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Date

10/30/03

2003 HOUSE APPROPRIATIONS

HB 1020

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Deanna Ballantyne
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10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date January 9, 2003

Tape Number	Side A	Side B	Meter #
1-9-03 Tape #1	X	X	
Committee Clerk Signature <i>Christie Kuller</i>			

Minutes: Chairman Martinson called the meeting to order on HB 1020, the state board for vocational and technical education budget. All members of the committee were present.

Wayne Kutzer Please see written testimony provided, including a budget comparison as well as several pamphlets and charts. Mr. Kutzer is the Director of the State Board for Vocational and Technical Education. He discussed the need to prepare students for careers in our workforce and that the vast majority of careers in this state and across the nation are in the technical skill areas of which the base for that knowledge and those skills are taught in vocational technical programs across the state at the high school and post secondary certificate and associate degree level, the need to provide knowledge and skills students need to enter into their chosen career field and to make students, educators, parents, and businesses aware of the education and career opportunities that exist within our state.

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Education and Environment Division
Bill/Resolution Number 1020
Hearing Date January 9, 2003

Representative Monson: I was interested in hearing about the ways that we can retrain teachers from the elementary where we might have a surplus because of the declining enrollment to vocational technical education field. I have a hard time believing it's as simple as what you said though, and I have a hard time understanding how it's going to fly with no child left behind things, from what I've heard so far it seems like they're going to frown upon things like that without going through all of the hoops and (inaudible) in those fields. Can you explain how that's going to work?

Wayne Kutzer: The program was originally designed for vocational technical teachers, in the no child left behind there is a major requirement for keeping a particular area fully accounted for the core academic areas, about 10 areas, vocational or technical teachers were specifically exempt from that and if you worked one of those 10 areas you did not have to complete a major in those areas. But, for example I know that (inaudible) is working on composite majors also. So, if we took the example of the dentist (inaudible) to have a major in a particular area as long as the vocational and technical education worked with his transcripts and was able to come up with a composite major in that particular area that apply his condition of teaching biology, that would classify him as a highly qualified teacher. What our program does is really allows that person to stay in the classroom and not have to leave because of the student teaching requirements. In the same respect vocational technical teachers don't need that 4 year degree for the major, this program will prepare them through mentor ship is the key into becoming qualified teachers which will totally satisfy the no child left behind law.

Mr. Kutzer concluded in asking that the committee approve the Governor's executive budget recommendation.

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Education and Environment Division
Bill/Resolution Number 1020
Hearing Date January 9, 2003

Chairman Martinson calls on Lt. Governor, Jack Dalrymple to the podium.

Jack Dalrymple Mr. Dalrymple made some comments on the initiative put in the budget for career counseling. He discussed the problem of our young people leaving the state. The young people say there are no opportunities here when in fact there is a tremendous shortage of skilled workers in different job fields. Mr. Dalrymple believes there are opportunities in North Dakota. There are 58 career development counselors serving 99 schools, which is less than half. Kids need to understand what they can be doing. The information is available in the Career Outlook. Every young person needs to be aware of what is out there and what they need to do to get ready for it. He believes the money is making a big difference. Once the network is beefed up he also suggests additional resources into enhancing the web site which can be used to integrate with other web sites available through the federal government and other agencies. This would make it possible for kids to find out everything they need to know. He thinks an awareness campaign is needed to challenge parents and kids to find out what it is they need to know to get ahead. They are the consumer and need to be educated that it is their responsibility to inquire about these things. Mr. Dalrymple concluded in stating that he thought this committee should look at this as their own initiative and he would be happy to work with the committee as he thought beefing up the network, working on the web site, and working on public awareness was the way to go.

Guy Moos Chairman of the Task Force for Improving Workforce Development and Training and President of Baker Boy. Please see written testimony. His comments were primarily targeted to the workforce training provision. He urged a do pass recommendation from the committee on HB 1020.

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Education and Environment Division
Bill/Resolution Number 1020
Hearing Date January 9, 2003

Steve Metzger is the Farm Business Management Instructor and Coordinator for the Carrington Farm Business Management Education program. A correction in his written testimony in the fourth paragraph on the first page and on the second to the last paragraph on page 2 should be \$500,000 per year instead of \$1,000,000 per year. He discussed seeking additional funding in North Dakota for Farm Business Management programs and why they are important in North Dakota. Please see attached written testimony.

