC (Red River Valley Education Cooperative) are also taking advantage of the training provided by Train ND personnel. These schools include: North Border Schools, Grafton, Park River, Central Valley, Hatton, Northwood, Upper Valley Special Education, Midway, Manvel, Mayport CG, Valley-Edinburg, Finley-Sharon, Minto, Thompson, Fordville-Lankin, Hillsboro, Larimore, and Cavalier. These schools have received training or have scheduled training for their staff during the 2019 calendar year.

To date, approximately 870 staff have been trained in ALICE by Train ND personnel.

Train ND personnel have also provided training to NESC member schools with Unmanned Aerial Vehicle/Drone training. This training has allowed rural school district personnel the ability to provide additional learning opportunities to students in the rural setting that otherwise would not be available.

The task of providing training to educational staff to respond to the additional career opportunities and ever-changing societal needs continues to strain existing resources. Train ND staff has responded in a timely manner and has stayed ahead of the curve in providing valuable training to staff at a reasonable cost to our area schools.

In closing I urge you to support HB1019 and the continued support of Train ND.

Thank you for the opportunity to submit this testimony. If I can respond to any questions, or if I can provide any more information that may be useful to you, I would be most happy to do so.



Dr. Alan J. Peterson Testimony on House Bill 1019 ND Center for Distance Education

1-9-19

Chairman Monson and Members of the House Appropriations Education and Environment Division Committee, I speak to you today on behalf of ND's Center for Distance Education (NDCDE). For the record, I am Dr. Alan J. Peterson, State Director of the NDCDE.

If you are asking yourselves, "Why is NDCDE coming before this committee as part of the Career and Technical Education Department's budget?", then what I am about to explain is on target.

A quick answer would be that my being here and being introduced by CTE Director Sick is the result of

1. issues raised by many of you or your fellow legislators in the interim between 2017 session and this session,
2. guidance and direction provided by the Governor's office during that same period, and
3. the ongoing discussions of an education system embracing the need for it to be more coordinated, less redundant, more technologically savvy, and more accountable to results. But a full answer requires a few more details.

First, a little history. This is not the first time NDCDE's State Director has stood before a ND Legislative Committee who is new to the Center and the Center new to the Committee. In fact, since NDCDE's formation in 1935 by legislative action, NDCDE has been reassigned ownership twice after its first assigned ownership, that to the Board of Higher Education 1935-1979. In 1979 the ND Legislature saw fit to assign NDCDE's ownership to the Department of Public Instruction. This arrangement was in force until 2001. In 2001 NDCDE was assigned to the information Technology Department (ITD) as a part of the governance arrangement facilitated by the Educational Technology Council (ETC).

If you are asking yourselves, "Why has NDCDE had three different governance affiliations since its founding in 1935?", you are certainly asking an appropriate question. However, in this case, I cannot provide you with a factual answer. I have been provided different stories justifying the changes, but I did not track down the factual causes because the causes had little to do with me or NDCDE in 2010, when I took over as state director. My job in 2010, and now in 2019, is the same regardless of state department affiliation – **to make sure that the school-age sons and daughters of parents throughout North Dakota have equal Choice of courses; have Opportunities to excel; and, are provided Validation of their good work. Educational Choice, Opportunity, and Validation, the triage expertly provided by NDCDE.**

In practice NDCDE plays two roles in ND's education system. One, it is a school that provides courses and teachers to full-time students, and then awards diplomas earned by those students. Two, it is a provider of educational services to ALL North Dakota districts. The provider-of-educational-services role comprises about 95% of NDCDE's work. These are services that for the most part fill in gaps that exist in ND's K-12 education system (*gaps that ND shares with other states, and some gaps that are unique to ND*). These are services that must be adjusted each time they are delivered because the services must account for individual school and/or individual student situations (*the following are based on actual situations or circumstances*).

- A school loses its Math instructor in mid-semester and can't find a qualified replacement.
- A young man is hospitalized for medical treatment and will need to convalesce at home.
- A school is unable to afford to continue to offer Agricultural courses.
- A school does not have enough teachers or qualified teachers to provide advanced courses in English, Math and Science.
- A school does not have the means to provide to its students, exposure to high tech careers and develop the skills related to those careers.
- A student is bullied to the point of attempting suicide and will not return to school.
- A school is not able to provide "blended learning" – a combination of hands on, project-based learning, combined with personalized knowledge acquisition via online courses.
- A school recognizes that its current curriculum does not provide to its students enough opportunities to gain skills in problem-solving, critical thinking, collaboration, communication, technical literacy, design principles, information literacy, and ownership.
- A school does not have the personnel available to offer its students remediation.
- A school does not have the capability to provide to its students, curriculum that supports adaptive learning content and techniques.
- A school is only able to access intermittent and sporadic exposures to STEM courses and experiences, as well as high tech courses that enhance the STEM experience.
- A student and parent recognize too late that the difference between finishing college or dropping out, is the number of quality courses completed in high school.

The issues I just listed are exacerbated by what is now an acute (*and perhaps chronic*) problem – a shortage of teachers. North Dakota has experienced and continues to experience shortages in the following teaching areas: science, mathematics, English, music, physical education, social studies, economics, computers, agriculture, consumer science, and grades 1-8. What NDCDE's research has also indicated is that ND does not have enough qualified teachers in technical areas, and even in those areas that it does, the trend is moving toward a shortage because of regulations and cost.

I have spoken to ND Legislative Committees in 2011, 2013, 2015, and 2017. Each time I presented on behalf of NDCDE for continued support from ND's Legislature, I emphasized the improving quality of the services NDCDE provides and the increasing numbers of ND students accessing those services. Those trends remain consistent. Ask any of North Dakota's school districts; NDCDE provides services to all of them. The districts will confirm that NDCDE does a good job and continues to improve and innovate. By the end of the 2018-2019 school year, NDCDE will set an all-time record of online enrollments for the year and for the biennium.

By the time NDCDE's school year and biennium ends on June 30, 2019 will taken on approximately 12,000 online course enrollments where NDCDE provides the teacher, 10,000 of the enrollments from ND schools, over 3,000 enrollments (ND only) into courses where NDCDE provides everything but the teacher, and the approximately 6,000 enrollments (ND only) taking place in NDCDE supported SMART Labs. Depending upon how you make the calculation the total could fluctuate, but to give you a student full-time equivalency, those numbers result in NDCDE having the equivalent of over 600 full-time students per school year.

But...why change NDCDE's state governance affiliation? In two words: parents and kids.

In a state as big and broad and rural as North Dakota, technology can be used as an equalizer. This is true whether it is the electricity providing the power for the robotic-assisted milking of 2000 dairy cows three times a day, the electricity, fiber, computers, and electronic infrastructure required to manufacture and sell thousands of skid steer loaders, or a 10<sup>th</sup> grader in LaMoure studying Applied Technology in a futuristic learning lab supplied with the latest in computers, software and robotics under the direction of an NDCDE instructor located in Fargo and a lab facilitator located in LaMoure. Technology can lessen the impact of location.

In 2019 technology is a given. But its use in education, while acknowledged and sometimes ballyhooed, has not been optimized. Many ND kids still do not have access to a wide range of educational experiences. This is especially the case if you add 'consistent and ongoing' as descriptors of the educational experiences. If you live in one of ND's 8 largest metro areas, you are provided access to an average of 3X more choices for courses and other learning opportunities. Many of the courses and educational experiences could be provided by advanced use of technology and could be provided consistently and sustainably. Parents are frustrated. Why? They ask me, "why if we have the educational means, do we not have the educational ends?" What is holding ND back?

Answer: two F's – Fear and Funding.

Let's cover funding first. Currently, NDCDE has two revenue sources – General Funds and Special Funds. General Funds comes as a fixed amount appropriated through legislative negotiation each biennium. Special Funds are the fees charged to students by NDCDE to cover its non-labor/payroll operating costs. Both funding sources have plateaued, but for different reasons. General Funds appropriations are more dependent upon historical levels than on current need. Although the need has increased for CDE's services, the General Funds appropriation has remained the same or diminished since 2015. NDCDE's fees have reached marketplace limits. The net result of the current funding arrangement is that in Fall Semester 2018/19 NDCDE was forced to deny the enrollment of 150 ND students. Why? NDCDE did not have the resources to take on the students. NDCDE was able to suggest and facilitate alternative solutions for the school district, but in so doing NDCDE abdicated its role of providing quality assurance, performance control and much needed safety net.

The funding NDCDE now seeks is funding deemed appropriate for public schools. NDCDE is asking that it be funded on a per student basis or what is referred to as Average Daily Membership (ADM), which I am sure you are familiar. Doing so does two things: 1) makes NDCDE's funding accountable to the number of students it serves (*currently not the case*), and 2) it allows NDCDE to flex to meet future needs (*this "flexing" has as its ingredients multiple variables, the key ones being – less FTE's, more part-time employees, and student numbers that continue to grow, but never in a pattern that is consistent to subject area*). The calculations associated with this funding account for NDCDE's unique enrollment circumstances, are in line with its current funding, but are significantly less than provided to a local school district. NDCDE would continue to charge fees at its current rate to make up the operational funding shortfall.

The funding process as currently proposed:

**Part 1 – (Course Enrollments converted to ADM) X (.7 of ND student support payment) = provides an amount of state support equal to the amount currently appropriated as a lump sum General Funds payment comprising 70% of total budget [approximately \$3 million / year].**

**Part 2 – (Enrollments) X (Individual course fee to be paid by school or family) = provides an amount of revenue equal to the current obligation of 30% of total budget [approximately \$1.2 million / year].**

Senator Don Schiabe has taken on the task of sponsoring legislation that would enable the “merger” of NDCDE and ND CTE and would move NDCDE to funding that supports ND’s 2019 educational and fiscal reality.

Fear. Fear exists on both sides of the equation. The education system, like most systems, fears change. True, the education system will accommodate some change, but history has thus far indicated most often that change must be on its own terms. In business terms, in a ‘make or buy’ situation, education systems tend to select ‘make’ in almost every situation. It appears that education systems, like business systems of the past, fear losing control. This is true whether the situation is academic or technical/career education. Both areas of education feel compelled to not give up any type of control. Who can blame them? They do so for good reasons. They need only to cite the many federal, state and local mandates they are compelled to meet. The result is a system that may want to change, but which finds it difficult to do so. The result is a system that may be able to envision positive, insightful change, but is unable to realize that change. That is, until recent events in ND changed the calculus. What happened recently? You allowed and encouraged education innovation. You legislated the opportunity to innovate!

And that is exactly where NDCDE comes in. ND’s schools and tech centers need a partner they can rely on. A partner that has a firm understanding of the lay of the digital landscape. A partner that is as advanced as any technological educational service provider on the planet, but one that is sensitive to the needs and wants of ND schools, tech centers, communities, parents and kids. A partner that can assist in optimizing learning via the optimization of available technology. This, enabling every ND student access to learning digitally available and digitally enhanced, and in combination what is available locally, including experiences that are necessarily physical and/or hands on. Positive, insightful change.

In summary the proposed legislation would have the North Dakota Center for Distance Education

- Report to the Career and Technical Education State Board.
- Funded through a combination of student and school funding mechanisms, along with fees per enrollment,
- Work with the Career and Technical Education Department to maintain NDCDE’s status as a state agency and the related employment, human services, accounting, auditing, etc., associated with being a ND state agency, and
- Work with the Career and Technical Education Department, ND’s Tech Centers, ND Department of Public Instruction and all ND school districts to optimize the learning opportunities available to all ND students. A prime example of this collaboration will begin in February. CDE and CTE will visit Sun West School in Saskatchewan. A collaborative effort of their tech centers, schools, distance education provider and industry are now providing equal access to education experiences throughout the province. It is working

There is one other piece of historical perspective I need to share with you; I think you will find it enlightening. You are likely not aware that Dr. Thordarson, NDCDE’s founder, came to the ND Legislature in 1935 and expressed to them the need to help rural kids obtain high school diplomas. For most rural kids at that time, high school was either not available or was impractical. But farming, just like now, was evolving at a fast rate. Farmers needed to know more, so they needed to learn more. Thordarson and NDCDE filled that gap. Even though the ND Legislature was facing the greatest economic depression the world has ever experienced, they found money to fund Thordarson and NDCDE.

NDCDE is not an accessory to the ND K-12 education system; it is part of its primary function. Make sure that it is a part of the ND’s education system now and will remain so for the next 84 years.

I will try to answer any questions you may have. Thank you.

Dr. Alan J. Peterson, State Director  
North Dakota Center for Distance Education

*A copy of Senator Schaible’s draft rewrite of NDCC 15-19 Distance Education is attached.*

#6  
HB1019  
[Type here]  
1-9-19

# DRAFT

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Sixty-sixth

Legislative Assembly \_\_\_\_\_ BILL NO. \_\_\_\_\_

of North Dakota

Introduced by:

A BILL for an Act to amend and reenact section 15-19 of the North Dakota Century Code, relating to the center for distance education.

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

Section 15-19 of the North Dakota Century Code is amended and reenacted as follows:

**CHAPTER 15-19 DISTANCE EDUCATION**

**15-19-01. Distance education courses - Establishment - Enrollment of students - Courses of instruction.**

The state shall provide ~~distance~~ K-12 education courses, comprehensive educational support, and high school diplomas through the center for distance education under the following provisions:

1. A complete curriculum ~~by distance education which has been specifically determined by the superintendent of public instruction as proper and suitable for instruction under distance education methods, such determination and approval to be made not less than once in each school year, must be maintained upon the campus of one of the state institutions of higher education.~~ meets requirements for digital education as determined appropriate and proper by the superintendent of public instruction and as prescribed by state-mandated education accreditation bodies.

2. ~~Unless specifically excused in writing upon the course application forms by the superintendent or an administrator of the school approving the enrollment application, or as provided in subsection 5, all students under the age of sixteen taking advantage of the provisions of this chapter must be required to attend their local district schools and to study their distance education lessons under the supervision of a local supervisor. If not required to attend their local schools, their work may be done at a~~

~~be supplied with desk space in their respective school without charge and shall attend school regularly and be under the same disciplinary supervision of the teachers as the other school students. School administrators may deny the enrollment of students in their districts to the center for distance education unless the student is subject to subsection 5~~

3. The center for distance education may provide services to persons who are not North Dakota residents.

4. Center for distance education students shall ~~pay for books and materials used by them, postage required to mail reports to the center, and other fees as may be prescribed by the state director.~~

5. North Dakota students exempt from the compulsory school attendance laws pursuant to subdivision e of subsection 1 of section 15.1-20-02 may enroll in distance education courses offered through the center for distance education. These students may study



~~their distance center for distance education lessons in their learning environment under the supervision of a parent, individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed either by the public school district in which the parent resides or a state approved private or nonpublic school.~~

**15-19-01.1. Distance education courses - Course lists to school districts -**

**Notification.**

The center for distance education shall provide by December thirty-first of each year, a complete list of courses offered by the center to all school districts. Each school district shall notify its students and their parents or guardians of the complete list of courses offered and the school district's policies for course selection and related fees.

**15-19-02. Administration - Director of center for distance education - Appointment and duties.**

The program of and all activities related to the center for distance education are the responsibility of the center for distance education and under the supervision authority of the educational technology council career and technology education state board. The educational technology council executive director of the career and technology education department ~~shall~~ may hire a state director of administration and staff for the center for distance education who must be classified under the state personnel merit system. The ~~director shall carry out the director's responsibilities in the~~ administration of the center for distance education in the manner approved by the career and technology education state board under the supervision of the director for the career and technical education department and compliant with requirements established by the North Dakota department of public instruction and the North Dakota education standard practices board Education system school board obligations connected to the center for distance education shall be administered by the career and technical education department.

**15-19-02.1. Distance education clearinghouse.**

The ~~director~~ of the center for distance education shall establish a clearinghouse for online courses delivered to North Dakota schools for the purpose of providing:

1. A list of the online courses and providers for all North Dakota schools to access.
2. Awareness of online courses available in new and emerging careers.
3. A list of comparative prices for online courses and other online services.
4. Awareness of the differences between technological innovation and learning innovation.

**~~15-19-03. Duties of superintendents of schools - Authorization of enrollments.~~**

~~All applications for enrollment of persons under the age of sixteen years must be approved by the superintendent or an administrator of a school in the district prior to acceptance of enrollment by the center for distance education. All applications for enrollment of persons under the age of sixteen not residing in a high school district must be approved by the county superintendent of schools prior to the acceptance of such enrollment.~~

**15-19-04. ~~Duty of superintendent - Advertising.~~**

~~The superintendent or an employee of the department of public instruction designated by the superintendent shall ensure that the courses offered by the center for distance education meet state content standards and shall monitor compliance with sections 15.1-18-02 and 15.1-18-03.~~ The center for distance education may advertise its ~~distance~~ education programs.

**15-19-05. Study centers - Adult classes.**

Repealed by S.L. 1965, ch. 127, § 6.

**15-19-06. Special funds - Deposit of collections - ~~Transfers from general fund appropriations.~~**



1. A special operating fund for the center for distance education must be maintained within the state treasury and all income and fees collected by the center for distance education from any source must be remitted monthly by the director to the state treasurer and credited to the special operating fund. All expenditures from the fund must be within the limits of legislative appropriations and must be made upon vouchers, signed and approved by the ~~technology director appointed by the educational technology council~~; executive director for the North Dakota career and technical education department state director. Upon approval of the vouchers by the office of the budget, warrant-checks must be prepared by the office of management and budget. ~~The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the center for distance education general fund appropriation to the special operating fund whenever its balance falls so low as to~~ require supplementation.

2. ~~The educational technology council may establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the center for distance education. The administrative operational fund must be deposited in the Bank of North Dakota and may be drawn upon by the state director of the center for distance education for the payment of necessary expenses in the administration and operation of the center for distance education within the limits and rules prescribed by the educational technology council. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the council in accordance with the rules adopted by the council, and thereafter the council may periodically authorize additional transfers to the administrative operational fund, but the balance in the fund may never exceed ten thousand dollars, and any unencumbered balance at the end of any biennium must revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director.~~

3. ~~The educational technology council career and technical education board~~ may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the center for distance education. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the ~~council or the center for distance education~~ as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the ~~council or center for distance education~~ which is designated by the council career and technical education board and donor for the scholarship fund must be deposited in the scholarship fund at the Bank of North Dakota. ~~The state director of the center for distance education~~ may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the educational technology council career and technical education board. The interest earned by the scholarship fund is appropriated to the center for distance education.

**15-19-07. Fees collected deposited in general fund.**

Repealed by S.L. 1965, ch. 127, § 6.

**15-19-08. Distance education work – school funding.**

The amount of money appropriated by the legislative assembly for distance education work for a biennium, or so much thereof as may be necessary, must be expended first for work by distance education.

#7 HB1019  
1-9-19

# House Bill 1019



Dr. Alan Peterson  
State Director

North Dakota House Appropriations Education and Environment Division  
Roughrider Room State Capitol  
January 9, 2019  
ND Center for Distance Education (NDCDE)  
Dr. Alan J. Peterson, State Director

# ND Center for Distance Education

*Why is NDCDE coming before this committee as part of the Career and Technical Education budget?*

- 1. Issues raised by you and your fellow legislators during the interim led to the consideration of a realignment involving CTE and NDCDE.*
- 2. Guidance and direction from the Governor's Office confirmed the need for realignment.*
- 3. A ND education system that is acknowledging the need for*
  - More coordination,*
  - Less redundancy,*
  - More technological savvy, and*
  - More accountable results.*

Att7

HB 1019

1/9/19

# ND Center for Distance Education

*What does NDCDE provide and what roles must it fill in ND's education system?*

*Provide*

- *Choice – provision for equal course choice for all ND students.*
- *Opportunity – provision for equal opportunity to learn and excel for all ND students.*
- *Validation – provision for meaningful validation of their learning for all ND students.*

Att 7

HB 1019

1/9/19

# ND Center for Distance Education

## *Roles*

- 1. A school for full-time students; often having special circumstances.*
- 2. A provider of educational services to all ND schools to*
  - Provide courses,*
  - Provide teachers,*
  - Provide occupation for teachers,*
  - Provide high tech experiences and projects everyday in all schools,*

*Success? 12,000 online enrollments 2017-2019, 9,000 enrollments in other services 2017-2019, equivalent to a school of 600 full-time students*



Att 7  
HB 1019 1/9/19

# ND Center for Distance Education

*Why change state governance alignment?*

*We can do better for kids and parents if we do. More comprehensive and coordinated use of technologically supported learning benefits everyone. NDCDE with the right partner has the expertise and the will to make it happen.*

*What is holding us back?*

- *Fear*
- *Funding*

Att 7

HB 1019

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# ND Center for Distance Education

## *Funding?*

*Current = A negotiated General Funds appropriate of \$6 million / biennium*

*Special Funds spending authority for \$2.9 million / biennium*

*Problems = Accountability is not straight-forward, and Flexibility for meeting needs is very limited.*

*Proposed = Part 1 – (Course enrollments converted to ADM) X (.7 of ND student support payment) to replace current General Funds appropriation.*

*Part 2 – (Course enrollments) X (Individual course fees) Special Funds spending authority*

***If proposed funding had been applied 2015-2019 = \$8.9 million / biennium***

AH 7

HB 1019

1/9/19

# ND Center for Distance Education

## Summary

- *NDCDE is a direct report to the State Board for Technical and Career Education.*
- *NDCDE is funding through a combination of student and school funding mechanisms, plus fees per enrollment.*
- *NDCDE and the Career and Technical Education Department work together for the benefit of all ND's kids.*
- *NDCDE and ND CTE work to optimize learning opportunities through innovation. Example.....*
- *ND's taxpayer investment remains the same.*



#8

HB 1019

1-9-19



## Marketplace for Kids

**“The Entrepreneurs of Tomorrow  
Are Preparing Today!”**

### WHAT’S AN EDUCATION DAY?

Education Days are unique, one-of-a-kind experience where students **explore careers, technology, and the future through hands-on activities** that are rooted in **entrepreneurship and innovation**. We have Education Days scheduled throughout North Dakota each year and will be in Minot, Devils Lake, Bottineau, Dickinson, Watford City, Williston, Bismarck, Fargo (2), Cavalier, Jamestown, and Wahpeton this school year!

### WHAT DOES MARKETPLACE FOR KIDS TEACH?

MFK has a primary focus on **Entrepreneurship** and is many times a student’s first look at **business ownership, career choices, innovative technology and even college settings**. The vast array of class choices at all Education Days are nothing short of **phenomenal, including STEAM classes, HANDS-ON LEARNING ACTIVITIES** such as **Financial Literacy, Starting a Business, Wildlife, Industry Safety, Railroad, Energy Resources etc., Agriculture, Automotive, Aerospace, Construction, Plumbing, HVAC, Robotics, Electronics, Drones and Virtual Reality applications**.

### WHO MAKES MARKETPLACE FOR KIDS HAPPEN?

MFK begins with the programming created and approved by **Regional Advisory Leadership Teams** and **Marketplace staff**. Hundreds of volunteers including people from **business, Chambers of Commerce, Economic Development Corps., Score, Retired Teachers Associations, students from DECA, 4-H, Honor Societies** etc. present classes and provide guidance, direction, and hands-on help to presenters, students and staff throughout the day. Volunteer hours during the 2017-18 Education Day season amounted to over **2,000 hours (\$54,540.48)**.

Marketplace for Kids-2019 Executive Director Bob Heitkamp Contact: (701)-242-7744  
[www.marketplaceforkids.org](http://www.marketplaceforkids.org)

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## WHERE IS MARKETPLACE FOR KIDS NOW?

In 2018/19 Marketplace for Kids will hold **12 Education Days**, reaching **120 plus schools** from all corners of the State of North Dakota (and MN, SD, & MT). We are estimating over **11,000 in total attendance** this school year! We have added classes such as “**MainStreetND**”, “**The Virtual Reality World**”, and “**WHAT DO LAND SURVEYORS REALLY DO?**” to every Education Day during the 18/19 school year.

## WHY DOES MARKETPLACE FOR KIDS HAPPEN?

It is our belief that “**every student has the right to receive entrepreneurship education and encouragement to become a lifelong partner in building stronger communities.**” We strive to “**encourage youth to explore entrepreneurship and self-employment through the recognition and development of their inventive, creative thinking and problem-solving skills.**”



# Marketplace for Kids

## “The Entrepreneurs of Tomorrow Are Preparing Today!”

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### HISTORY OF MARKETPLACE FOR KIDS.

Marketplace for Kids (MFK) started in **1995** as a pilot. Elementary teachers from Jamestown, Fargo, West Fargo and other areas met in Jamestown to design a concept that would encourage students to showcase their innovative ideas and attend age appropriate experiential classes of all types. Over **600 participated** that first year in Jamestown. In 1997 the regional concept was developed, growing to **12** Education Days.

### STANDARDS:

MFK meets State and National Standards in Science, Technology, Entrepreneurship Education, Arts, Math, and Language and is active in the Consortium for Entrepreneurship Education. During the research process (validation) of the National Content Standards for Entrepreneurship Education, numerous MFK representatives reviewed the standards and provided feedback to the Consortium to validate and/or improve the content and organization of the final standards for elementary entrepreneurship education during the initial meeting in Seattle, WA. These standards represent a framework for all organizations to work together to “Accelerate Entrepreneurship in America.”

### RESOURCES:

- MFK provides continuing education credit to the education network.
- Does classroom outreach sessions to help students and teachers get started with planning.

- Supplies lesson plans (from teachers), Learning Guide and resources to meet the demand of a growing/changing education network.

## RECOGNITION:

- MFK has been recognized as a program that should be replicated by the Consortium for Entrepreneurship Education.
- Featured in the national publication “Education Update” (a publication of ASCD Association for Supervision and Curriculum Development) as a program to begin teaching entrepreneurship early.  
<http://www.ascd.org/publications/newsletters/education-update/jun09/vol51/num06/Educating-Emerging-Entrepreneurs.aspx>
- Recognized in the Midwestern Office of the Council of State Governments Newsletter as “**One of the best youth Entrepreneurship programs in the nation.**” (MFK students have presented at their annual Conference)
- Collaborates with the Consortium for Entrepreneurship Education on National Entrepreneurship Education Standards to provide entrepreneurial education programs to all Americans.

## SUMMARY:

Entrepreneurship education positively impacts learners at all levels in a wide number of contexts. Marketplace for Kids is the **only** Elementary Entrepreneurship Education Program in North Dakota; we support entrepreneurship education and the Consortium for Entrepreneurship and all programs that fall under the framework of the National Standards for Entrepreneurship Education. The North Dakota Legislature has supported Elementary Entrepreneurship Education since 2005 with a total number benefiting from that funding surpassing **150,000**.



## Marketplace for Kids “The Entrepreneurs of Tomorrow Are Preparing Today!”

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### **MFK AND OPPORTUNITY:**

Chairman Monson and members of the Committee, I am Mike Hanson, the Director of North Valley Career & Technology Center located in Grafton. I am here today to talk about the opportunities through Marketplace for Kids for students in North Dakota.

Last year North Valley and Grafton Public School hosted a Marketplace for Kids Education Day, in which over 700 students, grades 3-8, from all over the region attended. Every student had the opportunity to hear a message from the keynote speaker, attend breakout sessions presented by a variety of entrepreneurs, as well as create projects which have the potential to turn into a business. While students were presenting their projects, I listened to a sixth-grade student present a problem he and his family had when they go to the pool with his wheelchair-bound toddler brother. He said the pool is exhausting for his parents as they have always needed to carry and tend to his brother and it leaves no time for his parents to play with him. With PVC pipe and pool noodles, he created a flotation device that would allow his family a chance to go to the pool and enjoy their time knowing his brother is safe.

Across North Dakota, Marketplace for Kids provides a resource to schools and teachers to provide quality, consistency, and equity for their Education Days. It is Marketplace for Kids that provides assistance and resources to encourage schools and teachers to provide an opportunity for all students in North Dakota to explore creative ways to solve problems and create products... to become young entrepreneurs.

In the times where career exploration and youth entrepreneurship seems to be on the forefront at both the state and federal level, Marketplace for Kids fills a great need for the students of North Dakota.

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Chairman Monson and committee members, I urge you to sustain funding for Marketplace for Kids. Thank you and I would be happy to answer any questions you may have.





## Marketplace for Kids “The Entrepreneurs of Tomorrow Are Preparing Today!”

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### HOW DOES MFK ALIGN WITH CTE’S VISION?

Marketplace for Kids provides an **“educational experience based on labor market info relating to the needs of business, industry and the private sector”** by using feedback from students, presenters, business and industry annually. Creating a database of information that is used to target future programming in the greatest needs areas AND that students WANT to get involved with. MFK is **“committed to providing career awareness”** by partnering directly with Career & Tech Centers, Colleges, High Schools and industry leaders and using their knowledge, equipment and processes to introduce these career choices to thousands of students across the state who may never have this opportunity. This allows our students to use **“the latest methods of instruction while using up-to-date technology”**. MFK’s focus on elementary students in grades 3-8 is the only Statewide program that **“provides youth with exploration opportunities and the foundation skills needed to enter the world of work”**.

### REMARKS:

“Fantastic Entrepreneurial day for 3-8<sup>th</sup> grade students”; “we believe the future of our state’s economy lies in the innovative spirit of our children.”; “It’s a day where students learn that they can do and be anything they want to, and they can do it in North Dakota”; “those contributions do not cover the cost of the event. CTE funding is critical to the continuation of the program”; “there is something for everyone—some students want to showcase business plans, inventions, bring ideas to life and create something”; “MFK allows for both in a non-competitive environment. MFK is something our area students and teachers look forward to year after year”; “It is a program that greatly contributes to the future Workforce Development goals that the state has.” “My son attended one of the first

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Marketplace for Kids when it was held in Jamestown. He now owns and operates his own home design service. This is one example of how this program is beneficial to the North Dakota population.”; “since 2005 we have had over 7,500 students, teachers, chaperones and parents walk the halls of Dakota College to enjoy a large variety of classes”; “Our community is actively building tomorrow’s workforce with the help of this educational program, which needs the CTE grant to be able to continue.”; “North Dakota’s economy is changing, and we’re seeing the emergence of new solutions built on innovative ideas.”

## **SUMMARY:**

To the best of our knowledge there is **NO** program or location that places this type of focus on this elementary age group “at no cost”! It is also important to know that a portion of the ND CTE grant to MFK is sent directly to the participating schools to help cover costs involved with completing projects.





# Marketplace for Kids 2019 +



The Entrepreneurs of Tomorrow  
Are in Our Schools and Homes Today!

### Mission:

To encourage youth to explore entrepreneurship and self-employment through the recognition and development of their inventive, creative thinking and problem-solving skills.

### Vision:

Our vision is for every student to receive entrepreneurship education and encouragement to become a lifelong partner in building stronger communities.

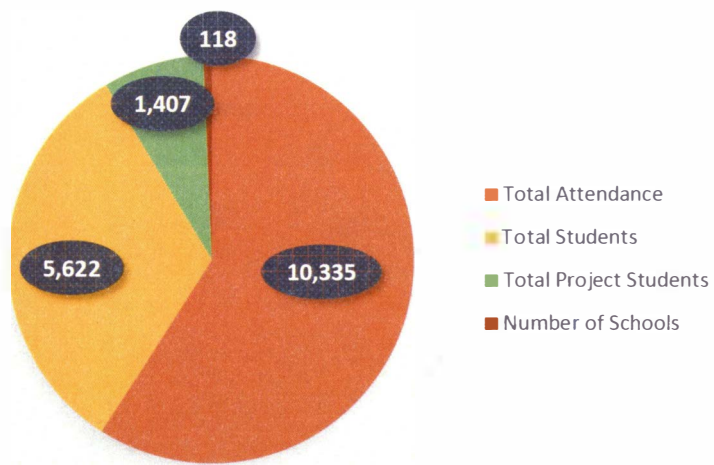
## Innovative Learning

Project based learning encourages students to stretch their thinking in more creative, divergent ways to solve problems and create new ideas. During our unique Education Days, students attend hands-on activities to explore career fields, technology, and entrepreneurship.

### HISTORY:

Marketplace for Kids started in 1995 as a pilot. Elementary teachers from Jamestown, Fargo, West Fargo and other areas met in Jamestown to design a concept that would encourage students to showcase their innovative ideas and attend age appropriate experiential classes of all types. The Advisory Leadership Team for the pilot elected Jamestown as the site. Over 600 students/teachers/advisors participated that first year. The Team deemed the Education Day as an immense success. In year 1997 the regional concept was developed, suggesting that Marketplace for Kids would expand as interest grew. In 2015 twelve Education Days were held.

### 2017/18 School Year



*"Marketplace for Kids is a breath of fresh air each spring! It is always a pleasure to partner with Marketplace for Kids to offer all we have in career choices and see so many up and coming possible world leaders. We're looking forward to the next Education Day with excitement and encouragement!"*

Dr. John Richman,  
President NDSCS

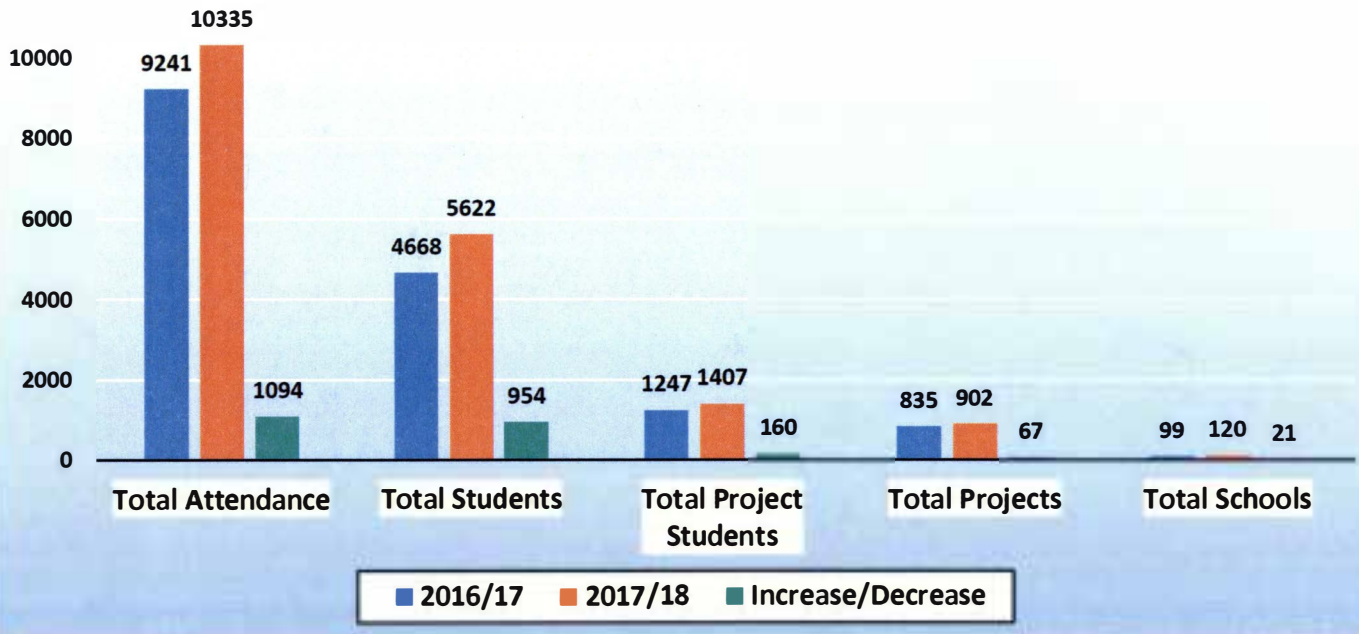
**Marketplace for Kids is a nationally recognized model.**

Outreach and technical assistance is provided to school districts, consortium of schools, youth organizations, and associations interested in Youth Entrepreneurship.

Students have the opportunity to create projects using collaboration, communication, creativity, and critical thinking. These projects are showcased by the students as part of our Education Days.

**Creativity Unleashed**

**YEAR TO YEAR PERFORMANCE**



**2018/19 Goals**

- ✓ Increase Project Students by 15%
- ✓ Increase total Students by 10%
- ✓ Add new class statewide “MainStreetND”
- ✓ Add new class statewide “The Virtual Reality World”

**2019/20 Goals**

- ✓ Host first Education Day at Mayville State College
- ✓ Host first Education Day in Bowman

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House Appropriations – Education and Environment Division

CTE - Public Hearing  
January 9, 2019 at 2:00 PM  
North Dakota State Capital  
Bismarck, ND

MEMBERS OF THE HOUSE APPROPRIATIONS COMMITTEE:

My name is Morgan Forness and I currently serve as the Superintendent of Central Cass Public School in Casselton, ND. Previously, I worked in private schools in both Bismarck and Fargo and have always been a believer in collaboration in public/private partnerships to best meet the needs of schools and community. I am appearing here today as a member Cass County Career and Technical Education Center and in full support for funding of a Career Workforce Academy – matching grant program, as outlined in Governor Burgum’s budget.

CCCTEC was established in 2014 as a collaborative effort between Fargo, Northern Cass, and West Fargo Public Schools. Central Cass and Kindred have now also joined. Educational leaders are committed to working collaboratively to strengthen career and technical education options for all high schools in the region. We feel that working together with other school’s districts, various industry leaders, and institutions of higher ed. in the sharing resources, facilities, staffing and programming is the best way to accomplish that goal!

As mentioned in Gov. Burgum’s address, *“Workforce recruitment and retention is North Dakota’s No. 1 barrier to economic growth.”* I applaud and fully support his recommendation that the state establish *“\$30 million in competitive grants for career academies, requiring a 1-to-1 match from the private sector or political subdivisions.”* As Gov. Burgum stated, according to the North Dakota Workforce Survey, over 70 percent of available jobs in North Dakota require an associate degree or less. Career academies can help move youth into the workforce and lower the cost of college.

That said, we need to move away from the notion that a four-year college degree is right for everyone. Instead, we need to help students’ identify their interests and aptitudes by creating learning experiences that allow them to explore the numerous opportunity of both college and career that are not only necessary, but also a reality in fulfilling the workforce needs of the 21<sup>st</sup> Century.

As someone who has spent almost 30 years in education and also been a part of three major capital building projects, I have witnessed first-hand the lack of opportunities and electives (especially in our rural areas) that prevent our students from realizing the many legitimate career opportunities before them. Additionally, the lack of skilled labor in all of the trades is alarming, yet we do little in our educational system to change that mindset of higher ed. and alternative career pathways before them. This needs to change and as such, the Career Workforce Academy - Matching Grant program is a win-win for all!

Below is a snapshot of our need:

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### **The Why:**

The Fargo - West Fargo metropolitan area is the largest and fastest growing area in North Dakota.

- K-12 enrollment projections indicate significant increases in the near future.
- The workforce in the region is the largest and most diverse. There is a consistent demand for trained and educated employees.

### **The Who:**

A consortium was formed including K-12 school districts, two-year colleges, and business and Industry with a common goal to combine resources to pursue the Career Workforce Academy.

- The K-12 members are Moorhead, Fargo, West Fargo, Northern Cass, Central Cass;
- The two-year colleges are NDSCS and others
- The business and industry partners will involve those from sectors such as allied health, manufacturing, agriculture, information technology, construction, transportation, business, arts and communication.

### **The What:**

The Career Workforce Academy will provide opportunities for the following demographic groups:

- Career Awareness – Elementary Students
- Career Exploration – Junior High Students
- Career Pathways – High School Students
- Career Development – College Students
- Career Training – Incumbent Workforce and New Americans

### **The How:**

How will we serve those students attending the Career Workforce Academy?

- By developing curriculum for grades K-14 that will ultimately lead to additional associate degrees in the region.
- There will be an initial focus on these sectors: allied health, manufacturing, agriculture, information technology, construction, transportation, business, arts and communication.
- In addition, emphasis will be placed on project-based learning, specialized student support and services, identifying the unique needs of students, and continual support for student success.



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With the approval of the North Dakota State Board of Higher Education, NDSCS has embarked on a fundraising campaign for the Career Workforce Academy with a goal of securing pledges of \$30 million in four years. In addition, several members of the consortium are teaming up to identify programming, operations budget, site selection, and strategic planning.

I encourage you to support the Academy Matching Program as these academies will provide:

- Provide exposure to multiple career paths for all levels of K-14 students.
- Present more opportunities for students to sample and experiment within a variety of careers.
- Create opportunity for those interested in a technical degree.
- Create a path for incumbent workers and new Americans for a new career.
- Provide appropriate facilities and equipment for hands-on career training.
- Focus on the region's workforce and employer needs.
- Help Gain Respect for Multiple Career Pathways

Parents will be informed about diverse careers and be encouraged to start having earlier conversations with their children about career path options.

Students will want to learn about and develop skills in technical and trade careers and will gain respect for having a career in these high-demand, high-wage fields.

Counselors and teachers, as well as parents, will be provided career awareness opportunities to learn and better understand the viable careers that exist today and the education pathway to those careers.

#### **Top 5 Reasons for an Academy**

1. Expanding learning opportunities for students.
2. A collaborative approach enhancing everyone's effectiveness and efficiencies.
3. A workforce development solution.
4. Career exploration and skill development.
5. A proven model that makes a difference

To close, Cass County is a growing demographically and projects that provide career exploration, educational experiences, job opportunities, investment in community, and diversified industries, benefits us all. As a rural school district, collaborative projects such as a career workforce academy that develops by sharing resources, built in a manner that is well planned, serves the common good, invests in its local economy, and dedicates educational financial support to its schools are to be applauded.

We are all in the business of educating top quality students for the 21<sup>st</sup> Century, and by working together we are all better for it.

I would be happy to answer any questions you may have.

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# CAREER WORKFORCE ACADEMY TALKING POINTS

Secondary • Early Entry • Post-Secondary • Incumbent Worker

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**Collaboration • Innovation • Career Preparation  
Workforce Entry • Technical and Academic Education**

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*The Right Student, in the Right Program, for the Right Reasons*



**Career Workforce Academy Vision Statement**

The Career Workforce Academy will build the awareness of multiple career clusters and the skills necessary to be career ready through experiential education, classroom training, student connection to business and industry, and career path counseling. It will present real-time opportunities and real-life experiences by responding and adapting quickly to industry demands and student interest. Success will depend on engaged student interest and on the collaboration of all stakeholders.

“ The job shadow experience has really given me a better perspective on what I want to achieve in life. [With] the academy you take that extra step to see if it’s really something you might want to do. ”

- “Career Academies: A Proven Strategy to Prepare High School Students for College and Careers.”  
Career Academy Support Network, 2010, University of California, Berkeley Graduate School of Education

**What is an Academy?**

A career academy is a type of school that can provide K-14 students, incumbent workers and new Americans a curriculum to prepare them for a successful career.

Strong partnerships that work together to enhance curriculum with relevant learning for successful outcomes.

The Career Workforce Academy is a collaborative effort by the school districts of Fargo, West Fargo, Northern Cass, Central Cass, Kindred and Moorhead, and the two-year colleges of North Dakota State College of Science (NDSCS) and M State. It is designed to deliver workforce training and education that is responsive to changing employer and student needs. This plan will expand and enhance our ability to attract, retain and grow businesses and develop opportunities for student success in the workforce.

