

**FIRST ENGROSSMENT  
with House Amendments**

Fifty-sixth  
Legislative Assembly  
of North Dakota

**ENGROSSED SENATE BILL NO. 2404**

Introduced by

Senator Grindberg

Representative Dorso

1 A BILL for an Act to create and enact five new sections to chapter 52-08 of the North Dakota  
2 Century Code, relating to work force training; to amend and reenact subsection 6 of section  
3 15-10-01 and subsection 13 of section 15-10-17 of the North Dakota Century Code, relating to  
4 name changes of institutions of higher education; to repeal section 15-11-02.1 of the North  
5 Dakota Century Code, relating to supervision of the college at Devils Lake; and to provide an  
6 appropriation.

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

8 **SECTION 1. AMENDMENT.** Subsection 6 of section 15-10-01 of the North Dakota  
9 Century Code is amended and reenacted as follows:

10 6. The following ~~junior colleges and off-campus educational center:~~ Bismarck state  
11 college, ~~university of North Dakota—~~ Lake Region state college, and ~~the university~~  
12 ~~of North Dakota—~~ Williston ~~center~~ state college.

13 **SECTION 2. AMENDMENT.** Subsection 13 of section 15-10-17 of the 1997  
14 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15 13. To establish a retirement program as an alternative to chapter 15-39.1 for  
16 employees of institutions under its control subject to the following guidelines:  
17 a. Benefits under the program shall be provided through annuity contracts  
18 purchased by the board but which shall become the property of the  
19 participants;  
20 b. The cost of the annuity contracts shall be defrayed by contributions made  
21 pursuant to rules of the state board of higher education;  
22 c. Eligible employees appointed before July 1, 1973, shall participate in the  
23 alternate retirement program only by their individual election. When the  
24 electing eligible employee is a member of the teachers' fund for retirement,

1 the employee's assessments and employer's contributions together with  
2 interest credited at the current rate for one-year certificates then being paid by  
3 the Bank of North Dakota shall be transferred to the employee's account in  
4 the alternate program. Such election shall be made prior to July 1, 1980, and  
5 shall relinquish all rights the eligible employee or the employee's beneficiary  
6 may have to benefits provided in chapters 15-39 and 15-39.2;

- 7 d. Employees of Bismarck state college and ~~university of North Dakota~~ Lake  
8 Region state college coming under the jurisdiction of the board who are  
9 members of the teachers' fund for retirement may elect prior to July 1, 1985,  
10 to continue membership in the teachers' fund for retirement in lieu of the  
11 alternate retirement program. If an employee does not elect to continue  
12 membership in the teachers' fund for retirement, membership in that fund will  
13 terminate and the employee will become a member of the alternate retirement  
14 program established by the board effective July 1, 1985. An employee of the  
15 above-named colleges who becomes a member of the alternate retirement  
16 program may elect prior to July 1, 1985, to have the employee's assessments  
17 and employer's contributions in the teachers' fund for retirement with interest  
18 transferred by the board of trustees of the teachers' fund for retirement to the  
19 employee's account in the alternate retirement program. If an employee  
20 elects to transfer the employee's assessment and employer's contributions  
21 together with interest to the alternate retirement program, the employee  
22 relinquishes all rights the employee or the employee's beneficiary may have  
23 to benefits provided in chapters 15-39, 15-39.1, and 15-39.2; and

- 24 e. Employees of institutions under the control of the state board of higher  
25 education who are members of the public employees retirement system and  
26 who become entitled to participate in the alternate retirement program are  
27 entitled to a special annuity purchase in the alternate retirement program in  
28 accordance with this subdivision. An eligible employee who consents to have  
29 that employee's contribution included is entitled to have that employee's  
30 contribution and employer's contribution, with interest, in the public  
31 employees retirement system fund, used by the retirement board of the public

employees retirement system to purchase for that employee an annuity in the alternate retirement program in lieu of any other rights under the public employees retirement fund. However, before the employer's contribution may be used for an annuity purchase, the employee's combined years of service with the public employees retirement system and the alternate retirement program must equal or exceed the years of service necessary to be eligible for retirement benefits under the public employees retirement system. An employee who transferred from the public employees retirement system prior to March 30, 1987, and who received a refund of that employee's contribution is entitled to have the employer's contribution, with interest, used to purchase an annuity even if that employee did not purchase an annuity in the alternate employee program with the employee's contribution. If an employee makes the election allowed under this subdivision, that employee relinquishes all rights the employee or any of the employee's beneficiaries may have had to benefits provided under chapter 54-52.

The board shall provide for the administration of the alternate retirement program and establish rules therefor consistent with the foregoing guidelines. Nothing in this subsection shall be construed in derogation of any existing retirement programs approved by the board.

