

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

WORKFORCE COMMITTEE

Wednesday, June 9, 2010

Prairie Room, Student Union, Bismarck State College
Bismarck, North Dakota

Senator Tony S. Grindberg, Chairman, and Mr. William G. Goetz, Chancellor, North Dakota University System, called the meeting to order at 9:30 a.m.

Members present: Senators Tony S. Grindberg, Tim Flakoll, Dave Nething, Larry J. Robinson, Mac Schneider, Ryan M. Taylor; Representatives Donald L. Clark, Lisa Meier, Corey Mock, Lee Myxter, Michael R. Nathe, Ken Svedjan, Clark Williams

Members absent: Senators Ray Holmberg, Karen K. Krebsbach, Tom Seymour; Representatives Eliot Glasheim, Nancy Johnson, Lee Kaldor

Others present: See [Appendix A](#)

The meeting was held as a joint venture with the University System, which was conducting a meeting to comply with workforce study components of Section 2 of 2009 Senate Bill No. 2019. The members of the Workforce Committee participated in the University System's workforce training forum as representatives of the Legislative Assembly.

Chairman Grindberg and Mr. Goetz welcomed the individuals invited to participate in the University System study of the workforce training activities provided by the four institutions of higher education assigned primary responsibility for workforce training in the state.

Chairman Grindberg said his hope is that the participants will raise thought-provoking ideas about what the state can do better with workforce training. He said the state's workforce training program model is based upon a four-legged stool with funding from institutions of higher education, training revenue, legislative support, and the private sector.

Chairman Grindberg said historically the Legislative Assembly appropriations amounts for the workforce training program remained constant from 1999 until 2007 at which time there was an increase in legislative funding. He said it was in 2009, when there was a request for the appropriation level to continue at that increased rate, that red flags were raised regarding funding for this program. He said, however, that funding is only one item that needs to be discussed.

Mr. Goetz said since the inception of the workforce training program, the program has resulted in positive change in the state. He said the legislatively mandated study that is being performed is not intended to be a threat to the existing program; however, it is an opportunity to look at the future

needs of workforce training as well as funding issues related to the workforce training program.

At the request of Mr. Goetz and Chairman Grindberg, Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning, North Dakota University System, addressed the meeting participants. Dr. Krotseng distributed two documents--the June 2010 issue of *Current Issues in Higher Education* ([Appendix B](#)) and a summary of the online survey responses that invitees took in preparation for today's meeting ([Appendix C](#)). She briefly reviewed the survey responses.

Ms. Deanette Piesik, TrainND, Williston State College, Williston, briefly reviewed the material in the *Current Issues in Higher Education* document, including the performance measures for workforce training for fiscal years 2006 through 2009. She said in measuring performance, the four workforce training regions rely on client surveys as well as input from the regions' advisory boards, Job Service North Dakota data, and data regarding labor market needs.

In response to a question from Representative Nathe, Ms. Piesik said the workforce training regions face a challenge in providing accountability, due in part to data collection challenges. Ms. Piesik said because the regions are not able to require that trainees provide their Social Security numbers, there are limitations to collecting data. However, she said, TrainND does try to collect as much trainee information as possible in order to get accurate information.

Ms. Edie Arney, TrainND, Lake Region State College, Devils Lake, said in collecting data, the data management system does assign numbers to each participant; however, when merging data from other regions there may be limitations to the system.

Dr. John Richman, President, State College of Science, Wahpeton, said the state needs to track people from cradle to grave on a statewide basis, not just for purposes of workforce training.

Mr. David Kemnitz, North Dakota AFL-CIO, stated that as a member of the North Dakota Workforce Development Council, he is opposed to data collection. He said he has concerns regarding how government will use data collected regarding individuals. He said if data is collected and tracked by using individual identifying information such as a name or Social Security number, there are risks in having outside sources use that data inappropriately.

Mr. Jim Hirsch, Director, Division of Workforce Development, Department of Commerce, said the followup information on North Dakota education and training (FINDET) system collects data in an aggregate format not in an individual format. He said individual data is kept confidential under this collection system.

Senator Grindberg said the Workforce Committee is charged with receiving a report from the Statewide Longitudinal Data System Committee on the status of the plan for a longitudinal data system. Additionally, he said, the committee will be receiving information regarding e-folio systems being used in the state. Benefits of the e-folio system could include matching the educational need for the workforce needs of the state, thereby aligning outputs with needs.

Mr. Goetz said in looking at assessment of need, it is important to consider what challenges the University System has in meeting the needs of businesses in a quick, flexible manner. He said the question that arises is whether we want to change the data collection system to be more agile, flexible, and responsive.

Ms. Arney raised the issue of legislative intent language limiting the use of Workforce 20/20 program funds. Mr. Hirsch said the funding issue was raised at the Workforce Committee's May meeting. Ms. Arney said Workforce 20/20 is important to the rural communities, and she requests that the appropriate individuals review this language.

Dr. Richman said the issue of underemployment is typically an adult employee issue; however, frequently adults lack the necessary funding for higher education. He said the lack of state and federal money for educational costs and living expenses for these adult students is an ongoing issue.