Representative Gulleason: Can any farmer access the program?

Steve Metzger: The farm business management program is available in 14 areas in North Dakota. 15 with Langdon now. There are several areas in the state particularly up and down the Red River Valley north of Casselton all the way to Langdon, there is not a program located there.

Representative Gulleason: Inaudible.

Steve Metzger: Yes, if they have open enrollment. Many programs are dealing with more farms than they should be.

Representative Wald: Do you have a marketing club?

Steve Metzger: Yes. A marketing club was established in Carrington in 1988 and have reestablished marketing clubs since then.

Representative Wald: How many farmers belong to your club?

Steve Metzger: I think we enrolled 22 and about 15 are fairly regular. Some members of a club made substantial amount of money last year, \$125,000, and he was proud to say that was out of the Carrington club.

Representative Aarsvold: Will you comment on the negative relationship for the first seven years of the program.

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Education and Environment Division
Bill/Resolution Number 1020
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Steve Metzger: The program came over first from a program called Veteran's Ag. back in the 1970's. There were a lot of small and part time farms. A lot of producers paid \$300 to \$400 per month, or whatever the fee was to take part in farm business management. In the early 1980's the transition went from Veteran's Ag. programs to farm business management programs. In Carrington, they do not advertise for enrollment as they would have no place to put them. There is a demand. It produces economic revenue 64 to 1. He suggests it is smart growth for rural North Dakota.

Sharon Etemad President of Lake Region State College in Devils Lake. She testified in support of HB 1020 and addressed her remarks to the enhancement funding for post secondary institutions included in the Vocational/Technical Education Budget. Please see written testimony.

Ron Ness Provided written testimony regarding what can be done to attract the younger work force into the North Dakota energy industry. He stated career counseling is critical and there is a need for counselors.

Eddie Dunn Vice Chancellor for Strategic Planning and the Executive Director of the College Technical Education Council of the North Dakota University System. Please see written testimony. He referred the committee to the essence of the report on page 9, the overall results of the workforce training.

Chairman Martinson closed the hearing on HB 1020 as there were no more questions or testimony.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date February 5, 2003

Tape Number	Side A	Side B	Meter #
1		X	
Committee Clerk Signature <i>Celste Keller</i>			

Minutes:

Chairman Martinson opened discussion on HB 1020, State Board for Vocational and Technical Education. See Standing Committee Roll Call Votes.

Rep. Monson I worked on that one. I have the amendments to take out \$400,000 from the career development program. \$360,000 out of there, decrease \$40,000 in the awareness campaign and that makes a total of \$400,000.

Chairman Martinson Do you have those prepared?

Rep. Monson Yes, I do. I would move the amendment.

Chairman Martinson Is there a second?

Rep. Brusegaard Second.

Chairman Martinson Is there any discussion?

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10/30/03
Date

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Education and Environment Division

Bill/Resolution Number 1020

Hearing Date February 5, 2003

Rep. Monson We did meet with Wayne Kutzer and we had some people come down, they are not real happy with this. The Governor and Lieutenant Governor called Rep. Rennerfeldt and I into his office. We are proceeding here, I hope that we pass this bill as amended.

Chairman Martinson Any other discussion? Asked the clerk to call the roll on the amendment.

Clerk called the roll on the amendment.

ROLL CALL VOTES ON AMENDMENT

7 YES 0 NO 0 ABSENT

Chairman Martinson We have the amended bill before us.

Rep. Monson Moved for a do pass as amended.

Chairman Martinson Is there a second?

Rep. Rennerfeldt Second.

Chairman Martinson Is there any further discussion? Asked clerk to call the roll.

Clerk called the roll.

ROLL CALL VOTES

7 YES 0 NO 0 ABSENT

Chairman Martinson Rep. Monson, would you take that?

Rep. Monson Yes.

Chairman Martinson Discussed HB 1039, 1040, 1041, and 1042 in regards to making them 2 year bills, and his subsection agreed that that would be a good idea. As long as they are going to expire again in 2 years, they should be withdrawn and then amend them all into the Higher Ed bill as a whole. He asked Rep. Aarsvold and Rep. Gulleason to mention this to their caucus that that is what they would like to do, and if there are any problems, to let him know.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1020

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-14-03

Tape Number	Side A	Side B	Meter #
3		X	-6.8 - 14.9
Committee Clerk Signature <i>Chris S. Svedjan</i>			

Minutes:

Chairman Svedjan Opened HB 1020 for discussion. A quorum was present.