**Strong Partnerships**



**Career Workforce Academy Value Statements**

**The Career Workforce Academy concept is:**

- A proven model in responding to the needs of students and industries.
- Effective in improving outcomes for students during and after high school.

**The Career Workforce Academy will:**

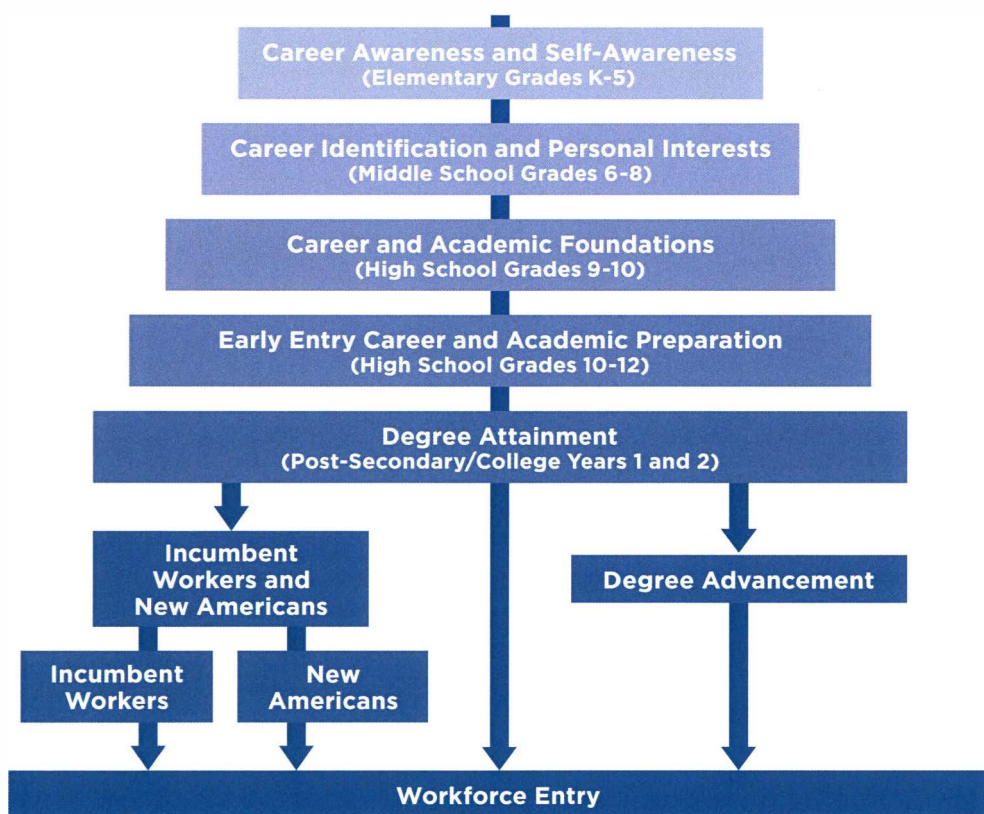
- Provide exposure to multiple career paths for all levels of K-14 students.
- Present more opportunities for students to sample and experiment within a variety of careers.
- Create opportunity for those interested in a technical degree.
- Create a path for incumbent workers and new Americans for a new career.
- Provide appropriate facilities and equipment for hands-on career training.
- Focus on the region’s workforce and employer needs.



## The Career Workforce Academy Will Help Gain Respect for Multiple Career Pathways

- ◆ Parents will be informed about diverse careers and be encouraged to start having earlier conversations with their children about career path options.
- ◆ Students will want to learn about and develop skills in technical and trade careers and will gain respect for having a career in these high-demand, high-wage fields.
- ◆ Counselors and teachers, as well as parents, will be provided career awareness opportunities to learn and better understand the viable careers that exist today and the education pathway to those careers.

## Career Workforce Academy Concept



## A Proven and Successful Model

The number of career academies has been expanding rapidly, in part because academies have been found to be effective, and in part because they embody ideas promoted by several major high school reform movements. ...[R] rigorous evaluations have found that individual career academies within larger high schools help improve students' academic performance, prepare them for post-secondary education, and boost earnings after high school.

## Summary

The academy concept has a proven track record of effectiveness for introducing students to multiple career paths – matching their skill sets and interests to job opportunities. It has become the best-tested strategy and accepted principles to prepare students for life after high school. Additionally, by including incumbent workers and new Americans, the Career Workforce Academy will benefit the business and industry community by having these groups access the same career preparation and training opportunities as Career Workforce Academy high school students.

## Top 5 Reasons for an Academy

**1** Expanding learning opportunities for students.

**2** A collaborative approach enhancing everyone's effectiveness and efficiencies.

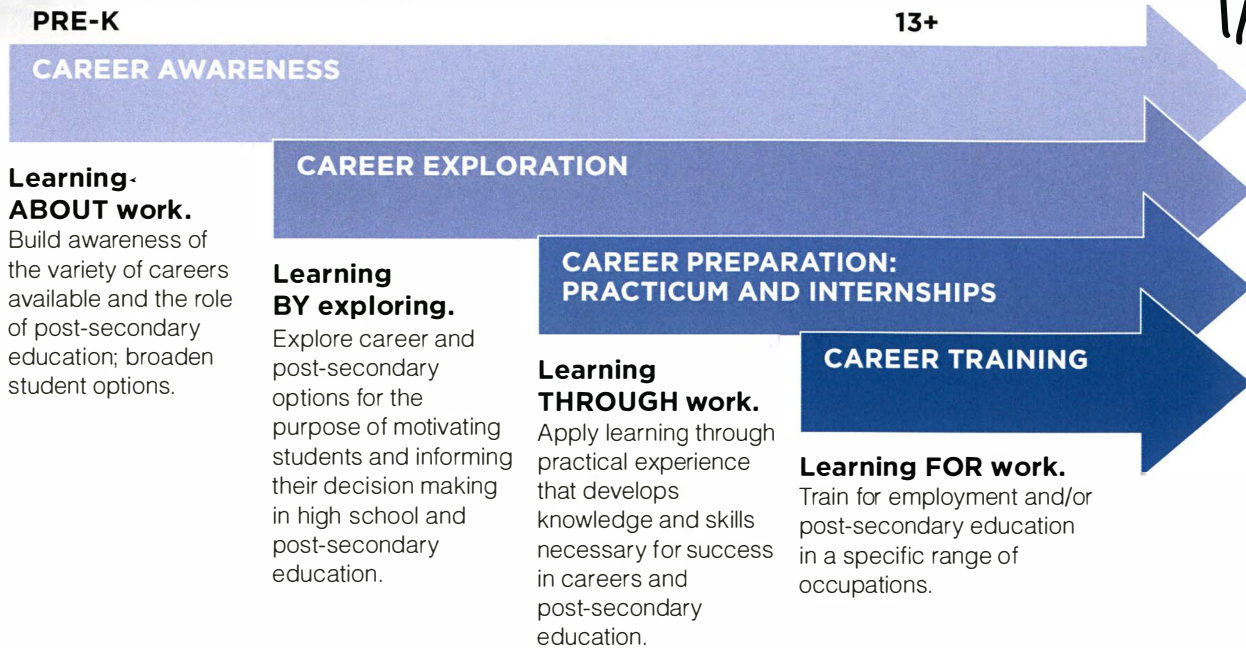
**3** A workforce development solution.

**4** Career exploration and skill development.

**5** A proven model that makes a difference.







**Projected Annual Career Workforce Academy Attendance**

Within the first few years, the Career Workforce Academy (CWA) project estimates approximately 3,900 students and individuals will receive education and training experiences annually. K-12 student enrollment is expected to reach more than 3,000 students, based on 10% student enrollment data from K-12 student populations at Career Academy operations in Sioux Falls, S.D. and Bismarck, N.D. Additionally, approximately 400 NDSCS students will be enrolled in college courses at the CWA, along with 500 employees that will receive training through TrainND and SkillsND program offerings.

*Source: The Fargo School District website stated Fargo/Moorhead metro enrollment in 2017 was 32,211.*

**Committee Structure**

**Executive Committee**

- Mr. Rupak Gandhi**  
*Fargo Public Schools Superintendent*
- Mrs. Beth Slette**  
*West Fargo Public Schools Superintendent*
- Dr. John Richman**  
*NDSCS President, Executive Committee Chair*
- Dr. Carrie Brimhall**  
*M State President*
- Dr. Denise Jonas**  
*Cass County CTE Director*
- Mr. Brandon Lunak**  
*Moorhead Public Schools Superintendent*
- Mr. Morgan Forness**  
*Central Cass Schools Superintendent*
- Dr. Cory Steiner**  
*Northern Cass Schools Superintendent*
- Mr. Steve Hall**  
*Kindred High School Superintendent*
- Mr. Tony Grindberg**  
*NDSCS Vice President for Workforce Affairs*

**Program Committee**

- Dr. Denise Jonas**  
*Cass County CTE Director, Program Committee Chair*
- Mr. Harvey Link**  
*NDSCS Vice President for Academic Affairs*
- Dr. Cory Steiner**  
*Northern Cass Schools Superintendent*
- Dr. Allen Burgad**  
*West Fargo Public Schools Secondary Assistant Superintendent*
- Dr. Bob Grosz**  
*Fargo Public Schools Associate Superintendent*
- Ms. Tamara Uselman**  
*Moorhead Public Schools Assistant Superintendent*
- Mr. Morgan Forness**  
*Central Cass Schools Superintendent*

- Mr. Steve Hall**  
*Kindred High School Superintendent*
- Dr. Ken Kompelien**  
*NDSCS Dean of Arts, Science and Business Division*
- Dr. Marion Askegaard**  
*NDSCS Early Entry Program Coordinator*
- Ms. Mary Johnson**  
*M State Interim Vice President of Academic Affairs/CAO*
- Ms. Carrie Ward**  
*M State Dean of Academic Affairs for Technical Programs*
- NDSCS Workforce Industry Partners**
- K-12 Principal Representatives**
- Department Chair Representatives**



# CAREER WORKFORCE ACADEMY

Secondary Early Entry • Post-Secondary • Incumbent Worker

#11  
HB 1019  
1-9-19

January 9, 2019

Chairman Monson and House Appropriations Education & Environment Members  
North Dakota Legislative Assembly  
600 East Blvd  
Bismarck, ND 58505

RE: Career Academy State Matching Grant Funds

Representative Monson and Committee Members:

In October, 2018, the North Dakota Workforce Development Council (WDC) submitted their recommendations to Governor Burgum. One key recommendation highlighted in the report included a career academy initiative described below.

*To ensure clear and efficient pathways to technical careers, secondary and post-secondary education must be tightly aligned and barriers to technical degree pursuit/attainment removed. The WDC recommends making competitive funding available to launch additional career academies to advance high-quality technical education, maximize resources, and incentivize collaborative partnerships between the state, the PK-12 system, community colleges and private industry.*

*"We need to educate the people within our state on the fact that the majority of good, solid careers in this state require a two-year technical degree or less. A pathway pursuing a technical education will help ensure their future success within one of these careers." Perry Lubbers, Vice President of Manufacturing Operations, Trail King Industries*

The businesses listed below have pledged private sector financial support for the creation of the Cass County Career Academy. To that end, we support Governor Burgum's recommendation for a career academy public/private partnership matching grant program.

We look forward to working with the legislature on a career academy program to advance workforce solutions that will keep North Dakota competitive.

Sincerely,

Perry Lubbers  
Trail King Industries

Don Dabbert  
Dabbert Custom Homes

Tammy Miller  
Border States Electric

Justin Forde  
Midco

Tyrone Leslie  
Heritage Homes

Vicky Matson  
FM Area Assn of Realtors

Chad Flanagan  
Eide Bailly

Jaysen Schock  
Cargill

Delton Steele  
US Bank

Nate White  
Sanford Health

Bryce Johnson  
F/M Home Builders Assn

Greg Butler  
Gremada Industries

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**House Appropriations Committee – Education and Environment Division**  
**Chairman David Monson**  
**January 9, 2019**

**By: Pam Stroklund**  
**Career & Technical Education Director, Minot Public Schools**  
[pam.stroklund@minot.k12.nd.us](mailto:pam.stroklund@minot.k12.nd.us)  
**701.857.4458**

**HB 1019**

Chairman Monson and Committee members, my name is Pam Stroklund, Career & Technical Education Director for Minot Public Schools. I offer the apologies of Dr. Mark Vollmer, Superintendent of Minot Public Schools, who had planned to be here today. But, as often seen in our business, critical duties of district required precedence.

Minot is very fortunate to have a strong CTE program in our community for area high school students. Minot Public Schools offers 13 career & technical education programs from Agriculture to Welding. We are the only district in the state to offer Project Lead the Way Biomedical Sciences for the past four years and have recently added Certified Medication Aide training to our Certified Nursing Assistant program. Each year, we certify 35-50 CNAs and send them off to fill the workforce needs of our community.

Upon graduation, Minot area students are again very fortunate to have post-secondary options of a 4 year university, Job Corps Center, apprenticeship programs, regional adult learning center and a military base. We know in our economy the majority of the job openings need short-term, vocational training which is limited in our community. Not having a Bismarck State or a State School of Science locally provides a challenge in offering trade & industry training, but not an impossible vision.

The need for short-term, technical training is great in the Minot area not only to train our recent graduates, but also retool our adults who may be recovering from addiction, exiting from

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the military, laid off from the oil field, or wanting to better their lives and cannot leave their families behind to obtain training.

Job Service has programs to pay for short-term training. Finding this training within our community is the challenge. Dakota College of Bottineau offers programs in Nursing and Information Technology locally to fill our workforce needs. A plan is in place with the City of Minot to fund a facility for this partnership. Coordinating the efforts to bring additional short-term CTE training to fill our job openings is necessary.

We encourage the House Appropriations Committee to also consider options that would promote community partnerships, including the use of existing facilities to offer a broad array of training opportunities for all. We believe this partnership will serve to strengthen existing programs, and will offer much needed opportunities for all levels of training.

Minot Public Schools supports the Governor's request of creating a Career Academy and offers the use of the CTE facilities to the community as we build a stronger technical training economy. Your support would make this happen. Thank you for your time. I would be happy to address any questions.

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**House Appropriations Committee – Education and Environment Division**  
**Chairman David Monson**  
**January 9, 2019**

**By: Kelli Kronschnabel**  
**Fire Chief, City of Minot**  
[kelli.kronschnabel@minotnd.org](mailto:kelli.kronschnabel@minotnd.org)  
**701.857.4740**

**HB 1019**

Chairman Monson and members of the Education and Environment Division, my name is Kelli Kronschnabel, Fire Chief for the City of Minot.

The City of Minot supports the Governor’s proposed \$30 million -- with a 1-to-1 match - for career academies. We want to duplicate the great success of the Career Academy model in Bismarck with our own program in Minot.

The City of Minot identified CTE development as a need in 2016 through numerous public meetings. This drove its inclusion in a successful resilience grant application the City made to the US Department of Housing and Urban Development (HUD). Economic resilience is extremely critical for our region. Not only will it support existing business and industry, it will also drive other good-paying workforce opportunities -- making the city/regional economy less vulnerable to the boom/bust cycle of oil. CTE makes available local quality training, allowing students to stay in the area rather than seek technical education elsewhere. It also serves as an incentive for businesses to locate in the region because the workforce training provided a local supply of new skilled workers.

The City of Minot already has \$1.54 million in federal grant funding committed to our project. Let me emphasize that: we already have a dollar to dollar match in place for a proposed \$3M project. This project would be in partnership with Dakota College at Bottineau and Minot

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State University in Minot to design and administer the IT/Allied Health programs. The biggest issue is leveraging available dollars so we can get a facility and materials. That's what will be successfully achieved with 1:1 match of federal and state funds.

Our concept was created in partnership with and successfully vetted through local agencies similar to those mentioned in HB 1019 section 3:

- The Minot Area Chamber of Commerce and the Minot Area Development Corporation helped develop and execute the workforce training needs assessment among local businesses, and we reached out to Minot Air Force Base to survey separating members on workforce interests as well.
- ND Job Service (Susan Ogurek), Job Corps (Daniel Budzyn), Minot Public Schools (Pam Stroklund), Dakota College Bottineau (Dr Jerry Migler), and Minot State University (Dr Steve Shirley) have all participated in discussions at various points and support our efforts.

Timing is critically important. The federal grant funds we obtained must be invoiced and spent before September 30, 2020 and may ONLY be used for facility construction and/or renovation. The federal funds may not be utilized for operation/maintenance.

We need a post-secondary CTE program in Minot. The next closest is Bottineau, 85 miles or 1.5 hrs one-way from Minot. Minot is the fourth largest city in the state, but does not have direct access to a CTE program like our other top 10 cities. Your support can change that.

The City of Minot requests this committee's support of the Governor's request as you work up work HB 1019. Thank you for your time and I would be happy to address any questions.



#14  
HB 1019  
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My name is Heather Milbrath and I am the Marketing Coordinator for Gooseneck Implement. Gooseneck Implement supports a regional training center in North Dakota: specifically in Minot.

This is important to us because we need a skilled workforce to continue to support our farmers. And that workforce largely comes from this part of the state.

We have things to offer, but it's harder to pull that talent from the eastern part of the state to western ND. Take myself for example. I grew up on a farm near Bottineau. I went to school at NDSU in Fargo because I wanted a career based around my passion for agriculture. I loved Fargo. However, when I graduated, I wanted to be close to the farm, and this Gooseneck job presented itself so I took it. However, had I not had this job offer, I probably wouldn't have moved back to the central part of the state, and instead taken a job in Fargo. So, we send these students to the eastern edge but may never get them back. Plus, part of me moving home means that one day, when I start a family, I will need to depend on these carpenters, plumbers, technicians and other laborers to help sustain life in a rural town.

At Gooseneck, we have invested substantially in western North Dakota. Through putting up million-dollar facilities in these small towns like Rugby, Velva, Mohall, Stanley, etc. And more recently with the acquisition of Dakota Farm Equipment in the southwestern portion of the state, we've stated that we're here; in this part of the state because we believe it in. But with these investments comes a need for a talented workforce in these highly technical positions.

I will summarize by saying that this needs to be a cooperative effort. When Senator Larson first adjourned a meeting to inform us of this Regional CTE facility, we sat down with the largest car dealer in town, the department heads of local universities, the electricians, the welders, the machinists, the people from Job Corps and CTE classes. We had a lot of people in one room that are often competing for the same talent: this young talented guy or girl who is interested in working in a technical field. But we all sat in the same room and wanted to work together toward this common goal of keep our talent where our talent is needed.

Heather Milbrath  
Gooseneck Implement - Marketing Coordinator  
heathermilbrath@gooseneckimp.com

**HB 1019**

**House Appropriations Committee – Education and Environmental Division  
Chairman Monson  
January 9<sup>th</sup>, 2019**

Good morning. Chairman Monson, members of the House Appropriations Committee. For the record, my name is Steven Holen and I currently serve as the Superintendent of Schools for the McKenzie County Public School District #1 in Watford City. I am here today to testify in support of HB 1019, in particular, the Career Academy component of the bill.

The McKenzie County Public School District #1 has witnessed a trend in its high school graduates and post-secondary pursuits for the past several years. A significant number of students are electing to pursue employment or trade school options after high school graduation as well as two year college training programs. The number of students pursuing four-year college degrees has decreased significantly over the past 10 years perhaps driven by the availability of high paying jobs in our geographic area as well as general trends across the country toward trade and certification programs. The school district identified a need for expansion of Career and Technical programs and curriculum to help address post-secondary readiness of our students and initiated collaboration with our local Economic Development and Job Authority organizations to partner in developing programs to meet the needs of our students and the community. The Workforce Skills Initiative was formed and has members that include county and city officials, school administration and teachers, business members, local universities – University of Mary and Williston State College, ND Train, and others to develop a plan to provide workforce skills training and resources to youth and adult learners in addressing a shortage of workforce in our area and to align the K-12 educational experience with the resources available to promote a highly skilled and diverse workforce.

As part of this process, the school district initiated a subcommittee of the Workforce Skills Initiative specifically with members of our energy industry to begin exploring partnerships and collaboration in developing and promoting workforce skills and career exploration at the middle and high school levels. Over the past 1.5 years; this committee has expanded to over 20 members with regular meetings to encourage discussion and collaboration in educating students on employment opportunities available and alignment of skills required to be successful in the diverse employment opportunities available in the energy sector. Our major industry partners include: Whiting, ConocoPhillips, OneOk, Oasis, Hess, Equinor, MBI, and others. These discussions are occurring with collaboration of our post-secondary institutions, small business development, and ND Train to develop comprehensive programs and curriculum to address college and career readiness and ensure alignment of career competencies with our K-12 programs. The vision established, and initial curriculum already developed, is formation of a two-year curriculum for a student's junior and senior years that provides specific career orientated objectives that are aligned with state curriculum and career and technical standards, however,



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implement elements of authentic career experiences, project based learning, and personalized learning geared to their post-secondary experience. Our school district envisions this as the initial establishment and foundation of what a Career Academy can offer a region and is part of our school district's vision in consolidating services with career and technical programs, high tech consortiums, workforce training, and to overall better meet the needs of our students regardless of the path taken following high school graduation. This has the capacity to expand into a regional concept and to support Career Academy concepts to students across the northwest region of the state.

The timing is right for expansion of Career Academy concepts in North Dakota. In particular, the need for such programs in western North Dakota with its workforce challenges and meeting the needs of this generational energy development is apparent and critical. Please consider strong support for the Career Academy concept as part of Career and Technical Education funding and to know there are programs and plans in place that directly align with this initiative and can make an immediate impact on the educational experience for students and the workforce needs of our area. The support and resources to allow such concepts to be expanded and refined is vital to further development and ultimate impact on students and the future workforce for our region.

Thank you for your time. I would be happy to answer any questions.

Dr. Steven Holen  
Superintendent of Schools  
McKenzie County Public School District #1 – Watford City

Testimony  
**HOUSE BILL NO. 1019**  
**Education and Environment Division of House Appropriations**  
January 9, 2019

Good afternoon Chairman Monson, Vice Chairman Schmidt and members of the Education and Environment Division of the House Appropriations Committee. My name is Delore Zimmerman. I am the Interim Executive Director of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for common strategic economic development opportunities for the Red River Valley region and for North Dakota. Workforce development, including career and technical education, is among the VPP's top priorities.

As business leaders in the Red River Valley, we believe the Cass-Clay Workforce Academy, which is included in this bill, will offer the specialized training that is urgently needed in the region. The Academy will expand career and technical education and training that focuses on career pathway programs that align with industry growth clusters with the highest potential for creating growth and shared prosperity in our region.

Led by a collaborative group of educational organizations and the North Dakota State College of Science, the Academy is a potent partnership that includes private sector companies, K-12 school districts in Cass and Clay counties, other two-year educational institutions, the FMWF Chamber of Commerce, the Greater Fargo-Moorhead Economic Development Corporation, and the cities of Fargo and West Fargo.

The VPP also supports continued funding of TrainND, which provides customized training to business, designed to match the needs of employees. TrainND helps businesses assess and identify skill gaps, and then delivers onsite customized training that fills the gaps, related to technology, leadership, technical or soft skills. TrainND also offers hundreds of courses online.

Thank you for your consideration and please know that business and community leaders throughout the Red River Valley strongly support career and technical education. We are confident that the Cass-Clay Workforce Academy and TrainND will have a significant long-term impact on the availability of skilled workers not only in the Red River Valley but throughout the state of North Dakota.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. Private sector industry and higher education leaders, joined by economic development partners, formed the Valley Prosperity Partnership to identify common strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota. The VPP's six priorities are:

1. Attract, develop and retain **talent**
2. Ensure **water** security and management
3. Expand **research** capacity and relevancy
4. Accelerate **entrepreneurial** activity and output
5. Invest in critical **infrastructure** development and capital improvement
6. Define and improve the internal and external **perception** of the Valley

## Members of the Steering Committee

**Tammy Miller, CEO**  
Border States Electric  
Co-Chairperson, Valley Prosperity Partnership

**Steve Burian, Senior Consultant**  
AE2S  
Co-Chairperson, Valley Prosperity Partnership

**Marshal Albright, President & CEO**  
Cass County Electric Cooperative

**Tom Astrup, President & CEO**  
American Crystal Sugar

**Barry Batcheller, Chairman & CEO**  
Appareo Systems

**Karl Bollingberg, Executive Vice President**  
Alerus Financial

**Dennis Bona, President**  
Northland Community and Technical College

**Dean Bresciani, President**  
North Dakota State University

**Jeff Megaard, Vice President**  
Construction Engineers

**Mylo Einarson, President & CEO**  
Nodak Electric Cooperative

**Chad Flanagan, Partner**  
Eide Bailly

**Jim Galloway, Principal**  
JLG Architects

**Hal Gershman, Owner**  
Happy Harry's Bottle Shops

**Judd Graham, CEO Fargo Region**  
Bremer Bank

**Tim Huckle, President & CEO**  
Blue Cross Blue Shield North Dakota

**Brian Johnson, CEO**  
Choice Financial Group

**Mark Kennedy, President**  
University of North Dakota

**Joe Raso, President & CEO**  
Greater Fargo Moorhead EDC

**Keith Lund, President & CEO**  
Grand Forks Region EDC

**William C. Marcil, Sr. Chairman**  
Forum Communications Company

**Pat McAdaragh, President & CEO**  
Midco

**Brad Wehe, CEO**  
Altru Health System

**Mark Nisbet, North Dakota Principal Manager**  
Xcel Energy

**Ronald Offutt, Chairman & CEO**  
RD Offutt Company

**John Richman, President**  
North Dakota State College of Science

**Jim Roers, President & CEO**  
Roers Construction & Development

**Thomas Shorma, President & CEO**  
WCCO Belting, Inc.

**Richard Solberg, Chairman & CEO**  
Bell State Bank & Trust

**Steve Swiontek, President & CEO**  
Gate City Bank

**Nate White, COO & Executive Vice President**  
Sanford Medical Center Fargo



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Contact:  
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**Testimony of  
Mary Jensen  
North Dakota Farmers Union  
Before the  
House Appropriations—Education and Environment Division on HB 1019  
January 9, 2019**

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Chairman and Members of the Committee,

My name is Mary Jensen and I am here to provide testimony on behalf of the members of North Dakota Farmers Union regarding House Bill No. 1019.

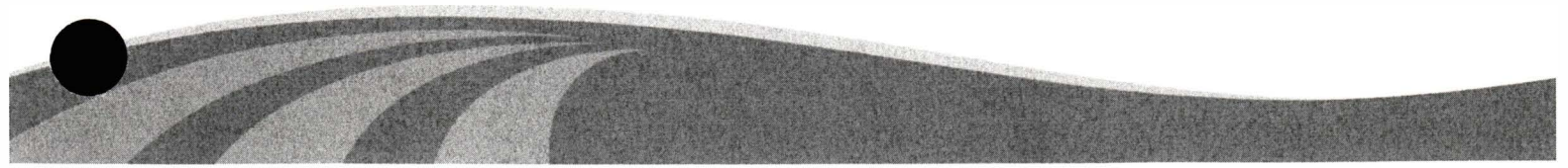
North Dakota Farmers Union supports HB 1019, specifically the Adult Farm Management (AFM) line item, because it maintains the base funding level for the AFM program.

Continued support of the AFM program through the State Board of Career and Technical Education is essential because the program is an important resource for family farmers and ranchers. At a time when markets are few, profits are low, and operating budgets are tight, family farmers and ranchers value the support offered for goal setting, recordkeeping, and financial management.

By maintaining the current level of funding, you will ensure the Adult Farm Management program will remain a valuable resource for farmers and ranchers.

Thank you for your time and we urge a do pass on this bill.

I will stand for questions.





# North Dakota Small Organized Schools

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Mr. ElRoy Burkle  
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Mrs. Janet Brown  
Business Manager  
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January 9, 2019

Representative Monson, Chairman, and Members of the ND House Education and Environment Division Appropriations Subcommittee,

For the record, my name is Mr. ElRoy Burkle, and I serve as Executive Director of North Dakota Small Organized Schools (NDSOS).

NDSOS goes on record of supporting the outstanding efforts of both ND Career and Technical Education (CTE) and ND Center for Distance Education (CDE).

As a former agriculture education instructor, center director, secondary principal and school superintendent, I can personally attest to the positive impact that North Dakota’s career and technical education has in developing successful future leaders. The State’s support for CTE allows for small rural schools to provide students with CTE opportunities in their home districts, at career and technology centers, and/or through virtual centers. CTE skills remain with students for a life-time. Former students have shared that they continue to use the skills taught in their everyday lives. This is powerful!

ND Center for Distance Education provides students, especially students attending rural schools, with additional course offerings that are unavailable due to the critical teacher shortage (including recovery courses), budget and enrollment constraints. Additionally, NDCDE’s expertise and guidance of SmartLabs greatly assists small schools in their ability to personalize learning for students. Feedback from SmartLab schools has been exciting as both students and staff are engaged.

Obviously, I could share more of what each entity does to better meet the unique needs of learners. The increased enrollments at both CTE and CDE, the expansion of curriculum and, most importantly, the personal stories shared by students clearly demonstrates the overall positive effectiveness experienced by both organizations.

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### Board of Directors

#### Region 1

Mr. Tim Holte, Supt. Stanley  
Mr. John Gruenberg, Supt. Powers Lake

#### Region 2

Mr. Jeff Hagler, Supt. North Star  
Mr. Steven Heim, Anamoose & Drake

#### Region 3

Mr. Frank Schill, Supt. Edmore  
Mr. Dean Ralston, Supt. Drayton

#### Region 4

Mr. Kelly Koppinger, Supt. New England  
Mr. Jim Gross, Supt. Selfridge

#### Region 5

Mr. Joel Lemer, Bd. Member Carrington  
Mr. Brandt Dick, Supt. Underwood

#### Region 6

Mr. Mitch Carlson, Supt. LaMoure  
Dr. Steven Johnson, Supt. Lisbon

**The mission of NDSOS is to provide leadership for the small/rural schools in North Dakota and to support legislation favorable to their philosophy while opposing legislation that is harmful.**

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NDSOS supports the proposed reassignment of NDCDE to the NDCTE Department as this will be a mutually beneficial arrangement, in my opinion. NDSOS requests for appropriate funding levels for both CTE and CDE to continue program integrity and expansion.

Thank you for your time and I shall stand for questions.

Respectfully,

s/s *Mr. ElRoy Burkle*



Mr. ElRoy Burkle, Executive Director

ND Small Organized Schools

1419 9<sup>th</sup> Ave NE

Jamestown, ND 58401

Cell: 701-230-1973 Email [eburklendsos@gmail.com](mailto:eburklendsos@gmail.com)

Revised January 5, 2019

File: HB 1019 19.007.01000 CTE Budget



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**Testimony of Connie Ova  
Economic Development Association of North Dakota  
In Support of HB 1019  
January 9, 2019**

Chairman Monson and members of the House Appropriations Education and Environment Division:

I'm Connie Ova, vice president of the Jamestown/Stutsman County Development Corporation and past president of the Economic Development Association of North Dakota. On behalf of EDND, I stand before you in support of HB 1019.

The Economic Development Association of North Dakota (EDND) represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries. As of October 2018, North Dakota had an unemployment rate of 2.8 percent, which can make it difficult for businesses to find qualified candidates.

Workforce development is integral in creating a diversified economy and creating better employees and competitive companies. The training programs provided by CTE are tailored to the needs of businesses and provide tools for more efficient and productive employees.

TrainND, in particular, provides critical support and training for businesses and employees across the state. Through collaboration between state, business and education systems, comprehensive and customized employee training is created for the critical workforce shortages throughout the state. Welders, IT professionals, line



workers, drivers, frontline office staff, and oil and gas technicians are a few of the areas where TrainND has created world class training. Bobcat in Fargo, Posi-Lock in Cooperstown, Harris Machine in Oakes, and UTC in Jamestown are a few of the companies that have utilized these programs to reduce their downtime and improve production.

EDND supports the agency's request to restore funding to the Workforce Development Program or TrainND as this viable program brings business, higher education and employees together.

EDND also supports the Executive Budget Recommendation to funding of career academies throughout the state. We feel an investment in the skillset of people in North Dakota is an investment in the state's future economy.

As economic developers and communities continue to seek diversification of our state's economy, the need to train current and future employees will grow. TrainND provides our members additional tools to help grow local economies and diversify our small and growing businesses.

The availability of a high-quality competitive workforce will continue to be a significant challenge facing North Dakota businesses. This will in turn impact the potential of the state's economy. EDND supports the investments included in this bill and the development of workforce training strategies that address the diversification and growth of businesses and employees.

Thank you for this opportunity to address your committee and express our support of TrainND and HB 1019.



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www.technd.org

**Testimony of Deana Wiese**

Executive Director

Technology Council of North Dakota

**In Support of HB 1019**

January 9, 2019

Chairman Monson and members of the House Appropriations Committee, Education Division:

My name is Deana Wiese, Executive Director of the Technology Council of North Dakota (TechND). I am here today to voice support of HB 1019.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has nearly 70 member organizations, with representatives from both the public and private sector.

North Dakota's economy is strong, and the state's technology industry is no exception. North Dakota has seen an increase of more than 27 percent in technology occupations over the past decade and is projecting a 20 percent increase for the next 10 years. With the growth of the industry, a shortage of skilled workforce continues to be a challenge. Therefore, the development of a high-quality workforce is vital to the future growth of North Dakota's technology industry. The Department of Career and Technical Education (CTE) has been a strong partner in assisting the technology industry in meeting these needs.

We support this bill as many of its components will strengthen secondary technology education opportunities for North Dakota students and provide training for technology instructors, thus helping our members secure a workforce in the future. CTE has been a strong partner in

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promoting careers to students and educators. TechND and CTE have worked together to reach tens of thousands of students in dozens of communities statewide with technology education and career information.

We would encourage your favorable consideration in fully funding new and expanding programs and CTE's cost to continue, as well as the career academy concept. To the extent that distance education can be effective in these areas, we would encourage this delivery method.

We thank you for your support of technology education opportunities in the past and urge your support of HB 1019.

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**Career and Technical Education  
K - 12 Reimbursement Rate History  
General Fund**

<b>Biennium</b>	<b>Single FY District</b>	<b>Area Center</b>	<b>Annual Funding</b>	<b>Biennium Total</b>	
	1984	40	50	4,140,765	
1983-85	1985	40	50	4,249,653	8,390,418
	1986	40	50	4,307,532	
1985-87	1987	37	48	3,933,270	8,240,802
	1988	35	45	4,015,552	
1987-89	1989	35	45	3,878,564	7,894,116
	1990	35	45	3,432,619	
1989-91	1991	35	45	3,485,568	6,918,187
	1992	35	45	3,863,640	
1991-93	1993	35	45	3,690,320	7,553,960
	1994	32	43	3,478,845	
1993-95	1995	32	43	4,012,000	7,490,845
	1996	28	41	3,481,417	
1995-97	1997	28	41	3,674,203	7,155,620
	1998	26	39	3,719,692	
1997-99	1999	26	39	3,980,814	7,700,506
	2000	26	39	4,076,321	
1999-2001	2001	25	38	4,493,913	8,570,234
	2002	25	38	4,566,883	
2001-03	2003	25	38	4,788,445	9,355,328
	2004	24	37	4,623,157	
2003-05	2005	24	37	4,965,760	9,588,917
	2006	25	38	5,227,791	
2005-07	2007	25	38	6,245,742	11,473,533
	2008	25	38	6,325,749	
2007-09	2009	25	38	7,740,152	14,065,901
	2010	27	40	7,998,789	
2009-11	2011	27	40	9,240,822	17,239,611
	2012	27	40	8,922,016	
2011-13	2013	27	40	9,672,617	18,594,633
	2014	27	40	9,482,388	
2013-15	2015	27	40	10,137,977	19,620,365
	2016	26	39	10,054,401	
2015-17	2017	27	40	10,775,539	20,829,940
	2018	27	40	10,121,538	
2017-19	2019	27	40	10,657,074 *	20,778,612

\* Estimate with 4% recovery



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[It's a competitive world. Train for it.]



## The programs your company and employees need.

Through Bismarck State College and TrainND, your business can become more efficient and profitable.

**trainND**  
SOUTHWEST

Powered by: Bismarck State College



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## TrainND Outreach Services

As your organization faces challenges such as new leadership, rapid growth, retirements, new hires, technology expansion, and other modifications, it may be time to seek our assistance to facilitate, develop, or manage these areas.

TrainND Southwest is committed to building tomorrow's workforce by analyzing goals and developing training solutions to advance a business's most important asset: human capital. An investment in developing your company's talent will set you apart from the competition. TrainND Southwest managers will work with you in providing business solutions and opportunities for organizations to succeed in today's knowledge based, high tech economy.



### Training Increases

- Employee Retention
- Productivity
- Competitiveness
- Customer Satisfaction
- Company Growth

## Levels of Training

TrainND Southwest can tailor any course to match the level of training desired.



### **Awareness** (1-5 hours)

Individuals gain an awareness of a new skill, topic, idea or method in intensive seminars. Awareness sessions are used for orientation, overview or reinforcement.



### **Learning and Practicing** (6-14 hours)

This level of training is often structured as a workshop to enable an individual to learn and then reinforce the new skill acquired. Learning and practicing a new skill improves productivity and can boost employee morale.



### **Mastering** (15-50 hours)

At this level of training, individuals will become proficient at the skill investigated. TrainND Southwest works with industry experts in a variety of subject areas to lead and instruct these mastery programs.

## Employee Development

Accelerating Business Decisions  
Accountability That Works  
Attitude and Motivation  
Better Business Writing  
Business Etiquette  
Critical Thinking Skills  
Diversity Awareness  
Effective Business Writing  
Effective Communication  
Effective Presentations  
Excellence in Customer Service  
Exceptional Performers Certificate (Communicating with Impact, High Impact Feedback and Listening, Navigating Beyond Conflict, Embracing Change, Taking the HEAT, Working as a High Performing Team)

Financial Management: Basic  
Fostering Trust in the Workplace  
Frontline Leadership  
Fundamentals of Selling  
Healthcare (Nursing Assistance Training, CMA, CPR, Advanced Cardiac Life Support, Pediatric Advanced Life Support)  
Innovation DNA  
Interpersonal Communications  
Interviewing Skills  
Managing Change  
Meetings that Work  
Mentoring 101  
Myers Briggs  
Networking  
Personal Innovation Competencies

Process Mapping  
Project Management  
Skills for Making Great Decisions  
Stepping into Supervisory Role  
Team Development  
True Colors  
Workplace Communications  
Your Leadership Journey  
*and more*

**TrainND provides training for North Dakota business and industry, enhancing their ability to compete globally.**

## Organizational Development

Account Management  
Advanced Coaching  
Benefits of Workplace Mentoring  
Business Problem-Solving  
Coaching  
Conducting Meetings  
Conflict Resolution  
Cross – Functional Collaboration  
Delegation Skills  
Design a Mentoring Program  
Developing a Business Plan  
Effective Business Writing  
Effective Management  
Emotional Intelligence  
Employee Retention  
Empowering Your Employees  
Engaging and Retaining Talent  
Establishing a Mentorship Program

Exceptional Leaders Certificate (Communicating for Leadership Success, Coaching for Peak Performance, Delegating with Purpose, Resolving Workplace Conflict, Driving Change, Setting Goals & Reviewing Results)  
Facilitation  
Generational Impact  
Generations in the Workplace  
How to be an Effective Mentor  
Innovation Practices  
Interpersonal Communications  
Interviewing Skills  
Leading Change  
Learning Styles  
Making High Quality Decisions  
Managerial Leadership  
Managing Diversity  
Managing Offsite Employees  
Managing Performance

Navigating Through Change  
Negotiating  
New Hire Training  
Organizational Trust  
Performance Appraisals  
Performance Management  
Presentation Skills  
Principles of Marketing  
Process Mapping  
Productive Meetings  
Project Management  
Public Speaking  
Quality Management  
Reinforcing Leadership Development  
Strategic Planning  
Strength Finders  
Succession Planning  
*and more*



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## The more highly trained your employees, the better your company performs

With the North Dakota economic growth, a new challenge emerges: giving your employees the continued training they need to help your company stay competitive.

TrainND Southwest and Bismarck State College deliver strength through partnership with businesses like yours throughout southwest North Dakota. BSC is one of the community colleges working with industries across the state to provide talent development services and training solutions.

The result? Your company's bottom line is strengthened. Your employees view your company as a forward-thinking place where they'd like to stay. Productivity improves. And, your company is able to better compete locally, regionally, and nationally.





## The programs your company and employees need

TrainND Southwest and Bismarck State College work with you to develop new programs along with offering programs in medical training, computer training, technical training, and employee and organizational development.

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### Computer Training

Adobe Acrobat

Adobe Dreamweaver

Adobe InDesign

Adobe Photoshop

AutoCad

Blogs – Wikis, Facebook

Creative Photo Slideshow

Computer Skills for the Workplace

Constant Contact

Email Etiquette

Facebook Security

GIS (Geographic Information Systems)

Microsoft Office (Access, Excel, Outlook, PowerPoint, Window, Word)

MS Project

MS Publisher

OneNote

Quickbooks

Social Media Strategies

Your Ipad at Work

**and more**

### Technical Training

Asbestos (Inspector Refresher, Inspector Management, Project Design, Supervisor/Contractor, Welding Training)

AutoCAD

Blue Print Reading

Boiler Plant Operations and Maintenance

Certified Nursing

Confined Space Safety Training

Crane Operator Certification

Engineering Drawing

GIS (Geographic Information Systems)

Heater Boiler Operations

HVAC

Industrial Maintenance Troubleshooting

Introduction to Welding

Nursing Assistance Training (CNA)

OSHA – 10 hour

PEC Basic 10

Sheet Metal Fabrication

30-Hour Construction Industry Safety Training

Welding Certifications

Welding Training

**and more**

## Customized training for custom solutions

Your business isn't like any other, so TrainND Southwest and Bismarck State College offer custom courses and training for your employees that align with your existing processes.

### TrainND Southwest staff will:

- Train at the Bismarck State College campus or at your business
- Offer a variety of customized training in various formats
- Provide assessments for businesses to uncover obstacles to maximize performance
- Work with clients to understand their industry, competition, marketplace, and strategies

P.S



# Nationally recognized reasons why Community Colleges should be your training resource

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1. **Experience** – Serving hundreds of businesses and agencies in the community and drawing on a team of experts.
2. **Responsive** – Immediate and attentive response to business – employee development needs.
3. **Accessibility** – Access to real-world, high quality subject matter experts (SME).
4. **Diversity** – An extensive library of course programs, delivery methods, and SME's.
5. **Customization** – The solution includes more than training – such as assessment, pre-testing, consulting, post-testing, coaching, and more.
6. **Flexibility** – Efficient and effective on-line, face-to-face, hybrid and/ or blended learning environments.
7. **Results** – Providing performance tracking and improvement measurements.
8. **Partnerships** – Work with multiple vendors and consultants, national boards, Economic Development Councils and Chamber of Commerce plus access to over 1200 community colleges across the US.
9. **Pre-Screen** – Instructors are screened before hiring to ensure the highest level of business expertise and facilitation experience.
10. **Stability** – A proven track record of having successfully worked with small, medium, and enterprise businesses and federal, state, and local government agencies. Long standing record of performance and sustainability.
11. **Recognition** – Receive regional and national credentialing, certificates, and CEU's. Reputation and brand equity of the College is already established.