**SECTION 3.** A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

**Work force training - Investment fee.**

1. Except for employers with fewer than twenty-five employees and schools, job service North Dakota shall assess each employer a work force training investment fee of three one-hundredths of one percent of taxable wages paid by the employer to employees during each calendar year. The work force training investment fee is a fee separate from contributions made under chapter 52-04 and may not be deposited in the unemployment compensation fund. Job service shall assess the fee on an annual basis and may assess the fee in the same manner as it collects contributions and taxable wages reported by reimbursing employers under chapter 52-04. The work force training investment fee payments may not be included in

1           computing unemployment compensation rates assigned to employers and may not  
2           be deducted by an employer from the wages of the employer's employees.

3           2. Funds collected under subsection 1 must be deposited in a work force training  
4           investment account under the control of the state board for vocational and  
5           technical education and used to provide work force training programs at institutions  
6           of higher education that are assigned primary responsibility for work force training.  
7           Administrative costs incurred by job service for the collection of the work force  
8           training investment fee and for costs related to the establishment and maintenance  
9           of the work force training investment account must be paid from the work force  
10           investment training account. The funds may not be used by institutions of higher  
11           education for capital construction projects. The funds must be used to provide  
12           customized work force training, including operation and administration of a training  
13           division, acquisition of equipment, marketing, and program development. The  
14           institutions of higher education shall cooperate with job service, the state board for  
15           vocational and technical education, the work force 2000 advisory board, and the  
16           tribal colleges in the state in addressing customized training needs in the state.

17           3. The state board of higher education shall establish up to four regions reflecting the  
18           geographical areas of work force training responsibility for the institutions of higher  
19           education eligible for funds under this section. Funds collected under subsection 1  
20           must be allocated for use in the region of the state in which the funds were  
21           collected based upon covered employment in that region of the state. The state  
22           board for vocational and technical education may reallocate up to twenty percent  
23           of the funds collected in any region to another region based upon the increased  
24           need for work force training funds in that region.

25           4. Each institution of higher education providing a work force training program shall  
26           submit a report annually to the state board for vocational and technical education  
27           and the North Dakota work force development council regarding the work force  
28           training programs receiving funds under this section.

29           **SECTION 4.** A new section to chapter 52-08 of the North Dakota Century Code is  
30           created and enacted as follows:

1       **Institution to serve work force needs.** Subject to state board of higher education  
2 policies, the president of an institution of higher education that is assigned primary  
3 responsibility for work force training shall establish a division or other unit within the institution  
4 to serve the work force needs of business and industry and to serve as a broker in arranging  
5 the delivery of training.

6       **SECTION 5.** A new section to chapter 52-08 of the North Dakota Century Code is  
7 created and enacted as follows:

8       **Work force training board - Formation.** Subject to state board of higher education  
9 policies, the president of an institution of higher education that is assigned primary  
10 responsibility for work force training shall appoint a work force training board consisting of  
11 representatives from businesses, labor, and industries located within the institution's delivery  
12 area. The work force training board must consist of at least seven but no more than fifteen  
13 members including at least one representative from one of the following: an Indian-owned  
14 business, the tribal government, or the tribal colleges within the designated region.

15       **SECTION 6.** A new section to chapter 52-08 of the North Dakota Century Code is  
16 created and enacted as follows:

17       **Preparation of business plan - Revolving loans.** Subject to state board of higher  
18 education policies, the president of an institution of higher education that is assigned primary  
19 responsibility for work force training shall prepare an annual business plan that must include  
20 provisions for use of the training capacity of the tribal colleges within the designated region, in  
21 consultation with the work force training board. The work force training board shall approve the  
22 business plan and make recommendations for funding of the business plan to the state board  
23 of higher education. The state board of higher education may establish for each institution of  
24 higher education assigned primary responsibility for work force training a revolving loan fund for  
25 work force training program startups using the borrowing authority provided for in section  
26 15-10-16.1.

27       **SECTION 7.** A new section to chapter 52-08 of the North Dakota Century Code is  
28 created and enacted as follows:

29       **Performance measurements for work force training.** Subject to state board of  
30 higher education policies, the president of an institution of higher education that is assigned  
31 primary responsibility for work force training shall develop, in consultation with the work force

1 training board, performance measurements for work force training. The measurements must  
2 include requirements for being time-sensitive and results-oriented and must determine how well  
3 the training needs of business and industry are being met.

4       **SECTION 8. REPEAL.** Section 15-11-02.1 of the North Dakota Century Code is  
5 repealed.

6       **SECTION 9. APPROPRIATION.** There is hereby appropriated out of any moneys in  
7 the work force training investment account, not otherwise appropriated, the sum of \$1,000,000,  
8 or so much of the sum as may be necessary, to the institutions of higher education assigned  
9 primary responsibility for providing work force training programs under sections 3 through 7 of  
10 this Act, for the biennium beginning July 1, 1999, and ending June 30, 2001. Any excess funds  
11 collected for deposit in the work force training investment account must remain in the account.

12       **SECTION 10. INITIAL FUNDING - REPAYMENT.** The Bank of North Dakota shall  
13 provide a loan of not more than \$400,000 to provide initial funds for deposit in the work force  
14 training investment account for work force training through institutions of higher education. The  
15 loan must be repaid from funds collected under section 3 of this Act by December 31, 2002.