Rep. Monson I move amendment number 38020.0103 to HB 1020. 2nd by Rep.

Brusegaard.

Chairman Svedjan Did you want explanation on the 704?

Roxanne Woeste, Legislative Council The 704 was part of the salary increase that came out and that part was federal funds.

Rep. Gulieson I want to speak to the 1.3 million that's being transferred from this budget to the Department of Commerce. I think that those dollars go to the 4 regional colleges that lead that effort. Those are institutes of higher education and you're directing it to a commerce agency. To be on record, I don't support that transfer.

Chairman Svedjan The effort is to centralize it. It will have no bearing on the four institutions you've cited.

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Page 2

House Appropriations Committee

Bill/Resolution Number HB 1020

Hearing Date 02-14-03

Rep. Monson I have concern about it too, but the money will go where we want it to go.

Motion Carries

Rep. Monson I move a Do Pass. 2nd by Rep. Wald. Motion Carries 15-7-1. **Rep. Monson** will carry this bill.

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10/30/03
Date

38020.0101
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Monson
January 29, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1020

Page 1, line 12, replace "20,037,083" with "19,637,083"

Page 1, line 16, replace "25,993,817" with "25,593,817"

Page 1, line 18, replace "15,118,520" with "14,718,520"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,001,677		\$3,001,677
Operating expenses	621,845		621,845
Grants	20,037,083	(\$400,000)	19,637,083
Adult farm management	625,760		625,760
Workforce training	1,350,000		1,350,000
Postsecondary education vocational grants	357,452		357,452
Total all funds	\$25,980,817	(\$400,000)	\$25,593,817
Less estimated income	10,875,297		10,875,297
General fund	\$15,118,520	(\$400,000)	\$14,718,520
FTE	27.50	0.00	27.50

Dept. 270 - Vocational Education - Detail of House Changes

	REMOVES FUNDING TO EXPAND CAREER DEVELOPMENT PROGRAMS	DECREASES FUNDING FOR AWARENESS CAMPAIGN ¹	TOTAL HOUSE CHANGES
Salaries and wages			
Operating expenses			
Grants	(\$360,000)	(\$40,000)	(\$400,000)
Adult farm management			
Workforce training			
Postsecondary education vocational grants			
Total all funds	(\$360,000)	(\$40,000)	(\$400,000)
Less estimated income			
General fund	(\$360,000)	(\$40,000)	(\$400,000)
FTE	0.00	0.00	0.00

¹ This amendment decreases funding from the general fund for the agency's awareness campaign from \$80,000 to \$40,000.

Date: February 5, 2003
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

House Appropriations Education and Environment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number LC # 38020.0101

Action Taken Amendment

Motion Made By Rep. Monson Seconded By Rep. Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Rep. Martinson	X				
Rep. Brusegaard	X				
Rep. Monson	X				
Rep. Rennerfeldt	X				
Rep. Wald	X				
Rep. Aarsvold	X				
Rep. Gulleason	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: See Proposed Amendments.

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10/30/03
Date

(15 YEAS, 7 NAYS, 1 ABSENT AND NOT VOTING). HB 1017 was placed on the Sixth order on the calendar.

Page 1, line 5, remove "out of any moneys in the general fund in the state"

Page 1, line 6, remove "treasury, not otherwise appropriated, and"

Page 1, line 9, replace "34,411,497" with "25,031,370"

Page 1, line 10, replace "14,529,359" with "10,718,437"

Page 1, line 12, replace "7,617,792" with "9,999"

Page 1, remove line 13

Page 1, line 14, replace "all funds" with "special funds appropriation" and replace "58,601,193" with "35,799,490"

Page 1, remove lines 15 and 16

Page 1, remove lines 20 through 24

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Job Service North Dakota - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$34,411,497	(\$9,380,127)	\$25,031,370
Operating expenses	14,529,359	(3,810,922)	10,718,437
Capital assets	39,684		39,684
Grants	7,617,792	(7,607,793)	9,999
Work Force 2000	2,002,861	(2,002,861)	
Total all funds	\$58,601,193	(\$22,801,703)	\$35,799,490
Less estimated income	58,609,332	(20,799,842)	35,799,490
General fund	\$2,002,861	(\$2,002,861)	\$0
FTE	367.17	(4.00)	363.17