**Start thinking beyond.**

Learn more about TrainND Southwest today.



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#### Contact Us:

701-224-5600 | 1-877-846-9387  
[www.bsctrainND.com](http://www.bsctrainND.com)

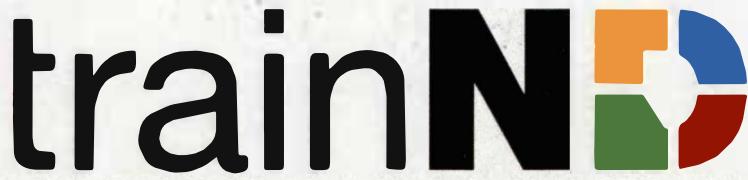
#### Training Managers:

**Dave Huizenga** – 701-224-5683  
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**Deb Larson** – 701-224-2534  
deborah.a.larson.1@bismarckstate.edu

**Sara Vollmer** – 701-224-5639  
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[It's a competitive world. Train for it.]

TrainND provides proven, comprehensive and inclusive workforce training to North Dakota through an extensive and diverse network of specialists.

**TrainND Background**

In 1999, the ND legislature established TrainND in response to recommendations made by a 31-person statewide task force on workforce development. Each of the four TrainND service regions is managed by a college in the NDUS. Regional advisory boards ensure industry engagement and training relevance.

For 20 years TrainND has affordably, efficiently and collaboratively leveraged state, local and private resources to help North Dakota businesses grow and compete on a global level.

Since it's inception in 2000, TrainND has delivered.

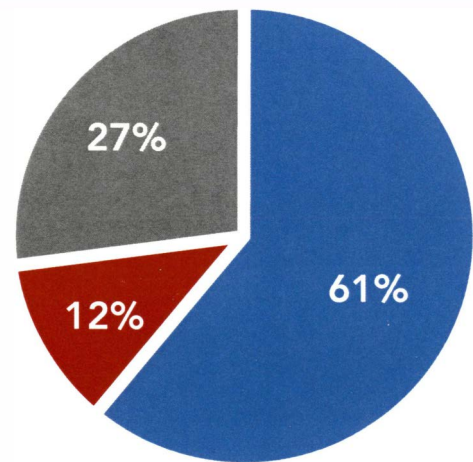
**24,827**  
companies served

**251,306**  
employees trained

**FY18 RESULTS**

Number of businesses receiving training	701
Total training hours	178,976
Percent of returning businesses	47%
Number of employees trained	13,639
Client and employee satisfaction	99%
Businesses served <50 employees	54%

**FUNDING SOURCES (FY18)**



■ Business Training Revenues   ■ College Contributions  
■ Legislative Appropriated Funds

**OUR FUNDING REQUEST 2019-2021**

**\$2 MILLION**

# Testimonials

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*I am in strong support of TrainND Northeast and the workforce training they provide to our many programs, businesses and schools here on the Spirit Lake Reservation. TrainND Northeast has proven to be a valuable resource to our Tribe for well over a decade. As a Tribal Nation with ever changing staffing needs, we have found TrainND to be an excellent partner, flexible to customize training solutions that meet the unique needs of our organization.*

**Myra Pearson** Chairperson, Spirit Lake Tribe

*TrainND Northwest is a key business partner for Oasis Petroleum, supporting our workforce development needs since 2013. Together, we've developed multiple safety, technical and operational training programs serving hundreds of our personnel in production, midstream and completion activities. TrainND Northwest is responsive to our business needs and their team is highly competent across a wide range of training programs. We would highly recommend them to any organization.*

**Jason Swaren** Oasis Petroleum

*The workforce training provided by TrainND Southwest has proven to be a very valuable resource as we continue to grow in many facets of the manufacturing world. Our employees have been able to use the knowledge they have gleaned from the courses to improve their technical skills, which in turn, has led to more business for us. With the addition of more business, we have been able to hire more people, who in turn, have been able to learn additional skills and techniques. We have also been able to add more jobs that has helped our community continue to grow. Keeping up-to-date and offering training is such a key aspect in retaining staff. We strongly support the efforts of TrainND.*

**Kristal K. Fields** Training Specialist, Steffes

*The Greater North Dakota Chamber has long been a supporter of TrainND, which has become a critical part of North Dakota's workforce development system. One of the reasons TrainND is so valuable is their partnership with the business community to meet local training needs regardless of industry or location. As North Dakota seeks to grow and diversify its economy, TrainND will continue to be a critical part of developing our 21st-century workforce.*

**Arik Spencer** GNDC



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# SW TrainND Annual Report for Fiscal Year

# 2017-2018

## For your Training Solutions



### YEAR END REPORT

- Direct training revenue was **\$1,179,406** based on a FY budget of \$1,148,077
- Served **190** businesses, with a goal of 140
- Additional training was requested by **111** of the businesses served, resulting in **58%** repeat business.
- **372** training events were held with a goal of 325.
- Of the business/industry served, an overall 3.5 pt. satisfaction rate was given out of 4 pt. scale
- Trained **2,319** unduplicated participants with a goal of 2,300 per fiscal year

### MISSION STATEMENT

TrainND provides training for North Dakota business and industry, enhancing their ability to compete globally.

### FY COMPARISONS

	2017	2018
number of businesses	222	190
participants (unduplicated)	2,210	2,319
participants (duplicated)	3,868	3,594
businesses requesting additional training	64%	58%
companies served with < 50 employees	10%	9%
total revenue	\$1,686,736	1,440,786
direct training revenue	\$1,333,997	1,179,406
events	461	372
contact hours	65,908	78,726

### CLIENTS TRAINED

Companies Served by North American Industry Classification System Code

NAICS	Description	# of Companies	# of Participants
11	Agriculture .....	0	0
21	Mining Oil and Gas.....	4	6
22	Utilities .....	120	2207
23	Construction .....	5	15
31	Manufacturing.....	1	7
42	Wholesale Trade .....	0	0
44	Retail Trade .....	0	0
52	Finance/Insurance .....	4	6
54	Professional, Scientific & Technical .....	9	14
55	Management of Companies .....	0	0
61	Educational Services .....	7	204
62	Healthcare/Social Assistance .....	9	24
71	Arts, Entertainment, and Recreation .....	0	0
81	Other Services .....	4	40
92	Public Administration/Government /Police/Fire.....	27	736
99	Open Enrollment (no company specified) .....	0	335
		<b>TOTAL</b>	<b>190</b>
			<b>3594</b>



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The Southwest TrainND Provider

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# ADVISORY BOARD

**Jamey Backus**  
Leland Olds Station  
Stanton, ND

**Chris Blowers**  
BNI Coal  
Bismarck, ND

**Reese Boehm**  
Great River Energy  
Underwood, ND

**Phil Davis**  
Job Service ND  
Bismarck, ND

**Corrie Lund**  
Baptist Home  
Bismarck, ND

**Nicole Mikkelsen**  
Capital Credit Union  
Bismarck, ND

**Jody Hoff**  
Amber Waves Inc.  
Richardton, ND

**Todd Schock**  
Aandevor  
Mandan, ND

**Valarie Minery**  
Sitting Bull College  
Fort Yates, ND

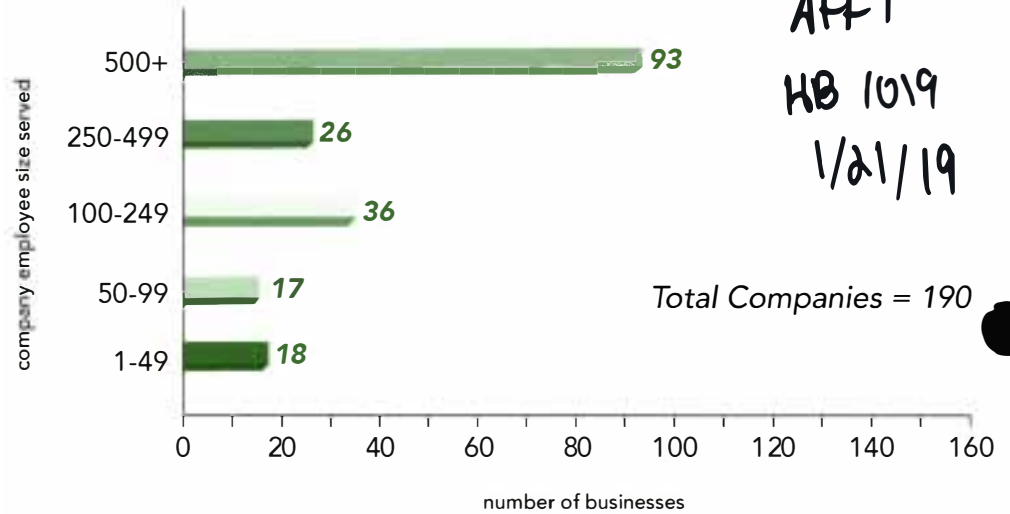
**Wendlin Platz**  
Boilermakers Lodge 647  
Bismarck, ND

**Judy Sauter**  
BMBA  
Bismarck, ND

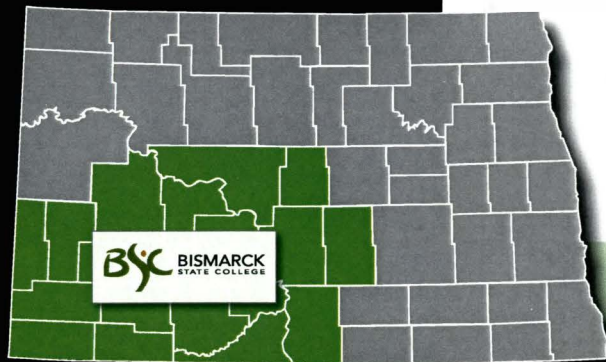
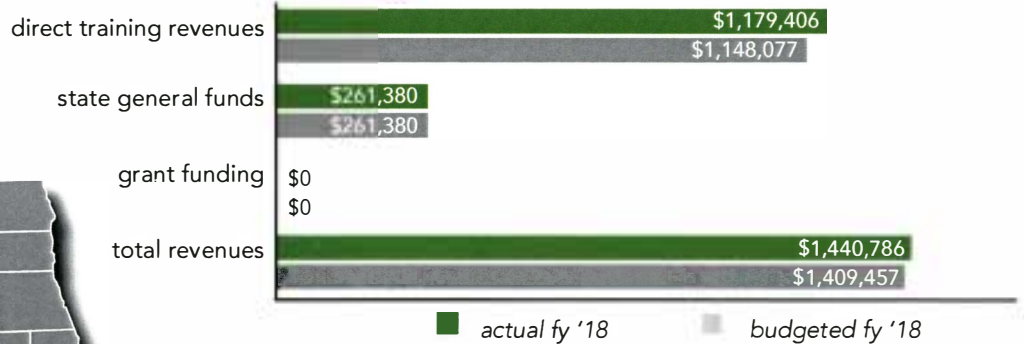
**Carrie Zubke**  
American Bank Corp. Ltd.  
Dickinson, ND



## OUR CUSTOMERS



## BUDGET July 2017 through June 2018



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### For Your Training Solutions:

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**Sara Vollmer, Director**  
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**Alicia Uhde**  
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**Alison Zarr**  
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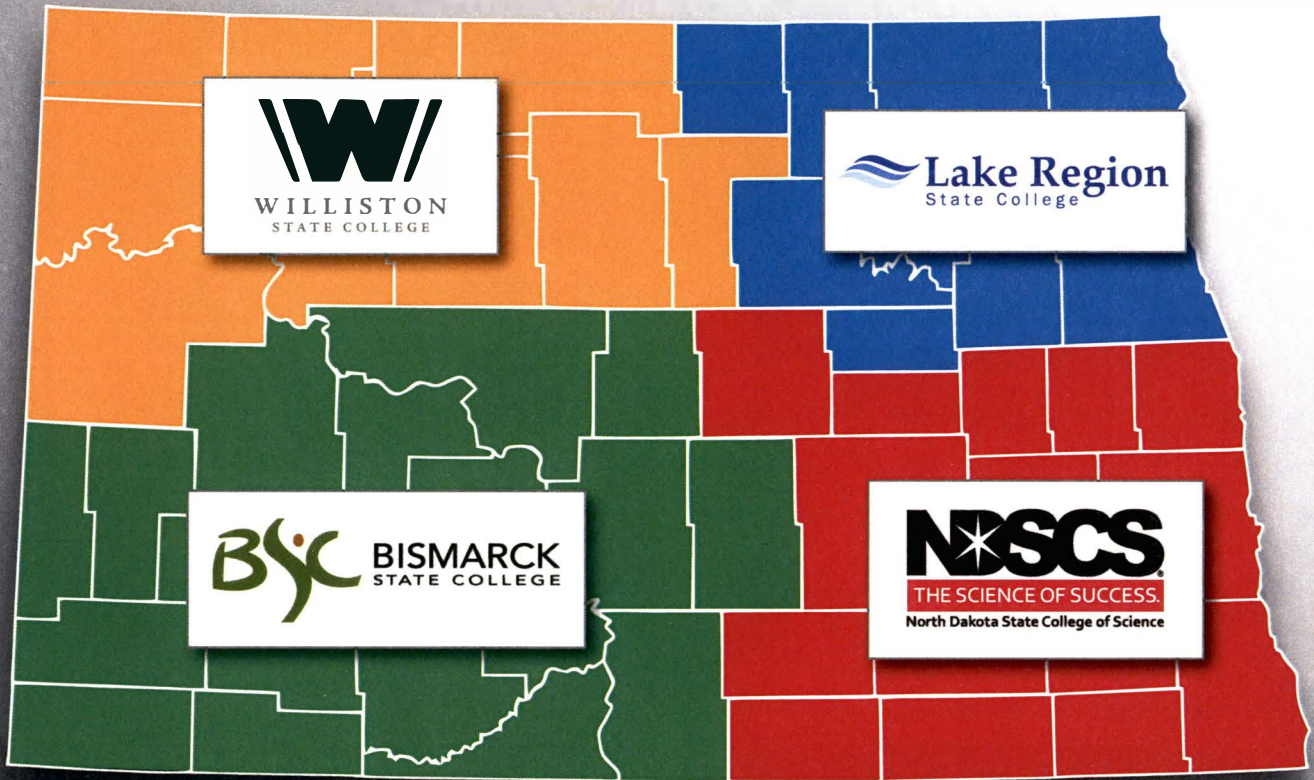
[bismarckstate.edu/continuingeducation/](http://bismarckstate.edu/continuingeducation/)



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# BUSINESS PLAN

Fiscal Years  
2018 & 2019



trainND

[It's a competitive world. Train for it.]

TrainND provides training for North Dakota business and industry, enhancing their ability to compete globally.

## FOUNDATION

TrainND is the state's most comprehensive and inclusive training network. TrainND resulted from a 31-member statewide task force on workforce development and training formed in 1998 to research "best practices" in other states and to design a more effective workforce training system in North Dakota. This initiative was coordinated by the Greater North Dakota Chamber of Commerce in 1998. These recommendations were enacted into legislation during the 1999 session. House Bill 1443 was passed, setting the stage for North Dakota to develop a world-class workforce training system.

TrainND expands opportunities in North Dakota by training employees to achieve more for themselves and their employers. Four regions cooperate with four community colleges to ensure coverage for all of North Dakota's current workforce needs.

### The key components include:

1. Establishment of four service regions within the state.
2. Designation of workforce training to four two-year colleges in the North Dakota University System.
3. Establishment of local advisory boards.
4. Financial support from state funds, institution support, and training fees.
5. Development of collaborative relationships.

Follow-up meetings have taken place since TrainND's inception: In 2004, 2010 and again in 2014.

Three TrainND Summits have been held to re-evaluate the effectiveness of the four TrainND Regions operating model in meeting the needs of North Dakota Businesses. These meetings were held in 2004, 2010 and 2014 with key stakeholders throughout North Dakota. While the original TrainND model was solid, the following recommendations were made:

- Raise awareness of TrainND Services through social media tools and technologies
- Develop stronger relationships with the business community
- Expand training services throughout the state
- Obtain training equipment and software to deliver effective training
- Leverage current training results and strengthen TrainND's personnel to identify/develop skill shortages for existing and new companies.

## VALUE STATEMENT

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**Timely** – Provided **WHEN** our customers need it

**Relevant** – Designed for **WHAT** our customers need

**Adaptable** – Customized to **SUIT** our clients

**Innovative** – Developed with **CURRENT** trends in mind

**National** – Recognized **CERTIFICATIONS** and credentials

**Network** – Partner to **COLLABORATE** efficiently

**Dependable** – Committed to **RESPOND** promptly

## FINANCIAL HISTORY AND PROJECTIONS

A financial history for TrainND activity in FY 2015 and 2016 is provided on the following spreadsheet. TrainND has also provided the financial projections for FY 2017, 2018 and 2019.

The four TrainND Regions collectively delivered over \$4,871,271 in training to businesses in the state in Fiscal Year 2016. Comparing direct training revenue to state aid, TrainND earns approximately \$3.04 for every dollar provided by the Legislature. This return on the state investment is a reflection of the quality training developed and delivered throughout the state. Employee training and education has a direct impact on business productivity.

State allocated funds are based on the number of employees in each region. Job Service provides this information based on the Quarterly Census of Employment and Wages Program Report. The funding is based on the most recent data available to ND Job Service, which is based on 2016 annual averages from the *2016 Employment and Wages by Industry* publication.

Both state appropriations and net margin are used to pay for costs that are non-billable to the client. Such costs include program management, support staff, outreach to potential new clients, awareness building, new initiatives, and office supplies.

Operational expenses total \$1,177,191 for FY 16. These expenses include marketing, travel, office operations, professional development and new initiatives. Total Direct Training Expenditures were \$2,826,595 and include all costs associated directly to the delivery of training. These items include books, supplies, trainer salaries, food, etc. Salaries for the four regions total \$3,552,936 which includes all salaries and benefits for full time staff.

Funds listed under net results for future investments can include grant dollars received that fiscal year, but not spent. Many times grant dollar expenses cross several fiscal years. These dollars are often used to enhance programs such as to provide software, to upgrade equipment, and to invest in professional development.



Of great value are the in-kind services provided by the four community colleges charged with operating the TrainND regions in the state. These institutions provide physical space, utilities, and equipment for both office and training activities. Leadership is provided by the College President, along with indirect services provided by payroll, business offices, plant services, and others too numerous to mention. For FY 14 and FY 15 the total amount of indirect services is \$2,412,006. For FY 16 and FY 17 the total of indirect services is \$2,240,461.

The original funding formula (HB 1443) adopted in 1999 is an excellent working model, with funding provided from the following areas: Training, State Legislative Funds, and Business Donations (equipment, cash, etc.). Legislative funds are allocated to pay for infrastructure, awareness of services, additional employees, and the cost to continue workforce training services. Business and industry are to pay for their employee training programs. Businesses have donated equipment/cash/services to assist TrainND with specific types of training.

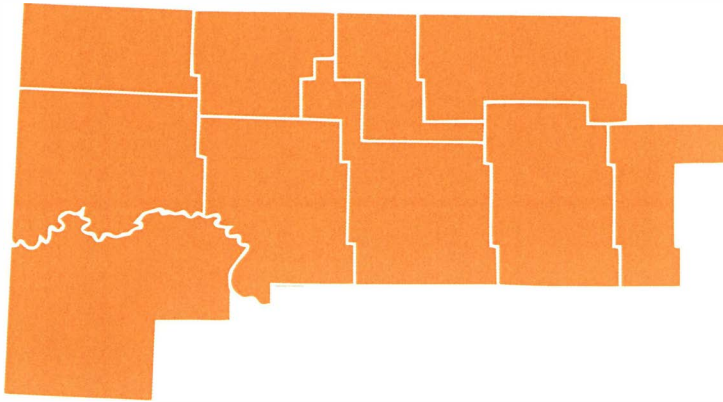
- In FY 16, Direct Training Revenue accounts for 73% (\$4,871,271) of the total funding.
- In FY 16, State legislative funds account for 22% (\$1,484,291) of the total funding.
- In FY 16, other funding sources, community/regional funds, grants, account for 4% (\$292,585).
- In FY 16, the four community colleges provide in-kind services for office space, training rooms, IT support, Business office support, etc. which amounts to \$1,092,556.

**Fiscal Year 2017, 2018 and 2019 Projections**

- Training revenue projections are decreased based on the State's economy, demand from business community, and businesses training budget cuts.
- State General funds were decreased based on the final outcome of the Legislative Session and is defined in SB 2018
- Expenses are projected to decrease. FTE have decreased for all of the regions and other costs directly associated with the cost of delivery training.

**BUDGET**

<b>Statement of Revenues, Expenses and Funding Sources</b>					
	Actual FY 2015	Actual FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019
<b>REVENUES</b>					
Direct Training Revenues	\$7,089,065	\$4,871,271	\$7,393,886	\$4,755,452	\$5,322,923
Community/Regional Funds	\$1,536	\$0	\$0	\$0	\$0
Institutional Funds	\$0	\$0	\$0	\$0	\$0
Grant Funding	\$355,818	\$287,090	\$0	\$0	\$0
State General Fund	\$1,501,695	\$1,484,291	\$1,470,632	\$1,000,000	\$1,000,000
Other	\$0	\$5,495	\$0	\$30,000	\$36,000
<b>Total Revenues</b>	<b>\$8,948,114</b>	<b>\$6,648,147</b>	<b>\$8,864,518</b>	<b>\$5,785,452</b>	<b>\$6,358,923</b>
<b>EXPENDITURES</b>					
<b>Total Direct Training Expenditures</b>	\$3,767,293	\$2,826,595	\$4,191,667	\$2,195,712	\$2,497,134
<b>Outreach/Coordination Expenses</b>					
Total Salaries/Wages and Benefits	\$3,559,715	\$3,552,936	\$3,456,354	\$2,777,204	\$3,000,211
<b>Operational Expenses</b>					
Marketing	\$68,993	\$55,603	\$113,400	\$71,632	\$79,032
Travel	\$85,528	\$87,090	\$91,800	\$75,311	\$85,011
Other Operating Expense	\$311,482	\$274,110	\$533,990	\$343,848	\$355,203
New Initiatives	\$1,054,217	\$707,947	\$276,000	\$26,200	\$26,500
Professional Development	\$50,988	\$52,441	\$103,000	\$40,012	\$47,012
<b>Total Operational Expenses</b>	\$1,571,208	\$1,177,191	\$1,118,190	\$557,003	\$592,758
<b>Total Expenditures</b>	<b>\$8,898,216</b>	<b>\$7,556,722</b>	<b>\$8,766,211</b>	<b>\$5,529,919</b>	<b>\$6,090,103</b>
<b>Net Result For Future Investments</b>	<b>\$49,898</b>	<b>-\$908,575</b>	<b>\$98,307</b>	<b>\$255,533</b>	<b>\$268,820</b>
<b>College's In-Kind</b>	<b>\$1,074,785</b>	<b>\$1,092,556</b>	<b>\$1,147,905</b>	<b>\$874,336</b>	<b>\$905,128</b>



## BUDGET NARRATIVE

Funding sources come from:

- direct training revenue
- state allocated dollars
- grant funding
- other

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Direct training revenue has decreased due to the North Dakota economy. The two largest general fund industries – agriculture and energy are in a downturn. This has had a negative effect on the training revenue. Business and industry will continue to contribute equipment to further develop a premier oilfield training site as well as new petroleum training programs. Any funds remaining after expenses will be used toward the negative fund balance.

TrainND Northwest receives 19 percent of the total state funding. The 2018/19 Legislative Session decreased the state funding by \$1,000,000. The four regions will split the state allocated dollars based on the number of employees on each region.

TrainND Northwest is fortunate to receive equipment from area energy companies. This equipment is used towards the Department of Commerce Workforce Enhancement Grant program. In Fiscal Year 18/19, the State Legislature did not fund this program. Companies will continue to provide needed equipment to deliver the high-quality training their employees need.

Other funding sources include conference room/training room rentals. Many of the companies that donated to the new TrainND facility use these spaces for internal meetings.

TrainND Northwest has 9 FTE staff positions and 6 FTE trainer positions. Due to the demand of the oil and gas industry with the various training certifications needed, full-time trainer positions are required to meet the training needs. Costs associated with full-time trainers are charged to the companies requesting the training.

Williston State College contributes to the division by providing the following in-kind match for Presidential meetings, cabinet meetings, human resources, and payroll.

## GOALS AND STRATEGIES

Expand the strong workforce training program, interfacing with employers, developing strategic partnerships, and building long-term relationships. Training increases employee retention, productivity, competitiveness, quality and customer satisfaction.

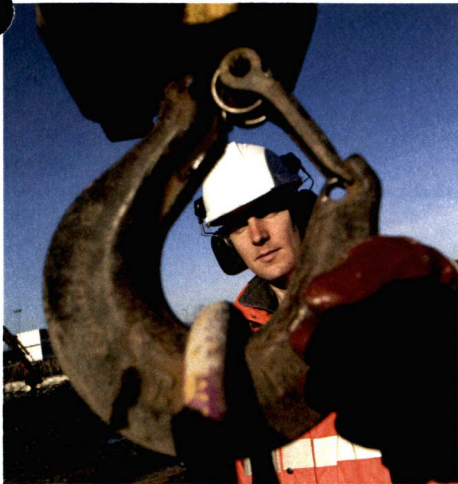
### Objectives for FY 2018 and FY 2019:

- Provide customized training to **295** regional businesses each fiscal year.
- Train **6,000** employees (unduplicated count) each fiscal year.
- Hold **750** training sessions each fiscal year.
- Meet budgeted training revenue as outlined in the Biennial Business Plan.
- Maintain a **98%** or higher satisfaction level for the training provided to business/industry each fiscal year.

### Strategies implemented in order to accomplish or exceed objectives:

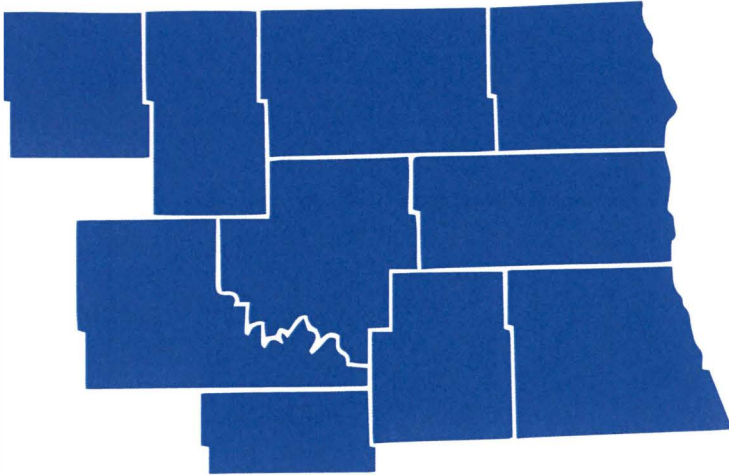
- Serve as marketer, broker, and coordinator of training programs
- Implement an infrastructure that will support business, industry, and organizations
- Collaborate with business and industry to promote economic development
- Identify and develop trainers and facilitators
- Develop a yearly marketing plan
- Expand services within the region
- Collaborate with other regions
- Align all training programs with LERN's best practices and model
- Partner to serve one global community





**FY 2015-2019 Statement of Revenues, Expenses and Funding Sources**

	Actual FY 2015	Actual FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019
<b>REVENUES</b>					
Direct Training Revenues	\$3,941,418	\$1,952,782	\$3,850,000	\$2,000,000	\$2,400,000
Community/Regional Funds	\$1,536	\$0	\$0	\$0	\$0
Institutional Funds	\$0	\$0	\$0	\$0	\$0
Grant Funding	\$319,000	\$282,579	\$0	\$0	\$0
State General Fund	\$333,404	\$358,946	\$358,945	\$194,760	\$194,760
Other	\$0	\$5,495	\$0	\$30,000	\$36,000
<b>Total Revenues</b>	<b>\$4,595,358</b>	<b>\$2,599,802</b>	<b>\$4,208,945</b>	<b>\$2,224,760</b>	<b>\$2,630,760</b>
<b>EXPENDITURES</b>					
<b>Total Direct Training Expenditures</b>	<b>\$2,226,811</b>	<b>\$1,640,162</b>	<b>\$2,600,000</b>	<b>\$1,245,000</b>	<b>\$1,494,000</b>
<b>Outreach/Coordination Expenses</b>					
Total Salaries/Wages and Benefits	\$1,323,562	\$1,325,862	\$1,200,000	\$743,000	\$891,600
<b>Operational Expenses</b>					
Marketing	\$22,998	\$22,253	\$50,000	\$20,000	\$24,000
Travel	\$943	\$1,945	\$15,000	\$15,000	\$18,000
Other Operating Expense	\$15,563	\$22,000	\$15,000	\$112,500	\$112,600
New Initiatives	\$990,562	\$707,947	\$250,000	\$0	\$0
Professional Development	\$30,332	\$19,703	\$50,000	\$25,000	\$30,000
<b>Total Operational Expenses</b>	<b>\$1,060,399</b>	<b>\$773,848</b>	<b>\$380,000</b>	<b>\$172,500</b>	<b>\$184,600</b>
<b>Total Expenditures</b>	<b>\$4,610,772</b>	<b>\$3,739,872</b>	<b>\$4,180,000</b>	<b>\$2,160,500</b>	<b>\$2,570,200</b>
<b>Net Result For Future Investments</b>	<b>-\$15,414</b>	<b>-\$1,140,070</b>	<b>\$28,945</b>	<b>\$64,260</b>	<b>\$60,560</b>
<b>WSC In-Kind</b>	<b>\$208,678</b>	<b>\$229,545</b>	<b>\$252,500</b>	<b>\$42,720</b>	<b>\$51,264</b>



Att 2 HB 1019 1/21/19



## GOALS AND STRATEGIES

The goals, objectives, and strategies are created through a team effort, approved by the executive team, and adopted by the Advisory Board. The performance objectives are reported and measured annually to determine if the strategies are producing the desired results. By executing the strategies, TrainND Northeast can fulfill its mission as set forth by legislation, facilitate economic development of the region, build long-term relationships, and position itself to sustain the vision of an efficient workforce training system.

**Goal:** To deliver innovative, cost-effective, results-oriented, workforce training and services for the businesses and industries in the Northeast region.

### Objectives for FY 2018 and 2019:

- Provide training to **180** businesses each fiscal year with minimum of 45% repeat rate.
- Train **1,500** employees (unduplicated head count each fiscal year).
- Hold **275** training events each fiscal year.
- Provide **12,000** contact hours each fiscal year.
- Maintain a client satisfaction rating of **100%**.
- Meet budgeted training revenues as outlined in the Biennial Business Plan.

### Strategies to be implemented in order to meet and exceed objectives:

- Continually identify training needs and prospective clients to expand client base.
- Leverage curriculum and seek out instructional expertise from Lake Region State College (LRSC) to further expand training offerings.
- Market and promote TrainND Northeast solutions and services, using social media marketing as a focus to reduce cost and increase effectiveness.
- Collaborate with other TrainND regions to expand training offerings and deliver best-value training solutions to our clients.
- Become an extension of our clients' human resources and training departments; using client needs assessments to determine best-value fits for training.
- Research, evaluate, and invest in new training initiatives that will deliver the greatest value to strengthen North Dakota's workforce.
- Expand healthcare, precision agriculture, and wind energy training offerings to meet the need for these in-demand skills in the workforce.



## BUDGET NARRATIVE

AM2 HB 1019 1/21/19

Funding sources for TrainND Northeast come from direct training revenue, state allocated dollars, and institutional in-kind funds.

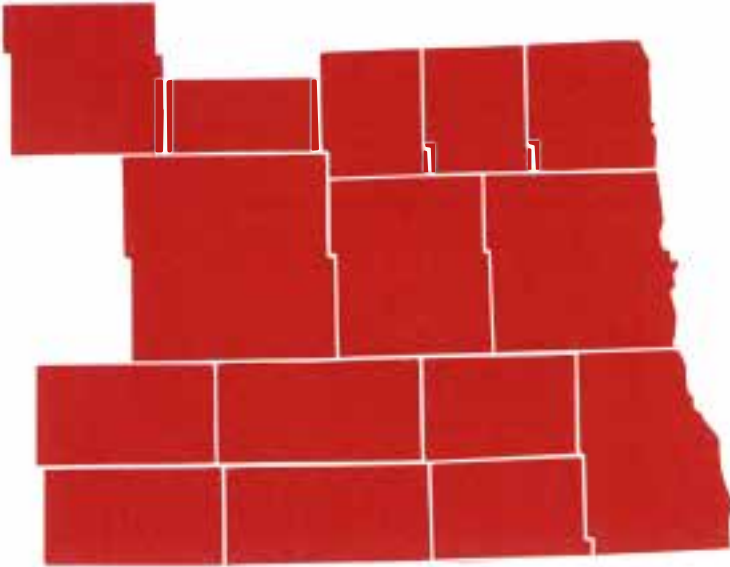
The TrainND Northeast budget recognizes a reduction in direct training revenue in the first year of the plan due in part to the loss of outreach and sales resources. In the second year of the plan, an increase to direct training revenue is anticipated with the planned addition of a part-time sales representative. The budget also recognizes the continued decline of state-allocated dollars which negatively impacts the capacity for outreach and sales across the region.

Lake Region State College continues to support the efforts of TrainND Northeast by providing indirect services including President and Vice President of Academic and Student Affairs time, Administrative Services support, office space & utilities, meeting rooms, classrooms, lab equipment, human resources, IT support, security, and plant services.

TrainND Northeast has 3.0 staff positions and all trainers are adjunct trainers.

### FY 2015-2019 Statement of Revenues, Expenses and Funding Sources

	Actual FY 2015	Actual FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019
<b>REVENUES</b>					
Direct Training Revenues	\$242,223	\$230,527	\$260,000	\$250,000	\$300,000
Community/Regional Funds	\$0	\$0	\$0	\$0	\$0
Institutional Funds	\$0	\$0	\$0	\$0	\$0
Grant Funding	\$36,818	\$4,511	\$0	\$0	\$0
State General Fund	\$240,770	\$224,173	\$194,807	\$159,920	\$159,920
<b>Total Revenues</b>	<b>\$519,811</b>	<b>\$459,211</b>	<b>\$454,807</b>	<b>\$409,920</b>	<b>\$459,920</b>
<b>EXPENDITURES</b>					
<b>Total Direct Training Expenditures</b>	<b>\$285,586</b>	<b>\$103,226</b>	<b>\$110,000</b>	<b>\$112,500</b>	<b>\$135,000</b>
<b>Outreach/Coordination Expenses</b>					
Total Salaries/Wages and Benefits	\$383,946	\$293,307	\$265,200	\$207,700	\$230,750
<b>Operational Expenses</b>					
Marketing	\$2,816	\$0	\$400	\$2,750	\$3,250
Travel	\$5,112	\$604	\$1,300	\$2,000	\$3,500
Other Operating Expense	\$27,487	\$15,164	\$9,500	\$8,750	\$9,500
New Initiatives	\$0	\$0	\$5,000	\$5,000	\$5,000
Professional Development	\$0	\$0	\$0	\$950	\$950
<b>Total Operational Expenses</b>	<b>\$35,415</b>	<b>\$15,768</b>	<b>\$16,200</b>	<b>\$19,450</b>	<b>\$22,200</b>
<b>Total Expenditures</b>	<b>\$704,947</b>	<b>\$412,301</b>	<b>\$391,400</b>	<b>\$339,650</b>	<b>\$387,950</b>
<b>Net Result For Future Investments</b>	<b>-\$185,136</b>	<b>\$46,910</b>	<b>\$63,407</b>	<b>\$70,270</b>	<b>\$71,970</b>
<b>LRSC In-Kind</b>	<b>\$134,381</b>	<b>\$102,657</b>	<b>\$92,820</b>	<b>\$72,695</b>	<b>\$80,763</b>



**GOALS AND STRATEGIES**

TrainND Southeast will continue its focus on awareness and expansion of services provided to business and industry. TrainND Southeast is actively working on new offerings to better serve our customers in the Southeast Region of North Dakota. TrainND Southeast is offering Robotic Manufacturing, Welding, and much more to serve the needs of the manufacturers of the Region. The target industries continue to be advanced manufacturing and value-added agriculture. We are now able to train technicians to perform various manufacturing and production line duties from programming and operations to trouble shooting and maintenance. FARO arm equipment also continues to be offered, with operating and instructional software and training unit accessories. This training allows us to enhance and expand course offerings by providing more advance metrology training. This capability will help us better serve businesses and industries that manufacture products that use the following manufacturing processes, sheet metal (stamping, bending and forming), welding, and machining. Our CDL program continues to be strong and serve the transportation industry. The implementation of owning our tractor/trailer will allow us to expand our program to train more students and offer more flexibility, as well as customized training for business and industry. TrainND Southeast is still currently offering their On-Demand Learning, which was launched in 2015. This learning provides employees with high-impact, real-world

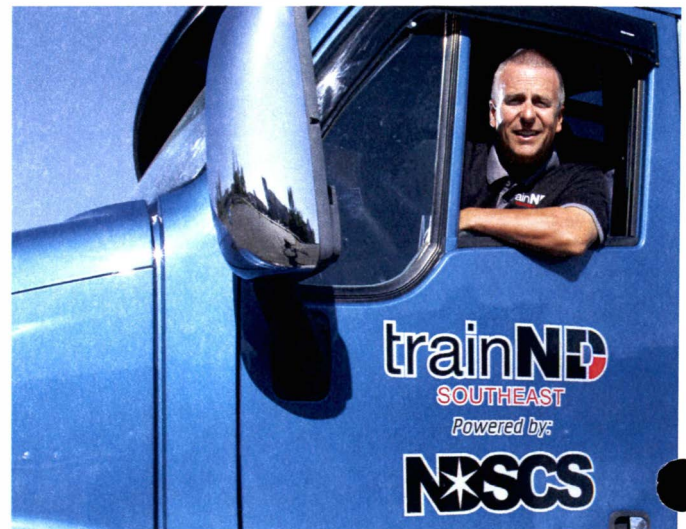
training that develops your leaders, retains your best people and grows your customer loyalty. The content is short video courses that can be completed at your desktop, iPads or Smart Phones, 24/7. On-Demand Learning videos offers short video training on several soft skill topics to technical topics as well.

**Objectives for FY 2018 and 2019:**

- Provide customized training to **380** regional businesses each fiscal year.
- Train **2,100** employees (unduplicated count) each fiscal year.
- Hold **1,600** Training Events each fiscal year.
- Meet budgeted training revenue as outlined in the Biennial Business Plan.
- Maintain a **98%** or higher satisfaction level for the training provided to business/industry.

**Strategies to be implemented in order to accomplish the objectives:**

- Serve as marketer, broker, and coordinator of training programs.
- Collaborate with business and industry to promote economic development.
- Efforts must continue to create awareness of training services across the region
- Collaborate with other regions.
- Expansion in identifying new trainers and facilitators areas of expertise.
- Provide training that business and industry need to compete globally.



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**BUDGET NARRATIVE**

Funding sources for TrainND Southeast come from:

- Direct training revenue
- State allocated dollars
- Institutional funds
- Business Memberships

It is anticipated that direct training revenue will decrease as business and industry continues to see declines as well in their revenue, which results in declining training budgets to allocate for their employees. FY 17 saw a shortfall of projected revenue due to this reason, along with budget cuts from the state of North Dakota as a result of the 2017 Legislative

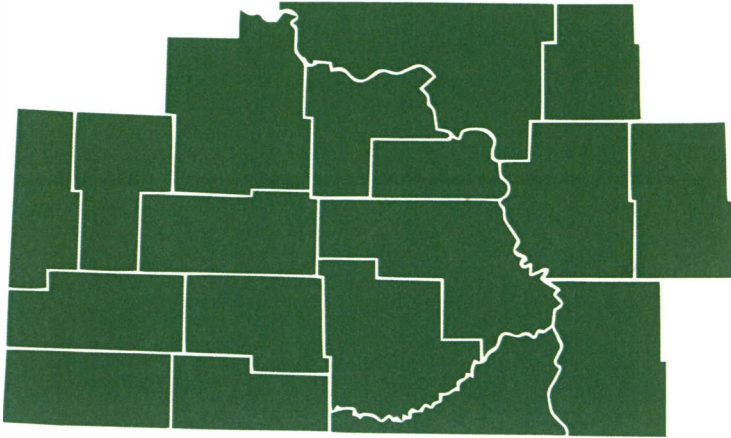
Assembly. Funding from the state was reduced by \$1,000,000 to the four regions. North Dakota State College of Science contributes to the division by providing projected in-kind support of \$391,400 in 2018 and \$399,300 in 2019. In-kind support includes office space, and plant services as well as indirect services including human resources, payroll, security, IT support, etc. Additional support is provided by the NDSCS President and the Vice President of the Division for Workforce Affairs. TrainND Southeast has 9.75 FTE staff positions and 1 FTE trainer positions.

The following spreadsheet outlines the actual budgets for the TrainND Southeast.

<b>FY 2015-2019 Statement of Revenues, Expenses and Funding Sources</b>					
	Actual FY 2015	Actual FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019
<b>REVENUES</b>					
Direct Training Revenues	\$1,506,465	\$1,054,351	\$1,857,000	\$1,357,375	\$1,450,000
Community/Regional Funds	\$0	\$0	\$0	\$0	\$0
Institutional Funds	\$0	\$0	\$0	\$0	\$0
Grant Funding	\$0	\$0	\$0	\$0	\$0
State General Fund	\$543,596	\$529,042	\$529,042	\$383,940	\$383,940
<b>Total Revenues</b>	<b>\$2,050,061</b>	<b>\$1,583,393</b>	<b>\$2,386,042</b>	<b>\$1,741,315</b>	<b>\$1,833,940</b>
<b>EXPENDITURES</b>					
<b>Total Direct Training Expenditures</b>	\$532,316	\$350,290	\$630,000	\$331,700	\$353,000
<b>Outreach/Coordination Expenses</b>					
Total Salaries/Wages and Benefits	\$1,094,977	\$1,114,303	\$1,152,000	\$1,076,462	\$1,115,000
<b>Operational Expenses</b>					
Marketing	\$9,297	\$10,387	\$35,000	\$9,100	\$12,000
Travel	\$61,081	\$50,912	\$58,500	\$39,800	\$45,000
Other Operating Expense	\$229,444	\$214,499	\$474,000	\$162,400	\$170,000
New Initiatives	\$0	\$0	\$0	\$0	\$0
Professional Development	\$9,569	\$13,702	\$35,000	\$8,000	\$10,000
<b>Total Operational Expenses</b>	<b>\$309,391</b>	<b>\$289,500</b>	<b>\$602,500</b>	<b>\$219,300</b>	<b>\$237,000</b>
<b>Total Expenditures</b>	<b>\$1,936,684</b>	<b>\$1,754,093</b>	<b>\$2,384,500</b>	<b>\$1,627,462</b>	<b>\$1,705,000</b>
<b>Net Result For Future Investments</b>	<b>\$113,377</b>	<b>-\$170,700</b>	<b>\$1,542</b>	<b>\$113,853</b>	<b>\$128,940</b>
<b>NDSCS In-Kind</b>	<b>\$383,400</b>	<b>\$383,400</b>	<b>\$391,400</b>	<b>\$391,400</b>	<b>\$399,300</b>



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- Expand the Energy training offerings as well as their delivery methods and formats.
- Align contract-training programs with LERN best practices.