Ms. Deb Decker, Bobcat, Fargo, stated her business recently opened a new facility in Wahpeton with mostly new employees. She said working with TrainND was a tremendous help with the issues relating to startup.

Mr. Wayne Biberdorf, WB Consulting, Williston, said in the oil industry, the TrainND safety programs are recognized as sufficient across the industry. He said this works as a great advantage for oil companies doing business in North Dakota.

Mr. Dan Hoefs, Southeast North Dakota Workforce Training Board, Fargo, stated that TrainND is designed to respond to immediate needs versus the academic world which is less focused on immediacy.

Mr. Greg Redekopp, Employee Development Coordinator, Basin Electric Power Cooperative, stated some workforce education needs are better-suited to online study than others. For example, he said, Basin Electric Power Cooperative has worked with Bismarck State College in establishing a mobile welding trailer, which is an example of an educational component that is not well-suited to online study.

Mr. Hirsch said the new workforce enhancement grant requires a dollar-for-dollar match by the private sector. Ms. Piesik said this enhancement grant is a

good program; however, it requires that matching funds be available at the front end of a project. She said the workforce training regions do not have a pool of available funds for this match and, therefore, she would support the concept of providing the regions some sort of bonus funding for achieving established levels of success in order to assist in providing matching funds for this program.

Ms. Arney said wind energy is a good example of a new workforce need for which the state is having difficulty in responding quickly. She said she is aware of two training opportunities in which the businesses went out of state to receive training because the training was not made available within the state.

Ms. Arney said an unmet need in her region is that it is in need of an on-staff trainer as well as equipment. She said in providing workforce training for wind energy, it is necessary to get the equipment onsite due to the oncall status of the employees being trained.

Dr. Mike Bower, President, Lake Region State College, Devils Lake, said as it relates to wind energy instructors, North Dakota is not alone. He said the lack of trainers is being experienced nationwide.

Ms. Karla Hoelscher, Training and Projects Coordinator, Southeast Workforce Training, Oakes, said one of the ongoing struggles is to keep trainers trained. She said it is necessary for these trainers to stay a step ahead of the business and industry. She said the regions need money to keep these trainers trained.

Dr. Richman said TrainND has been working well; however, this current biennium his region has been unable to do some training. He said he supports the multiple funding source mechanism, but recognizes there is a need for additional dollars.

Dr. Larry Skogen, President, Bismarck State College, stated it would be helpful for the regions to have some source from which to access matching funds. He said grants would be helpful to assist individuals in receiving training. He said the current TrainND model is not well-suited for workforce development and for providing workforce training for small businesses.

Ms. Piesik said if a pool of funds is made available, she would recommend that the funds be administered by the Department of Career and Technical Education, and qualified applicants be limited to the workforce training regions.

Ms. Piesik said she is concerned that workforce enhancement grant funds are being used to pay for university credits versus being used for the intended purposes of developing workforce training. Additionally, she said, the centers of excellence program is an example of reporting requirements being too onerous. She would encourage the legislators to keep any associated workforce training program reporting requirements simple.

Ms. Arney said she agrees with the comments made by Dr. Skogen and Ms. Piesik. She said credit programs get credit grants through the federal Perkins

loan program, whereas a grant program would be better-suited for assisting career and technical education.

Senator Grindberg said that when the workforce training program was being created, then Governor Edward T. Schafer suggested that the funds be put in career and technical education.

Ms. Beth Zander, Customer Service Area Director, Job Service North Dakota, said there appears to be a lot of confusion regarding the multiple workforce programs. She said it would be helpful to evaluate the programs and look at the funds available, as well as what the funds can be used for.

Ms. Zander said in evaluating the workforce programs and identifying gaps, it is likely it will be found that adult underemployment and small employers' needs often go unmet. She said perhaps it would be helpful to create a simple matrix that outlines the different workforce training programs.

Mr. Hirsch said under the workforce enhancement grant program, the Department of Commerce has solicited applications from colleges. He said up to this point, most applications have come in to expand and enhance existing programs; however, recently applications have been coming in to address workforce.

Senator Robinson said he agrees it is important to identify where there are workforce training gaps. Additionally, he said, during the legislative session it is also important to focus on the successes of the different workforce programs.

Mr. Redekopp said Basin Electric Power Cooperative has a history of working with Bismarck State College's center of excellence. He said it is important to recognize the reality that new programs have startup costs.

Senator Grindberg said a Center of Excellence Summit was held in Fargo recently, and he said in looking at the center of excellence program, it appears that not all campuses will be able to support a center of excellence in its purest sense. He said research institutions are better-suited to provide centers of excellence.

Mr. Redekopp said the energy conference at Bismarck State College is an example of a very successful event that grows each year and is a success story. Dr. Richman said the State College of Science has been approached by companies that are selling products overseas. He said the overseas purchasers are seeking training for maintenance of this imported equipment. He said they have not yet entered any partnerships, but this does appear to be an opportunity for the workforce training program.

Mr. Goetz pointed out that four institutions deal with the workforce training in this state. He recognized that resources vary from institution to institution, and he posed the question whether there are issues the Legislative Assembly should be made aware of.