Dept. 380 - Job Service North Dakota - Detail of House Changes

	REMOVES RECOMMENDED SALARY INCREASE ¹	REMOVES FUNDING FOR WORK FORCE 2000 ²	REMOVES FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS ³	TOTAL HOUSE CHANGES
Salaries and wages	(\$354,292)		(\$9,026,835)	(\$9,380,127)
Operating expenses			(3,810,922)	(3,810,922)
Capital assets				
Grants			(7,607,793)	(7,607,793)
Work Force 2000		(\$2,002,861)		(2,002,861)
Total all funds	(\$354,292)	(\$2,002,861)	(\$20,444,650)	(\$22,801,703)
Less estimated income	(354,292)		(20,444,650)	(20,799,842)
General fund	\$0	(\$2,002,861)	\$0	(\$2,002,861)
FTE	0.00	(4.00)	0.00	(4.00)

¹ This amendment removes funding for the Governor's recommended salary increase of 1 percent effective January 1, 2004, and 2 percent effective January 1, 2005. This amendment retains full funding of employee health insurance coverage as provided for in the executive budget recommendation.

² This amendment transfers funding \$2,002,861 from the general fund relating to the Work Force 2000 program to the Department of Commerce. The amendment also removes four FTE positions relating to the Work Force 2000 program and removes Section 3 of the bill relating to Work Force 2000 allocations.

³ This amendment removes special funds totaling \$20,444,650 relating to the senior community service employment program (\$1,070,352), trade adjustment assistance program (\$99,800), Workforce Investment Act (\$12,735,106), the new jobs training program (\$150,000), and the job opportunities and basic skills training program (\$8,389,292) to be funded in the Department of Commerce.

REPORT OF STANDING COMMITTEE

HB 1020: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS

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Date

30th DAY

MONDAY, FEBRUARY 17, 2003

581

(15 YEAS, 7 NAYS, 1 ABSENT AND NOT VOTING). HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "3,001,677" with "2,969,634"

Page 1, line 12, replace "20,037,083" with "19,637,083"

Page 1, remove line 14

Page 1, line 16, replace "25,993,817" with "24,211,774"

Page 1, line 17, replace "10,875,297" with "10,874,593"

Page 1, line 18, replace "15,118,520" with "13,337,181"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,001,677	(\$32,043)	\$2,969,634
Operating expenses	621,845		621,845
Grants	20,037,083	(400,000)	19,637,083
Adult farm management	825,780		825,780
Workforce training	1,350,000	(1,350,000)	
Postsecondary education vocational grants	357,452		357,452
Total all funds	\$25,993,817	(\$1,782,043)	\$24,211,774
Less estimated income	10,875,297	(704)	10,874,593
General fund	\$15,118,520	(\$1,781,339)	\$13,337,181
FTE	27.00	0.00	27.00

Dept. 270 - Vocational Education - Detail of House Changes

	REMOVES RECOMMENDED SALARY INCREASE 1	REMOVES FUNDING TO EXPAND CAREER DEVELOPMENT PROGRAMS	DECREASES FUNDING FOR AWARENESS CAMPAIGN 2	REMOVES FUNDING FOR WORKFORCE TRAINING CONTRACTS 3	TOTAL HOUSE CHANGES
Salaries and wages	(\$32,043)				(\$32,043)
Operating expenses					
Grants		(\$360,000)	(\$40,000)		(400,000)
Adult farm management					
Workforce training				(\$1,350,000)	(1,350,000)
Postsecondary education vocational grants					
Total all funds	(\$32,043)	(\$360,000)	(\$40,000)	(\$1,350,000)	(\$1,782,043)
Less estimated income	(704)				(704)
General fund	(\$31,339)	(\$360,000)	(\$40,000)	(\$1,350,000)	(1,781,339)
FTE	0.00	0.00	0.00	0.00	0.00

1 This amendment removes the Governor's recommendation for state employee increases and retains the recommended state payment for health insurance premiums.