**BUDGET NARRATIVE**

Funding sources for TrainND Southwest come primarily from direct training revenue, state allocated dollars and institutional in-kind funding. Bismarck State College continues to support the efforts of TrainND Southwest by providing indirect services including office space, human resources, IT, security, and plant services (maintenance, parking, snow removal, etc.). The BSC in-kind line item recognized this amount.

The TrainND Southwest budget recognizes a reduction in direct training revenues and state allocated dollars as a result of actions taken by 2017 Legislative Assembly. TrainND Southwest's largest client base is North Dakota State Governmental Agencies. State government agencies saw a reduction in budgets and appropriated dollars, which likely will affect workforce training of state employees.

TrainND Southwest has 9.1 FTE staff positions and 2.7 FTE trainer positions.



**GOALS AND STRATEGIES**

**Objectives for FY 2018 and 2019:**

- Provide training to **225** businesses each fiscal year with a 50% repeat rate.
- Train **2,200** employees (unduplicated head count each fiscal year).
- Hold **525** training events each fiscal year.
- Maintain a client satisfaction rate of **3.5+** (based on 4 point scale).
- Meet budgeted training revenues as outlined in the Biennial Business Plan.

**The following actions will be implemented in order to accomplish the objectives:**

- Continue expanding our trainers and facilitators portfolios of expertise.
- Consulting through assessments and needs analysis to become part of our client's business strategy.
- Continue to provide talent development services to our clients to increase their human capital.
- Collaborate with other regions to ensure coverage of all North Dakota's workforce
- Marketing and promoting the TrainND Southwest solutions and services.
- Researching and investing in curriculum development for in-demand skills.
- Identify prospective clients to expand client base and delivery formats.

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### FY 2015-2019 Statement of Revenues, Expenses and Funding Sources

	Actual FY 2015	Actual FY 2016	Budget FY 2017	Budget FY 2018	Budget FY 2019
<b>REVENUES</b>					
Direct Training Revenues	\$1,398,959	\$1,633,611	\$1,426,886	\$1,148,077	\$1,172,923
Community/Regional Funds	\$0	\$0	\$0	\$0	\$0
Institutional Funds	\$0	\$0	\$0	\$0	\$0
Grant Funding	\$0	\$0	\$0	\$0	\$0
State General Fund	\$383,925	\$372,130	\$387,838	\$261,380	\$261,380
<b>Total Revenues</b>	<b>\$1,782,884</b>	<b>\$2,005,741</b>	<b>\$1,814,724</b>	<b>\$1,409,457</b>	<b>\$1,434,303</b>
<b>EXPENDITURES</b>					
<b>Total Direct Training Expenditures</b>	\$722,580	\$732,917	\$851,667	\$506,512	\$515,134
<b>Outreach/Coordination Expenses</b>					
Total Salaries/Wages and Benefits	\$757,230	\$819,464	\$839,154	\$750,042	\$762,861
<b>Operational Expenses</b>					
Marketing	\$33,882	\$22,963	\$28,000	\$39,782	\$39,782
Travel	\$18,393	\$33,629	\$17,000	\$18,511	\$18,511
Other Operating Expense	\$38,987	\$22,447	\$35,490	\$60,198	\$63,103
New Initiatives	\$63,655	\$0	\$21,000	\$21,200	\$21,500
Professional Development	\$11,087	\$19,036	\$18,000	\$6,062	\$6,062
<b>Total Operational Expenses</b>	<b>\$166,003</b>	<b>\$98,075</b>	<b>\$119,490</b>	<b>\$145,753</b>	<b>\$148,958</b>
<b>Total Expenditures</b>	<b>\$1,645,813</b>	<b>\$1,650,456</b>	<b>\$1,810,311</b>	<b>\$1,402,307</b>	<b>\$1,426,953</b>
<b>Net Result For Future Investments</b>	<b>\$137,071</b>	<b>\$355,286</b>	<b>\$4,413</b>	<b>\$7,150</b>	<b>\$7,350</b>
<b>BSC In-Kind</b>	<b>\$348,326</b>	<b>\$376,953</b>	<b>\$411,185</b>	<b>\$367,521</b>	<b>\$373,802</b>



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# trainND

[It's a competitive world. Train for it.]

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 1/23/2019

Prepared by the Legislative Council staff  
 for House Appropriations - EE  
 January 23, 2019

**HOUSE BILL NO. 1019  
 LISTING OF PROPOSED CHANGES TO INTRODUCED VERSION**

**Department of Career and Technical Education**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1 Removes 1 FTE assistant program supervisor position	(1.00)	(\$159,737)	\$0	(\$159,737)
2 Transfer 28.80 FTE Centers for Distance Education (CDE) positions and \$8,171,203, of which \$5,697,613 is for salaries and \$2,473,590 is for operating expenses, from the Information Technology Department to the Department of Career and Technical Education in a special CDE line item	28.80	5,697,613	2,473,590	8,171,203
3 Transfer a 0.50 FTE Educational Technology Council (ETC) administrative assistant position and \$765,122, of which \$76,556 is for salaries, \$103,566 is for operating expenses, \$500,000 is for capital assets, and \$85,000 is for grants, from the Information Technology Department to the Department of Career and Technical Education in a special ETC line item	0.50	265,122	500,000	765,122
4 Reduce funding for travel operating expenses		0	(7,749)	(7,749)
5 Transfer operating expenses for the STEM network (\$100,000), clinical practice expenditures (\$42,207), and federal funding for the RUPReady program (\$575,000) from the grants line item to the operating expenses line item		142,207	575,000	717,207
6 Add funding for anticipated federal funds increases		0	2,000,000	2,000,000
7 Transfer ongoing funding for state funded grants from the grants line item to a new grants-secondary line item		20,130,020	0	20,130,020
8 Add additional funding for grants to school districts and area centers in the new grants-secondary line item		2,427,000	0	2,427,000
9 Reduce funding for part-time adult (\$40,000) grants and STEM infusion grants (\$180,000)		(220,000)	0	(220,000)
10 Reduce funding for postsecondary grants		(25,818)	0	(25,818)

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11 Reduce funding for adult farm management to provide a total of \$229,815 in the adult farm management line item before transfers	(350,007)	0	(350,007)
12 Transfer funding for adult farm management from the grants line item to the adult farm management line item to provide a new total of \$1,794,242 in the adult farm management line item	1,564,427	0	1,564,427
13 Add funding for workforce training grants	700,000	0	700,000
14 Transfer funding for postsecondary innovation grants from the grants line item to the grants-postsecondary line item	9,560	0	9,560
15 Add one-time funding for Marketplace for Kids	300,000	0	300,000
Total proposed funding changes	<u>28.30</u> <u>\$30,480,387</u>	<u>\$5,540,841</u>	<u>\$36,021,228</u>

**Other proposed changes:**

- 1 Repeal North Dakota Century Code Sections 54-59-17 and 54-59-18 related to Educational Technology Council meetings, compensation, and powers and duties and create new sections to chapter 15-20.1 related to the Educational Technology Council
- 2 Amend Section 15-19-06 to change references to the Educational Technology Council to the Department of Career and Technical Education

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2017 - 2019 Appropriation 33,311,512
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	General 22,174,007	Special 2,477,000	Federal 8,660,505
K - 12	20,248,537	2,377,000	5,629,328
68,684 Tech Assessments	120,000		
13,875 PT Adult	40,000		
1,029,486 Adult Farm Mgmt	1,564,427		
68,408 STEMii	180,000		
49,186 STEM Network		100,000	
21,043 Postsecondary	21,043		3,031,177

2017 - 2019 Allocations

Agriculture	3,574,565
Business Education	1,586,482
Career Development	3,152,503
Emerging Technology	880,467
FACS ED	1,922,160
FACS OCC	466,253
Health Sciences	2,091,690
Information Technology	778,415
Innovation Grants	87,075
Local Administration	3,088,631
Marketing Education	863,458
Marketplace for Kids	300,000
Professional Grants	70,056
Tech Ed CATTs	39,980
Pilot Distance	0
STEM Matching	44,968
Tech & Engineering	645,076
Trade & Industry	2,993,837
	22,585,616

20,248,537
2,377,000
22,625,537

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**New and Expanding Programs**

	<u>2020</u>	
May-Port-CG	*	Ag
Rolette	*	Ag
GNWACTC	\$400,000	Career
Grand Forks	*	Career
Lakota	*	Career
Milnor	*	Career
Minot	\$35,783	Career
Velva	*	Career
Northern Cass	*	Marketing
Rolette	*	Tech & Engineering
Midkota	<u>\$5,906</u>	T & I
	<u>\$441,689</u>	

\* Waiting on Application



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1/23/2019

Prepared by the Legislative Council staff  
for House Appropriations - EE  
January 23, 2019

**HOUSE BILL NO. 1019**  
**LISTING OF PROPOSED CHANGES TO INTRODUCED VERSION**

**Department of Career and Technical Education**

**Proposed funding changes:**

<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
1 Removes 1 FTE assistant program supervisor position	(1.00)	(\$159,737)	\$0	(\$159,737)
2 Transfer 28.80 FTE Centers for Distance Education (CDE) positions and \$8,171,203, of which \$5,697,613 is for salaries and \$2,473,590 is for operating expenses, from the Information Technology Department to the Department of Career and Technical Education in a special CDE line item	28.80	5,697,613	2,473,590	8,171,203
3 Transfer a 0.50 FTE Educational Technology Council (ETC) administrative assistant position and \$765,122, of which \$76,556 is for salaries, \$103,566 is for operating expenses, \$500,000 is for capital assets, and \$85,000 is for grants, from the Information Technology Department to the Department of Career and Technical Education in a special ETC line item	0.50	265,122	500,000	765,122
4 Reduce funding for travel operating expenses		0	(7,749)	(7,749)
5 Transfer operating expenses for the STEM network (\$100,000), clinical practice expenditures (\$42,207), and federal funding for the RUPReady program (\$575,000) from the grants line item to the operating expenses line item		142,207	575,000	717,207
6 Add funding for anticipated federal funds increases		0	2,000,000	2,000,000
7 Transfer ongoing funding for state funded grants from the grants line item to a new grants-secondary line item		20,130,020	0	20,130,020
8 Add additional funding for grants to school districts and area centers in the new grants-secondary line item		2,427,000	0	2,427,000
9 Reduce funding for part-time adult (\$40,000) grants and STEM infusion grants (\$180,000)		(220,000)	0	(220,000)
10 Reduce funding for postsecondary grants		(25,818)	0	(25,818)

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11 Reduce funding for adult farm management to provide a total of \$229,815 in the adult farm management line item before transfers	(350,007)	0	(350,007)
12 Transfer funding for adult farm management from the grants line item to the adult farm management line item to provide a new total of \$1,794,242 in the adult farm management line item	1,564,427	0	1,564,427
13 Add funding for workforce training grants	700,000	0	700,000
14 Transfer funding for postsecondary innovation grants from the grants line item to the grants-postsecondary line item	9,560	0	9,560
15 Add one-time funding for Marketplace for Kids	300,000	0	300,000
Total proposed funding changes	<u>28.30</u> <u>\$30,480,387</u>	<u>\$5,540,841</u>	<u>\$36,021,228</u>

**Other proposed changes:**

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2017 - 2019 Appropriation 33,311,512
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K - 12  
 68,684 Tech Assessments  
 13,875 PT Adult  
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120,000		
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21,043		3,031,177

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20,248,537  
 2,377,000  
 22,625,537

New and Expanding Programs

	<u>2020</u>	
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Rolette	*	Tech & Engineering
Midkota	\$5,906	T & I
	<u>\$441,689</u>	

\* Waiting on Application

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Agency Information Technology  
 Program 112 Information Technology  
 Reporting Level 03-112-000-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Appropriation	3 Payroll Difference from 2017-19	4 Remove Capital and One Time	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
Decription	Code						
Operating Budget Adjustment	699000	0	0	0	15,920,000	0	15,920,000
<b>TOTAL</b>		<b>73,927,998</b>	<b>0</b>	<b>(375,000)</b>	<b>66,960,999</b>	<b>0</b>	<b>140,513,997</b>
<b>MEANS OF FUNDING</b>							
FirstNet	G239	1,551,373	0	0	(100,000)	0	1,451,373
FirstNet 2	G259	200,000	0	0	(200,000)	0	0
<b>Federal Funds TOTAL</b>		<b>1,751,373</b>	<b>0</b>	<b>0</b>	<b>(300,000)</b>	<b>0</b>	<b>1,451,373</b>
State General Fund	001	241,207	0	0	642,406	0	883,613
<b>General Fund TOTAL</b>		<b>241,207</b>	<b>0</b>	<b>0</b>	<b>642,406</b>	<b>0</b>	<b>883,613</b>
Interoperable Radio Network	476	5,011,214	0	0	3,600,000	0	8,611,214
SIIF	493	0	0	0	35,480,000	0	35,480,000
ITD Service Fund 780	780	66,924,204	0	(375,000)	27,538,593	0	94,087,797
<b>Special Funds TOTAL</b>		<b>71,935,418</b>	<b>0</b>	<b>(375,000)</b>	<b>66,618,593</b>	<b>0</b>	<b>138,179,011</b>
<b>TOTAL</b>		<b>73,927,998</b>	<b>0</b>	<b>(375,000)</b>	<b>66,960,999</b>	<b>0</b>	<b>140,513,997</b>
<b>50 Capital Assets</b>							
Equipment Over \$5000	691000	250,000	0	(250,000)	250,000	0	250,000
IT Equip/Sftware Over \$5000	693000	32,745,000	0	(32,745,000)	42,153,117	0	42,153,117
<b>TOTAL</b>		<b>32,995,000</b>	<b>0</b>	<b>(32,995,000)</b>	<b>42,403,117</b>	<b>0</b>	<b>42,403,117</b>
<b>MEANS OF FUNDING</b>							
Interoperable Radio Network	476	25,180,000	0	(25,180,000)	9,210,000	0	9,210,000
SIIF	493	0	0	0	29,420,000	0	29,420,000
ITD Service Fund 780	780	7,815,000	0	(7,815,000)	3,773,117	0	3,773,117
<b>Special Funds TOTAL</b>		<b>32,995,000</b>	<b>0</b>	<b>(32,995,000)</b>	<b>42,403,117</b>	<b>0</b>	<b>42,403,117</b>
<b>TOTAL</b>		<b>32,995,000</b>	<b>0</b>	<b>(32,995,000)</b>	<b>42,403,117</b>	<b>0</b>	<b>42,403,117</b>
<b>70 Center for Distance Education</b>							
Salaries - Permanent	511000	3,392,156	(90,718)	0	(3,360,718)	0	(59,280)
Temporary Salaries	513000	728,324	110,754	0	(1,053,247)	0	(214,169)
Fringe Benefits	516000	1,687,886	(20,042)	0	(1,712,513)	0	(44,669)
Travel	521000	100,000	0	0	0	0	100,000
Supplies - IT Software	531000	300,000	0	0	0	0	300,000
Supply/Material-Professional	532000	5,000	0	0	0	0	5,000
Food and Clothing	533000	1,500	0	0	0	0	1,500
Bldg, Ground, Maintenance	534000	3,000	0	0	0	0	3,000
Miscellaneous Supplies	535000	5,000	0	0	0	0	5,000
Office Supplies	536000	1,561,250	0	0	(174,048)	0	1,387,202
Postage	541000	10,000	0	0	0	0	10,000
Printing	542000	9,000	0	0	0	0	9,000
IT Equip Under \$5,000	551000	65,000	0	0	0	0	65,000
Office Equip & Furn Supplies	553000	10,000	0	0	0	0	10,000

Agency Information Technology  
 Program 112 Information Technology  
 Reporting Level 03-112-000-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Appropriation	3 Payroll Difference from 2017-19	4 Remove Capital and One Time	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
Decription	Code						
Utilities	561000	53,000	0	0	0	0	53,000
Insurance	571000	5,000	0	0	0	0	5,000
Rentals/Leases-Equip & Other	581000	41,000	0	0	0	0	41,000
Rentals/Leases - Bldg/Land	582000	380,000	0	0	0	0	380,000
Repairs	591000	22,000	0	0	0	0	22,000
IT - Data Processing	601000	345,000	0	0	(305,000)	0	40,000
IT - Communications	602000	55,000	0	0	0	0	55,000
IT Contractual Srvc and Rprs	603000	44,000	0	0	0	0	44,000
Professional Development	611000	30,000	0	0	0	0	30,000
Operating Fees and Services	621000	56,000	0	0	0	0	56,000
Fees - Professional Services	623000	170,000	0	0	0	0	170,000
Operating Budget Adjustment	699000	0	0	0	(2,473,590)	0	(2,473,590)
<b>TOTAL</b>		<b>9,079,116</b>	<b>(6)</b>	<b>0</b>	<b>(9,079,116)</b>	<b>0</b>	<b>(6)</b>
<b>MEANS OF FUNDING</b>							
State General Fund	001	6,029,116	(6)	0	(6,300,526)	0	(271,416)
<b>General Fund TOTAL</b>		<b>6,029,116</b>	<b>(6)</b>	<b>0</b>	<b>(6,300,526)</b>	<b>0</b>	<b>(271,416)</b>
Independent Study Operating Fd 274	274	3,050,000	0	0	(2,778,590)	0	271,410
<b>Special Funds TOTAL</b>		<b>3,050,000</b>	<b>0</b>	<b>0</b>	<b>(2,778,590)</b>	<b>0</b>	<b>271,410</b>
<b>TOTAL</b>		<b>9,079,116</b>	<b>(6)</b>	<b>0</b>	<b>(9,079,116)</b>	<b>0</b>	<b>(6)</b>
<b>71 Statewide Data System</b>							
Salaries - Permanent	511000	1,179,648	0	0	0	0	1,179,648
Salary Increase	511010	0	0	0	0	59,455	59,455
Benefit Increase	511011	0	0	0	0	11,840	11,840
Health Increase	511012	0	0	0	0	26,450	26,450
Retirement Increase	511013	0	0	0	0	9,295	9,295
Fringe Benefits	516000	446,396	0	0	0	0	446,396
Travel	521000	30,000	0	0	0	0	30,000
Supplies - IT Software	531000	233,173	0	0	0	0	233,173
Office Supplies	536000	1,000	0	0	0	0	1,000
Printing	542000	1,000	0	0	0	0	1,000
IT Equip Under \$5,000	551000	5,000	0	0	0	0	5,000
Rentals/Leases - Bldg/Land	582000	25,000	0	0	0	0	25,000
Repairs	591000	1,000	0	0	0	0	1,000
IT - Data Processing	601000	1,525,138	0	0	0	0	1,525,138
IT - Communications	602000	4,000	0	0	0	0	4,000
IT Contractual Srvc and Rprs	603000	816,486	0	0	(1,056)	0	815,430
Professional Development	611000	5,000	0	0	0	0	5,000
Operating Fees and Services	621000	26,720	0	0	0	0	26,720
Fees - Professional Services	623000	11,000	0	0	0	0	11,000
<b>TOTAL</b>		<b>4,310,561</b>	<b>0</b>	<b>0</b>	<b>(1,056)</b>	<b>107,040</b>	<b>4,416,545</b>

Att 1  
 HB 1019  
 1/23/2019

Prepared by the Legislative Council staff  
 for House Appropriations - EE  
 January 23, 2019

**HOUSE BILL NO. 1019**  
**LISTING OF PROPOSED CHANGES TO INTRODUCED VERSION**

**Department of Career and Technical Education**

**Proposed funding changes:**

Description	FTE	General Fund	Other Funds	Total
1 Removes 1 FTE assistant program supervisor position	(1.00)	(\$159,737)	\$0	(\$159,737)
2 Transfer 28.80 FTE Centers for Distance Education (CDE) positions and \$8,171,203, of which \$5,697,613 is for salaries and \$2,473,590 is for operating expenses, from the Information Technology Department to the Department of Career and Technical Education in a special CDE line item	28.80	5,697,613	2,473,590	8,171,203
3 Transfer a 0.50 FTE Educational Technology Council (ETC) administrative assistant position and \$765,122, of which \$76,556 is for salaries, \$103,566 is for operating expenses, \$500,000 is for capital assets, and \$85,000 is for grants, from the Information Technology Department to the Department of Career and Technical Education in a special ETC line item	0.50	265,122	500,000	765,122
4 Reduce funding for travel operating expenses		0	(7,749)	(7,749)
5 Transfer operating expenses for the STEM network (\$100,000), clinical practice expenditures (\$42,207), and federal funding for the RUPReady program (\$575,000) from the grants line item to the operating expenses line item		142,207	575,000	717,207
6 Add funding for anticipated federal funds increases		0	2,000,000	2,000,000
7 Transfer ongoing funding for state funded grants from the grants line item to a new grants-secondary line item		20,130,020	0	20,130,020
8 Add additional funding for grants to school districts and area centers in the new grants-secondary line item		2,427,000	0	2,427,000
9 Reduce funding for part-time adult (\$40,000) grants and STEM infusion grants (\$180,000)		(220,000)	0	(220,000)
10 Reduce funding for postsecondary grants		(25,818)	0	(25,818)

P1



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HB 1019 1/23/19

11 Reduce funding for adult farm management to provide a total of \$229,815 in the adult farm management line item before transfers	(350,007)	0	(350,007)
12 Transfer funding for adult farm management from the grants line item to the adult farm management line item to provide a new total of \$1,794,242 in the adult farm management line item	1,564,427	0	1,564,427
13 Add funding for workforce training grants	700,000	0	700,000
14 Transfer funding for postsecondary innovation grants from the grants line item to the grants-postsecondary line item	9,560	0	9,560
15 Add one-time funding for Marketplace for Kids	300,000	0	300,000
Total proposed funding changes	<u>28.30</u> <u>\$30,480,387</u>	<u>\$5,540,841</u>	<u>\$36,021,228</u>

**Other proposed changes:**

- 1 Repeal North Dakota Century Code Sections 54-59-17 and 54-59-18 related to Educational Technology Council meetings, compensation, and powers and duties and create new sections to chapter 15-20.1 related to the Educational Technology Council
- 2 Amend Section 15-19-06 to change references to the Educational Technology Council to the Department of Career and Technical Education

) A++2  
 ) HB 1019  
 1/23/19

2017 - 2019 Appropriation 33,311,512
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K - 12  
 68,684 Tech Assessments  
 13,875 PT Adult  
 1,029,486 Adult Farm Mgmt  
 68,408 STEMii  
 49,186 STEM Network  
 21,043 Postsecondary

General 22,174,007	Special 2,477,000	Federal 8,660,505
20,248,537	2,377,000	5,629,328
120,000		
40,000		
1,564,427		
180,000		
21,043	100,000	3,031,177

2017 - 2019 Allocations

Agriculture	3,574,565
Business Education	1,586,482
Career Development	3,152,503
Emerging Technology	880,467
FACS ED	1,922,160
FACS OCC	466,253
Health Sciences	2,091,690
Information Technology	778,415
Innovation Grants	87,075
Local Administration	3,088,631
Marketing Education	863,458
Marketplace for Kids	300,000
Professional Grants	70,056
Tech Ed CATTS	39,980
Pilot Distance	0
STEM Matching	44,968
Tech & Engineering	645,076
Trade & Industry	2,993,837
	22,585,616

20,248,537
2,377,000
22,625,537

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HB 1019

1/23/19

New and Expanding Programs

	<u>2020</u>	
May-Port-CG	*	Ag
Rolette	*	Ag
GNWACTC	\$400,000	Career
Grand Forks	*	Career
Lakota	*	Career
Milnor	*	Career
Minot	\$35,783	Career
Velva	*	Career
Northern Cass	*	Marketing
Rolette	*	Tech & Engineering
Midkota	<u>\$5,906</u>	T & I
	\$441,689	

\* Waiting on Application

Agency Information Technology  
 Program 112 Information Technology  
 Reporting Level 03-112-000-00-00-00-00000000

1 Object/Revenue	2 2017-19 Biennium Appropriation	3 Payroll Difference from 2017-19	4 Remove Capital and One Time	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation	
Decription	Code						
Operating Budget Adjustment	699000	0	0	0	15,920,000	0	15,920,000
TOTAL		73,927,998	0	(375,000)	66,960,999	0	140,513,997
MEANS OF FUNDING							
FirstNet	G239	1,551,373	0	0	(100,000)	0	1,451,373
FirstNet 2	G259	200,000	0	0	(200,000)	0	0
Federal Funds TOTAL		1,751,373	0	0	(300,000)	0	1,451,373
State General Fund	001	241,207	0	0	642,406	0	883,613
General Fund TOTAL		241,207	0	0	642,406	0	883,613
Interoperable Radio Network	476	5,011,214	0	0	3,600,000	0	8,611,214
SIIF	493	0	0	0	35,480,000	0	35,480,000
ITD Service Fund 780	780	66,924,204	0	(375,000)	27,538,593	0	94,087,797
Special Funds TOTAL		71,935,418	0	(375,000)	66,618,593	0	138,179,011
TOTAL		73,927,998	0	(375,000)	66,960,999	0	140,513,997
50 Capital Assets							
Equipment Over \$5000	691000	250,000	0	(250,000)	250,000	0	250,000
IT Equip/Software Over \$5000	693000	32,745,000	0	(32,745,000)	42,153,117	0	42,153,117
TOTAL		32,995,000	0	(32,995,000)	42,403,117	0	42,403,117
MEANS OF FUNDING							
Interoperable Radio Network	476	25,180,000	0	(25,180,000)	9,210,000	0	9,210,000
SIIF	493	0	0	0	29,420,000	0	29,420,000
ITD Service Fund 780	780	7,815,000	0	(7,815,000)	3,773,117	0	3,773,117
Special Funds TOTAL		32,995,000	0	(32,995,000)	42,403,117	0	42,403,117
TOTAL		32,995,000	0	(32,995,000)	42,403,117	0	42,403,117
70 Center for Distance Education							
Salaries - Permanent	511000	3,392,156	(90,718)	0	(3,360,718)	0	(59,280)
Temporary Salaries	513000	728,324	110,754	0	(1,053,247)	0	(214,169)
Fringe Benefits	516000	1,687,886	(20,042)	0	(1,712,513)	0	(44,669)
Travel	521000	100,000	0	0	0	0	100,000
Supplies - IT Software	531000	300,000	0	0	0	0	300,000
Supply/Material-Professional	532000	5,000	0	0	0	0	5,000
Food and Clothing	533000	1,500	0	0	0	0	1,500
Bldg, Ground, Maintenance	534000	3,000	0	0	0	0	3,000
Miscellaneous Supplies	535000	5,000	0	0	0	0	5,000
Office Supplies	536000	1,561,250	0	0	(174,048)	0	1,387,202
Postage	541000	10,000	0	0	0	0	10,000
Printing	542000	9,000	0	0	0	0	9,000
IT Equip Under \$5,000	551000	65,000	0	0	0	0	65,000
Office Equip & Furn Supplies	553000	10,000	0	0	0	0	10,000

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Agency Information Technology  
 Program 112 Information Technology  
 Reporting Level 03-112-000-00-00-00-00000000

1 Object/Revenue		2 2017-19 Biennium Appropriation	3 Payroll Difference from 2017-19	4 Remove Capital and One Time	5 2019-21 Base Budget Changes	6 Compensation	7 2019-21 Recommendation
Decription	Code						
Utilities	561000	53,000	0	0	0	0	53,000
Insurance	571000	5,000	0	0	0	0	5,000
Rentals/Leases-Equip & Other	581000	41,000	0	0	0	0	41,000
Rentals/Leases - Bldg/Land	582000	380,000	0	0	0	0	380,000
Repairs	591000	22,000	0	0	0	0	22,000
IT - Data Processing	601000	345,000	0	0	(305,000)	0	40,000
IT - Communications	602000	55,000	0	0	0	0	55,000
IT Contractual Srvc and Rprs	603000	44,000	0	0	0	0	44,000
Professional Development	611000	30,000	0	0	0	0	30,000
Operating Fees and Services	621000	56,000	0	0	0	0	56,000
Fees - Professional Services	623000	170,000	0	0	0	0	170,000
Operating Budget Adjustment	699000	0	0	0	(2,473,590)	0	(2,473,590)
TOTAL		9,079,116	(6)	0	(9,079,116)	0	(6)
MEANS OF FUNDING							
State General Fund	001	6,029,116	(6)	0	(6,300,526)	0	(271,416)
General Fund TOTAL		6,029,116	(6)	0	(6,300,526)	0	(271,416)
Independent Study Operating Fd 274	274	3,050,000	0	0	(2,778,590)	0	271,410
Special Funds TOTAL		3,050,000	0	0	(2,778,590)	0	271,410
TOTAL		9,079,116	(6)	0	(9,079,116)	0	(6)
71 Statewide Data System							
Salaries - Permanent	511000	1,179,648	0	0	0	0	1,179,648
Salary Increase	511010	0	0	0	0	59,455	59,455
Benefit Increase	511011	0	0	0	0	11,840	11,840
Health Increase	511012	0	0	0	0	26,450	26,450
Retirement Increase	511013	0	0	0	0	9,295	9,295
Fringe Benefits	516000	446,396	0	0	0	0	446,396
Travel	521000	30,000	0	0	0	0	30,000
Supplies - IT Software	531000	233,173	0	0	0	0	233,173
Office Supplies	536000	1,000	0	0	0	0	1,000
Printing	542000	1,000	0	0	0	0	1,000
IT Equip Under \$5,000	551000	5,000	0	0	0	0	5,000
Rentals/Leases - Bldg/Land	582000	25,000	0	0	0	0	25,000
Repairs	591000	1,000	0	0	0	0	1,000
IT - Data Processing	601000	1,525,138	0	0	0	0	1,525,138
IT - Communications	602000	4,000	0	0	0	0	4,000
IT Contractual Srvc and Rprs	603000	816,486	0	0	(1,056)	0	815,430
Professional Development	611000	5,000	0	0	0	0	5,000
Operating Fees and Services	621000	26,720	0	0	0	0	26,720
Fees - Professional Services	623000	11,000	0	0	0	0	11,000
TOTAL		4,310,561	0	0	(1,056)	107,040	4,416,545

**Career and Technical Education - Budget No. 270**  
**House Bill No. 1019**  
**Base Level Funding Changes**

Att 1  
 HB 1019  
 2/4/2019

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2019-21 Biennium Base Level</b>	24.50	\$29,306,283	\$9,616,666	\$38,922,949	24.50	\$29,306,283	\$9,616,666	\$38,922,949	0.00	\$0	\$0	\$0
<b>2019-21 Ongoing Funding Changes</b>												
Base payroll changes		(\$3,782)	\$36,455	\$32,673		(\$3,782)	\$36,455	\$32,673				\$0
Salary increase		407,261	1	407,262		240,123		240,123		(167,138)	(1)	(167,139)
Health insurance increase		204,058		204,058		240,952		240,952		36,894		36,894
Retirement contribution increase		33,502		33,502				0		(33,502)		(33,502)
Remove 1 FTE assistant program supervisor position	(1.00)	(159,737)		(159,737)	(1.00)	(159,737)		(159,737)				0
Transfer 29.80 FTE CDE positions from ITD	29.80	8,171,203		8,171,203	29.80	5,800,000	3,050,000	8,850,000		(2,371,203)	3,050,000	678,797
Transfer 0.50 FTE ETC positions from ITD	0.50	76,556		76,556	0.50	76,556		76,556				0
Add funding for the Educational Technology Council		188,566	500,000	688,566		188,566	500,000	688,566				0
Reduce funding for travel operating expenses			(7,749)	(7,749)				0			7,749	7,749
Add funding for anticipated federal funds increases			2,000,000	2,000,000			2,000,000	2,000,000				0
Add funding for grants to school districts and area centers		2,477,000		2,477,000				0		(2,477,000)		(2,477,000)
Reduce funding for other grants		(220,000)		(220,000)		(220,000)		(220,000)				0
Add funding for new and expanding workforce development grants		700,000		700,000				0		(700,000)		(700,000)
Reduce funding for postsecondary grants		(25,818)		(25,818)		(25,818)		(25,818)				0
Reduce funding for adult farm management grants		(350,007)		(350,007)		(350,007)		(350,007)				0
Reduce funding for workforce training		(174,571)		(174,571)				0		174,571		174,571
Transfer funding from grants to operating expenses				0				0				0
Transfer funding from grants to secondary grants				0				0				0
Transfer funding from the grants to postsecondary grants				0				0				0
Transfer funding from grants to adult farm management				0				0				0
Total ongoing funding changes	29.30	\$11,324,231	\$2,528,707	\$13,852,938	29.30	\$5,786,853	\$5,586,455	\$11,373,308	0.00	(\$5,537,378)	\$3,057,748	(\$2,479,630)
<b>One-time funding items</b>												
Add funding for workforce development grants		\$30,000,000		\$30,000,000				\$0		(\$30,000,000)		(\$30,000,000)
Add funding for Marketplace for Kids				0		300,000		300,000		300,000		300,000
Add one-time funding for grants to school districts and area centers				0			2,427,000	2,427,000			2,427,000	2,427,000
Total one-time funding changes	0.00	\$30,000,000	\$0	\$30,000,000	0.00	\$300,000	\$2,427,000	\$2,727,000	0.00	(\$29,700,000)	\$2,427,000	(\$27,273,000)
<b>Total Changes to Base Level Funding</b>	29.30	\$41,324,231	\$2,528,707	\$43,852,938	29.30	\$6,086,853	\$8,013,455	\$14,100,308	0.00	(\$35,237,378)	\$5,484,748	(\$29,752,630)
<b>2019-21 Total Funding</b>	53.80	\$70,630,514	\$12,145,373	\$82,775,887	53.80	\$35,393,136	\$17,630,121	\$53,023,257	0.00	(\$35,237,378)	\$5,484,748	(\$29,752,630)

Other Sections for Career and Technical Education - Budget No. 270

Executive Budget Recommendation

House Version

P.1

AH-1  
HB 1019  
2/4/19

Other Sections for Career and Technical Education - Budget No. 270

Executive Budget Recommendation

House Version

Workforce development grants for career academies

Section 3 would identify \$30 million of one-time funding from the general fund to the Department of Career and Technical Education for the purpose of providing competitive workforce development grants to build career academies for the 2019-21 biennium. A committee consisting of the leaders or designees of the Department of Career and Technical Education, Department of Commerce, Job Service North Dakota, and Department of Public Instruction would develop a competitive process in consultation with the Workforce Development Council, Economic Development Foundation, and the Career and Technical Education Board, to distribute the funds with a required 1-to-1 match from private sector or political subdivision funds.

Line item transfers

Section 4 would authorize the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Department of Career and Technical Education during the 2019-21 biennium.

Centers of Distance Education and Educational Technology Council funds

Section 3 amends North Dakota Century Code Section 15-19-06 to reference the Executive Director of the Department of Career and Technical Education rather than the technology director appointed by the Educational Technology Council when approving expenditures from the Centers of Distance Education operating fund and the Educational Technology Council administrative operating fund.

Educational Technology Council - Meetings - Compensation

Section 5 would create and enact North Dakota Century Code Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

Section 4 creates and enacts North Dakota Century Code Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

Educational Technology Council - Powers and duties

Section 6 would create and enact Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as

Section 5 creates and enacts Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.

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Att 1  
HB 1019  
2/6/2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; to create and enact sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council; to amend and reenact section 15-19-06 of the North Dakota Century Code, relating to the centers for distance education operating fund; and to repeal sections 54-59-17 and 54-59-18 of the North Dakota Century Code, relating to the meetings, compensation, powers, and duties of the educational technology council"

Page 1, replace lines 10 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - secondary	0	22,837,780	22,837,780
Grants - postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000	0	2,000,000
Centers for distance education	0	9,104,812	9,104,812
Educational technology council	0	770,978	770,978
Total all funds	\$38,922,949	\$14,100,308	\$53,023,257
Less estimated income	<u>9,616,666</u>	<u>8,013,455</u>	<u>17,630,121</u>
Total general fund	\$29,306,283	\$6,086,853	\$35,393,136
Full-time equivalent positions	24.50	29.30	53.80"

Page 1, line 23, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 1, line 24, after "biennium" insert "and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 1 through 6 with:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
School district and area center grants	\$2,427,000	\$2,427,000
Marketplace for kids	<u>300,000</u>	<u>300,000</u>
Total all funds	\$2,727,000	\$2,727,000
Less estimated income	<u>2,477,000</u>	<u>2,427,000</u>
Total general fund	\$250,000	\$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of career and technical education shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 3. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND - ONE-TIME GRANTS.** The estimated income line item in section 1 of this Act

Att 1  
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includes \$2,427,000 of one-time funding from the foundation aid stabilization fund for grants to school districts and area centers.

**SECTION 4. AMENDMENT.** Section 15-19-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-19-06. Special funds - Deposit of collections - Transfers from general fund appropriations.**

1. A special operating fund for the center for distance education must be maintained within the state treasury and all income and fees collected by the center for distance education from any source must be remitted monthly by the director to the state treasurer and credited to the special operating fund. All expenditures from the fund must be within the limits of legislative appropriations and must be made upon vouchers, signed and approved by the ~~technology director appointed by the educational technology council~~ of the department of career and technical education. Upon approval of the vouchers by the office of the budget, warrant-checks must be prepared by the office of management and budget. The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the center for distance education general fund appropriation to the special operating fund whenever its balance falls so low as to require supplementation.
2. The educational technology council may establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the center for distance education. The administrative operational fund must be deposited in the Bank of North Dakota and may be drawn upon by the state director of the center for distance education for the payment of necessary expenses in the administration and operation of the center for distance education within the limits and rules prescribed by the educational technology council. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the council in accordance with the rules adopted by the council, and thereafter the council may periodically authorize additional transfers to the administrative operational fund, but the balance in the fund may never exceed ten thousand dollars, and any unencumbered balance at the end of any biennium must revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director.
3. The educational technology council may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the center for distance education. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the council or the center for distance education as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the council or center for distance education which is designated by the council and donor for the scholarship fund must be deposited in the scholarship fund at the Bank of North Dakota. The state director of the center for distance education may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the educational technology council. The interest earned by the scholarship fund is appropriated to the center for distance education.

**SECTION 5.** Section 15-20.1-26 of the North Dakota Century Code is created and enacted as follows:

**Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.
  - f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.
  - h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of non public schools.
3. The council shall select a chairman from among its members.
4. The term of office for the members appointed by the governor is four years.
5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty

cents per day and reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**SECTION 6.** Section 15-20.1-27 of the North Dakota Century Code is created and enacted as follows:

**North Dakota educational technology council - Powers and duties.**

The educational technology council shall:

1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.
6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
7. Appoint a technology director who shall serve at the will of the council.
8. Hire the director of the center for distance education.

**SECTION 7. REPEAL.** Sections 54-59-17 and 54-59-18 of the North Dakota Century Code are repealed."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	<b>Base Budget</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$4,699,975	\$93,343	\$4,793,318
Operating expenses	1,240,589	1,075,000	2,315,589
Grants	30,106,356	(21,041,214)	9,065,142
Grants - Postsecondary	296,207	45,189	341,396
Adult farm management	579,822	1,214,420	1,794,242
Workforce training	2,000,000		2,000,000
Educational Technology Council		770,978	770,978
Centers for Distance Education		9,104,812	9,104,812
Grants - Secondary		22,837,780	22,837,780
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$14,100,308</b>	<b>\$53,023,257</b>
Less estimated income	9,616,666	8,013,455	17,630,121
General fund	\$29,306,283	\$6,086,853	\$35,393,136
FTE	24.50	29.30	53.80

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Removes 1 FTE Assistant Program Supervisor Position <sup>3</sup>	Transfers the Centers for Distance Education <sup>4</sup>	Transfers the Educational Technology Council <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$32,673	\$220,407	(\$159,737)			
Operating expenses						
Grants						(\$220,000)
Grants - Postsecondary						(25,818)
Adult farm management						(350,007)
Workforce training						
Centers for Distance Education		254,812		\$8,850,000		
Educational Technology Council		5,856			\$765,122	
Grants - Secondary						
<b>Total all funds</b>	<b>\$32,673</b>	<b>\$481,075</b>	<b>(\$159,737)</b>	<b>\$8,850,000</b>	<b>\$765,122</b>	<b>(\$595,825)</b>
Less estimated income	36,455	0	0	3,050,000	500,000	0
General fund	(\$3,782)	\$481,075	(\$159,737)	\$5,800,000	\$265,122	(\$595,825)
FTE	0.00	0.00	(1.00)	29.80	0.50	0.00

	Adds Funding for Anticipated Federal Funds Increases <sup>7</sup>	Line Item Transfers <sup>8</sup>	Adds One-Time Funding <sup>9</sup>	Total House Changes
Salaries and wages				\$93,343
Operating expenses	\$400,000	\$675,000		1,075,000
Grants	1,600,000	(22,421,214)		(21,041,214)
Grants - Postsecondary		71,007		45,189
Adult farm management		1,564,427		1,214,420
Workforce training				
Centers for Distance Education				9,104,812
Educational Technology Council				770,978
Grants - Secondary		20,110,780	\$2,727,000	22,837,780
<b>Total all funds</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,727,000</b>	<b>\$14,100,308</b>
Less estimated income	2,000,000	0	2,427,000	8,013,455
General fund	\$0	\$0	\$300,000	\$6,086,853
FTE	0.00	0.00	0.00	29.30

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

**General Fund**

Salary increase	\$240,123
Health insurance increase	<u>240,952</u>
Total	\$481,075

<sup>3</sup> One FTE assistant program supervisor position is removed.

<sup>4</sup> Transfers 29.80 FTE positions and related funding of \$8,850,000 from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$5,800,000 is for salaries and wages from the general fund and \$3,050,000 is for operating expenses from the independent study operating fund.

<sup>5</sup> Transfers 0.50 FTE administrative assistant II position and \$765,122 for the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education. Of this amount, \$265,122 is from the general fund for salaries (\$76,556), operating expenses (\$103,566), and grants (\$85,000). The remaining \$500,000 is from federal funds for capital assets.

<sup>6</sup> Base level funding is adjusted as follows:



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	<u>General Fund</u>
Reduces funding for grants	(\$220,000)
Reduces funding for postsecondary grants	(25,818)
Reduces funding for adult farm management grants	<u>(350,007)</u>
<b>Total</b>	<b>(\$595,825)</b>

<sup>7</sup> Adds funding of \$2 million for anticipated increases in federal funds, of which \$400,000 is for operating expenses and \$1.6 million is for grants.