Dr. Skogen said the matching fund requirement for the workforce enhancement grant is an issue. He

said the matching requirements require the funds to be from a private source, and this limits the funding available.

Ms. Armev said Lake Region State College receives less funding than the other regions because there are fewer businesses in that region, and this limits staffing. She said the region could do much more if there were full-time trainers on staff.

Dr. Ray Nadolny, President, Williston State College, Williston, said he seeks a better way to deal with funding of workforce training programs during the market downturns.

Senator Grindberg said his understanding of the TrainND program is that its trainers are meant to be experts on campus. The regions are not intended to hire more trainers, but instead are expected to broker with area experts.

Ms. Armev said her region requires specialized trainers in wind energy. She said there are two instructors on campus; however, they do not have time to provide training for the workforce training program. She said the campus instructors already have heavy workloads and are not seeking additional work.

Ms. Carla Braun Hixson, Southwest Regional Workforce Training, said the college recently contracted with an individual to learn the best practices relating to workforce training. She said these results have been shared with the University System and other campuses. Additionally, she said, the institutions participate in national organizations that share best practices.

Senator Robinson said in many areas North Dakota's higher education is a leader. He said he seeks that same leadership position for our workforce training program.

Dr. Nadolny said there are approximately 1,100 unfilled jobs in the Williston area. He said as a college, he questions how he is supposed to respond to that. He said he seeks infrastructure on campus which would respond to peak and nonpeak economic times.

Mr. Hoefs said the workforce training program needs to keep what works and enhance as appropriate. He said the program needs to be independent of the sponsoring institution with regard to its budget and philosophy.

Dr. Skogen said North Dakota is doing a lot to help with the energy sector, and other states look to us as a success. He said he supports the idea of performing assessments and responding to these assessments.

In response to questions raised by Dr. Nadolny, Senator Flakoll requested that the University System review the legislative intent of the use of the new building on the Williston State College campus.

Senator Robinson said it would be helpful for legislative committees to tour all of the higher education institutions in the state so that the legislators are better aware of the needs of the campuses.

Representative Nathe said accountability is important, as it will help to identify gaps as well as trumpet successes.

Ms. Piesik distributed a document that provides information regarding the funding model used for the TrainND program ([Appendix D](#)). Senator Grindberg said the current fiscal data is interesting to compare to the forecasted fiscal data that is contained in the document *Summary of Business Plans - Developing a World-Class Workforce Training System in North Dakota* ([Appendix E](#)).

In response to a question from Senator Grindberg, Dr. Nadolny said TrainND is not a profitmaker for the campuses. He said revenue from the program is used to expand and enhance the programs.

Ms. Arney said until 2007 Lake Region State College put funds into the TrainND program. She said it was not until 2008 that the program broke even. She said her region's long-range goals are to make a slight profit so they are able to reinvest in the program.

In response to a question from Senator Grindberg, Dr. Skogen said funding from the local communities can be tricky because the service area of a community college differs from the service area of the training region.

Dr. Richman said that one of his five-year goals is to merge the for-credit coursework system with a noncredit coursework system. He said the State College of Science is not designed to make a profit but to seek to break even in providing workforce services.

Dr. Richman said he seeks to focus on providing a skill set. He said if instructors for credit programs do not want to provide noncredit education, the institutions need to change the incentives for these instructors.

Representative Svedjan said he supports the reevaluation or refining of the system to better help small businesses use TrainND. He said he supports state investment in workforce training.

Senator Grindberg said if a TrainND program makes money, it should be reinvested in the training program.

Mr. Hoefs suggested that perhaps a different program is required to address the training needs of

individuals. He said as it relates to funding sources, the private sector will only spend money if it is receiving a service. He said the willingness of the private sector to invest shows that there is a good program. Additionally, he said, he does not support merging credit and noncredit education.

Mr. Chris Schilken, Executive Director, Forward Devils Lake Corporation, Devils Lake, said his business uses the TrainND program as a recruitment tool.

Mr. Redekopp said TrainND is a good model, and over the next five years we need to make sure the infrastructure is in place for continued success. He said North Dakota has an advantage in being small and nimble and being able to move quickly but has the disadvantage of being small and having limited funds. He said he would support being proactive to provide the necessary infrastructure needs, such as software, buildings, and instructors.

Mr. Mark Dougherty, Membership Services Director, Associated General Contractors of North Dakota, said the workforce system needs industry involvement. He said without industry it is not appropriate for the state to be investing funds. He said in order to address the needs of small businesses, it may be necessary to create new programs. He said it is important not to modify the current focus of the workforce program. Additionally, he said, the infrastructure needs being faced in workforce training are real but are not the goal of the workforce training program.

Chairman Grindberg said the Workforce Committee will be holding its next meeting the afternoon of July 19, 2010, and the morning of July 20, 2010, in Bismarck. He said he expects the committee to hold its final meeting in late September in Grand Forks.

No further work remaining, Chairman Grindberg adjourned the meeting at 12:30 p.m.

Jennifer S. N. Clark
Committee Counsel

ATTACH:5