2 This amendment decreases funding from the general fund for the agency's awareness campaign from \$80,000 to \$40,000.

3 This amendment removes funding for the workforce training contracts to be added to House Bill No. 1019.

REPORT OF STANDING COMMITTEE

HB 1021: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1021 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "35,341,437" with "34,415,856"

Page 1, line 15, replace "21,239,316" with "20,500,176"

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10/30/03

2003 SENATE APPROPRIATIONS

HB 1020

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10/30/03
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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1020

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 2-27-03

Tape Number	Side A	Side B	Meter #
3	X		907-end
		X	0-2050
Committee Clerk Signature <i>Sandra Davis</i>			

Minutes: Chairman Holmberg opened the hearing to HB 1020. A bill relating to provide an appropriation for defraying the expenses of the state board for vocational and technical education. Chairman Holmberg announced the subcommittee of Senators Thane, Grindberg and Lindaas.

(Meter 929) Wayne Kutzer, State Director & Executive Officer for the State Board for Vocational and Technical Education: See written testimony Exhibit 1. (Meter 3250) Senator Grindberg questioned how much involvement did Wayne have or how much consideration the House gave to this becoming an administrative unit? Did he have any involvement with the language the House chose? (Meter 3361) Wayne Kutzer replied that the House did not conferred with him at all. (Meter 3373) Senator Thane: Was curious of the rational of having that under the Department of commerce because it is still part of Higher Education. You are not prepared to talk about it because you really don't know why they did it, is that correct? (Meter 3449) Wayne stated he was not involved in when that section got move, he was aware there were discussions

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Operator's Signature *Dennis Hall*

10/30/03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1020
Hearing Date 2-27-03

about moving it, it was discussed last year during a interim committee that discussed this but was concluded that is was working fine.

(Meter 3600) Ron Ness, Executive Director of the Petroleum Council: See written testimony Exhibit 2. Supports this bill, interest in this bill is the career counseling portion of the bill. The money designated in this bill was removed and wants this committee to look at dedicating some funds to additional career counselors in this state. He believes we as a state will have good jobs in this state in the energy industry. Spoke about the power plants in the state and the future needs that will be needing employees and career counseling is not efficient at a grade school level-targeting 4th graders. (Meter 4123) Senator Mathern: Why do you think that schools like Fargo and Bismarck don't have career development in their schools? (Meter 4174) Ron Ness: He doesn't believe that they do not have career development programs, he stated that he didn't think that many of the programs are not tailored towards ND industries and some of the numbers that Mr. Kutzer stated didn't reach down far enough into the lower class. He stated that his corporation has a partnership with the Bismarck School systems to education the students with information (Meter 4400) Senator Bowman: Knowing that the energy is a big part of Western ND and the ability to enhance and promote that development also means that we need to have a curriculum designed to meet the needs of that energy development. If we were to build a coal generating power plant, do we know how many electricians it would take for that job, how many plumbers, welders? So if a project of that magnitude comes on line, are we ready for that challenge, do we have a projection of numbers of workers trained to do that? And then the continuing jobs? (Meter 4550) Ron Ness: Stated he was in agreement with Senator Bowman that we are not prepared for this. He feels that ND has an image problem where all parents want their

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Donna Bell
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10/30/03
Date

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Senate Appropriations Committee
Bill/Resolution Number HB 1020
Hearing Date 2-27-03

kids to have a four year degree, etc. (Meter 4660) Senator Grindberg: Curious of the comments that parents want their kids to go to a four year college, but with the budget tight, funding for a new project would be a struggle for him. (Meter 4742) Ron Ness gave examples of a company that had success with programs that work. (Meter 4858) Senator Thane: Asked if and how many young women are targeted and interested in these types of jobs. Ron Ness agreed with the fact that women are just as capable as the young men. (Meter 5023) Chairman Holmberg stated as a high school counselor, parents also need to be educated about these programs. Ron added that the challenge is how to get that out to the parents. (Meter 5204) Senator Bowman: On looking into the future, not sure on how to tie it together with the "No Child Left Behind" concept and trying to understand not all 4 year expansion on education. We need to capture kids at the right age to get them interested in a specific field.

(Meter 5499) Larry Isaac: See written testimony Exhibit 3.

Tape 3 Side B

(Meter 21) Lowell Burnstrom, farmer, Chairman of Ag Coalition: Explained his association and supports this legislation.

(Meter 140) Guy Moos, Chairman for the Task Force for Improving Workforce Development and Training: see written testimony Exhibit 4.

(Meter 540) Chairman Holmberg stated the subcommittee will look at the differences that after we have built a structure on workforce training which included the chancellor and the labor commissioner and then there was a move to put the labor commission on the governors office so we then went to Job Service. It may go to a conference committee

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Senate Appropriations Committee
Bill/Resolution Number HB 1020
Hearing Date 2-27-03

(Meter 606) Senator Grindberg: Who is on the task force? (Meter 622) Guy Moos stated he did not have the listing with him, it is a very substantial list. He will e-mail the list so Senator Grindberg can distribute it.