<sup>8</sup> Funding of \$22,421,214 is transferred from the grants line item to the following line items:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Operating expenses	\$100,000	\$575,000	\$675,000
Grants - Secondary	20,110,780	0	20,110,780
Grants - Postsecondary	71,007	0	71,007
Adult farm management	<u>1,564,427</u>	<u>0</u>	<u>1,564,427</u>
<b>Total</b>	<b>\$21,846,214</b>	<b>\$575,000</b>	<b>\$22,421,214</b>

<sup>9</sup> One-time funding of \$2,727,000 is added, of which \$300,000 is from the general fund for the Marketplace for Kids program and \$2,427,000 is from the foundation aid stabilization fund for grants to school districts and area centers.

Sections are added to:

- Identify \$2,427,000 of one-time funding from the foundation aid stabilization fund for grants.
- Change the position responsible for approving Center for Distance Education expenditures from the technology director of the Educational Technology Council to the director of the Department of Career and Technical Education.
- Transfer the Educational Technology Council from the Information Technology Department to the Department of Career and Technical Education by including related statutory provisions under the Department of Career and Technical Education chapter of the Century Code and repealing related provisions from the Information Technology Department chapter.

**Department 270 - Department of Career and Technical Education  
House Bill No. 1019**

**Executive Budget Comparison to Prior Biennium Appropriations**

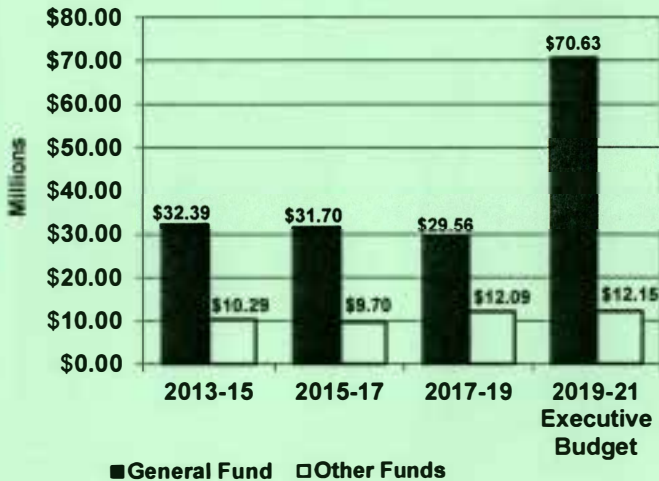
	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	53.80	\$70,630,514	\$12,145,373	\$82,775,887
2017-19 Legislative Appropriations <sup>1</sup>	24.50	29,556,283	12,093,666	41,649,949
Increase (Decrease)	29.30	\$41,074,231	\$51,707	\$41,125,938

<sup>1</sup>The 2017-19 biennium agency appropriation amounts have not been adjusted for additional federal funds authority of \$478,156 resulting from Emergency Commission action during the 2017-19 biennium.

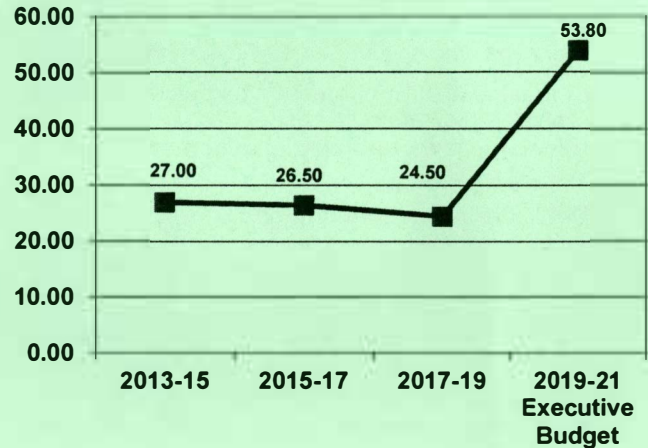
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$40,630,514	\$30,000,000	\$70,630,514
2017-19 Legislative Appropriations	29,306,283	250,000	29,556,283
Increase (Decrease)	\$11,324,231	\$29,750,000	\$41,074,231

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$70,630,514	\$12,145,373	\$82,775,887
2019-21 Base Level	29,306,283	9,616,666	38,922,949
Increase (Decrease)	\$41,324,231	\$2,528,707	\$43,852,938

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$407,262 is for salary increases, \$204,058 is for health insurance increases, and \$33,502 is for retirement contribution increases. <b>The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The House did not add funding for retirement contribution increases.</b>	\$644,821	\$1	\$644,822
2. Removes 1 FTE assistant program supervisor position	(\$159,737)	\$0	(\$159,737)



3. Transfers 29.80 FTE Centers for Distance Education positions from the Information Technology Department. <b>The House transferred 29.80 FTE positions and \$8,850,000 from the Information Technology Department, of which \$5,800,000 is from the general fund and \$3,050,000 is from the independent study operating fund. The House also removed 1 FTE Center for Distance Education position and related funding of \$103,943 from the general fund.</b>	\$8,171,203	\$0	\$8,171,203
4. Transfers 0.50 FTE Educational Technology Council administrative assistant II position from the Information Technology Department	\$76,556	\$0	\$76,556
5. Adds funding for the Educational Technology Council, including operating expenses (\$103,566), capital assets (\$500,000), and grants (\$85,000)	\$188,566	\$500,000	\$688,566
6. Reduces funding for department expenses, including operating expenses (\$7,749), grants (\$220,000), postsecondary grants (\$25,818), and adult farm management grants (\$350,007). <b>The House did not reduce funding of \$7,749 for operating expenses.</b>	(\$595,825)	(\$7,749)	(\$603,574)
7. Adds funding for anticipated federal funds increases, including operating expenses (\$400,000) and grants (\$1.6 million)	\$0	\$2,000,000	\$2,000,000
8. Adds funding for grants to school districts and area centers to provide a total of \$28,950,988, of which \$23,246,580 is from the general fund and \$5,704,408 is from federal funds	\$2,477,000	\$0	\$2,477,000
9. Increases funding for workforce training grants to provide a total of \$2,525,429 from the general fund. <b>The House did not adjust funding for workforce training grants, providing total funding of \$2 million.</b>	\$525,429	\$0	\$525,429
10. Adds <b>one-time funding</b> for competitive workforce development grants to build career academies. <b>The House did not provide funding to build career academies.</b>	\$30,000,000	\$0	\$30,000,000

### Other Sections in House Bill No. 1019

**Center for Distance Education funds** - Section 3 amends North Dakota Century Code Section 15-19-06 to reference the Director of the Department of Career and Technical Education rather than the technology director appointed by the Educational Technology Council when approving expenditures from the Center for Distance Education operating fund.

**Educational Technology Council - Meetings - Compensation** - Section 4 creates Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

**Educational Technology Council - Powers and duties** - Section 5 creates Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.

**Repeal of Educational Technology Council statutes** - Section 6 repeals Sections 54-59-17 and 54-59-18.

### Continuing Appropriations

There are no continuing appropriations for this agency.

### Significant Audit Findings

The operational audit for the Department of Career and Technical Education conducted by the State Auditor's office for the period ending June 30, 2017 revealed the following significant audit findings:

- The department coded expenditures to incorrect appropriation lines and accounts in the state's accounting system.
- Of the \$100,000 appropriated by the 2015 Legislative Assembly from the general fund to the department for a science, technology, engineering, and mathematics initiative, \$51,408 was spent by the department during the 2015-17 biennium. The remaining \$48,592 was awarded to school districts as additional grant payments instead of returning this funding to the general fund;
- The department made improper payments for salary, travel, and miscellaneous expenditures due to using incorrect reimbursement rates and from unsupported reimbursement requests from school districts;
- The department has not completed a review of access privileges to deactivate login IDs not being used within the budget and reimbursement process (BRP) system; and
- There have been no reconciliations of the state's accounting system to the budget and the BRP system since the BRP system was implemented during the 2014-15 school year.

### **Major Related Legislation**

**Senate Bill No. 2215** - This bill establishes the Center for Distance Education under the Department of Career and Technical Education. The bill allows the Director of the Department of Career and Technical Education to hire administration and staff for the Center for Distance Education. The bill also amends statute to allow the Director of the Department of Career and Technical Education to approve expenditures from the Center for Distance Education operating fund rather than the technology director of the Educational Technology Council. The bill also removes the authority of the Educational Technology Council to establish an administrative operating fund. The bill also creates a Kindergarten Through Grade Twelve Education Coordination Council, which will be supervised by the Department of Public Instruction. The bill also repeals Sections 54-59-17 and 54-59-18 related to the Educational Technology Council being under the direction of the Information Technology Department.

**Senate Bill No. 2216** - This bill changes the supervision of the Center for Distance Education from the Educational Technology Council to the Department of Career and Technical Education and allows the department to establish a scholarship fund for distance education rather than the Educational Technology Council. The bill also removes the authority of the Educational Technology Council to establish an administrative operating fund.

**Senate Bill No. 2341** - Requires the Department of Commerce Division of Workplace Development to consult with the Director of the Department of Career and Technical Education to develop and implement an apprenticeship training program to promote the development and expansion of apprenticeship programs in apprenticeship occupations, to provide a training grant, and to educate students about apprenticeship programs and training opportunities.

**Career and Technical Education - Budget No. 270**  
**House Bill No. 1019**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
<b>2019-21 Biennium Base Level</b>	24.50	\$29,306,283	\$9,616,666	\$38,922,949	24.50	\$29,306,283	\$9,616,666	\$38,922,949
<b>2019-21 Ongoing Funding Changes</b>								
Base payroll changes		(\$3,782)	\$36,455	\$32,673		(\$3,782)	\$36,455	\$32,673
Salary increase		407,261	1	407,262		237,884		237,884
Health insurance increase		204,058		204,058		236,489		236,489
Retirement contribution increase		33,502		33,502				0
Removes 1 FTE assistant program supervisor position	(1.00)	(159,737)		(159,737)	(1.00)	(159,737)		(159,737)
Transfers 29.80 FTE CDE positions from ITD	29.80	8,171,203		8,171,203	29.80	5,800,000	3,050,000	8,850,000
Removes 1 CDE FTE				0	(1.00)	(103,943)		(103,943)
Transfers 0.50 FTE ETC positions from ITD	0.50	76,556		76,556	0.50	76,556		76,556
Adds funding for the Educational Technology Council		188,566	500,000	688,566		188,566	500,000	688,566
Reduces funding for travel operating expenses			(7,749)	(7,749)				0
Adds funding for anticipated federal funds increases			2,000,000	2,000,000			2,000,000	2,000,000
Adds funding for grants to school districts and area centers		2,477,000		2,477,000		2,427,000		2,427,000
Reduces funding for other grants		(220,000)		(220,000)		(220,000)		(220,000)
Adds funding for new and expanding workforce development grants		700,000		700,000				0
Reduces funding for postsecondary grants		(25,818)		(25,818)		(25,818)		(25,818)
Reduces funding for adult farm management grants		(350,007)		(350,007)		(350,007)		(350,007)
Reduces funding for workforce training		(174,571)		(174,571)				0
Transfers funding from grants to operating expenses				0				0
Transfers funding from grants to secondary grants				0				0
Transfers funding from the grants to postsecondary grants				0				0
Transfers funding from grants to adult farm management				0				0
Adds funding for Marketplace for Kids				0		300,000		300,000
Total ongoing funding changes	29.30	\$11,324,231	\$2,528,707	\$13,852,938	28.30	\$8,403,208	\$5,586,455	\$13,989,663
<b>One-time funding items</b>								
Adds funding for workforce development grants		\$30,000,000		\$30,000,000				\$0
Total one-time funding changes	0.00	\$30,000,000	\$0	\$30,000,000	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	29.30	\$41,324,231	\$2,528,707	\$43,852,938	28.30	\$8,403,208	\$5,586,455	\$13,989,663
<b>2019-21 Total Funding</b>	53.80	\$70,630,514	\$12,145,373	\$82,775,887	52.80	\$37,709,491	\$15,203,121	\$52,912,612

**Other Sections for Career and Technical Education - Budget No. 270**

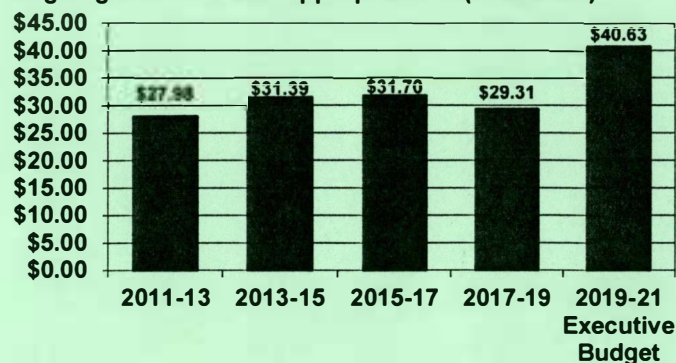
Executive Budget Recommendation	House Version
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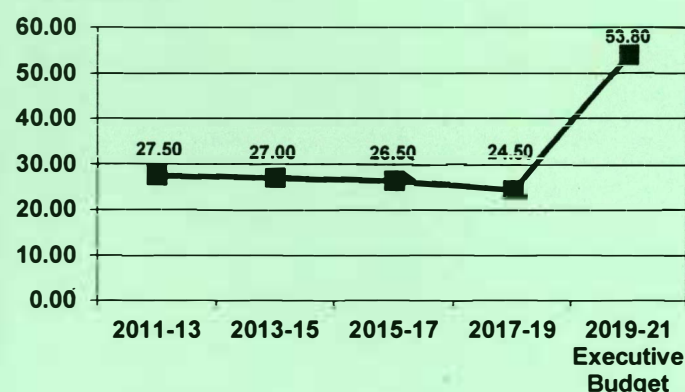
## Department 270 - Department of Career and Technical Education

**Historical Appropriations Information****Ongoing General Fund Appropriations Since 2011-13**

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$27,981,679	\$31,392,916	\$31,698,298	\$29,306,283	\$40,630,514
Increase (decrease) from previous biennium	N/A	\$3,411,237	\$305,382	(\$2,392,015)	\$11,324,231
Percentage increase (decrease) from previous biennium	N/A	12.2%	1.0%	(7.5%)	38.6%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	12.2%	13.3%	4.7%	45.2%

**Major Increases (Decreases) in Ongoing General Fund Appropriations****2013-15 Biennium**

- |   |             |
|---|-------------|
| 1. Provided funding to continue current reimbursement rates   | \$500,000   |
| 2. Provided funding for new and expanded programs, to expand online and interactive video delivery of programs, to develop a pilot program to interactively deliver a career and technical education program, and to develop a 14-school emerging technology consortium to reduce costs | \$1,205,000 |
| 3. Provided funding for science, technology, engineering, and mathematics (STEM) programs   | \$150,000   |
| 4. Provided funding for the STEM network  | \$300,000   |

**2015-17 Biennium**

- |  |             |
|--|-------------|
| 1. Added funding to continue Cass County Area Technology Center  | \$500,000   |
| 2. Added funding to increase reimbursement rates and for secondary and postsecondary career and technical education programs               | \$700,000   |
| 3. Added funding for new and expanding programs to increase course offerings   | \$700,000   |
| 4. Reduced funding for grants, including STEM program grants (\$160,000), STEM network (\$140,000), and other grant adjustments (\$10,436) | (\$310,436) |
| 5. Added funding for a STEM advancement initiative   | \$93,450    |

**2017-19 Biennium**

- |  |             |
|--|-------------|
| 1. Removed 1 FTE assistant program supervisor position and related funding of \$157,200 and 1 FTE program coordinator position (funding of \$171,382 from the general fund for this position was removed as part of the August 2016 budget reductions) | (\$157,200) |
| 2. Restored salaries and wages funding from the general fund removed as part of the August 2016 budget reductions  | 168,618     |
| 3. Adjusted funding for postsecondary grants, including a \$290,500 transfer from the postsecondary grants line item to the grants line item for STEM grants related to K-12 education   | (\$364,906) |
| 4. Adjusted funding for adult farm management grants   | (\$80,616)  |

- 5. Adjusted funding for workforce training grants to provide total funding of \$2 million from the general fund (\$803,500)
- 6. Adjusted funding for state-funded grants, including a \$290,500 transfer from the postsecondary grants line item to the grants line item for STEM grants related to K-12 education (\$883,934)
- 7. Removed ongoing funding for the Marketplace for Kids program. (Funding of \$300,000 was added as a one-time appropriation, of which \$250,000 was from the general fund and \$50,000 was from the foundation aid stabilization fund.) (\$250,000)

**2019-21 Biennium (Executive Budget Recommendation)**

- 1. Removes 1 FTE assistant program supervisor position (\$159,737)
- 2. Transfers 29.80 FTE Center for Distance Education positions from the Information Technology Department. **The House transferred 29.80 FTE positions and \$8,850,000 from the Information Technology Department, of which \$5,800,000 is from the general fund and \$3,050,000 is from the independent study operating fund. The House also removed 1 FTE Center for Distance Education position and related funding of \$103,943 from the general fund.** \$8,171,203
- 3. Transfers 0.50 FTE Educational Technology Council administrative assistant II position from the Information Technology Department \$76,556
- 4. Adds funding for grants to school districts and area centers to provide total ongoing funding from the general fund of \$23,246,580 \$2,477,000
- 5. Adds funding for workforce training grants. **The House did not adjust funding for workforce training grants, providing total funding of \$2 million.** \$525,429

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF CAREER AND TECHNICAL  
EDUCATION AS SUBMITTED BY THE  
OFFICE OF MANAGEMENT AND BUDGET**

**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, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$4,699,975	\$6,291,927	\$10,991,902
Operating Expenses	1,240,589	2,969,407	4,209,996
Capital Assets	-	500,000	500,000
Grants	30,106,356	34,642,000	64,748,356
Grants-Postsecondary	296,207	(25,818)	270,389
Adult Farm Management	579,822	(350,007)	229,815
Workforce Training	2,000,000	(174,571)	1,825,429
Total all funds	\$38,922,949	\$43,852,938	\$82,775,887
Less estimated income	9,616,666	2,528,707	12,145,373
Total general fund	\$29,306,283	\$41,324,231	\$70,630,514
Full-time equivalent positions	24.50	29.30	53.80

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
School district and area center grants	2,427,000	-
Marketplace for kids	300,000	-
Career academies	-	30,000,000
Total all funds	2,727,000	30,000,000
Total special funds	2,477,000	30,000,000

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000 in section 1, or so much of the sum as may be necessary, to career and technical education for the purpose of providing competitive grants to build career academies throughout the state, for the biennium beginning July 1, 2019, and ending June 30, 2021. A committee comprised of the leaders or their designees of career and technical education, the department of commerce, job service north Dakota and the department of public instruction will develop a competitive process in consultation with the workforce development council, economic development foundation and the career and technical education board, to distribute the funds with a required one to one match from the private sector or political subdivision.

**SECTION 4. TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this act for the department of career and technical education as may be requested by the state director as determined necessary for activities that are proper and consistent with the provisions of this act.

**SECTION 5.** Sections 15-20.1-26 and 15-20.1-27 of the North Dakota Century Code are created and enacted as follows:

**15-20.1-26. Educational technology council - Meetings - Compensation.**

1. The educational technology council is responsible for coordinating educational technology initiatives for elementary and secondary education.
2. The educational technology council consists of:
  - a. The chief information officer.
  - b. The superintendent of public instruction or the superintendent's designee.
  - c. The commissioner of higher education or the commissioner's designee.
  - d. A representative appointed by the state board for career and technical education.
  - e. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of technology leaders.
  - f. A representative appointed by the governor from a list of three nominees submitted by the North Dakota council of educational leaders.
  - g. A representative appointed by the governor from a list of three nominees submitted by the North Dakota school boards association.
  - h. A representative appointed by the governor from a list of three nominees submitted by the North Dakota association of special education directors.
  - i. A school district representative who is appointed by the governor and who represents a school district that has an enrollment in kindergarten through grade twelve of fewer than four hundred.
  - j. A school district representative who is appointed by the governor, who is licensed to teach by the educational standards and practices board, and who is employed by a public school district in this state as a classroom teacher.
  - k. The director of technology for the department of public instruction.
  - l. A representative appointed by the governor from a list of three nominees submitted by the state association of non public schools.
3. The council shall select a chairman from among its members.
4. The term of office for the members appointed by the governor is four years.
5. The members of the educational technology council appointed by the governor are entitled to receive as compensation sixty-two dollars and fifty cents per day and to reimbursement of expenses as provided by law for state officers while attending meetings of the council.

**15-20.1-27. North Dakota educational technology council - Powers and duties.**

The educational technology council shall:



1. Coordinate the use of technology and the development of technology systems to enhance educational opportunities for elementary and secondary education.
2. Cooperate with state agencies and other organizations to develop statewide educational technology systems.
3. Adopt bylaws for the conduct of its affairs.
4. Publish the informational material it deems necessary.
5. Conduct a continuing study to assess the needs, resources, and facilities that are available or which may be required to establish educational technology systems throughout the state.
6. Solicit and receive moneys from public and private sources and expend the moneys for educational technology.
7. Appoint a technology director who shall serve at the will of the council.
8. Hire the director of the center for distance education.

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**Senate Appropriations  
HB 1019**

**Department of Career and Technical Education  
March 1, 2019**

Chairman Holmberg and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education.

As the state's economy continues to grow and diversify, we continue to hear that the number one issue holding the state back is a lack of a skilled workforce. The state has low unemployment rates, high labor participation rates and many unfilled jobs. The solution to introduce and deliver the skills and training needed is through Career and Technical Education, at both secondary and postsecondary levels. To continue to provide this exposure and training to our students, we need to continue to provide access not only in our metro areas, but in rural North Dakota as well.

According to the January 2019 Online Job Openings Report, published by Job Service North Dakota, we have 12,178 open jobs in ND. There has been discussion that this number is much lower than the actual number, due to various reasons. Estimates are up to 30,000 vacant jobs. According to the data, around 80% of the jobs open in North Dakota require an associate degree or less. These are the types of careers CTE can provide the foundation for, although many careers that require a bachelor's degree or more can be tracked back to one of the current CTE Coordinated Plans of Study. A plan of study is a series of secondary courses assembled that can qualify a student for the CTE State Scholarship.

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According to the national state directors' association, AdvanceCTE research, students and parents are very happy with the education students receive when they enroll in CTE courses. This is not an attempt to bash general education, but an attempt to show the value of CTE. As a former teacher, I was asked several times, "why do we need to learn this" or "when am I ever going to use this?" Career and Technical Education instructors can always provide an answer that a student can understand and appreciate.

The mission of the State Board for Career and Technical Education is to work with others to provide all North Dakota citizens with the technical skills, knowledge, and attitudes necessary for successful performance in a globally competitive workplace. In other words, provide the skills needed to continue to grow our economy; provide a quality education to our students, while working with business and industry to ensure the skills taught are truly on a career path to success and to fill our workforce needs. The Department of Career and Technical Education does this by providing funds and technical assistance to CTE programs around the state and ensuring quality and employer alignment.

As you may be aware, in October 2018, the North Dakota Workforce Development Council published several recommendations for the Governor to consider when he developed his executive budget. These recommendations were made after over a year of data analysis and stakeholder engagement conversations. On the screen you will see the five strategic themes all the recommendations fall in to. They are:

- 1) Technical Skills Gap

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- 2) Need for Youth Engagement and Earlier and More Diverse Career Exploration
- 3) Nursing and Healthcare Technical Shortage
- 4) Support for Populations with barriers to employment
- 5) Need for net in-migration of North Dakotans

Career and Technical Education can play a role in at least the first four priorities and to a lesser degree priority number five. Career and Technical Education is providing career exposure and foundational skills. We are not perfect and there is still work to be done in these areas that the department and K12 education does need to improve upon. Access to all is one area of improvement, earlier engagement is a second and alignment with postsecondary and business and industry is a third. Under Wayne Kutzer, former state director, the state has made strides to improve and expand CTE. I plan to continue to build on those efforts.

Also, over the past 18 months, the various education entities, led by Superintendent Baesler have worked together to determine the PK-12 Education Strategic Vision. Our vision is that all students will graduate choice ready, with the knowledge, skills and disposition to be successful. The Steering Committee determined there are five key themes to focus on to continue to improve education in North Dakota. They are:

- Quality Early Childhood Education
- Support for Safe and Healthy Behaviors
- Career Exploration
- Quality Education Personnel

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- Quality Instruction for Personalized Learning

#1 ●

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Again, CTE plays a major role in each of these. CTE contributes to quality early childhood education through child development course offerings in our Family and Consumer Sciences programs. We support safe and healthy behaviors by supporting Career Technical Student Organizations which provides leadership skills and competition opportunities. CTE's primary focus is Career Exploration. The agency provides training to CTE instructional staff, counselors and administrators and since CTE is primarily project-based, we are on the cutting edge of personalized learning.

The Department of Career and Technical Education provides technical assistance and financial support to CTE programs and teachers across the state. We require industry standards where they are available, assist programs in selecting curriculum that matches those industry standards and we evaluate programs every five years. We also provide technical assistance to middle schools, some elementary programming in STEM and entrepreneurship, as well as all the public and tribal two-year campuses. We evaluate the campuses' CTE programs also on a five-year cycle and certify their CTE instructors. Our responsibility to the two-year campuses is through the federal "Carl Perkins" funding we administer. Every CTE program must provide a student leadership component, with many schools electing to meet this requirement through a Career Technical Student Organization (CTSO). The current CTOSs in the state are FFA, SkillsUSA, DECA, FBLA, FCCLA, TSA. Our staff provide the statewide leadership and coordination. CTOSs are a great leadership and motivating factor for students.

Currently the state supports the program areas listed on this slide. The Department commits much of its time providing technical assistance and funding to these programs.

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Trade, Industry and Health Sciences is unique as all the instructors in these classrooms and labs once were in their respective industries. Through a partnership with Valley City State University and the Education Standards and Practices Board, we have developed a transition to teaching program that allows individuals to move into the classrooms. The slide you see now lists the various Trade, Industry and Health Sciences programs offered by our high schools and career and technical centers. We have seen program growth and unfortunately in some cases decline over the years. Many times, programs discontinue when schools are unable to find an instructor when a vacancy occurs. Overall though, we have seen a net increase of 30 programs since 2015. This is an area where distance education may be the answer to ensure students have access to programs, no matter where they may attend school.

So, what is the current impact of Career and Technical Education? During the 2017-18 school year, 21,880 high school students took at least one CTE course, with 6,520 of them being concentrators. During the same year 11,144 colleges students took at least one CTE course with 5,919 concentrators. If you look at this slide, you will see that this is consistent with what we have had through the years.

The next slide will show you how well our high school CTE concentrators are doing. As you can see, a huge measure of CTE concentrator success is in our graduation rates, especially in the areas of minorities and economically disadvantaged youth. Math and reading achievement numbers are misleading as we use the State Assessments for achievement rates. Students take the reading and math state assessments in their 10<sup>th</sup> grade year, prior to them having the opportunity to take full advantage of Career and Technical Education opportunities.

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An extremely visible part of Career and Technical Education are the Career Technical Student Organizations or CTSOs. Each of these CTSOs relate back to specific coursework. Being involved in a CTSO is not extracurricular. It is co-curricular. Every year thousands of students across ND participate in CTSO's through the various competitions and leadership events. The Department is exploring how we can support another CTSO, HOSA or the Health Occupations Student Association. This association is growing in North Dakota, thanks to the work of the Area Health Education Centers or AHEC.

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So how does Career and Technical Education provide these services? In your materials is a listing of our nine-member Board, six appointed by the Governor from six regions across the state and three legislated members. The CTE Board operates much like a school board in that it sets our policies on funding to schools, programming that we support, teacher certification, and our funding priorities. There is also a listing of the Area Career and Technology Centers in your materials. It lists the member schools and the CTE programming they each offer. Area Centers have become an increasingly valuable delivery tool for CTE programming. Much of the increase in accessibility to CTE is due to their efforts. Later you will hear from Dr. Alan Peterson from the Center for Distance Education. The Governor, in his executive budget, recommends the Center for Distance Education to become a part of the Department of Career and Technical Education. I believe this merger will benefit the students of North Dakota by providing more access to the quality CTE programs offered not only at the Area Career and Technology Centers, but by the traditional high school programs. Dr. Peterson will be able to explain the mission of CDE and how this partnership will align.

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Next, I will review the Agency's base budget for the 2017-19 biennium. You can see this on the slide and was included in the original version of House Bill 1019. I will briefly go through each line item. Salaries and Operating Expenses are self-explanatory. Grants include all general and federal funds that go to secondary programs and the federal funds that are granted to the postsecondary institutions. The Postsecondary grants are for the enhancement and expansion of new programs at the community colleges. The Adult Farm Management program provides funds to support instructors that assist our state's farmers and ranchers. The Adult Farm Management program consistently supports around 600 farmers and ranchers each year to become more profitable. Levi Helmuth, an Adult Farm Management Instructor, will explain this program in further detail later. The final line item that is a major component of our base budget is the Workforce Training line item of \$2,000,000. These funds are allocated to support the four TrainND regions around the state. Sara Vollmer from TrainND Southwest will provide testimony later, explaining the impact of TrainND. The agency base budget is comprised of \$29,306,283 in General Funds, \$9,461,692 Federal Funds and \$154,974 of special funds. Our federal funds primarily support secondary and postsecondary CTE programs with the purchase of equipment and to support special populations and non-traditional occupations students to enroll in CTE and succeed in CTE coursework.

The next slide is the House Version of HB 1019. Again, I will review each line. Again, salaries are self-explanatory. Operating expenses are at \$2,315,589. You will see this is an increase, but this is not new money. At the request of the agency, funds were moved from the Grant Line into Operating. This was a recommendation of the Auditor's Office.

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The agency was using grant funds for expenditures the Auditor's Office determined were operating expenses. This includes funding the RUPReadyND Career Planning platform (federal funds) and funding teacher mentor stipends for teachers working directly with new teachers that are working through the transition to teaching program. Federal Grants are the federal Perkins funds that are provided to the high school and college programs. Secondary Grants are the state funds that are provided to support high school programs. Marketplace for Kids provide entrepreneurial programming to elementary students. Representatives from Marketplace for Kids will provide testimony later concerning the impact of the program. I mentioned Postsecondary Grants, Adult Farm Management and Workforce Training during my prior slide. You will see that Postsecondary grants were increased. This was actually a mistake that Levi will discuss. Adult Farm Management saw a reduction of \$350,007, which I will discuss later, and Workforce Training was held even. Finally, you will see the funding for the Center for Distance Education and the Education Technology Council is included in the CTE budget. I will provide more detail on those line items as well. So, you will see the House Version of 1019 includes \$37,709,491 General Funds, \$12,048,147 Federal Funds and \$3,204,974 Special Funds.

Now to provide additional detail on the major changes to HB1019. The first increase is due to the transfer of the Center for Distance Education to the Department of Career and Technical Education. As I mentioned, this partnership/merger will further provide access to students across the state. Currently our Area Career and Technology Centers are providing distance education. During the 2018-19 school year, the centers are providing distance education to 1,074 students online (up 180 from last school year)

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and 618 through ITV (same as last year) Combining these two entities can cut down on unnecessary duplication and leverage the expertise each have. ACTE Centers have content and instructional expertise. CDE possesses distance education knowledge. As previously mentioned Dr. Peterson will be able to elaborate on CDE, its budget and the transition.

Secondly is the transfer of the Education Technology Council to the Department of Career and Technical Education. SB2215, which has passed through this chamber, addresses the policy changes necessary to eliminate the Education Technology Council and transition it into a K12 Coordination Council.

To conclude my testimony, I would like the opportunity to discuss additions we will need to be included in the CTE Budget. They are on the screen and are as follows:

- Cost to Continue – \$1,000,000
- New and Expanding Programs – \$1,500,000.
- Restore Adult Farm Management Reduction – \$350,007
- Career Academy Grant Program - \$30,000,000

The final ask is the Career Academy Grant Program. This is a \$30 million competitive matching grant program. This was not included in the House Version of 1019. The proposal was a recommendation of the Workforce Development Council and would require a one to one match from private or political subdivisions. To ensure partnership and industry alignment, guidance will be drafted, and applications will be reviewed by a team comprised of representatives from CTE, DPI, JSND and the Department of Commerce. This idea stems from the success that has been seen from

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other centers such as the Bismarck Career Academy. Applicants will be required to ensure there is industry and community support and higher education partnership including dual credit and postsecondary offerings. To provide communities the time to complete the application process and begin work, the legislature may want to consider an exemption. This work may not be completed by the end of the 2019-21 biennium. There are a number of individuals in the room today, representing various communities across the state here to testify in support of this program and to discuss their plans on how this program would benefit the community's students and employers.

Chairman Holmberg and members of the committee, this concludes my testimony. I would be happy to answer any questions you may have. If you do not have any, I would like to ask Sara Vollmer, TrainND Director of the southwest region to provide details on the TrainND program.

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# North Dakota Department of Career and Technical Education

2019-2021 Biennium Budget  
Senate Appropriations  
March 1, 2019

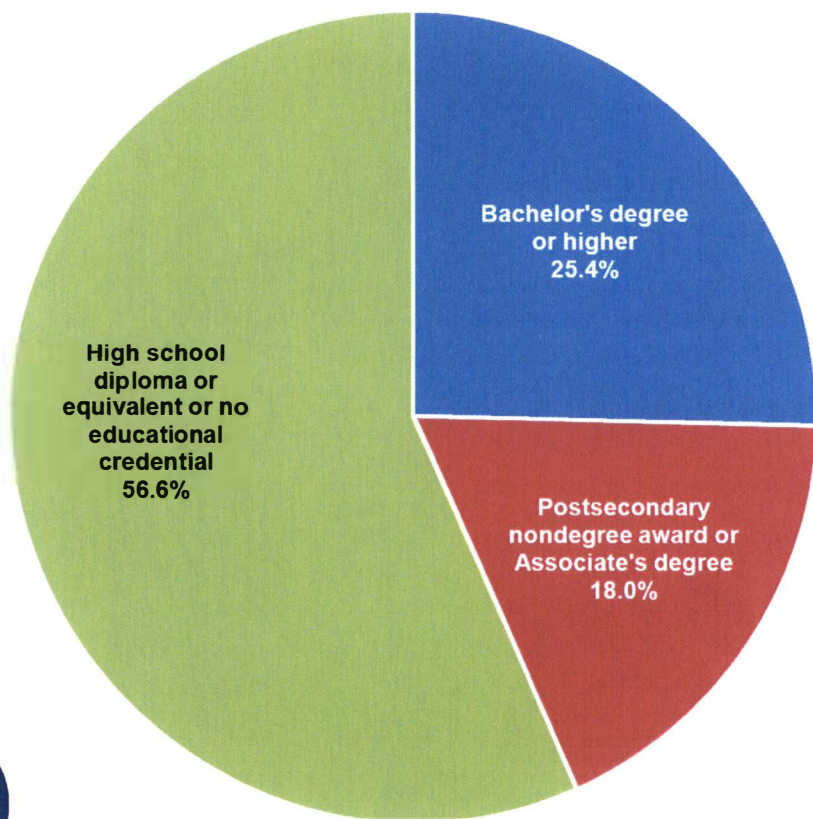


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# Workforce Needs – November Online Job Openings Report



JAN 2019	
<b>TOTAL</b>	12,178
<b>DOC OR PROF</b>	278
<b>MASTER'S</b>	242
<b>BACHELOR'S</b>	1,662
<b>ASSOCIATE'S</b>	332
<b>POSTSEC AWARD</b>	1,215
<b>HIGH SCHOOL</b>	2,643
<b>NO EDU CRED</b>	2,222
<b>UNASSIGNED</b>	3,584

The 'Unassigned' category is excluded from the pie chart



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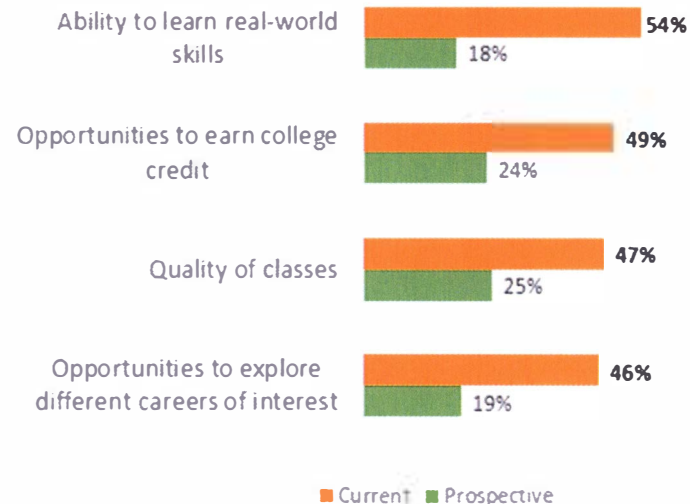
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# CTE Delivers for Parents and Students

**55%** of Current CTE Parents/Students *Very Satisfied* with overall school experience (**92% satisfied**)

**27%** of Prospective Parents/Students *Very Satisfied* with overall school experience (**78% satisfied**)

How satisfied are you with...? (Very Satisfied)



# North Dakota Workforce Development Council Summary Report

1. TECHNICAL SKILLS GAP
2. NEED FOR YOUTH ENGAGEMENT & EARLIER AND MORE DIVERSE CAREER EXPLORATION
3. NURSING AND HEALTHCARE TECHNICAL SHORTAGE
4. SUPPORT FOR POPULATIONS WITH BARRIERS TO EMPLOYMENT
5. NEED FOR NET IN-MIGRATION OF NORTH DAKOTANS



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# North Dakota PK-12 Education Strategic Vision

OUR VISION IS THAT ALL STUDENTS WILL GRADUATE CHOICE READY WITH THE KNOWLEDGE, SKILLS AND DISPOSITION TO BE SUCCESSFUL

1. QUALITY EARLY CHILDHOOD EDUCATION
2. SUPPORT FOR SAFE AND HEALTHY BEHAVIORS
3. CAREER EXPLORATION
4. QUALITY EDUCATION PERSONNEL
5. QUALITY INSTRUCTION FOR PERSONALIZED LEARNING



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# Technical Assistance

- Programs
  - Industry Standards
  - Curriculum Suggestions
  - Funding
  - Program Evaluations (5 year cycle)
- Teachers
  - Certification - traditional and alternative
  - Professional Development
- Career and Technical Student Organizations
  - Leadership and Coordination



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CTE Program Areas

Agriculture Education

Business Education

Career Development

Career Resource Network

Family and Consumer Sciences

Information Technology

Marketing Education

Special Populations

Technology and Engineering Education

Trade, Industry and Health Sciences (T&I)

Auto Collision

Auto Technology

Aviation

Commercial Art

Building Trades

CDL

Culinary Arts

Diesel Technology

Drafting

Electronics

Facilities Maintenance

Graphic Arts

Health Sciences

Machine Tooling

Oil & Gas Technology

Power Sports Engines

Radio Broadcasting

Welding Technology



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# Program Areas

Agriculture Education  
Business Education  
Career Development  
Career Resource Network  
Family and Consumer Sciences Education  
Information Technology Education  
Marketing Education  
Special Populations/Educational Equity  
Technology and Engineering Education  
Trade, Industry and Health Sciences (T&I)



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# Secondary Trade, Industry and Health Sciences

- Auto Collision
- Auto Technology
- Aviation
- Commercial Art
- Building Trades
- Commercial Drivers License
- Culinary Arts
- Diesel Technology
- Drafting
- Facilities Maintenance
- Graphic Arts
- Health Sciences
- Machine Tooling
- Oil & Gas Technology
- Power Sports Engines
- Radio Broadcasting
- Welding Technology
- Electronics Tech



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# Growth of Career and Technical Education

	2015		2016		2017		2018		2019	
	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)	Number of Programs	Increase/ (Decrease)
Agriculture	80	0	78	(2)	85	7	86	1	93	7
Business Education	85	5	88	3	87	(1)	89	2	87	(2)
Career Development	63	0	67	4	70	3	75	5	79	4
Family & Consumer Sciences	91	2	95	4	96	1	95	(1)	98	3
Family & Consumer Occupational	15	0	17	2	17	0	16	(1)	14	(2)
Health Sciences	26	0	25	(1)	25	0	25	0	26	1
Information Technology	14	0	13	(1)	13	0	13	0	13	0
Marketing Education	20	0	23	3	24	1	23	(1)	25	2
Technology & Engineering	54	2	56	2	51	(5)	48	(3)	47	(1)
Trade & Industry	81	1	72	(9)	68	(4)	70	2	77	7
	529	10	534	5	536	2	540	4	559	19



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# CTE Impact – Enrollment and Concentrator Data

## Secondary (9-12)

- 21,880 Enrolled
- 6,520 Concentrators
  - 69% of all 9-12 Grade Students Enroll in a CTE course
  - 21% of all 9-12 Grade Students are CTE Concentrators

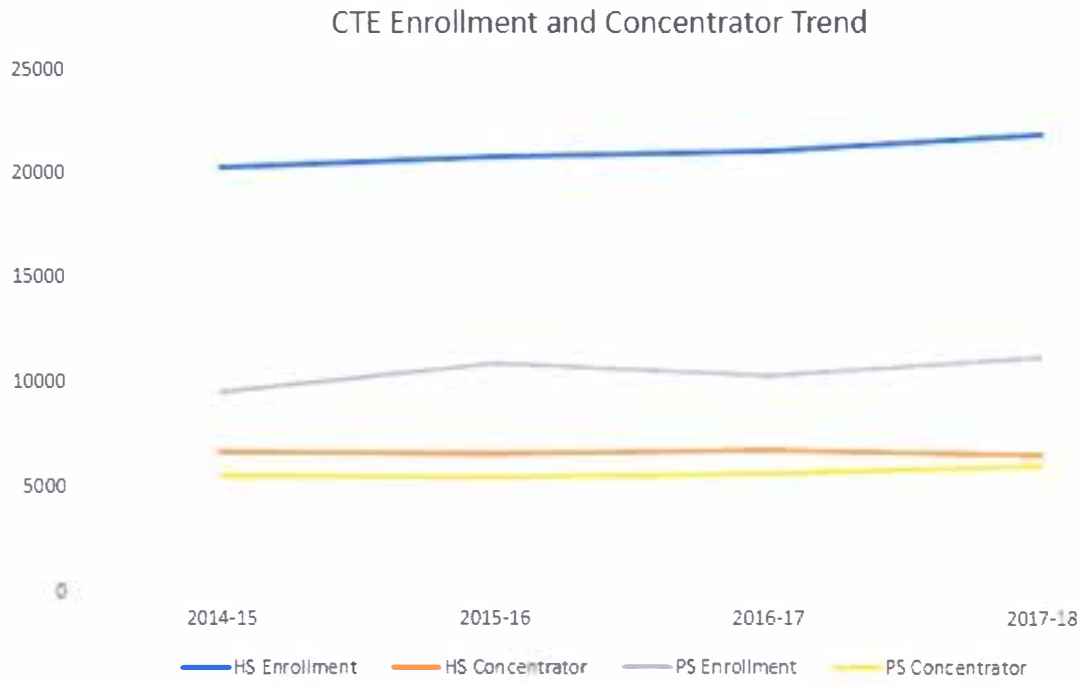
## Postsecondary

- 11,144 Enrolled
- 5,919 Concentrators



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# CTE Impact – Enrollment and Concentrator Trend