(Meter 687) Sharon Eternad, President Lake Region State College: See written testimony Exhibit 5.

(Meter 1116) Corrine Lang, Director of Employment Statistics and Workforce programs for ND Job Service: Job Service ND supports reinstating the workforce training funds from department of commerce to the state board for vocational and technical education.

(Meter 1262) Senator Christmann first stated the in listening his concluded how well the program is working, and how we shouldn't change it and the people that have used it state it is great. He then asked Corrine if we are training the same select group of people? Knowing it is a big concern and yet it is so great. (Meter 1360) Corrine Lang: There is only a certain amount of funds to train people. Those who are trained are doing very well. (Meter 1397) Sharon Eternad added her comments that there are two different components, one workforce training that the employers pay for already employed people - that is the piece that we are saying is working well. The other important role that vocational and technical education does is to provide workers for the future which is the associate degrees for the new workers that are coming on board, and that's the area we are having difficult time encouraging young people to get into or retraining people. The workforce development and then the workforce training.

(Meter 1525) Senator Thane asked how many employees changing directions as far as their work is going? (Meter 1556) Sharon Eternad added that is correct, if people are going into a new job because their type of job is no longer needed, they will go back for retraining for a new job. The

Page 5
Senate Appropriations Committee
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other area is the workforce training where the employer pays to retrain their entire group of employees.

(Meter 1630) Senator Tallackson concurred with Senator Christmann's comments and stated about the coal plant and power plants have 40+ aged employees and will need a curriculum for the future. (Meter 1670) Sharon Eternad agree and stated that BSC is focusing on the energy area and developing a curriculum also wind energy, it is a combination effort with the kids and the parents.

(Meter 1787) Donna Thigpen, President of Bismarck State College: BSC is in the process of developing a national energy center. The curriculum for that is quite comprehensive and has just gotten an earmark funding from the federal government for that area. She feels BSC is ready and capable to handle these students for these curriculum. Gave a personal account about her own son who attended a 2 year college to be an auto mechanic not a 4 year degree, with a wife who is a teacher. Now she state who do you think earns the more money? She no longer has a "hissy fit" that he did not go to a 4 year college.

(Meter 2050) Chairman Holmberg closed the hearing on HB 1020.

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Donna Thigpen
Operator's Signature

10/30/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1020 Vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 4-3-03

Tape Number	Side A	Side B	Meter #
1		X	600-1650
Committee Clerk Signature <i>Sandra Dargatzis</i>			

Minutes: CHAIRMAN HOLMBERG opened the hearing to HB 1020. A bill relating to provide an appropriation for defraying the expenses of the state board for vocational and technical education.

(Meter 625) SENATOR THANE posed out the amendments (38020.0204) and explained them.

The first item reduces the funding for state employee health insurance premiums of \$2,993. It reduces the funding for the IT by \$8,647 from the general fund, which represents a 4% reduction. It restores a workforce training funds of \$1,350,000 that was removed by the House that had transferred to the Department of Commerce and that would be distributed to the institutions on a percentage base. This amendment restores funding \$1,000,000 for postsecondary grants and Category II funding which would come from the transfer of student loan trust fund authorized by the Industrial commission. That money will go to the four institutions on the same percentages bases as the \$1,000,000. It transfers \$357,452 for postsecondary vocational grants to postsecondary education vocational grants - Category I. It transfers \$345,200 from the grant line

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Deanna Gallardo
Operator's Signature

10/30/03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1020
Hearing Date 4-3-03

item to operating expenses line item for proper classification of the funds. Of this amount, \$345,200, \$245,200 is for the transition to teaching grant, and the \$100,000 is for the career development web site. As far as the Sections are concerned, starting with the first one, Section 2 states that the state board will report to the budget section in December 2004 meeting on the distribution of the Category II grants. In other words, that will be done in the budget section so it is accountable. Section 3 is the Legislative Intent which means it recommends that the executive budget can continue funding for postsecondary education vocational grants - category II for the biennium beginning July 1, 2005 and ending June 30, 2007. Section 4 is the Legislative Intent for this session of funds totaling \$2,350,000 included in the state board for vocational and technical education for the workforce training and for postsecondary education grants - category II be considered by the ND university system as a part of higher education's share of total general funds spending. Section 5 is the student loan trust fund transfer in which the industrial commission shall transfer to the state board for vocational and technical education the sum of \$1,000,000 from the ND student loan trust fund, appropriated for the postsecondary education vocations grants - category II