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# Impact of CTE – Performance of CTE Concentrators

North Dakota 2017-18	Reading Achievement Rates			Math Achievement Rates			High School Student Graduation Rates		
	"Concentrators" met Proficient* level	All Students who met Proficient* level	Difference	"Concentrators" met Proficient* level	All Students who met Proficient* level	Difference	CTE Graduates	All Student Graduates	Difference
Total Enrolled	51.54%	41.50%	10.0%	32.01%	34.00%	-2.0%	94.93%	88.00%	6.93%
Female	58.05%	49.50%	8.6%	31.78%	39.00%	-7.2%	94.89%	90.10%	4.79%
Male	46.15%	34.50%	11.7%	32.19%	34.00%	-1.8%	94.97%	86.00%	8.97%
American Indian or Alaska Native	32.12%	22.50%	9.6%	12.69%	10.00%	2.7%	91.10%	72.00%	19.10%
Asian/All Others	37.04%	46.00%	-9.0%	20.00%	37.50%	-17.5%	89.29%	88.70%	0.59%
Black or African American	29.31%	15.00%	14.3%	11.86%	17.50%	-5.6%	96.83%	75.90%	20.93%
Hispanic or Latino	37.68%	31.00%	6.7%	13.24%	21.50%	-8.3%	90.91%	75.00%	15.91%
White	53.79%	46.50%	7.3%	34.45%	38.50%	-4.1%	95.47%	91.40%	4.07%
Economically Disadvantaged/Low Income	40.24%	16.00%	24.2%	19.63%	17.00%	2.6%	90.14%	75.40%	14.74%
Individual with Disabilities	19.94%	9.50%	10.4%	9.49%	7.00%	2.5%	77.72%	68.60%	9.12%





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Valley City ND 58072                      701-845-0483                      email: josh.johnson@k12.nd.us

**Mr. Bryan Klipfel, Member.....Bismarck**

Interim Executive Director, Job Service North Dakota  
Workforce Safety & Insurance  
1600 East Century Avenue  
Bismarck ND 58503                      701-328-6024                      email: bklipfel@nd.gov

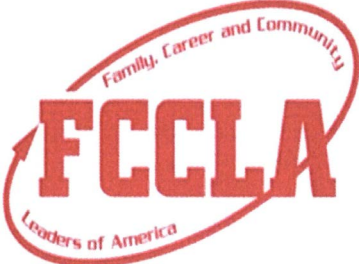
**Ms. Sonia Meehl, Vice Chair.....Oakes**

11103 85th St SE  
Oakes ND 58474                      701-753-7431                      email: lsmeehl@drtel.net

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# Career Technical Student Organizations



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## Major Components of Base Budget – 2017-19

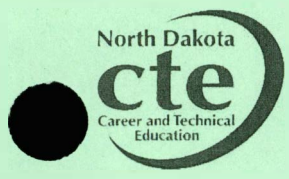
Budget Line Items	
Salaries	\$4,699,975
Operating Expenses	\$1,240,589
Grants	\$28,541,929
Postsecondary Grants	\$296,207
Adult Farm Management	\$2,144,249
Workforce Training	\$2,000,000
<b>Total Funds</b>	<b>\$38,922,949</b>
General Funds	\$29,306,283
Federal Funds	\$9,461,692
Special Funds	\$154,974
<b>Total Funding Source</b>	<b>\$38,922,949</b>



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# Area Career and Technology Centers

[www.nd.gov/cte/links/centers.html](http://www.nd.gov/cte/links/centers.html)

Member School Districts - 93

## Secondary Programs Offered 2018-19

Cass County Career & Technical Education Center (Virtual)		
<a href="http://www.casscte.com">www.casscte.com</a>		
Member Schools		Programs
Central Cass Fargo Northern Cass West Fargo		Agricultural Education Automated Manufacturing Aviation Technology Diesel Technology Health Sciences Information Technology Welding Technology
Grand Forks Area Career & Technology Center (Virtual)		
<a href="http://www.gfareactc.org">www.gfareactc.org</a>		
Member Schools		Programs
Central Valley Grand Forks Hatton Hillsboro	Larimore May-Port CG Northwood Thompson	Agricultural Education Automotive Technology Aviation Technology Health Sciences Information Technology
Great Northwest Area Career and Technology Center (Virtual)		
<a href="http://www.gnwec.k12.nd.us/programs/career_tech_center">www.gnwec.k12.nd.us/programs/career_tech_center</a>		
Member Schools		Programs
Alexander Burke Central Divide County Grenora Mandaree New Town Parshall Powers Lake	Ray Stanley Tioga Trenton Watford City Williston Yellowstone	Agricultural Education Automotive Technology Construction Technology Health Sciences Welding Technology
James Valley Area Career & Technology Center (Jamestown)		
<a href="http://www.jamestown.k12.nd.us/james-valley-ctc">www.jamestown.k12.nd.us/james-valley-ctc</a>		
Member Schools		Programs
Gackle-Streeter Jamestown Montpelier Pingree-Buchanan		Agricultural Education Automotive Collision Automotive Technology Business Education Career Development Early Childhood Education Construction Technology Health Sciences Machining Technology

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**Lake Area Career & Technology Center (Devils Lake)**

[www.devils-lake.k12.nd.us/lactc](http://www.devils-lake.k12.nd.us/lactc)

**Member Schools**

Devils Lake High School  
Minnewaukan  
Munich  
North Dakota School for the Deaf  
Starkweather

**Programs**

Automotive Technology  
Business Education  
Career Development  
Early Childhood Education  
Construction Technology  
Culinary Arts  
Health Sciences  
Information Technology  
Marketing Education  
Special Populations  
Welding Technology

**Missouri River Area Career & Technology Center (Virtual)**

[www.mrecnd.org/mractc](http://www.mrecnd.org/mractc)

**Member Schools**

Ashley  
Beulah  
Bismarck  
Center-Stanton  
Elgin-New Leipzig  
Flasher  
Garrison  
Goodrich  
Hazen  
Hazelton/Moffit/Braddock  
(HMB)  
Kidder County  
Linton  
Mandan  
McClusky  
Napoleon  
New Salem  
Selfridge  
Solen-Cannonball  
Standing Rock  
Strasburg  
Turtle Lake-Mercer  
Underwood  
Washburn  
White Shield  
Wilton  
Wing  
Wishek  
Zeeland

**Programs**

Agricultural Education  
Aviation Technology  
Early Childhood Education  
Graphic Communications  
Electronics Technology  
Health Sciences  
Information Technology  
Marketing Education  
Technology and Engineering Education  
Welding Technology

**North Valley Area Career & Technology Center (Grafton)**

[www.northvalleyctc.org](http://www.northvalleyctc.org)

**Member Schools**

Cavalier  
Grafton  
Inkster (Midway)  
North Border Pembina  
North Border Walhalla  
Park River  
St. Thomas  
Valley-Edinburg

**Programs**

Agricultural Education  
Automotive Technology  
Business Education  
Career Development  
Building Trades  
Health Sciences  
Marketing Education  
Machining Technology  
Welding Technology



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<b>Roughrider Area Career and Technology Center (Virtual)</b>	
<a href="http://www.ractc.k12.nd.us">http://www.ractc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Beach Belfield Dickinson Glen Ullin Hebron Hettinger Killdeer Mott-Regent New England Richardton-Taylor Scranton South Heart	Agricultural Education Business Education Career Development Health Sciences
<b>Sheyenne Valley Area Career and Technology Center (Valley City)</b>	
<a href="http://www.sheyennevalleyctc.k12.nd.us">www.sheyennevalleyctc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Barnes County North at Wimbledon Maple Valley-Tower City Valley City	Agricultural Education Automotive Technology Career Development Building Trades Graphic Communications Health Sciences Information Technology Welding Technology
<b>Southeast Region Career &amp; Technology Center (Wahpeton &amp; Oakes)</b>	
<a href="http://www.srctc.k12.nd.us">www.srctc.k12.nd.us</a>	
<b>Member Schools</b>	<b>Programs</b>
Campbell-Tintah Ellendale Fairmount Hankinson Lidgerwood Lisbon North Sargent Oakes Richland #44 Sargent Central Wahpeton Wyndmere	Agricultural Education Automotive Technology Career Development Early Childhood Education Building Trades Health Sciences Marketing Education Restaurant Management

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# Major Components of Base Budget – House Version

Budget Line Items	
Salaries	\$4,793,318
Operating Expenses	\$2,315,589
Grants - Federal	\$9,065,142
Grants - Secondary	\$22,537,780
Marketplace for Kids	\$300,000
Grants – Postsecondary	\$341,394
Adult Farm Management	\$1,794,242
Workforce Training	\$2,000,000
Center for Distance Education	\$8,994,167
Education Technology Council	\$770,978
General Funds	\$37,709,491
Federal Funds	\$12,048,147
Special Funds	\$3,204,974
<b>Total Funds</b>	<b>\$52,962,612</b>

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## Center for Distance Education

- \$8,994,167 budget transfer
  - \$5,841,780 – Salaries
  - \$3,152,387 – Operating
  - 28.3 FTE
- Transfer would provide more access to Career and Technical Education courses via distance education
- Partnership between CDE and Career and Technical Education Centers would provide for efficiencies
- Dr. Alan Peterson, State Director for CDE will provide testimony
- Separate policy bill (SB 2216) for the transfer of CDE from ITD to the Department of CTE



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# Education Technology Council

- \$770,978 Budget Transfer
  - \$82,412 – Salary
  - \$188,566 – Operating Expenses
  - \$500,000 – Federal Fund authority
  - .5 FTE
- Separate policy bill (SB 2215) to repurpose the ETC into a PK12 Education Coordinating Council



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## Requested Additions to the House Version

Program Area	
Cost to Continue	\$1,000,000
New and Expanding Programs (Executive Budget included \$700,000)	\$1,500,000
Restore Adult Farm Management Reduction	\$350,007
Career Academy Grant Program	\$30,000,000
<b>TOTAL</b>	<b>\$32,850,007</b>



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## Cost to Continue

- \$1 Million Request
- Funds would be used to maintain reimbursement rates as follows:
  - FACS – 19%
  - Area Career and Technology Centers – 40%
  - Career Development – 35%
  - Occupational Programs – 27%
  - Travel – 30%
- Without the Cost to Continue all reimbursement rates could potentially be decreased by up to 2%



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## New and Expanding Programs

- \$1.5 Million Request
- Request to the Governor was \$700,000 - Not included in House Version
- Would provide funds to school requests of approved programs
- To date, 4 new program applications have been submitted totaling \$348,490 for the 2019-20 school year
- To date, 12 new program inquiries for the 2019-20 school year
  - Not certain of the budget



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# Adult Farm Management

- \$350,007 request to restore funding
- Funds would be used to:
  - Fill gaps in service - Currently the NE and NW corners of the state are underserved
  - Two programs (NDSCS and SE Area Career and Technology Center) are currently utilizing part-time instructors, but intend to move to full-time to provide services to more producers



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## Career Academies

- \$30 Million Appropriation
- Competitive grant program
  - Required one to one match from private or political subdivision
- Recommendation from the North Dakota Workforce Development Council
- Partnership between CTE, DPI, JSND and Dept. of Commerce to develop guidance and review applications
- Consultation by WDC, Economic Development Foundation and the State Board for Career and Technical Education



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# trainND

[It's a competitive world. Train for it.]

TrainND provides proven, comprehensive and inclusive workforce training to North Dakota through an extensive and diverse network of specialists.

### TrainND Background

In 1999, the ND legislature established TrainND in response to recommendations made by a 31-person statewide task force on workforce development. Each of the four TrainND service regions is managed by a college in the NDUS. Regional advisory boards ensure industry engagement and training relevance.

For 20 years TrainND has affordably, efficiently and collaboratively leveraged state, local and private resources to help North Dakota businesses grow and compete on a global level.

Since its inception in 2000, TrainND has delivered.

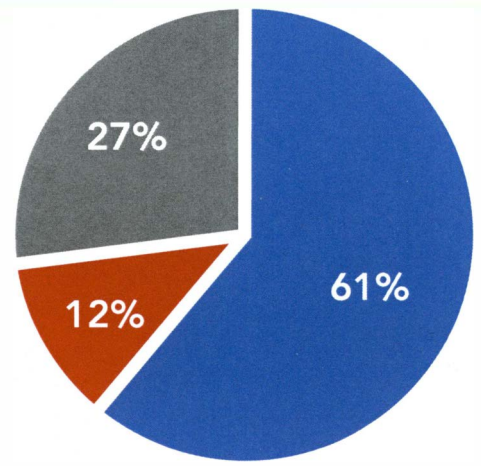
**24,827**  
companies served

**251,306**  
employees trained

### FY18 RESULTS

Number of businesses receiving training	701
Total training hours	178,976
Percent of returning businesses	47%
Number of employees trained	13,639
Client and employee satisfaction	99%
Businesses served <50 employees	54%

### FUNDING SOURCES (FY18)



■ Business Training Revenues   ■ College Contributions  
■ Legislative Appropriated Funds

OUR FUNDING REQUEST 2019-2021

\$2 MILLION

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CLIMATE

# Testimonials

HB 1019 #2  
3-1-19 P.29.

*I am in strong support of TrainND Northeast and the workforce training they provide to our many programs, businesses and schools here on the Spirit Lake Reservation. TrainND Northeast has proven to be a valuable resource to our Tribe for well over a decade. As a Tribal Nation with ever changing staffing needs, we have found TrainND to be an excellent partner, flexible to customize training solutions that meet the unique needs of our organization.*

**Myra Pearson** Chairperson, Spirit Lake Tribe

*TrainND Northwest is a key business partner for Oasis Petroleum, supporting our workforce development needs since 2013. Together, we've developed multiple safety, technical and operational training programs serving hundreds of our personnel in production, midstream and completion activities. TrainND Northwest is responsive to our business needs and their team is highly competent across a wide range of training programs. We would highly recommend them to any organization.*

**Jason Swaren** Oasis Petroleum

*The workforce training provided by TrainND Southwest has proven to be a very valuable resource as we continue to grow in many facets of the manufacturing world. Our employees have been able to use the knowledge they have gleaned from the courses to improve their technical skills, which in turn, has led to more business for us. With the addition of more business, we have been able to hire more people, who in turn, have been able to learn additional skills and techniques. We have also been able to add more jobs that has helped our community continue to grow. Keeping up-to-date and offering training is such a key aspect in retaining staff. We strongly support the efforts of TrainND.*

**Kristal K. Fields** Training Specialist, Steffes

*The Greater North Dakota Chamber has long been a supporter of TrainND, which has become a critical part of North Dakota's workforce development system. One of the reason's TrainND is so valuable is their partnership with the business community to meet local training needs regardless of industry or location. As North Dakota seeks to grow and diversify its economy, TrainND will continue to be a critical part of developing our 21st-century workforce.*

**Arik Spencer** GNDC



TODAY'S STUDENTS  
FACE TROUBLING TRENDS

"For many students there is an awareness gap and this is a way they can now make the connection between academic, careers and then post-secondary."

- Dale Hoerauf

DIRECTOR | PRINCIPAL | BISMARCK PUBLIC SCHOOLS



THE IMPACT OF CAREER ACADEMY

2017 Graduation and Retention Rates



28 BSC credits as college freshman  
\$4,443.32 +

Earning academy credits can save students thousands.

3 years of electronics courses via Bismarck Career Academy

28 BSC credits  
\$280



■ North Dakota ■ United States

GOOD JOBS THAT PAY WITHOUT A BA

Today, 73% of jobs in ND require an Associate's degree or less and are available across a wide variety of excellent, well-paying career options, including technically skilled jobs.

EXAMPLE: A typical X-ray technician earns over \$50,000 a year and needs only a two-year degree.

- GLASSDOOR

New Framework for 21st Century Learning

Career Academy Model can help ensure our students are finishing high school on track to meet their life goals AND North Dakota workforce needs.

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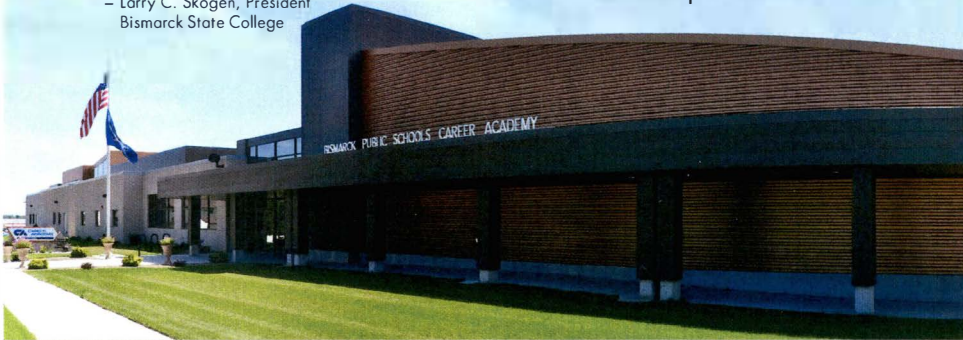
It's time to accelerate the training approach students need to join a workforce that desperately needs them.

"The Bismarck Public Schools (BPS) Career Academy is important in providing, at one location, pathways for students moving from high school to higher education. The demand in North Dakota for careers represented by these pathways is at an all-time high. Working together, BPS and Bismarck State College are responding to that demand."

- Larry C. Skogen, President  
Bismarck State College



A PROVEN MODEL  
Now it's Time to Replicate Statewide.



**KEY MILESTONES**

Forty percent of this 97,000 square-foot space is dedicated to BSC; the rest serves high school students in a hands-on, state-of-the-art learning environment.

**FALL 2010**

- Bismarck Career Academy completed for \$12M
- Enrollment 800 students
- 9 public/private high schools participating

**FALL 2018**

- 1,400 students
- Pathways: Health Science, Engineering, Electronics, IT, Automotive Technology, Aviation, Carpentry, Agriculture

- Students in health careers have grown 3X
- Annually certify 80+ CNAs
- 80 students take dual credit Med Terminology with BSC online (taught by BPS teachers)

An Effective Model to  
Ensure all Students Graduate  
Career- and College-Ready



Integrates with academics  
in a rigorous and relevant  
curriculum



Targets tech skills gap with  
industry and education  
partnerships



Combines career, college  
and life readiness skills

Dedicate \$30M from the Legacy  
Fund Earnings with a 1- to -1 Match  
[COMPETITIVE STATEWIDE GRANT]

- Funding ask critical to scale with speed
- Acceleration key to address urgent workforce needs
- Seed money for those ready, improvements for existing campuses
- Not a request to fund K-12 buildings, an investment to accelerate student success
- Industry and community support and collaborative partnerships still required

BETTER OUTCOMES FOR ND STUDENTS  
POWERFUL IMPACT ON ND WORKFORCE

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## A MODERN AND INNOVATIVE LEARNING LIFE-CYCLE

Career development happens at every stage of education.

### HIGH SCHOOL

#### CONCENTRATION

- Interest/Aptitude Assessments – compare and contrast with previous assessments
- Begin to focus on pathways within the clusters
  - Freshman Exploration
  - Sophomore-Senior:
    - Business, Communication and Entrepreneurship
    - Engineering, Manufacturing and Natural Sources
    - Health Sciences and Human Services
- Post-secondary options: on-the-job training, apprenticeship, military, two-year programs, four-year programs

### ELEMENTARY SCHOOL

#### AWARENESS

- Beginning a list of likes and dislikes/strengths and weaknesses
- Field trips where the jobs are pointed out to the students [ Who works at the zoo/Capitol/museum? ]
- Guest speakers (firefighters, police officers, doctors)

### MIDDLE SCHOOL

#### EXPLORATION

- Interest/aptitude assessments
- Career cluster fairs – attending sessions related to assessments
- Informational interviews – with professionals in occupations identified through assessments
- Start of a plan for high school related to interests and information gathered through career fairs and informational interviews

NORTH  
**Dakota**  
Be Legendary.™

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# Career & Technical Student Organizations

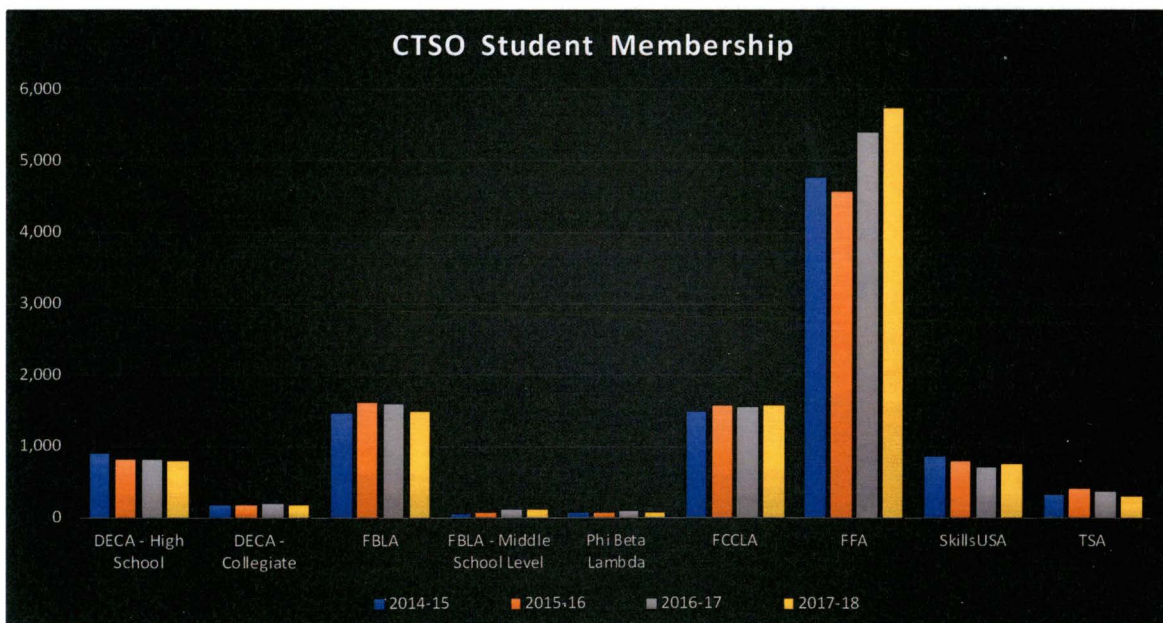
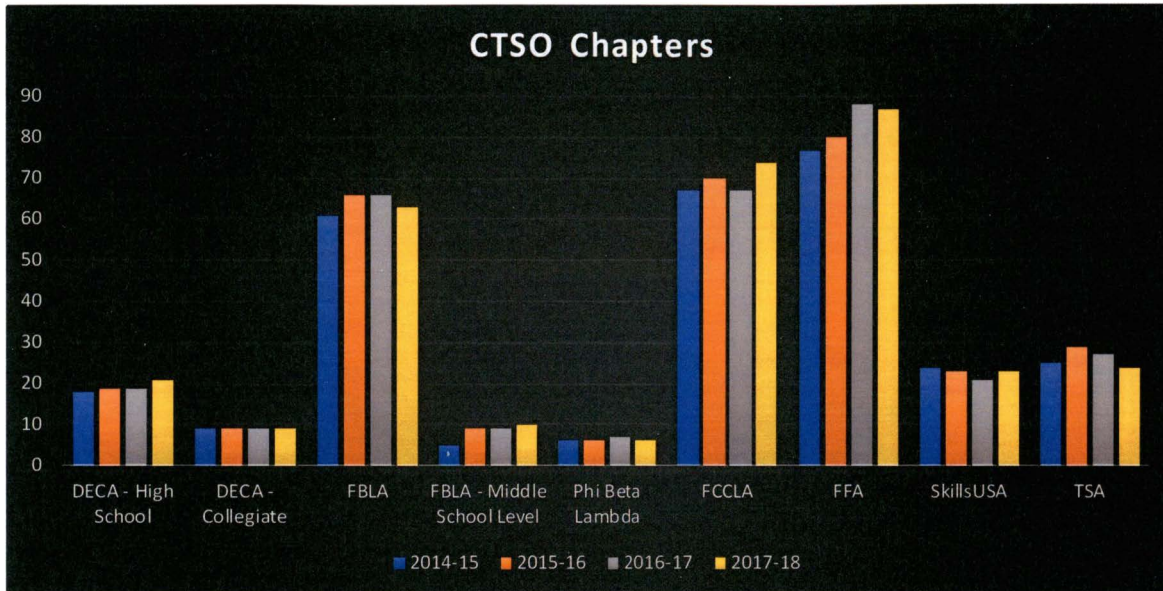
HB 1019 3-1-19

Career and Technical Student Organizations (CTSOs) provide students with the opportunity to:

- Learn more about careers
- Develop leadership skills in preparation for college and career
- Test their skills at state and national competitions

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## CTSO Chapters & Membership



**North Dakota Department of Career and Technical Education**  
 600 East Boulevard Avenue - State Capitol, 15th Floor  
 Bismarck ND 58505-0610  
 Phone: (701) 328-3180  
 Website: [www.cte.nd.gov](http://www.cte.nd.gov)  
 E-Mail: [cte@nd.gov](mailto:cte@nd.gov)



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# CTE Program Support Services

## Career Development

Provides leadership, support and curriculum integration for Career Development Programs in over 102 school districts. Provides career advisor training for counselors, educators and professionals interested in high school career development, leading to a globally recognized credential.

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## Career Resource Network

Provides technical support and guidance for RUReady.ND.gov, a web-based career information delivery system. Develops and delivers professional development resources to support career professionals and educators. Produces the Career Outlook magazine annually, a publication with labor market information and college and career readiness resources.

## Education Data and Research

Updates Labor Market Information data for the Career Resource Network publications and other CTE program areas. Compiles, analyzes, and enters yearly data in the Perkins Consolidated Annual Report portal.

## Educational Equity

Assists schools in efforts to promote enrollments in and completion of programs leading to nontraditional careers.






## Special Populations

Provides training and support for Career and Technical Resource Educators and Basic Skills Educators who provide academic assistance to at-risk CTE students in local schools and colleges.

## Standards and Curriculum

Adopting national and/or industry standards in all CTE curricular areas. Integrating and identifying academic content throughout CTE curriculum.

## North Dakota Career and Technical Education

-  Administers an innovation grant which provides support for secondary school robotic teams to compete at robotic competitions hosted by postsecondary institutions.
-  Provides support to five established virtual area centers which increases student access to CTE programs through a distance education delivery system.
-  Initiated and continues "Clinical Practice" an alternative teacher certification for individuals transitioning from industry and other levels of education to teaching at the secondary and postsecondary level.
-  Provides funding for 7 emerging technology consortiums which rotate high tech equipment between 99 member schools.
-  Provides the opportunity for students to take CTE courses through online and ITV delivery.
  - Online Delivery**
    - 7 Transmitting Schools
    - 69 Receiving Schools
    - 41 Classes Offered
    - 1,074 students enrolled in CTE courses delivered online in school year 2018-19
  - ITV Delivery**
    - 10 Transmitting Schools
    - 69 Receiving Schools
    - 32 Classes Offered
    - 618 students enrolled in CTE courses delivered through ITV in school year 2018-19

# CTE Program Areas

3-1-19 HB1019#2 P35

## Agricultural Education

Provides leadership, support, and curriculum integration for state agricultural education programs, the FFA career and technical student organization and postsecondary students in agriculture. Works with over 1,000 farmers and ranchers to provide education through the Adult Farm Management Program.

## Business Education

Provides leadership, support, and curriculum integration for state business education programs, the Future Business Leaders of America (FBLA) career and technical student organization at the secondary level and Phi Beta Lambda (PBL) at the postsecondary level.

## Family and Consumer Sciences Education

Provides leadership, support and curriculum integration for state family and consumer sciences programs and the Family, Career and Community Leaders of America (FCCLA) career and technical student organization.

## Information Technology Education

Provides leadership, support, and curriculum integration for state information technology programs. Partnered with Cisco to provide free Networking and Information Communications Technology curriculum and training to schools. Provides secondary information technology students with free certification of CompTIA IT Fundamentals, IC3, and MTA.

## Marketing Education

Provides leadership, support, and curriculum integration for state marketing programs and the DECA career and technical student organization. DECA prepares emerging leaders and entrepreneurs in marketing, finance, hospitality, and management in high schools and colleges.

## Technology and Engineering Education

Provides leadership, support, and curriculum integration for state technology and engineering programs and the Technology Student Association (TSA) career and technical student organization.

## Trade, Industry, Technical Education, & Health Sciences

Provides leadership, support, and curriculum integration for state TITH programs and SkillsUSA career and technical student organization at the secondary and postsecondary level. Partners with a multitude of industry leaders to align technical programs and instructor certifications with national standards.

Program Area	2017-18 STARS Programs Data (Duplicated) 9-12	2017-18 MIS03 Courses Data (Duplicated) 9-12	2017-18 MIS03 Courses Data (Duplicated) 6-8
Agricultural Education	4,363	6,581	2,566
Business Education	7,952	13,619	8,290
Family and Consumer Sciences	8,650	13,310	8,893
Health Sciences Education	2,342	3,865	*
Information Technology	874	1,368	88
Marketing Education	1,835	2,685	*
Technology and Engineering Education	2,786	4,356	7,414
Trade, Industry and Technical Education	2,222	4,068	*
	<b>31,024</b>	<b>49,852</b>	<b>27,251</b>

\* Not offered at this grade level.

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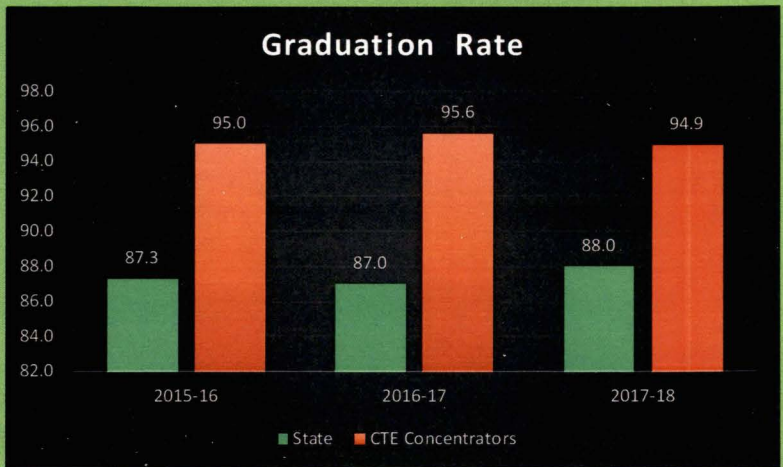
# North Dakota Department of Career and Technical Education

3-1-19 HB 1019 #2 P36

The Department of Career and Technical Education (CTE) provides technical assistance, professional development activities, and performs evaluations for all CTE programs in the state, which includes 568 secondary and 168 postsecondary programs.

## 94.93%

In 2018, 94.93% of "CTE Concentrators" in North Dakota graduated on time, compared to 88% of all high school students. A CTE Concentrator is a student who has earned two or more credits in a single CTE program area recognized by the state.



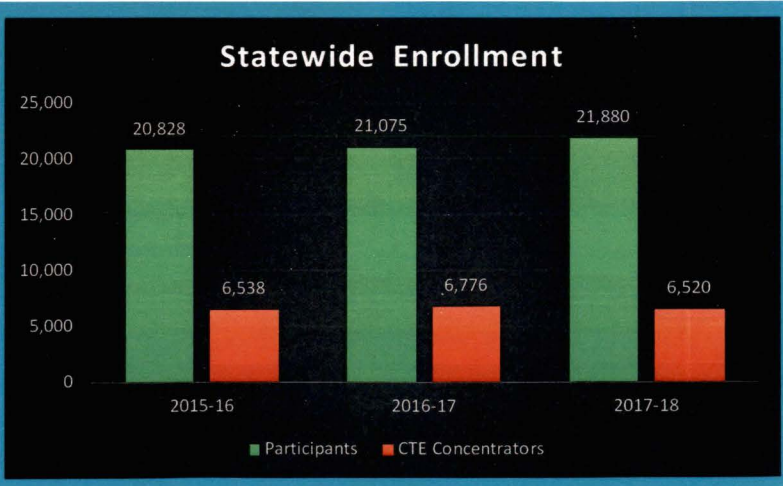
There are over **177 individual CTE courses** offered as electives for schools.

- ### Career & Technical Education:
- Connects students to real careers.
  - Makes education meaningful through applied learning.
  - Provides a talent pipeline for North Dakota businesses.

Since the **2014-15 school year**, the number of approved CTE programs of study has grown by **5.5%**.

Approximately **9 out of 10** secondary CTE students in North Dakota met or exceeded the state's technical skills proficiency level.

High School CTE program duplicated enrollment is **31,024**. The unduplicated high school student count is **21,880** or **69%** of all high school students.



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## CTE's Change Requests to House Budget

Cost to Continue	\$1,000,000
New and Expanding Programs (\$700,000 was included in the Executive Budget)	\$1,500,000
Restore Adult Farm Management Reduction	\$350,007
Restore Career Academy Matching Grant	\$30,000,000
<b>TOTAL</b>	<b>\$32,850,007</b>

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Thank you.  
Any questions?

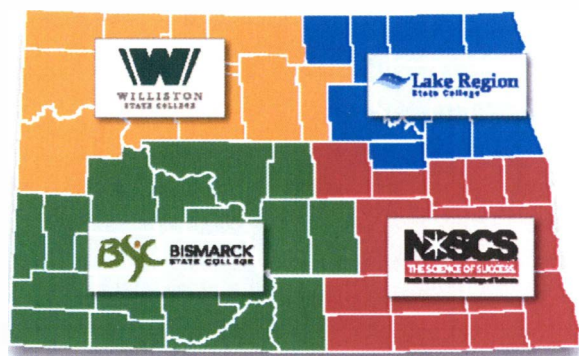
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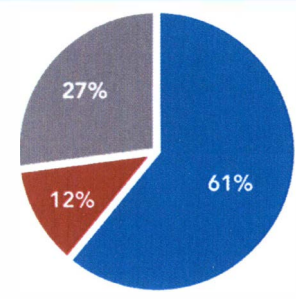
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# TrainND



FUNDING SOURCES (FY18)



■ Business Training Revenues ■ College Contributions  
■ Legislative Appropriated Funds

FY18 RESULTS	
Number of businesses receiving training	701
Total training hours	178,976
Percent of returning businesses	47%
Number of employees trained	13,639
Client and employee satisfaction	99%

Since its inception in 2000, TrainND has delivered.

**24,827**  
companies served

**251,306**  
employees trained



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Good afternoon Chairman Holmberg and members of the Senate appropriations committee. My name is Sara Vollmer. I am the statewide chair and Director of TrainND for the SW region, housed at Bismarck State College. I am representing all four TrainND regions including WSC, NDSCS and LRSC.

I want to thank you for your past support of workforce training in North Dakota by providing funding through the Career and Technical Education budget. Since 1999, TrainND has served the businesses of North Dakota by providing ongoing training and retraining in our competitive and growing economy. We have seen consistent and continued support by companies in all regions of the state as they move their companies and employees forward while increasing profitability and efficiency. From 2000 to 2018, TrainND statewide has served

24,827 - Companies Served

251,306 - Employees Trained

Those numbers speak volumes to the success of the current workforce training model and the community colleges in which they reside. Great things are happening within each of our TrainND regions along with high praise from our company clients.

TrainND was spearheaded in 1999 through House Bill 1443 to develop a world class workforce training system in North Dakota. The purpose was to provide training for North Dakota workforce and help grow the economy by giving companies of all sizes the ability to train and enhance the skills of their workers.

The current funding model for TrainND was established based on many workforce training and development programs across the nation and is based on a multi legged stool.

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1. Funding sources are split up into several main areas with businesses paying for their training as the lion's share of the budget. Businesses pay TrainND based on a competitive proposal for contract training, open enrollment, or consulting services. Businesses also donate and contribute by donating equipment, supplies, and consumables to the different regions.
2. Each of the four community colleges provide support and contributions by the way of office space, overhead cost, classroom and lab space.
3. Legislative dollars help the TrainND regions reach all corners of the state and all sizes of companies. Legislative dollars help with outreach both regionally and statewide, travel for training managers to meet with companies within the regions as well as offering training services and open enrollment programs to the small companies that populate our state. Legislative funding helps TrainND invest in new training areas including equipment and curriculum in our fast moving and changing environment. This investment will be critical as we formulate programming for cyber security, artificial intelligence, healthcare, high tech manufacturing and new technologies in the energy sector. In addition, career and technical education is significantly more costly from a space and equipment perspective but are in critical need across the state. Funding is essential to assist workforce training in upstart costs of new programming. For an example, IT jobs are increasing at a faster rate than other occupations. By 2024, North Dakota is estimated to have over 2,000 new and replacement IT jobs open. TrainND's continued growth into new areas of training is imperative to North Dakota's base of solutions to the job shortages facing our state. Investing into TrainND, is a solid investment into North Dakota's state workforce.

Michelle Kommer, the director of ND Department of Commerce and lead of the North Dakota Workforce Development Council, stated that over 75% of businesses in North Dakota are 10 employees or less. Funding for TrainND is vital for outreach to the smaller companies that vastly make up our state by helping

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them to grow and succeed. In fiscal year 2018, 54% of companies served by TrainND were less than fifty employees.

TrainND FY 18	Total
Companies with < 50 employees	378
Total Companies	701

In this legislative session, workforce development and training is one of the biggest topics. Workforce training plays a vital part in the success of the workforce challenge within our state. Funding gives TrainND the opportunity to help companies both large and small and with varied budgets. Funding allows TrainND to invest in new training curriculum, teaching methods, and outreach to all corners of the state. ~~This is not a duplicated service. This is not giving training away for free or at a reduced cost. Companies pay for their training that is provided by each region.~~ TrainND was created to serve a distinct area within the workforce development umbrella by helping companies train, retool and increase their own workforce while in turn increasing the state tax base.

As stated by the Workforce Development Council Plan, a structured connection between state workforce resources, education, and industry is crucial to ensuring crisp alignment in educational programming and industry needs. TrainND works with industry partners to customize training to meet their ever changing environment. We work cooperatively with each region to leverage expertise and resources to meet industry needs throughout the state.

A small sampling of companies recently trained across the state provided by TrainND includes:

Steffes in Dickinson

Bilfinger Westcon in Bismarck

Good Samaritan Society in Larimore

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School Districts for Red River Valley Education Cooperative, North Border, Cavalier, Munich, Edmore and Wolford

Comdel in Wahpeton

Ag Country in Fargo

Wellpro in Williston

Workforce training and TrainND is critical to the needs of the North Dakota workforce. The need for trained workers is one of the most important topics in business and higher ed conversations. We understands that budgeting for initiatives and programs poses a challenge in this legislative session, but TrainND is a proven and established system that is highly effective. We request that TrainND funding be submitted at the recommended amount stated in Career and Tech Ed biennium budget of \$2 million.

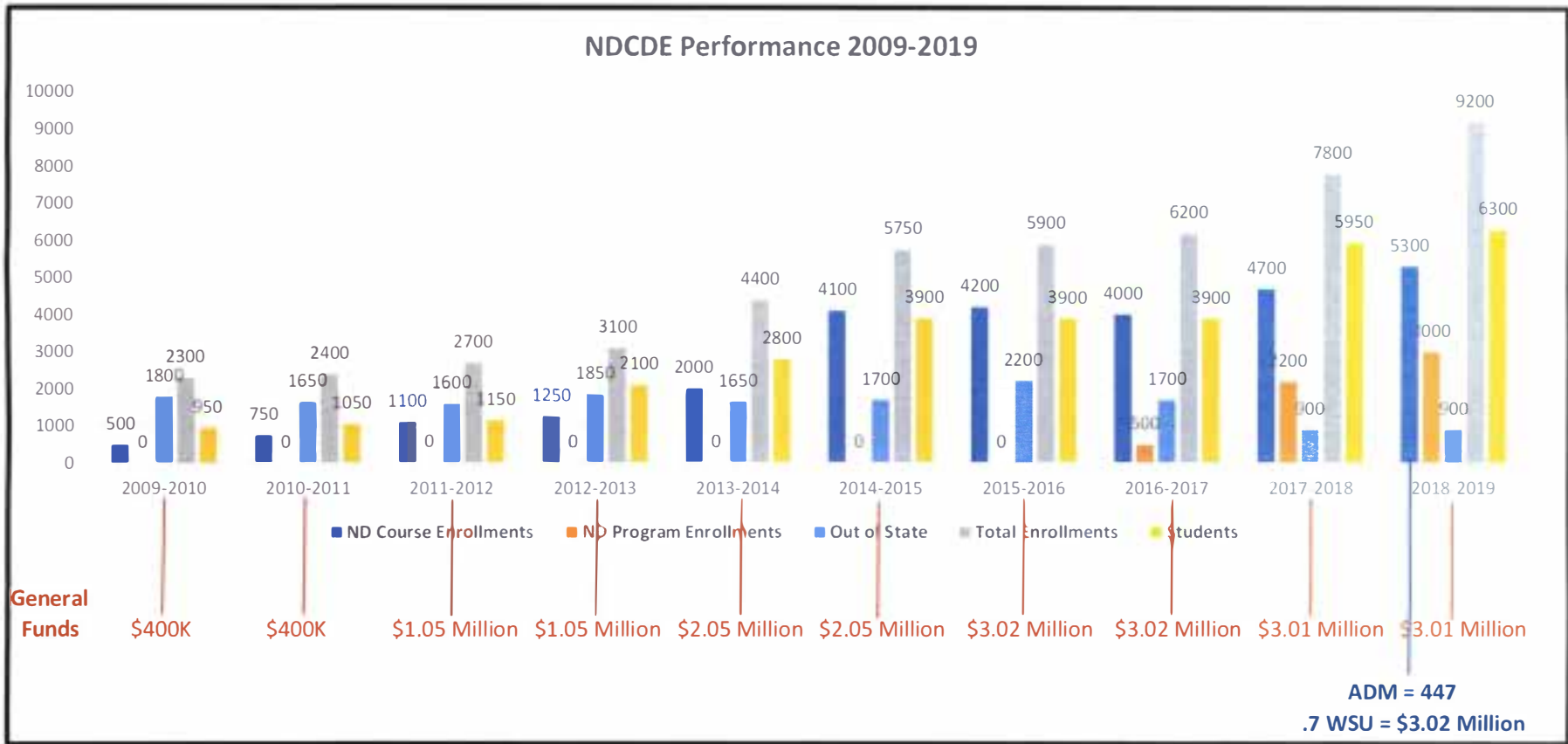
Thank you for your support of North Dakota's workforce through the TrainND program. I welcome any questions you may have.

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**Facts applied to HB 1019:**

- HB 1019 provides \$2.9 Million per year, \$5.8 Million for 2019 – 2021 biennium a cut of \$220,000.
- \$220,000 cut = is the support to approximately 550 enrollments.



**Definitions:**

**ND Course Enrollments** = 1 ND Student enrolled in one course to completion

**ND Program Enrollments** = Course Only Local Teacher (COLT), SMART Lab courses, Online Teacher Development, SMART Lab Facilitator, CLEM

**Out of State** = 1 Out of State Student enrolled in one course to completion

**Total Enrollments** = ND Course Enrollments + Out of State + ND Program Enrollments

**Students** = Number of unique students enrolled in NDCDE courses

**Projected Increases for NDCDE Enrollments and equivalent ADM for 2019-2020 and 2020-2021:**

- 20% increase each year based on trends and based on research via "Clearinghouse".
- 2019-2020 ADM = 536 FTE students or 6390 enrollments
- 2020-2021 ADM = 643 FTE students or 7668 enrollments

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How did we get here?

Fiscal –

House Committee cut \$220,000 General Funds from previous biennium's (2017-2019) appropriation for NDCDE.

Career and Technology Education Department –

SB 2216 makes NDCDE part of CTE. This is a part of the ITD, ETC and EduTech reorganization/unification.

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Increasing numbers of enrollments at NDCDE –

- NDCDE has improved its performance – some would say dramatically. NDCDE consistently delivers high quality learning.
- Demand – there are customers that want what NDCDE provides.
- There is a nationwide shortage of teachers; NDCDE helps mitigate this situation.
- Small schools are unable to offer electives and advanced courses, and students want them, if given the opportunity.
- Online/Digital delivery of courses has grown more acceptable.
- Online/Digital delivery has become the preferred form of access to learning for many students.
- Many schools have begun to realize that they wouldn't expect a teacher to write a textbook, as a teacher does not have the resources or skills to write a textbook for each class taught, or to design and build high quality online curriculum.
- Online/Digital delivery is no longer a book converted to an electronic format – the platform itself is becoming advantageous.
- Colleges, employers, military want members who are tech savvy.
- Education consumers in ND and elsewhere are not willing to accept inequality based on location, or size, or economic condition.
- More students are requiring individualization and personalization in their pursuit of learning and actualization.
- Costs of equipment, software, courseware, etc., have come down.
- In the case of a SMART Lab, one turn-key set up in one classroom can move an old school building into a high-tech capable environment that provides hands on and relevant learning experiences.
- Career and Technology courses and experiences can now be achieved through a "blended" approach.

A public school, NDCDE, standing before you, negotiating for money once every two years –

You like to hear me talk? NDCDE is now going through its 4<sup>th</sup> ownership change? It wouldn't be fair to other organizations who seek funding as part of the education support system to assign NDCDE to funding that matches its production – directly educating students?

To sum up, students and parents throughout North Dakota want, and in many cases, need what NDCDE provides. You have at least three choices:

1. You can accept HB 1019 in its present form. The result will be from 550 to as many as 2500 students being denied access to an online course from NDCDE.
2. You can restore the \$220,000 cut from HB 1019 assuring that 550 students won't be denied online services but hoping that the 1950 projected students won't show up.
3. You can make a change that connects NDCDE's funding to the number of students its serves. You have the model – ADM. Applied via an MOU.

To make it clear to all those who are concerned about losing funding because NDCDE is asking for increased funding, and to make it clear that I am not necessarily asking for a change in state law, I have put together an MOU for your review. This strategy has been used successfully in other states. I can review the MOU with you, if you are interested and you wish to give it serious consideration. That concludes my testimony.

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**STATE BOARD FOR CAREER AND TECHNICAL EDUCATION**

Compare Adjusted 2017 - 2019 to 2019-21 Biennium Budget

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		2017 - 19 Adjusted Budget	CTE Budget	Executive Changes	House Changes	House Budget	Senate Changes	Senate Budget
<b>FUNDS BY LINE ITEM</b>								
<b>SALARIES AND WAGES</b>								
CTE	23.8	\$4,699,975	(\$127,064)	\$644,822 (\$127,064)	\$93,343	\$4,793,318		
CDE	28.8			\$5,697,613	\$5,841,780	\$5,841,780		
ETC	.5			\$76,556	\$82,412	\$82,412		
<b>Total</b>	<b>52.1</b>	<b>\$4,699,975</b>	<b>(\$127,064)</b>	<b>\$6,291,927</b>	<b>\$6,017,535</b>	<b>\$10,717,510</b>		
<b>OPERATING EXPENSES</b>								
CTE		\$1,240,589	\$392,251	\$392,251	\$1,075,000	\$2,315,589		
CDE				\$2,473,590	\$3,152,387	\$3,152,387		
ETC				\$103,566	\$103,566	\$103,566		
<b>Total</b>		<b>\$1,240,589</b>	<b>\$392,251</b>	<b>\$2,969,407</b>	<b>\$4,330,953</b>	<b>\$5,571,542</b>		
<b>CAPITAL ASSETS</b>								
ETC				\$500,000	\$500,000	\$500,000		
		\$0	\$0	\$500,000	\$500,000	\$500,000		
<b>GRANTS</b>								
CTE		\$32,833,356	\$1,130,000	\$31,830,000	(\$23,768,214)	\$9,065,142		
CDE								
ETC				\$85,000	\$85,000	\$85,000		
<b>Total</b>		<b>\$32,833,356</b>	<b>\$1,130,000</b>	<b>\$31,915,000</b>	<b>(\$23,683,214)</b>	<b>\$9,150,142</b>		
<b>GRANTS - SECONDARY</b>								
CTE		\$0	\$0	\$0	\$22,537,780	\$22,537,780		
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,537,780</b>	<b>\$22,537,780</b>		
<b>Marketplace for Kids</b>								
CTE		\$0	\$0	\$0	\$300,000	\$300,000		
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$300,000</b>		
<b>GRANTS POSTSECONDARY</b>								
CTE		\$296,207	(\$25,818)	(\$25,818)	\$45,189	\$341,396		
<b>Total</b>		<b>\$296,207</b>	<b>(\$25,818)</b>	<b>(\$25,818)</b>	<b>\$45,189</b>	<b>\$341,396</b>		
<b>ADULT FARM MANAGEMENT</b>								
CTE		\$579,822	(\$350,007)	(\$350,007)	\$1,214,420	\$1,794,242		
<b>Total</b>		<b>\$579,822</b>	<b>(\$350,007)</b>	<b>(\$350,007)</b>	<b>\$1,214,420</b>	<b>\$1,794,242</b>		
<b>WORKFORCE TRAINING</b>								
CTE		\$2,000,000	(\$174,571)	(\$174,571)	\$0	\$2,000,000		
<b>Total</b>		<b>\$2,000,000</b>	<b>(\$174,571)</b>	<b>(\$174,571)</b>	<b>\$0</b>	<b>\$2,000,000</b>		
<b>Totals</b>		<b>\$41,649,949</b>	<b>\$844,791</b>	<b>\$41,125,938</b>	<b>\$11,262,663</b>	<b>\$52,912,612</b>		
<b>FUNDS BY SOURCE</b>								
GENERAL FUND		\$29,556,283	\$28,372,368	\$70,630,514	\$8,153,208	\$37,709,491		
FEDERAL FUND		\$9,461,692	\$11,548,147	\$12,048,148	\$2,586,455	\$12,048,147		
SPECIAL FUND		\$2,631,974	\$2,574,225	\$97,225	\$523,000	\$3,204,974		
<b>TOTAL</b>		<b>\$41,649,949</b>	<b>\$42,494,740</b>	<b>\$82,775,887</b>	<b>\$11,262,663</b>	<b>\$52,962,612</b>		

Alex Peterson

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 BY  
 ALAN  
 Peterson

**Memorandum of Understanding  
 Between the North Dakota Legislature and the North Dakota Center for Distance Education  
 "Funding based on Completions"**

This Memorandum of Understanding ("MOU") is entered into, by and between the North Dakota Legislature ("Legislature") and the North Dakota Center for Distance Education (NDCDE) for fiscal year 2019/2020 and fiscal year 2020/2021 (biennium 2019/2021).

Whereas, NDCDE is different from other schools in the State in that its services are available to all students in the State and can be accessed from all schools.

Whereas, North Dakota, like most states, is impacted by a severe shortage of teachers, especially in rural areas, increasing the need for NDCDE's services resulting in enrollment increases of 20% per year.

Whereas, NDCDE provided courses to 750 ND students (equivalent to 60 FTE ADM) in 2009-2010 (over 50% were paper correspondence courses), to 5,300 ND students (equivalent to 447 FTE ADM) in 2018-2019 all courses delivered online.

Whereas, NDCDE's General Funds support has remained flat since 2015 - \$6,029,116.00 per biennium, forcing NDCDE to cut all travel, hire only part-time teachers, and delay spending for equipment upgrades to attempt to meet the demands.

Whereas, the proposed General Funds appropriation for 2019-2021 is reduced to \$5,800,000.00.

Whereas, NDCDE is assigned to ND Career and Technical Education Department in 2019, has experienced unprecedented growth in career and technical courses since 2017, and is developing student support arrangements with ND's Technical Centers, further increasing the need for NDCDE's services.

Whereas, NDCDE has been funded per requested General Funds each biennium based on its full-time equivalent employees and fixed operating costs, not based on course enrollments or student ADM, leading to calls for more accountability, and resulting in students to be denied access to NDCDE courses.

Whereas, the Legislature approved a maximum of \$6,029,116.00 General Funds for 2017-2019 biennium without consideration for ADM enrollment; had ADM been applied, NDCDE would have been funded for 447 full-time equivalent students at .7 WSU resulting in being provided \$6,036,466.00 (see Figure 1).

**Figure 1**

**Comparison of current funding for 2018-2019 versus ADM funding (had ADM been applied)**

<b>Fiscal Year</b>	<b>Aid</b>	<b>NDCDE Enrollment Agreement per FTE Student</b>	<b>Total Student Enrollment</b>	<b>Total Expenditure</b>
<b>2018-2019</b>	<b>\$00</b>	<b>00</b> (5363 Course Enrollments)	<b>447</b>	<b>\$3,014,558.00</b>
<b>If ADM Aid from Figure 1 applied adjusted to current ADM \$9,646.00 (.7 = \$6,752.00)</b>				
<b>2018-2019</b>	<b>\$6,752.00</b>	<b>447</b>	<b>447</b>	<b>\$3,018,233.00</b>

Whereas, the Legislature, CTE, and NDCDE need to better understand the demands for NDCDE's services and the possible state funding options available.

As a result, the Legislature and NDCDE agree as follows:

1. NDCDE Enrollment Agreement for 2019-2021 Biennium - NDCDE will receive student aid at the rate of \$7,093.80 per full-time equivalent (FTE) student (.7 WSU applied to ADM of \$10,134.00 per FTE student per year). NDCDE will continue to charge fees to schools to meet operating expenses (approximately 30% of total budget). While NDCDE may enroll as many students as it chooses to enroll, NDCDE will not receive aid in excess of 1177 full-time equivalent North Dakota students for the biennium (see Figure 2). A full-time equivalent student shall be defined as a unit of 12 completed half-credit courses.

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Figure 2

<b>Fiscal Year</b>	<b>Aid</b>	<b>NDCDE Enrollment Agreement per FTE Student</b>	<b>Total Student Enrollment</b>	<b>Total ADM Expenditure</b>
<b>2019-2020</b>	<b>\$7,093.80</b>	<b>536</b>	<b>536</b>	<b>\$3,802,426.80</b>
<b>2020-2021</b>	<b>\$7,093.80</b>	<b>643</b>	<b>643</b>	<b>\$4,561,303.40</b>

*Notes: 1) \$7,093.80 represents .7 of 10,134.00 proposed ADM 2019-2021,  
2) ADM represents increases of 20%/year (447 ADM 2018-2019)*

2. NDCDE agrees to the terms of this MOU and agrees to the spending guidelines provided by NDCC 15-19 Distance Education. NDCDE further agrees to not increase the fees charged per course for biennium 2019 – 2021, as based on fees charged in biennium 2017 – 2019. Nothing herein shall prevent NDCDE from (a) applying for, accepting and expending grants or gifts from any source, including the State of North Dakota as provided by NDCC 15-19 Distance Education, or (b) entering mutually advantageous contractual relationships with school districts or other ND education support agencies for educational services. NDCDE also agrees not to file a legal challenge or support the filing by another person or entity of a legal challenge, disputing the level of aid NDCDE has agreed to under this MOU.
3. The parties agree that school districts, whose students remain full-time students at their local schools while enrolled in NDCDE courses, will not be required to adjust their ADM or WSU.
4. The parties agree that any disputes arising under this MOU will be directed to the Director of Career and Technical Education Department and referred to the State Board of Career and Technical Education for resolution.
5. This MOU is the complete and full agreement between the Legislature and NDCDE relating to funding for the 2019-2020 and 2020-2021 school years. This MOU shall only be modified by a written document signed by the parties.
6. This MOU is to be reviewed by the 2021 Legislature. This MOU will remain in effect after the 2021 legislative session, adjusted for changes in ADM per pupil funding, unless rescinded or altered by the 2021 Legislature.



# CAREER WORKFORCE ACADEMY

Secondary Early Entry • Post-Secondary • Incumbent Worker

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March 1, 2019

Chairman Ray Holmberg and Senate Appropriations Committee  
North Dakota Legislative Assembly  
600 East Blvd  
Bismarck, ND 58505

RE: Career Academy State Matching Grant Funds

Senator Holmberg and Committee Members:

In October, 2018, the North Dakota Workforce Development Council (WDC) submitted their recommendations to Governor Burgum. One key recommendation highlighted in the report included a career academy initiative described below.

*To ensure clear and efficient pathways to technical careers, secondary and post-secondary education must be tightly aligned and barriers to technical degree pursuit/attainment removed. The WDC recommends making competitive funding available to launch additional career academies to advance high-quality technical education, maximize resources, and incentivize collaborative partnerships between the state, the PK-12 system, community colleges and private industry.*

*"We need to educate the people within our state on the fact that the majority of good, solid careers in this state require a two-year technical degree or less. A pathway pursuing a technical education will help ensure their future success within one of these careers." Perry Lubbers, Vice President of Manufacturing Operations, Trail King Industries*

The businesses listed below have pledged private sector financial support for the creation of the Cass County Career Academy. To that end, we support Governor Burgum's recommendation for a career academy public/private partnership matching grant program.

We look forward to working with the legislature on a career academy program to advance workforce solutions that will keep North Dakota competitive.

Sincerely,

- |  |  |   |                                   |
|--|--|---|-----------------------------------|
| Perry Lubbers<br>Trail King Industries | Don Dabbert<br>Dabbert Custom Homes      | Tammy Miller<br>Border States Electric  | Justin Forde<br>Midco             |
| Tyrone Leslie<br>Heritage Homes        | Vicky Matson<br>FM Area Assn of Realtors | Chad Flanagan<br>Eide Bailly            | Jaysen Schock<br>Cargill          |
| Delton Steele<br>US Bank               | Nate White<br>Sanford Health             | Bryce Johnson<br>F/M Home Builders Assn | Greg Butler<br>Gremada Industries |

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# Home Builders Association of Fargo-Moorhead

1802 32nd Avenue South · Fargo, ND 58103 · (701) 232-5846 · hbafm.com · info@hbafm.com

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## 2019 BOARD OF DIRECTORS

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John Koerselman

**IMMEDIATE PAST PRESIDENT**  
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Dustin Murray  
Tom Spaeth

March 1, 2019

Chairman Ray Holmberg and  
Senate Appropriations Committee  
North Dakota Legislative Assembly  
600 East Boulevard  
Bismarck, ND 58505

Re: Career Academy State Matching Grant Funds (HB 1019)

Senator Holmberg and Committee Members,

Thank you for welcoming me to discuss reasons why the Home Builders Association of Fargo-Moorhead strongly supports Governor Burgum's recommendation for a career academy public/private partnership matching grant program.

A copy of my testimony is attached.

Sincerely,

John Gunkelman  
Dakota Construction of Fargo, Inc.  
HBA of F-M President

Affiliated With



**Workforce Talking Points**  
**John Gunkelman**  
**North Dakota Senate Appropriations Committee**  
March 1, 2019

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- \* I'm John Gunkelman, Dakota Construction of Fargo, Inc.
  - o Current Home Builders Association of F-M president
  - o Past president of the North Dakota Association of Builders.
  - o HBA of F-M currently has just over 875 member companies and NDAB has over 2,000 member companies statewide.
- \* HBA of F-M and its leaders are excited to partner with the North Dakota State College of Science on a career workforce academy.
  - o I am here to express support for Governor Burgum's recommendation for a career academy public/private partnership matching grant program.
- \* Thank you for allowing me to discuss some reasons why the HBA of F-M supports this academy concept.

**NATIONAL/REGIONAL VIEW**

- \* In June 2018, the Bureau of Labor Statistics reported that there were 263,000 job openings in the construction industry. By 2026, they project that there will be 7.5 million construction jobs in the U.S.
- \* I am a life director with the National Association of Home Builders, and last month was in meetings with builders from across the country at the International Builders Show in Las Vegas.
  - o The lack of skilled labor has been a top concern nationally for the last 5-10 years and we heard about it repeatedly in all our meetings in DC.
  - o NAHB's own Home Builders Institute has been commissioned to train 50,000 workers.
  - o As I look around the room at fellow directors across the country, many of us are getting close to retirement age, without the necessary workforce to step into our shoes.
  - o Workforce academies like the one being proposed in Cass County are becoming commonplace across the country and are successful.
  - o In fact, Iowa, Wisconsin and South Dakota have implemented them. They are examples of great ideas started with private and state dollars.



## LOCAL VIEW

- \* Finding skilled labor is one of our members' biggest concerns in the F-M area.
  - o There are over 32,000 jobs in construction projected in North Dakota by 2026 (ND Job Service)
  - o In Cass County, there are over 840 construction related employers and over 8,600 employees. (ND Job Service)
- \* Since this issue is not unique to North Dakota and the F-M area, it is critical that we make every effort possible to keep the workforce we have in North Dakota.
  - o If we can train them here, give them apprenticeships here, and connect them here, they will stay.
- \* The population of the state is expected to grow continuously from now to 2040.
  - o This is according to a workforce environmental assessment for Fargo, Moorhead and West Fargo, presented in June 2016.
  - o Projections show that the Fargo region will continue to have the highest percentage of the state population, dominated by Cass County.
  - o Between 2015 - 2040, Cass County and its surrounding area is expected to grow by nearly 60,000 people.
  - o This influx of residents will require new housing, as well as renovation and rebuilding of the community.
  - o Our industry will need the necessary workforce to meet that demand.
- \* Our industry is dealing with an image problem with young people and their parents. Many parents encourage a four-year degree when it's not the right fit... It's time to introduce the trades to K-12 students in a meaningful way to plant that seed that construction and homebuilding offers lucrative, fulfilling futures with little to no debt.
- \* This career workforce academy effort is a wonderful collaboration and has the opportunity to be a powerful tool in helping to fill our ongoing workforce needs.
- \* Homebuilding is an economic engine.
  - o Over 15 years, the construction of 1,149 single family homes contributes \$85.3 million to the F-M metro economy! Imagine what homebuilding and construction does statewide.
  - o When the homebuilding industry struggles to find labor, it has negative economic effects: The costs of building go up, and housing affordability suffers.
  - o The effort to build a thriving work force is a major step in creating and maintaining the strong, attractive communities that this region is becoming known for.
- \* This industry has provided me the ability to own my business and offers challenges every day. It's a way for me to provide for my family and make a meaningful living.

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Senate Appropriations Committee

CTE - Public Hearing  
March 1, 2019 (8:30am-11:00am)  
North Dakota State Capital – Harvest Room  
Bismarck, ND

MEMBERS OF THE SENATE APPROPRIATIONS COMMITTEE:

My name is Morgan Forness and I currently serve as the Superintendent at Central Cass Public School in Casselton, ND. I previously worked in private schools in both Bismarck and Fargo and I have always been a believer in collaboration and public/private partnerships to best meet the needs of schools and community. I am appearing here today as a member Cass County Career and Technical Education Center and in full support for funding of a Career Workforce Academy – matching grant program, as was outlined in Governor Burgum’s budget.

CCCTEC was established in 2014 as a collaborative effort between NDSCS, Fargo, Northern Cass, and West Fargo Public Schools. Central Cass and Kindred have now also joined to encompass all students in the entire county. Educational leaders are committed to working collaboratively to strengthen career and technical education options for all high schools in the region. We feel that working together with other school’s districts, various industry leaders, and institutions of higher ed. in the sharing of resources, facilities, staffing, and programming is the best way to accomplish that goal!

As mentioned in Gov. Burgum’s address, “Workforce recruitment and retention is North Dakota’s No. 1 barrier to economic growth.” I applaud and fully support his recommendation that the state establish “\$30 million in competitive grants for career academies, requiring a 1-to-1 match from the private sector or political subdivisions.” As Gov. Burgum stated, according to the North Dakota Workforce Survey, over 70 percent of available jobs in North Dakota require an associate degree or less. Career academies can help move youth into the workforce and lower the cost of college.

That said, we need to move away from the notion that a four-year college degree is right for everyone. Instead, we need to help students’ identify their interests and aptitudes by creating learning experiences that allow them to explore the numerous opportunities of both college and career that are not only necessary, but also a reality in fulfilling the workforce needs of the 21<sup>st</sup> Century.

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As someone who has spent almost 30 years in education and also been a part of three major capital building projects, I have witnessed first-hand the lack of opportunities and electives (especially in our rural areas) that prevent our students from realizing the many legitimate career opportunities before them. Additionally, the lack of skilled labor in all of the trades is alarming, yet we do little in our educational system to change that mindset of higher ed. and alternative career pathways before them. This needs to change and as such, the Career Workforce Academy - Matching Grant program is a win-win for all!

**Top 6 Reasons for an Academy**

1. Expanding learning opportunities for students.
2. A collaborative approach enhancing everyone's effectiveness and efficiencies.
3. A workforce development solution.
4. Career exploration and skill development.
5. A proven model that makes a difference.
6. **Investments and Pledges of \$11 M from businesses and the private sector throughout the region of Eastern North Dakota**

To close, Cass County is growing demographically and projects that provide career exploration, educational experiences, job opportunities, investment in community, and diversified industries, benefits us all. As a rural school district, collaborative projects such as a career workforce academy that develops by sharing resources, built in a manner that is well planned, serves the common good, invests in its local economy, and dedicates educational financial support to its schools are to be applauded.

We are all in the business of educating top quality students for the 21<sup>st</sup> Century, and by working together we are all better for it.

I would be happy to answer any questions you may have.

Morgan Forness

P2

Testimony of Donald Shilling

HB 1019  
3-1-19  
# 9  
P1

Senate Appropriations Committee

Re: HB 1019 – Support

Chairman Holmberg and Committee Members

Good Morning

My name is Donald Shilling. I am Chairman of General Equipment & Supplies, Inc. a North Dakota Heavy Equipment Dealership.

General Equipment has locations in Williston, Minot, Bismarck and Fargo ND. We also have locations in Sioux Falls SD, Shakopee and Hibbing MN, Urbana IA, Regina SK and Winnipeg MB.

However, my testimony today is interwoven between the business side and the personal side. As I stated I am the Chairman of General Equipment & Supplies, Inc. but I am also a current member of the ND Workforce Development Council. In both aspects of my life, I have strived to improve the workforce opportunities in ND.

Career and Technical Education is an intercritical component of success. On the High School recruiting side when we search for potential students to fill our high demand careers the individual CTE Instructors within the High Schools are the catalyst to letting us share our opportunities with these young people.

The introductions made in CTE classes open the eyes of the young students to what is possible for them and their future. Nearly 100% of the students we Sponsor through our Partnership Diesel Program with NDSCS come from a CTE relationship or interaction. This is the part of the Workforce Development issue in ND that is working.

Today, if we are truly focused on Workforce, like I think we all are, then increased funding levels would make more sense than “level funding”.

Being involved in the Workforce Development Council has also opened my eyes to the boarder picture.

First, over 70% of the businesses in ND are 9 employees or less. That means where my company has the resources to recruit and promote workforce activity most of the small businesses in ND

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3-1-19

# 9

P 2

need help. They do not have the depth to recruit and promote, they are totally focused on the day to day activity. Part of the reason I am here is to champion this cause for them.

To me the Career Academy support is critical throughout the State of ND. This initiative is as beneficial in Minot or Devils Lake as it is in Fargo. The Workforce Development Council identified Career Academies, CTE and Adult Training as all critical components of the solution.

In today's environment why would we ever cut or just level fund these programs? These are growth programs. Over two thirds of the Surveyed Business in ND in the Workforce Development Study indicated that the lack of potential employees was hampering their growth and stagnating their businesses.

As business grows in ND, income via taxes increases in ND. It takes one to benefit the other. So proper funding of CTE, Train ND and the Career Academies are an instrument of that growth.

The Career Academy coupled to the Technical Colleges is also critical. In my industry, the Diesel Industry our companies and suppliers have literally donated millions of dollars in training ads and support tooling to these programs. These are resources that can be shared between the Technical Colleges and the Career Academies, so we must keep these entities joined at the hip.

To summarize, you may hear the frustration in my words. I felt that the Workforce Development Council delivered a "spot on" report in October 2018. Over 35 recommendations which if followed was the road map to workforce improvement in ND. But as we go through the Legislative progress some of these recommendations have been modified or ignored.

We have an opportunity here to follow the advice of a cross section of people who have the best interests of ND in mind, rather than doing exactly the same thing we have done in the past and expecting different results.

In the second half of the 2019 Legislative process we can true up the ship and get it headed in the right direction.

I would be pleased to entertain any questions you have at this time and Thank You for your attention.

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**HB 1019**  
**Senate Appropriations Committee**  
**Chairman Holmberg**  
**March 1<sup>st</sup>, 2019**

Good morning. Chairman Holmberg, members of the Senate Appropriations Committee. For the record, my name is Steven Holen and I currently serve as the Superintendent of Schools for the McKenzie County Public School District #1 in Watford City. I am here today to testify in support of HB 1019, in particular, the Career Academy component of the bill.

The McKenzie County Public School District #1 has witnessed a trend in its high school graduates and post-secondary pursuits for the past several years. A significant number of students are electing to pursue employment or trade school options after high school graduation as well as two-year college training/certificate programs. The number of students pursuing four-year college degrees has decreased significantly over the past 10 years perhaps driven by the availability of high paying jobs in our geographic area as well as general trends across the country toward trade and certification programs. The school district identified a need for expansion of Career and Technical programs and curriculum to help address post-secondary readiness of our students and initiated collaboration with our local Economic Development and Job Authority organizations to partner in developing programs to meet the needs of our students and the community. The Workforce Skills Initiative was formed and has members that include county and city officials, school administration and teachers, business/industry members, local universities – University of Mary and Williston State College, ND Train, and others to develop a plan to provide workforce skills training and resources to youth and adult learners. This initiative is attempting to address the shortage of workforce in our area and to align the K-12 educational experience with external resources and partners available to promote a highly skilled and diverse workforce.

As part of this process, the school district initiated a subcommittee of the Workforce Skills Initiative specifically with members of our energy industry to begin exploring partnerships and collaboration in developing and promoting workforce skills and career exploration at the middle and high school levels. Over the past 1.5 years; this committee has expanded to over 20 members with regular meetings to encourage discussion and collaboration in educating students on employment opportunities available and alignment of skills required to be successful in the diverse employment opportunities available in the energy sector. Our major industry partners include: Whiting, ConocoPhillips, OneOk, Oasis, Hess, Equinor, MBI, and others. These discussions are occurring with collaboration of our post-secondary institutions, small business development, and ND Train to develop comprehensive programs and curriculum to address college and career readiness and ensure alignment of career competencies with our K-12 programs. The vision established, and initial curriculum already developed, is formation of a two-year curriculum for a student's junior and senior years that provides specific career orientated objectives

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3-1-19

# 10  
P2

that are aligned with state curriculum and career and technical standards, however, implement elements of authentic career experiences, project based learning, and personalized learning geared to their post-secondary work experience. Our school district envisions this as the initial establishment and foundation of what a Career Academy can offer a region and is part of our school district's vision in consolidating services with career and technical programs, high tech consortiums, workforce training, and to overall better meet the needs of our students regardless of the path taken following high school graduation. This has the capacity to expand into a regional concept and to support Career Academy concepts to students across the northwest region of the state and offer greater efficiency and opportunities for students and to meet the workforce needs of our region.

The timing is right for expansion of Career Academy concepts in North Dakota. In particular, the need for such programs in western North Dakota with its workforce challenges and meeting the needs of this generational energy development is apparent and critical. Please consider strong support for the Career Academy concept as part of Career and Technical Education funding – this level of progressing funding will provide substantial returns by working to ensure a consistent and continual workforce in North Dakota. The energy industry has stressed the importance of workforce in maintaining and expansion of the industry and services in North Dakota.

Thank you for your time. I would be happy to answer any questions.

Dr. Steven Holen  
Superintendent of Schools  
McKenzie County Public School District #1 – Watford City



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#11  
P1

Testimony  
**HOUSE BILL NO. 1019**  
**Senate Appropriations Committee**  
March 1, 2019

Good morning Chairman Holmberg and members of the Senate Appropriations Committee. My name is Delore Zimmerman. I am the Interim Executive Director of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for common strategic economic development opportunities for the Red River Valley region and for North Dakota. Workforce development, including career and technical education, is among the VPP's top priorities.

As business leaders in the Red River Valley, we believe the Cass-Clay Workforce Academy, which was supported by the governor's budget, will offer the specialized training that is urgently needed in the region. The Academy will expand career and technical education and training that focuses on career pathway programs that align with industry growth clusters with the highest potential for creating growth and shared prosperity in our region.

Led by a collaborative group of educational organizations and the North Dakota State College of Science, the Academy is a potent partnership that includes private sector companies, K-12 school districts in Cass and Clay counties, other two-year educational institutions, the FMWF Chamber of Commerce, the Greater Fargo-Moorhead Economic Development Corporation, and the cities of Fargo and West Fargo. The local business community has pledged \$15 million over a 4-years to match State and other local/federal support for the project.

The VPP also supports continued funding of TrainND, which provides customized training to business, designed to match the needs of employees. TrainND helps businesses assess and identify skill gaps, and then delivers onsite customized training that fills the gaps, related to technology, leadership, technical or soft skills. TrainND also offers hundreds of courses online.



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#11

Thank you for your consideration and please know that business and community leaders throughout the Red River Valley strongly support career and technical education. We are confident that the Cass-Clay Workforce Academy and TrainND will have a significant long-term impact on the availability of skilled workers not only in the Red River Valley but throughout the state of North Dakota.

P2

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P3



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. Private sector industry and higher education leaders, joined by economic development partners, formed the Valley Prosperity Partnership to identify common strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota. The VPP's five priorities are:

1. Attract, develop and retain **talent**
2. Ensure **water** security and management
3. Expand **research** capacity and relevancy
4. Accelerate **entrepreneurial** activity and output
5. Invest in critical **infrastructure** development and capital improvement

## Members of the Steering Committee

Tammy Miller, CEO  
Border States Electric  
Co-Chairperson, Valley Prosperity Partnership

Steve Burian, Senior Consultant  
AE2S  
Co-Chairperson, Valley Prosperity Partnership

Marshal Albright, President & CEO  
Cass County Electric Cooperative

Tom Astrup, President & CEO  
American Crystal Sugar

Barry Batcheller, Chairman & CEO  
Appareo Systems

Karl Bollingberg, Executive Vice President  
Alerus Financial

Dennis Bona, President  
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Dean Bresciani, President  
North Dakota State University

Jeff Megaard, Vice President  
Construction Engineers

Mylo Einarson, President & CEO  
Nodak Electric Cooperative

Chad Flanagan, Partner  
Eide Bailly

Jim Galloway, Principal  
JLG Architects

Hal Gershman, Owner  
Happy Harry's Bottle Shops

Judd Graham, CEO Fargo Region  
Bremer Bank

Tim Huckle, President & CEO  
Blue Cross Blue Shield North Dakota

Brian Johnson, CEO  
Choice Financial Group

Mark Kennedy, President  
University of North Dakota

Joe Raso, President & CEO  
Greater Fargo Moorhead EDC

Keith Lund, President & CEO  
Grand Forks Region EDC

William C. Marcil, Sr. Chairman  
Forum Communications Company

Pat McAdaragh, President & CEO  
Midco

Brad Wehe, CEO  
Altru Health System

Mark Nisbet, North Dakota Principal Manager  
Xcel Energy

Ronald Offutt, Chairman & CEO  
RD Offutt Company

John Richman, President  
North Dakota State College of Science

Jim Roers, President & CEO  
Roers Construction & Development

Thomas Shorma, President & CEO  
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO  
Bell State Bank & Trust

Steve Swiontek, President & CEO  
Gate City Bank

Nate White, COO & Executive Vice President  
Sanford Medical Center Fargo

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# 12  
P1

**Senate Appropriations  
Chairman Ray Holmberg  
March 1, 2019**

**By: Chris Owen  
Grant Project/Compliance Coordinator, City of Minot  
[chris.owen@minotnd.org](mailto:chris.owen@minotnd.org)  
701.857.1553**

**HB 1019**

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Chris Owen, and I am the Grant Project & Compliance Coordinator for the City of Minot.

The City of Minot supports the Governor's proposed \$30 million -- with a 1-to-1 match - for career academies. In Minot, we want to create a program that models the great success of Bismarck's Career Academy.

The City of Minot identified CTE development as an unmet need in 2016 through numerous public meetings. This drove its inclusion in the City's successful resilience grant application to the US Department of Housing and Urban Development (HUD). Economic resilience is extremely critical for our region. Not only will a Minot post-secondary CTE program support existing business and industry, it will also drive other good-paying workforce opportunities -- making the city and regional economy less vulnerable to the boom/bust cycle of energy. CTE makes local quality training available, allowing students to stay in the area rather than look elsewhere. It also serves as an incentive for businesses to locate in our region because workforce training provides a pool of skilled workers.

The City of Minot already has \$1.54 million in federal grant funding committed to our project. Let me emphasize that: we already have a dollar to dollar match in place for a proposed \$3M project. The City has teamed with Dakota College at Bottineau and Minot State University

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to design and administer the IT and Allied Health programs. The biggest issue is leveraging available dollars so we can get a facility. That's what can be successfully achieved with 1:1 match of federal and state funds.

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P2

Our concept was created in partnership with and successfully vetted through local agencies similar to those mentioned in HB 1019 section 3:

- The Minot Area Chamber of Commerce and the Minot Area Development Corporation helped develop and execute the workforce training needs assessment among local businesses, and we also reached out to Minot Air Force Base to survey separating members on workforce interests as well.
- ND Job Service (Susan Ogurek), Job Corps (Daniel Budzyn), Minot Public Schools (Pam Stroklund), Dakota College Bottineau (Dr Jerry Migler), and Minot State University (Dr Steve Shirley) have all participated in discussions at various points and support this effort.

Timing is critically important. The federal grant funds we obtained must be invoiced and spent before September 30, 2022 and may ONLY be used for facility construction and/or renovation. The federal funds may not be utilized for operations & maintenance.

We need a post-secondary CTE program in Minot. The next closest is Bottineau, 85 miles or 1.5 hrs one-way. Minot is the fourth largest city in the state, but does not have direct access to a CTE program like our other top 10 cities. Your support can change that.

The City of Minot requests this committee's support of the Governor's request as you work up HB 1019. Thank you for your time and I would be happy to address any questions.





# North Dakota Small Organized Schools

HB 1019

3-1-19

# 13

P 1

Mr. ElRoy Burkle  
Executive Director  
1419 9<sup>th</sup> Ave NE  
Jamestown, 58401  
Eburklendsos@gmail.com  
701-230-1973

Mr. Brandt Dick  
President  
PO Box 100 – 123 Summit Street  
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Brandt.Dick@underwoodschool.org  
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Mrs. Janet Brown  
Business Manager  
925 Riverview Drive  
Valley City, ND 58072  
[janet.brown@k12.nd.us](mailto:janet.brown@k12.nd.us)  
701-845-2910

March 1, 2019

Chairman Holmberg, and Members of the ND Senate Appropriations Committee,

For the record, my name is Mr. ElRoy Burkle, and I serve as Executive Director of North Dakota Small Organized Schools (NDSOS).

NDSOS goes on record of supporting the outstanding efforts of both ND Career and Technical Education (CTE) and ND Center for Distance Education (CDE).

As a former agriculture education instructor, center director, secondary principal and school superintendent, I can personally attest to the positive impact that North Dakota’s career and technical education has in developing successful future leaders. The State’s support for CTE allows for small rural schools to provide students with CTE opportunities in their home districts, at career and technology centers, and/or through virtual centers. CTE skills remain with students for a life-time. Former students have shared that they continue to use the skills taught in their everyday lives. This is powerful!

ND Center for Distance Education provides students, especially students attending rural schools, with additional course offerings that are unavailable due to the critical teacher shortage (including recovery courses), budget and enrollment constraints. Additionally, NDCDE’s expertise and guidance of SmartLabs greatly assists small schools in their ability to personalize learning for students. Feedback from SmartLab schools has been exciting as both students and staff are engaged.

Obviously, I could share more of what each entity does to better meet the unique needs of learners. The increased enrollments at both CTE and CDE, the expansion of curriculum and, most importantly, the personal stories shared by students clearly demonstrates the overall positive effectiveness experienced by both organizations.

NDSOS has been made aware of budget shortfalls and request consideration to increase CTE funding by \$1,000,000 to maintain current reimbursement rates and an additional \$1,500,000

---

### Board of Directors

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Mr. John Gruenberg, Supt. Powers Lake

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#### Region 5

Mr. Joel Lemer, Bd. Member Carrington  
Mr. Brandt Dick, Supt. Underwood

#### Region 6

Mr. Mitch Carlson, Supt. LaMoure  
Dr. Steven Johnson, Supt. Lisbon

The mission of NDSOS is to provide leadership for the small/rural schools in North Dakota and to support legislation favorable to their philosophy while opposing legislation that is harmful.

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for new program expansion. For CDE, an additional amount of approximately \$220,000 is needed.

NDSOS supports the proposed reassignment of NDCDE to the NDCTE Department as this will be a mutually beneficial arrangement, in my opinion. NDSOS requests for appropriate funding levels for both CTE and CDE to continue program integrity and expansion.

Thank you for your time and I shall stand for questions.

Respectfully,

*s/s Mr. ElRoy Burkle*

Mr. ElRoy Burkle, Executive Director

ND Small Organized Schools

1419 9<sup>th</sup> Ave NE

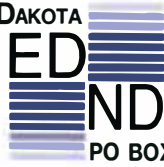
Jamestown, ND 58401

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Revised February 22, 2019

File: HB 1019 19.0207.02000 CTE Budget

P2



HB1019  
3-1-19  
# 14  
p1

**Testimony of Mason Sisk  
Economic Development Association of North Dakota  
In Support of HB 1019  
March 1, 2019**

Chairman Holmberg and members of the Senate Appropriations Committee:

The Economic Development Association of North Dakota (EDND) represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries. As of December 2018, North Dakota had an unemployment rate of 2.7 percent, which can make it difficult for businesses to find qualified candidates.

Workforce development is integral in creating a diversified economy and creating better employees and competitive companies and we encourage the committee to keep funding for these programs at the current level. The training programs provided by CTE are tailored to the needs of businesses and provide tools for more efficient and productive employees.

TrainND, in particular, provides critical support and training for businesses and employees across the state. Through collaboration between state, business and education systems, comprehensive and customized employee training is created for the critical workforce shortages throughout the state. Welders, IT professionals, line workers, drivers, frontline office staff, and oil and gas technicians are a few of the areas where TrainND has created world class training. Bobcat in Fargo, Posi-Lock in Cooperstown, Harris Machine in Oakes, and UTC in Jamestown are a few of the

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companies that have utilized these programs to reduce their downtime and improve production.

As economic developers and communities continue to seek diversification of our state's economy, the need to train current and future employees will grow. TrainND provides our members additional tools to help grow local economies and diversify our small and growing businesses.

The availability of a high-quality competitive workforce will continue to be a significant challenge facing North Dakota businesses. This will in turn impact the potential of the state's economy. EDND supports the investments included in this bill and the development of workforce training strategies that address the diversification and growth of businesses and employees.

Thank you for this opportunity to address your committee and express our support of TrainND and HB 1019.

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HB 1019  
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**Testimony of Deana Wiese**  
Executive Director  
Technology Council of North Dakota

3-1-19  
#15  
p1

**In Support of HB 1019**

March 1, 2019

Chairman Holmberg and members of the Senate Appropriations committee:

My name is Deana Wiese, Executive Director of the Technology Council of North Dakota (TechND). I am here today to voice support of HB 1019.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has nearly 70 member organizations, with representatives from both the public and private sector.

North Dakota's economy is strong, and the state's technology industry is no exception. North Dakota has seen an increase of more than 27 percent in technology occupations over the past decade and is projecting a 20 percent increase for the next 10 years. With the growth of the industry, a shortage of skilled workforce continues to be a challenge. Therefore, the development of a high-quality workforce is vital to the future growth of North Dakota's technology industry. The Department of Career and Technical Education (CTE) has been a strong partner in assisting the technology industry in meeting these needs.

We support this bill as many of its components will strengthen secondary technology education opportunities for North Dakota students and provide training for technology instructors, thus helping our members secure a workforce in the future. CTE has been a strong partner in

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#15  
P2

promoting careers to students and educators. TechND and CTE have worked together to reach tens of thousands of students in dozens of communities statewide with technology education and career information.

We would encourage your favorable consideration in fully funding new and expanding programs and CTE's cost to continue, as well as the career academy concept. To the extent that distance education can be effective in these areas, we would encourage this delivery method.

We thank you for your support of technology education opportunities in the past and urge your support of HB 1019.

P2





# Marketplace for Kids 2019 +



## The Entrepreneurs of Tomorrow Are in Our Schools and Homes Today!

### Mission:

To encourage youth to explore entrepreneurship and self-employment through the recognition and development of their inventive, creative thinking and problem-solving skills.

### Vision:

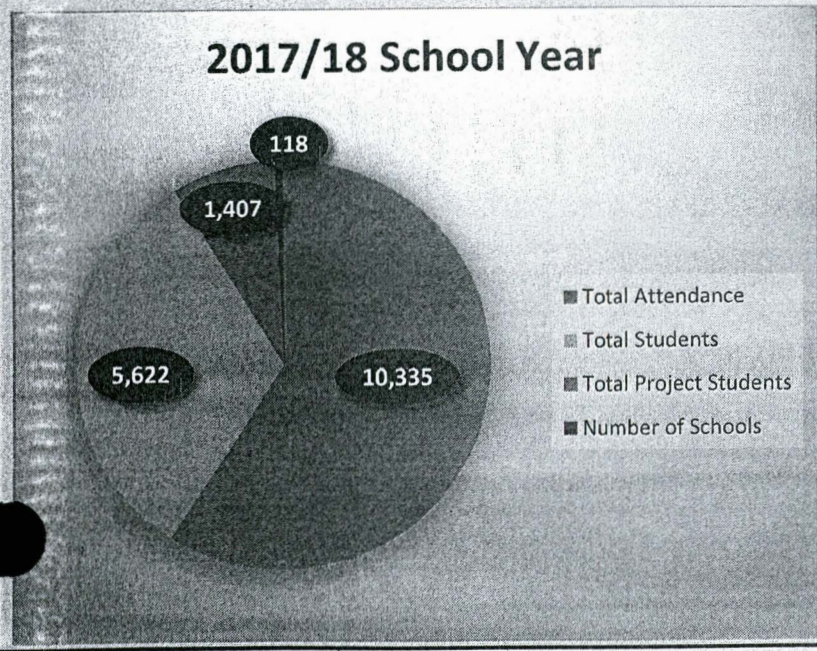
Our vision is for every student to receive entrepreneurship education and encouragement to become a lifelong partner in building stronger communities.

## Innovative Learning

Project based learning encourages students to stretch their thinking in more creative, divergent ways to solve problems and create new ideas. During our unique Education Days, students attend hands-on activities to explore career fields, technology, and entrepreneurship.

### ORGANIZATIONAL GOALS

- To promote and cultivate youth entrepreneurship and innovation.
- To provide entrepreneurship education and career exploration to youth with support and mentoring from business and community leaders.
- To raise awareness of self-employment as a viable career option.
- To assist youth in developing attributes and skills associated with entrepreneurs, including creativity, innovation, self-confidence, planning, and risk-taking.
- To motivate youth to pursue further study, exploration, and consideration of entrepreneurship.



*"Marketplace for Kids is a breath of fresh air each spring! It is always a pleasure to partner with Marketplace for Kids to offer all we have in career choices and see so many up and coming possible world leaders. We're looking forward to the next Education Day with excitement and encouragement!"*

Dr. John Richman,  
President NDSCS



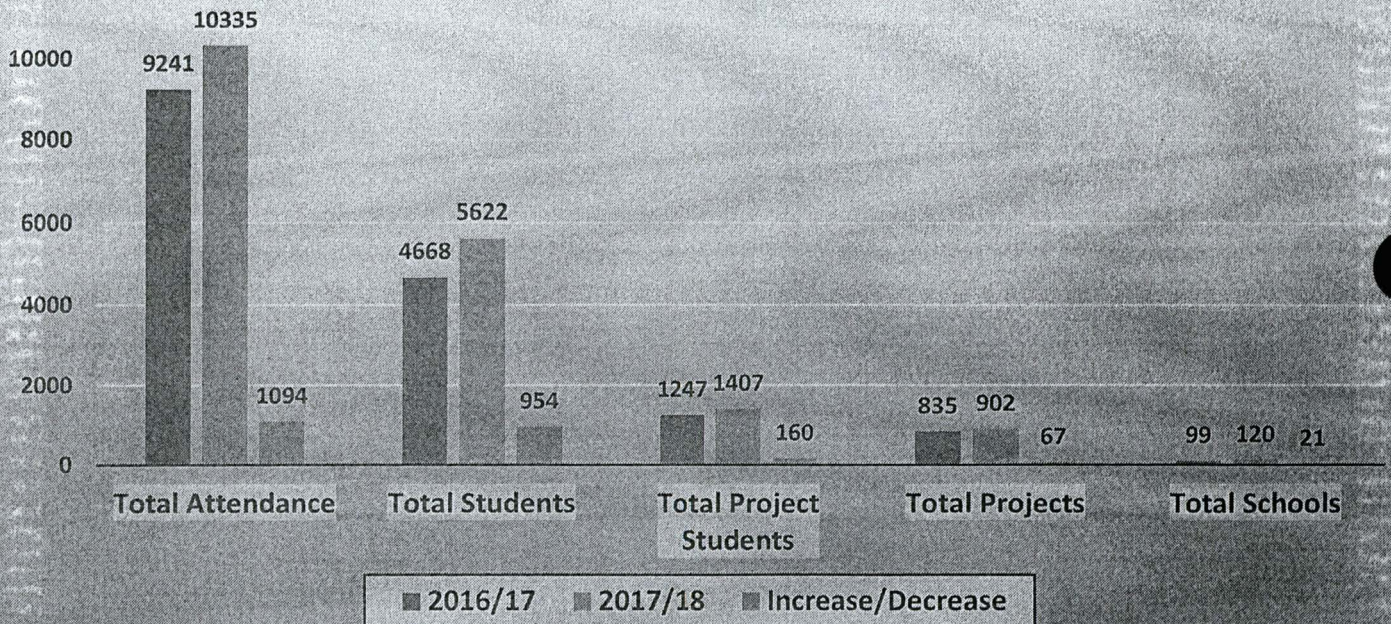
**Marketplace for Kids is a nationally recognized model.**

Outreach and technical assistance is provided to school districts, consortium of school youth organizations, and associations interested in Youth Entrepreneurship.

Students have the opportunity to create projects using collaboration, communication, creativity, and critical thinking. These projects are showcased by the students as part of our Education Days.

**Creativity Unleashed**

**YEAR TO YEAR PERFORMANCE**



**2018/19 Goals**

- ✓ Increase Project Students by 15%
- ✓ Increase total Students by 10%
- ✓ Add new class statewide "MainStreetND"
- ✓ Add new class statewide "The Virtual Reality World"

**2019/20 Goals**

- ✓ Host first Education Day at Mayville State College
- ✓ Host first Education Day in Bowman





# SPIRIT LAKE TRIBE

OFFICE OF THE TRIBAL CHAIRPERSON

**MYRA PEARSON**

P.O. BOX 359 • FORT TOTTEN, ND 58335 • PHONE 701-766-4221 • FAX 701-766-4739

HB 1019  
3-1-19  
#17  
P1

December 18, 2018

Dear Chairman Holmberg and Senate Appropriation Committee Members:

As Tribal Chairperson of the Spirit Lake Tribe, I am in strong support of TrainND Northeast and the workforce training they provide to our many programs, businesses and schools here on the Spirit Lake Reservation.

TrainND Northeast has proved to be a valuable resource to our Tribe for well over a decade. As a Tribal Nation with ever changing staffing needs, we have found TrainND to be an excellent partner, flexible to customize training solutions that meet the unique needs of our organization. Here is a list of training topics TrainND has delivered to twelve (12) separate tribal organizations located across the reservation, directly benefitting hundreds of employees and tribal members over the past couple of years:

- Qualified Service Provider (In-Home Care)
- Certified Nurse Assistant
- Dental Assistant
- Electronic Health Records
- Medical Billing & Coding
- Emergency Medical Responder
- CPR, First Aid, and AED
- Bloodborne Pathogens
- Internal Customer Service
- Customer Service
- Active Shooter Awareness for School Personnel
- Incident Report Writing
- ISO 9001:2015 Quality Management

As you can see, the services provided to the Spirit Lake Tribe are numerous and diverse, and assist us with strengthening the skills of our workforce and preparing our tribal members to seize employment opportunity. Without TrainND Northeast's services, we would find it very difficult to tailor training to meet the unique needs of our tribe's workforce.

I appreciate your continued support of TrainND Northeast.

Sincerely,

Myra Pearson, Chairperson  
Spirit Lake Tribe

P1



12300 Elm Creek Blvd • Maple Grove, Minnesota 55369-4718 • 763-445-5000 • Fax 763-445-5050 • [greatriverenergy.com](http://greatriverenergy.com)

HB 1018

3-1-19

#18  
P1

**DATE:** January 11, 2019  
**TO:** Ray Holmberg, Chairman Senate Appropriations Committee  
**FROM:** Reese Boehm  
**SUBJECT:** TrainND Letter of Support

Dear Mr. Ray Holmberg,

The purpose of this memorandum is to communicate the importance of TrainND, in support for continued state funding. TrainND is North Dakota's most comprehensive training network which provides training for ND Business and Industry, enhancing our ability to compete globally.

Personally, I have had the honor of serving the TrainND Southwest Board since early 2014. It has truly been a pleasure interacting with the knowledgeable and professional Bismarck State College Staff. Some statistics, specific to the entire TrainND effort for 2018 include:

- Served 701 ND Businesses
- Logged a total of 178,976 training hours to train 13,639 ND employees
- Received a 99% client and employee satisfaction rate

Great River Energy, for who I am currently employed in ND, consistently utilizes TrainND's Mobile Welding Unit to certify their in-house maintenance welders. The state of the art mobile welding trailer is managed by competent TrainND administration. The welding training is conducted by subject matter expert instructors whom produce proven, quality results reflected in our employee's abilities.

Personally, I have completed course work within the Professional Development Continuing Education Training program. The subject material is current and relevant with the instructors being competent and accomplished.

In conclusion Mr. Holmberg, TrainND provides a value added benefit to our great state of ND and bolster's our work force's knowledge, skills and abilities. TrainND positions the ND workforce competitively in their respective markets globally and I encourage you to continue to support TrainND with the requested state funding.

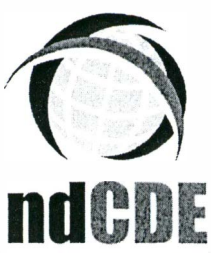
Kind Regards,

TrainND Southwest Advisory Board Member,

Reese Boehm

*Reese Boehm*

P1



North Dakota  
Center for Distance Education

#1 HB 1019 Sub  
3-11-2019  
pg 1  
4776 28th Ave S Ste 301  
 Fargo ND 58104-8523  
 Phone: 701-298-4830  
 Fax: 701-298-4858

Dr. Alan J. Peterson, State Director

www.NDCDE.org

**Subject: Requested NDCDE Funding Adjustments**  
**To: Senate Appropriations Sub-Committee**

March 11, 2019

**Request Purpose**

- 1) Maintain NDCDE's General Funds support at 2017-2019 biennium level, and
- 2) Provide for an a) accountable and b) limited General Funds potential funding increase (*should predicted increased student enrollments be realized*).

**HB 1019 changes proposed to Senate Appropriation Committee**

**2019-2021 NDCDE Base/Plus Funding, Two-part Request**

1. General Funds = \$3,010,000 per year / \$6,020,000 per biennium (\$220,000 restored)  
Special Funds / Spending Authority = \$1,525,000 per year / \$3,050,000 per Biennium

**Total Base: \$9,070,000 (\$220,000 restored)**

2. Plus General Funds = capped at \$502,759

**Total Base/Plus: \$9,502,759 Plus Earned General Funds added)**

*Earned General Funds calculation =*

- \$563 per enrollment over 10,736 enrollments\*
- Cap increase set at 8% / per year of 2019-2021 biennium = 893 enrollments = \$502,759
- Reporting: Enrollment totals more than 10,736 enrollments reported to Career and Technical Education Department, reviewed and approved by State Board for Career and Technical Education, funds requested from Department of Public Instruction.

*\*10,736 enrollments is considered the base enrollment benchmark. 10,736 enrollments represent the maximum number of enrollments able to be supported by \$6,020,000 General Funds.*

**Funding Level Comparisons**

**2017-2019 Funding Appropriated**

General Funds = \$3,014,558 per year / \$6,029,116 per biennium

Special Funds / Spending Authority = \$1,525,000 per year / \$3,050,000 per biennium

Total: \$9,079,116

**2019-2021 Funding Governor Request**

General Funds = \$3,010,000 per year / \$6,020,000 per biennium

Special Funds / Spending Authority = \$1,525,000 per year / \$3,050,000 per biennium

Total: \$9,070,000 (as originally proposed the entire amount was mistakenly classified as General Funds)

**HB 1019 2019-2021 as passed by House of Representatives**

General Funds = \$2,900,000 per year / \$5,800,000 per biennium (-\$220,000 from 2017-2019 Appropriation)

Special Funds / Spending Authority = \$1,525,000 per year / \$3,050,000

Total: \$8,850,000 (-\$220,000 from 2017-2019 Appropriation)

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**Career and Technical Education - Budget No. 270**  
**House Bill No. 1019**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2019-21 Biennium Base Level</b>	24.50	\$29,306,283	\$9,616,666	\$38,922,949	24.50	\$29,306,283	\$9,616,666	\$38,922,949	0.00	\$0	\$0	\$0
<b>2019-21 Ongoing Funding Changes</b>												
Base payroll changes		(\$3,782)	\$36,455	\$32,673		(\$3,782)	\$36,455	\$32,673				\$0
Salary increase		407,261	1	407,262		237,884		237,884		(169,377)	(1)	(169,378)
Health insurance increase		204,058		204,058		236,489		236,489		32,431		32,431
Retirement contribution increase		33,502		33,502				0		(33,502)		(33,502)
Removes 1 FTE assistant program supervisor position	(1.00)	(159,737)		(159,737)	(1.00)	(159,737)		(159,737)				0
Transfers 29.80 FTE CDE positions from ITD	29.80	8,171,203		8,171,203	29.80	5,800,000	3,050,000	8,850,000		(2,371,203)	3,050,000	678,797
Removes 1 CDE FTE				0	(1.00)	(103,943)		(103,943)	(1.00)	(103,943)		(103,943)
Transfers 0.50 FTE ETC positions from ITD	0.50	76,556		76,556	0.50	76,556		76,556				0
Adds funding for the Educational Technology Council		188,566	500,000	688,566		188,566	500,000	688,566				0
Reduces funding for travel operating expenses			(7,749)	(7,749)				0			7,749	7,749
Adds funding for anticipated federal funds increases			2,000,000	2,000,000			2,000,000	2,000,000				0
Adds funding for grants to school districts and area centers		2,477,000		2,477,000		2,427,000		2,427,000		(50,000)		(50,000)
Reduces funding for other grants		(220,000)		(220,000)		(220,000)		(220,000)				0
Adds funding for new and expanding workforce development grants		700,000		700,000				0		(700,000)		(700,000)
Reduces funding for postsecondary grants		(25,818)		(25,818)		(25,818)		(25,818)				0
Reduces funding for adult farm management grants		(350,007)		(350,007)		(350,007)		(350,007)				0
Reduces funding for workforce training		(174,571)		(174,571)				0		174,571		174,571
Transfers funding from grants to operating expenses				0				0				0
Transfers funding from grants to secondary grants				0				0				0
Transfers funding from the grants to postsecondary grants				0				0				0
Transfers funding from grants to adult farm management				0				0				0
Adds funding for Marketplace for Kids				0		300,000		300,000		300,000		300,000
Total ongoing funding changes	29.30	\$11,324,231	\$2,528,707	\$13,852,938	28.30	\$8,403,208	\$5,586,455	\$13,989,663	(1.00)	(\$2,921,023)	\$3,057,748	\$136,725
<b>One-time funding items</b>												
Adds funding for workforce development grants		\$30,000,000		\$30,000,000				\$0		(\$30,000,000)		(\$30,000,000)
Total one-time funding changes	0.00	\$30,000,000	\$0	\$30,000,000	0.00	\$0	\$0	\$0	0.00	(\$30,000,000)	\$0	(\$30,000,000)
<b>Total Changes to Base Level Funding</b>	29.30	\$41,324,231	\$2,528,707	\$43,852,938	28.30	\$8,403,208	\$5,586,455	\$13,989,663	(1.00)	(\$32,921,023)	\$3,057,748	(\$29,863,275)
<b>2019-21 Total Funding</b>	53.80	\$70,630,514	\$12,145,373	\$82,775,887	52.80	\$37,709,491	\$15,203,121	\$52,912,612	(1.00)	(\$32,921,023)	\$3,057,748	(\$29,863,275)
<b>Other Sections for Career and Technical Education - Budget No. 270</b>												
	<b>Executive Budget Recommendation</b>				<b>House Version</b>							



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Other Sections for Career and Technical Education - Budget No. 270

	Executive Budget Recommendation	House Version
Workforce development grants for career academies	Section 3 would identify \$30 million of one-time funding from the general fund to the Department of Career and Technical Education for the purpose of providing competitive workforce development grants to build career academies for the 2019-21 biennium. A committee consisting of the leaders or designees of the Department of Career and Technical Education, Department of Commerce, Job Service North Dakota, and Department of Public Instruction would develop a competitive process in consultation with the Workforce Development Council, Economic Development Foundation, and the Career and Technical Education Board, to distribute the funds with a required 1-to-1 match from private sector or political subdivision funds.	
Line item transfers	Section 4 would authorize the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Department of Career and Technical Education during the 2019-21 biennium.	
Centers of Distance Education funds		Section 3 amends North Dakota Century Code Section 15-19-06 to reference the Director of the Department of Career and Technical Education rather than the technology director appointed by the Educational Technology Council when approving expenditures from the Center for Distance Education operating fund.
Educational Technology Council - Meetings - Compensation	Section 5 would create Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.	Section 4 creates Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.
Educational Technology Council - Powers and duties	Section 6 would create Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.	Section 5 creates Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.
Repeal of Educational Technology Council Current Statutes		Section 6 repeals Sections 54-59-17 and 54-59-18.

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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 regarding the center for distance education; 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	9,751,188	9,751,188
Total all funds	\$38,922,949	\$16,845,160	\$55,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
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
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$52,912,612</b>	<b>\$2,855,497</b>	<b>\$55,768,109</b>
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121
<b>General fund</b>	<b>\$29,306,283</b>	<b>\$37,709,491</b>	<b>\$3,355,497</b>	<b>\$41,064,988</b>
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 Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
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						
<b>Total all funds</b>	<b>\$53,709</b>	<b>(\$770,978)</b>	<b>\$0</b>	<b>\$350,007</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>
Less estimated income	0	(500,000)	0	0	0	0
<b>General fund</b>	<b>\$53,709</b>	<b>(\$270,978)</b>	<b>\$0</b>	<b>\$350,007</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

	Adds Funding for the Center for Distance Education <sup>7</sup>	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		
<b>Total all funds</b>	<b>\$722,759</b>	<b>\$2,855,497</b>
Less estimated income	0	(500,000)
<b>General fund</b>	<b>\$722,759</b>	<b>\$3,355,497</b>
FTE	0.00	(0.50)

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

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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 regarding the center for distance education; 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	9,100,993	39,207,349
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	<u>0</u>	<u>9,751,188</u>	<u>9,751,188</u>
Total all funds	\$38,922,949	\$46,845,160	\$85,768,109
Less estimated income	<u>9,616,666</u>	<u>5,086,455</u>	<u>14,703,121</u>
Total general fund	\$29,306,283	\$41,758,705	\$71,064,988
Full-time equivalent positions	24.50	27.80	52.30"

Page 2, replace lines 10 through 14 with:

"School district and area center grants	\$2,427,000	\$0
Marketplace for kids	300,000	0
Workforce development grants	<u>0</u>	<u>30,000,000</u>
Total all funds	\$2,727,000	\$30,000,000
Less estimated income	<u>2,477,000</u>	<u>0</u>
Total general fund	\$250,000	\$30,000,000"

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,

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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."

Renumber 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	30,142,207	39,207,349
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
<b>Total all funds</b>	<b>\$38,922,949</b>	<b>\$52,912,612</b>	<b>\$32,855,497</b>	<b>\$85,768,109</b>
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121
General fund	\$29,306,283	\$37,709,491	\$33,355,497	\$71,064,988
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 Increases <sup>1</sup>	Removes Funding for the Educational Technology Council <sup>2</sup>	Line Item Transfers <sup>3</sup>	Restores Funding for Adult Farm Management Grants <sup>4</sup>	Adds Funding to Maintain Reimbursement Rates <sup>5</sup>	Adds Funding for New and Expanding Programs <sup>6</sup>
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						
<b>Total all funds</b>	<b>\$53,709</b>	<b>(\$770,978)</b>	<b>\$0</b>	<b>\$350,007</b>	<b>\$1,000,000</b>	<b>\$1,500,000</b>
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



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	Adds Funding for the Center for Distance Education <sup>2</sup>	Adds One-Time Funding for Workforce Development Grants <sup>4</sup>	Total Senate Changes
Salaries and wages			\$19,447
Operating expenses			42,207
Grants		\$30,000,000	30,142,207
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			
<b>Total all funds</b>	<b>\$722,759</b>	<b>\$30,000,000</b>	<b>\$32,855,497</b>
Less estimated income	0	0	(500,000)
General fund	\$722,759	\$30,000,000	\$33,355,497
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.50)</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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>
<b>Total</b>	<b>\$184,414</b>

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

<sup>8</sup> One-time funding of \$30 million is added from the general fund for workforce development grants for career academies. The House did not include funding for workforce development grants for career academies.

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.

4-3-19

HB 1019

#2

P4

**Career and Technical Education - Budget No. 270**  
**House Bill No. 1019**  
**Base Level Funding Changes**

Att 1 HB 1019 4/15/19

	House Version				Senate Version				Senate Changes to House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	Increase (Decrease) - House Version			
									FTE Positions	General Fund	Other Funds	Total
<b>2019-21 Biennium Base Level</b>	24.50	\$29,306,283	\$9,616,666	\$38,922,949	24.50	\$29,306,283	\$9,616,666	\$38,922,949	0.00	\$0	\$0	\$0
<b>2019-21 Ongoing Funding Changes</b>												
Base payroll changes		(\$3,782)	\$36,455	\$32,673		(\$3,782)	\$36,455	\$32,673				\$0
Salary increase		237,884		237,884		290,199		290,199		52,315		52,315
Health insurance increase		236,489		236,489		232,027		232,027		(4,462)		(4,462)
Removes 1 FTE assistant program supervisor position	(1.00)	(159,737)		(159,737)	(1.00)	(159,737)		(159,737)				0
Transfers 29.80 FTE CDE positions from ITD	29.80	5,800,000	3,050,000	8,850,000	29.80	5,800,000	3,050,000	8,850,000				0
Removes 1 CDE FTE	(1.00)	(103,943)		(103,943)	(1.00)	(103,943)		(103,943)				0
Transfers 0.50 FTE ETC positions from ITD	0.50	76,556		76,556	0.00	0		0	(0.50)	(76,556)		(76,556)
Adds funding for the Educational Technology Council		188,566	500,000	688,566		0	0	0		(188,566)	(500,000)	(688,566)
Adds funding for anticipated federal funds increases			2,000,000	2,000,000			2,000,000	2,000,000				0
Adds funding for grants to school districts and area centers		2,427,000		2,427,000		2,427,000		2,427,000				0
Reduces funding for other grants		(220,000)		(220,000)		(220,000)		(220,000)				0
Adds funding for new and expanding workforce development grants				0				0				0
Reduces funding for postsecondary grants		(25,818)		(25,818)		(25,818)		(25,818)				0
Reduces funding for adult farm management grants		(350,007)		(350,007)		0		0		350,007		350,007
Adds funding for Marketplace for Kids		300,000		300,000		300,000		300,000				0
Adds funding for cost to continue to maintain reimbursement rates				0		1,000,000		1,000,000		1,000,000		1,000,000
Adds funding for new and expanding programs				0		1,500,000		1,500,000		1,500,000		1,500,000
Adds funding for the Centers of Distance Education				0		220,000		220,000		220,000		220,000
Adds funding for CDE new enrollments				0		502,759		502,759		502,759		502,759
Total ongoing funding changes	28.30	\$8,403,208	\$5,586,455	\$13,989,663	27.80	\$11,758,705	\$5,086,455	\$16,845,160	(0.50)	\$3,355,497	(\$500,000)	\$2,855,497
<b>One-time funding items</b>				\$0				\$0				\$0
Adds funding for workforce development grants				\$0				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	28.30	\$8,403,208	\$5,586,455	\$13,989,663	27.80	\$11,758,705	\$5,086,455	\$16,845,160	(0.50)	\$3,355,497	(\$500,000)	\$2,855,497
<b>2019-21 Total Funding</b>	52.80	\$37,709,491	\$15,203,121	\$52,912,612	52.30	\$41,064,988	\$14,703,121	\$55,768,109	(0.50)	\$3,355,497	(\$500,000)	\$2,855,497

**Other Sections for Career and Technical Education - Budget No. 270**

Center for Distance Education funds

**House Version**  
 Section 3 amends North Dakota Century Code Section 15-19-06 to reference the Director of the Department of Career and Technical Education rather than the technology director appointed by the Educational Technology Council when approving expenditures from the Center for Distance Education operating fund.

Educational Technology Council - Meetings - Compensation

**Senate Version**  
 Section 4 creates Section 15-20.1-26, related to the meetings and compensation of the Educational Technology Council, which is currently codified as Section 54-59-17.

Other Sections for Career and Technical Education - Budget No. 270

Att 1 HB 1019 4/15/19

House Version

Senate Version

Educational Technology Council - Powers and duties

Section 5 creates Section 15-20.1-27, related to the powers and duties of the Educational Technology Council, which is currently codified as Section 54-59-18.

Repeal of Educational Technology Council Current Statutes

Section 6 repeals Sections 54-59-17 and 54-59-18.

Center for Distance Education - New Enrollments - Legislative Intent - Report to the 67th Legislative Assembly

Section 3 identifies \$502,759 in Section 1 from the general fund for the Center for Distance Education that may only be used for new enrollments during the 2019-21 biennium. It is the intent of the 66th Legislative Assembly 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. The Department of Career and Technical Education shall report to the appropriations committees of the 67th Legislative Assembly regarding the development of the new Center for Distance Education fee structure.

# ND FARM MANAGEMENT EDUCATION

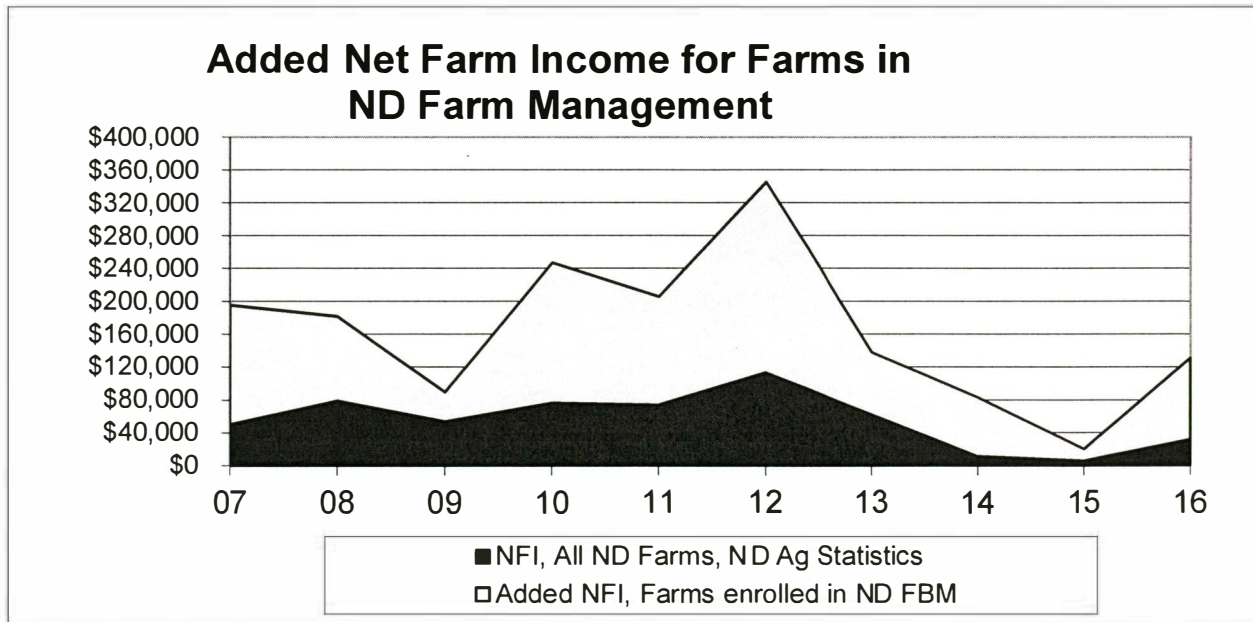
Enrollment has held steady in the last decade until the closing of two program in 2015 due to budget reductions. The \$350,000 would allow for new and expanded programs for areas of the state's that have limited access to Farm Management programs such as the NE and NW corners of North Dakota.

Year	Student Enrollment
2017-2018	971
2016-2017	1046
2015-2016	1002
2014-2015	1035
2013-2014	1056
2012-2013	1079
2011-2012	1067
2010 - 2011	1084

**Student Enrollment breakdown**

- 26% 0-3 years in the program
- 11% 4-6 years in the program
- 11% 7-9 years in the program
- 52% 10+ years in the program

Yearly Tuition for programs ranges from \$650-\$850 depending on producers' location and the institution they enroll. Farmers annual investment in tuition for the program shows they value and see continued learning opportunities each year.



The chart above shows the average Net Farm Income of all farms in ND in dark blue. The light blue shows the average Net Farm Income of farms in ND enrolled in the ND Farm Management Education Program. Farms enrolled in the program financially produce more income annually contributing more dollars to local economies. With the current farm climate it is important producers have access to education opportunities to make their enterprises more profitable.

Att 1  
HB 1019

4/17/19

### Current Farm Management Locations in North Dakota



2



**Kinnischtzke, Levi**

Att 2 HB 1019 4/17/19

**From:** Sick, Wayde  
**Sent:** Tuesday, April 16, 2019 3:05 PM  
**To:** Kinnischtzke, Levi; Deichert, Becky J.  
**Subject:** FW: HB1019 - Conference Committee Requests  
**Attachments:** Copy of Cost to Continue - New Expanding.xlsx; Payments to Schools.xlsx; ND Farm Management Stats.docx

**Importance:** High

**Categories:** Red category

FYI.

**From:** Sick, Wayde  
**Sent:** Tuesday, April 16, 2019 9:41 AM  
**To:** Schatz, Mike A. <mischatz@nd.gov>; Monson, David C. <dmonson@nd.gov>; Boe, Tracy L. <tboe@nd.gov>; Poolman, Nicole <npoolman@nd.gov>; Erbele, Robert S. <rerbele@nd.gov>; Robinson, Larry J. <lrobinson@nd.gov>  
**Cc:** Wagner, Mark <mawagner@nd.gov>; Ferderer, Gwen M. <gferderer@nd.gov>  
**Subject:** HB1019 - Conference Committee Requests  
**Importance:** High

Chairman Schatz and Committee,

Attached is the information you requested during the conference committee. Please let me know if you have any additional questions.

First of all, let me address the transition of the Education Technology Council (ETC). As I mentioned Monday, the current role of the ETC is to oversee the Center for Distance Education (CDE) and the director of EduTech. With CDE transitioning to CTE with oversight provided by the State Board for Career and Technical Education and the EduTech director absorbed by ITD, there is no purpose for ETC. SB2215 addresses policy to eliminate ETC and transition it to a K12 Coordinating Council. The Coordinating Council would represent all the entities in the state that are involved in K12 Education. The intent of the Coordinating Council is to find opportunities to collaborate, reduce unnecessary duplication and fill gaps in our education system. The budget for Coordinating Council was placed in the CTE budget, but since SB2215 provides the State Board of Public School Education oversight for the Coordinating Council, it seemed fitting to place that budget, along with the .5 FTE, in the DPI budget instead. This was already removed from 1019 by the Senate. I don't believe the Coordinating Council budget or .5 FTE has not been included in the DPI budget.

Secondly, let me explain our cost to continue calculations. We calculated the \$1 million need by looking at our 2018-19 reimbursement. We are anticipating \$11,405,011 in payments to CTE programs for the 2018-19 school year. If we double this, anticipating no change for the 2019-21 biennium, we are at \$22,810,022. Our current allocation for secondary grants in Senate version of HB1019, minus the cost to continue and new and expanding agency requests is \$22,437,780. We would be short \$372,242. We calculated a 4% increase in payments to schools due to increase in salaries and expenses, which is historically what we have seen. Essentially a 2% + 2% increase. For the 19-21 biennium, this comes to \$912,400. Adding those together brings our anticipated need to \$1,284,642 for the biennium, which actually exceeds the \$1,000,000 request. However, some schools may not operate a program due to retirements, class size, the inability to fill vacant positions, etc., so we believe we can absorb the \$284,642 shortfall. The 2<sup>nd</sup> tab in the attached spreadsheet (copy of cost to continue – new expanding) shows our calculations.

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Thirdly, also included in the attached spreadsheet is the list of new applications for the 2019-20 school year. To date, we have \$575,624 in new requests. This has been updated since our discussions with the Senate. Keep in mind, this list is not finalized until April 30<sup>th</sup>, when applications are due. The applications have met all the requirements to apply. New programs are funded under new and expanding in their 1<sup>st</sup> and 2<sup>nd</sup> years. We are not anticipating as large of an ask in the 2<sup>nd</sup> year of the biennium, so we are estimating new and expanding for the 2020-21 school year at \$150,000. Adding those totals brings us to \$1,301,248 in new and expanding programs, \$200,000 under our request of \$1,500,000, but again, we may still receive applications for 19-20 and our 20-21 projection may be low. Any unused funds would be returned at the end of the biennium.

Representative Monson, you asked how much funding is going to the schools and centers. The 2<sup>nd</sup> attachment is a spreadsheet we created at the request of the Senate. This shows the last four school years allocations for each district and center. If you click on the + sign, you will see what each district or center offers and their reimbursement per program. Totals can be found at the bottom of each tab.

Finally, I attached a document that I believe addresses the questions the Committee had concerning the Adult Farm Management Program. You will see that although 52% of our current enrollees have been in the program for over 10 years, the 2<sup>nd</sup> largest population is producers enrolled in the program for less than 3 years, at 26% of total enrollment. This is according to the current year's enrollment. We anticipate this number to grow, especially if we are able to expand into areas that do not have an Adult Farm Management Program and if we are able to transition part-time programs to full-time.

Please let me know if you have any questions.

Wayde Sick  
State Director  
Career and Technical Education  
[wasick@nd.gov](mailto:wasick@nd.gov)  
(701) 328-2259  
[www.nd.gov/cte](http://www.nd.gov/cte)





15-16 A

Att 1.  
HB 1019 4/18/19  
16-17

COST - 11-11

COST 17-18

Reimburse

COST 18-19

Reimburse

CTE

Coordinators 100% Paid	0.00	0.00	0.00	0.00	13,066.20	13,066.20	13,066.20	13,066.20
	0.00	0.00	0.00	0.00	13,066.20	13,066.20	13,066.20	13,066.20
	1,724,774.07	943,787.19	1,539,229.64	838,486.29	1,480,236.77	808,874.37	1,372,309.85	855,797.26

Adult Farm Management

1480

1372

2852 m bien.

1.660 - payment

1.2 difference

A41 HB 1019 4/18/19

	2015 - 2016		2016 - 2017		2017 - 2018		2018 - 2019			
	Program Cost	Reimbursed 62%	Program Cost	Reimbursed 62%	Program Cost	Reimbursed 62%	ESTIMATE Program Cost	Reimbursed 62%		
<b>BSC</b>										
(3) Instructors/Fringes	188,198.93	116,683.34	-1	183,887.15	114,010.03	+1	172,733.43	107,094.74	168,065.16	104,200.40
Travel	11,060.75	6,857.67		7,062.84	4,378.96		2,876.70	1,783.55	10,000.00	6,200.00
Supplies	5,942.32	3,684.34		4,828.13	2,993.44		4,471.40	2,772.27	10,134.84	6,283.60
	<u>205,202.00</u>	<u>127,225.35</u>		<u>195,778.12</u>	<u>121,382.43</u>		<u>180,081.53</u>	<u>111,650.56</u>	<u>188,200.00</u>	<u>116,684.00</u>
<b>Unreimbursed Expenses</b>	<b>75,228.00</b>			<b>70,656.00</b>			<b>58,343.57</b>			
<b>Carrington</b>										
(2) Instructors/Fringes	102,040.98	63,265.40		99,035.43	61,401.96		105,398.03	65,346.78	0.00	0.00
Travel	3,171.49	1,966.32		2,591.92	1,606.99		2,052.26	1,272.40	0.00	0.00
Supplies	4,112.27	2,549.61		6,828.10	4,233.42		6,534.03	4,051.10	0.00	0.00
	<u>109,324.74</u>	<u>67,781.33</u>		<u>108,455.45</u>	<u>67,242.37</u>		<u>113,984.32</u>	<u>70,670.28</u>	<u>0.00</u>	<u>0.00</u>
<b>Unreimbursed Expenses Not Reported</b>										
<b>DCB</b>										
(3) Instructors/Fringes	205,595.36	127,469.13		206,663.42	128,131.32	+1	176,093.03	109,177.68	214,089.00	132,735.18
Travel	17,779.35	11,023.20		16,559.19	10,266.70		8,818.16	5,467.26	10,000.00	6,200.00
Supplies	0.00	0.00		0.00	0.00		0.00	0.00	5,600.00	3,472.00
	<u>223,374.71</u>	<u>138,492.33</u>		<u>223,222.61</u>	<u>138,398.02</u>		<u>184,911.19</u>	<u>114,644.94</u>	<u>229,689.00</u>	<u>142,407.18</u>
(1) Instructor/Fringes	66,003.26	40,922.03		50,046.11	31,028.59		33,294.86	20,642.80	22,828.08	14,153.41
Travel	1,170.37	725.63		2,347.07	1,455.18		1,202.63	745.63	8,900.00	5,518.00
Supplies	0.00	0.00		0.00	0.00		0.00	0.00	7,000.00	4,340.00
	<u>67,173.63</u>	<u>41,647.66</u>		<u>52,393.18</u>	<u>32,483.77</u>		<u>34,497.49</u>	<u>21,388.43</u>	<u>38,728.08</u>	<u>24,011.41</u>
<b>Unreimbursed Expenses Not Reported</b>										
<b>Glen Ullin</b>										
(1) Instructor/Fringes	61,499.11	38,129.45		63,127.16	39,138.84		68,701.01	42,594.63	55,543.43	34,436.93
Travel	5,250.51	3,255.32		3,904.96	2,421.08		3,094.33	1,918.48	6,000.00	3,720.00
Supplies	3,000.00	1,860.00		0.00	0.00		1,125.00	697.50	0.00	0.00
	<u>69,749.62</u>	<u>43,244.77</u>		<u>67,032.12</u>	<u>41,559.92</u>		<u>72,920.34</u>	<u>45,210.61</u>	<u>61,543.43</u>	<u>38,156.93</u>
<b>Unreimbursed Expenses Not Reported</b>										
<b>James Valley CTC</b>										
Coordinators 100% Paid		17,432.27		12,461.87	12,461.87		0.00	0.00	0.00	0.00
	<u>17,432.27</u>	<u>17,432.27</u>		<u>12,461.87</u>	<u>12,461.87</u>		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
(3) Instructors/Fringes	194,043.26	120,306.82		201,028.03	124,637.37	-2	85,840.58	53,221.17	0.00	0.00
Travel	9,748.18	6,043.87		8,098.86	5,021.29		2,878.33	1,784.56	0.00	0.00

2

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Travel	0.00	0.00	5,153.00	3,194.86	4,978.04	3,086.38	0.00	0.00
	<b>203,791.44</b>	<b>126,350.69</b>	<b>214,279.89</b>	<b>132,853.52</b>	<b>93,696.95</b>	<b>58,092.11</b>	<b>0.00</b>	<b>0.00</b>

**Unreimbursed Expenses Not Reported**

**LRSC**

(1) Instructor/Fringes	67,802.78	42,037.73	72,987.93	45,252.51	63,088.48	39,114.86	84,705.40	52,517.35
Travel	8,646.59	5,360.89	4,642.57	2,878.39	1,264.12	783.75	9,000.00	5,580.00
Supplies	2,549.00	1,580.38	1,800.38	1,116.24	558.90	346.52	2,975.00	1,844.50
	<b>78,998.37</b>	<b>48,979.00</b>	<b>79,430.88</b>	<b>49,247.14</b>	<b>64,911.50</b>	<b>40,245.13</b>	<b>96,680.40</b>	<b>59,941.85</b>

(3) Instructors/Fringes	237,068.76	146,982.64	-1	172,650.86	107,043.54	205,330.17	127,304.70	212,733.29	131,894.64
Travel	7,676.26	4,759.28		3,670.70	2,275.83	4,925.92	3,054.07	18,500.00	11,470.00
Supplies	10,186.83	6,315.83		4,906.71	3,042.16	4,218.53	2,615.49	7,800.00	4,836.00
	<b>254,931.85</b>	<b>158,057.75</b>		<b>181,228.27</b>	<b>112,361.53</b>	<b>214,474.62</b>	<b>132,974.26</b>	<b>239,033.29</b>	<b>148,200.64</b>

(1) Instructor/Fringes	71,896.96	44,576.12		0.00	0.00	0.00	0.00	+1	108,887.69	67,510.36
Travel	2,541.98	1,576.03		0.00	0.00	0.00	0.00		9,500.00	5,890.00
Supplies	815.00	505.30		0.00	0.00	0.00	0.00		4,150.00	2,573.00
	<b>75,253.94</b>	<b>46,657.45</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>122,537.69</b>	<b>75,973.36</b>

<b>Unreimbursed Expenses</b>	<b>137,993.19</b>		<b>123,814.30</b>		<b>125,265.16</b>					
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**NDSCS**

(2) Instructors/Fringes	123,211.05	76,390.85		126,473.45	78,413.55	+1	191,346.98	118,635.13	129,339.00	80,190.18
Travel	8,227.15	5,100.83		7,577.04	4,697.76		3,538.87	2,194.10	7,200.00	4,464.00
Supplies	4,350.00	2,697.00		4,395.00	2,724.90		3,855.00	2,390.10	4,200.00	2,604.00
	<b>135,788.20</b>	<b>84,188.68</b>		<b>138,445.49</b>	<b>85,836.21</b>		<b>198,740.85</b>	<b>123,219.33</b>	<b>140,739.00</b>	<b>87,258.18</b>

(1) Instructor/Fringes	65,424.43	40,563.15		67,548.89	41,880.32		70,260.64	43,561.43	81,790.00	50,709.80
Travel	3,332.68	2,066.26		2,412.57	1,495.79		0.00	0.00	3,000.00	1,860.00
Supplies	1,775.00	1,100.50		2,070.00	1,283.40		5,730.65	3,553.00	3,200.00	1,984.00
	<b>70,532.11</b>	<b>43,729.91</b>		<b>72,031.46</b>	<b>44,659.51</b>		<b>75,991.29</b>	<b>47,114.43</b>	<b>87,990.00</b>	<b>54,553.80</b>

(1) Instructor/Fringes	0.00	0.00		0.00	0.00		0.00	0.00	99,751.00	61,845.62
Travel	0.00	0.00		0.00	0.00		0.00	0.00	5,000.00	3,100.00
Supplies	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00
	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>104,751.00</b>	<b>64,945.62</b>

<b>Unreimbursed Expenses</b>	<b>314,807.00</b>		<b>299,336.00</b>		<b>321,403.00</b>					
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**Southeast CTC**

(1) Instructor/Fringes	0.00	0.00		0.00	0.00		45,783.07	28,385.50	45,783.07	28,385.50
Travel	0.00	0.00		0.00	0.00		1,524.40	945.13	1,524.40	945.13
Supplies	0.00	0.00		0.00	0.00		2,044.29	1,267.46	2,044.29	1,267.46
	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>		<b>49,351.76</b>	<b>30,598.09</b>	<b>49,351.76</b>	<b>30,598.09</b>

**Unreimbursed Expenses Not Reported**