(Meter 1114) CHAIRMAN HOLMBERG stated the net effect of these amendments are a decreased general fund of \$17,000. (Meter 1155) SENATOR THANE agreed and stated the total dollars of changes on these amendments is \$1,338,453. CHAIRMAN HOLMBERG wanted clarification of the \$1,338,453, \$350,000 is transferred over from another budget.

(Meter 1201) SENATOR THANE stated that instead of being in this budget first, it was in the Department of Commerce budget. The same numbers just moved.

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Senate Appropriations Committee
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Hearing Date 4-3-03

(Meter 1222) SENATOR KRAUTER stated in item #5, was this in the Governor's budget or was this in addition to what is being taken from the student loan trust fund. CHAIRMAN HOLMBERG stated that the Governor's budget had indicated that there would be \$26 million left in the student trust fund. This is in addition. SENATOR THANE stated he had asked the Legislative Council to give him a breakdown of what was in the student loan trust fund and with this million dollars, it figures out about 24 million dollars and the Governor took about 17 million out and then there was another 9 million dollars that can out and was put directly into the general fund.

(Meter 1337) SENATOR MATHERN asked in Section 2, why report to the budget section? Why are we doing that? SENATOR THANE stated that they believe since this is relatively a new money that is being used, that the budget section should have a right to see how this is being expended and track it.

(Meter 1454) SENATOR GRINDBERG clarified more of the discussion.

(Meter 1595) There was a motion of passing the amendment from SENATOR THANE seconded by SENATOR GRINDBERG. A voice vote adopted the amendment. A motion of a DO PASS AS AMENDED by SENATOR THANE seconded by SENATOR BOWMAN. The roll vote passed with 11 yeas, 0 nays and 3 absent. It will be carried by SENATOR THANE.

CHAIRMAN HOLMBERG closed the hearing to HB 1020. (Meter 1650)

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Deanna G. Hall
Operator's Signature

10/30/03
Date

38020.0204
Title.0300
Fiscal No. 2

Prepared by the Legislative Council staff for
Senator Thane
April 3, 2003

[Handwritten initials]
4-3-03
1013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1020

Page 1, line 2, after "education" insert "; to require a report to the budget section; to provide statements of legislative intent; and to provide for a transfer from the student loan trust fund"

Page 1, line 10, replace "2,969,634" with "2,966,641"

Page 1, line 11, replace "621,845" with "958,398"

Page 1, line 12, replace "19,637,083" with "19,291,883"

Page 1, after line 13, insert:

"Workforce training 1,350,000"

Page 1, line 14, after "grants" insert "- Category I" and replace "357,452" with "357,452"

Page 1, after line 14, insert:

"Postsecondary education vocational grants - Category II 1,000,000"

Page 1, line 15, replace "24,211,774" with "26,550,134"

Page 1, line 16, replace "10,874,593" with "11,874,500"

Page 1, line 17, replace "13,337,181" with "14,675,634"

Page 1, after line 17, insert:

"SECTION 2. POSTSECONDARY EDUCATION VOCATIONAL GRANTS - CATEGORY II - REPORT TO THE BUDGET SECTION. The postsecondary education vocational grants - category II line item in section 1 is to provide funding for career and technical education programs offered through the North Dakota university system in high demand occupations and growth industries in North Dakota. The state board for vocational and technical education shall report to the December 2004 meeting of the budget section on the distribution of the postsecondary education vocational grants - category II for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. LEGISLATIVE INTENT - 2005-07 BIENNIUM GRANTS. It is the intent of the fifty-eighth legislative assembly that the executive budget recommend continued funding for the postsecondary education vocational grants - category II for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 4. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING. It is the intent of the fifty-eighth legislative assembly that the funds totaling \$2,350,000 included in the state board for vocational and technical education for workforce training and for postsecondary education grants - category II be considered by the North Dakota university system as a part of higher education's share of total general fund spending.

SECTION 5. STUDENT LOAN TRUST FUND TRANSFER. The industrial commission shall transfer to the state board for vocational and technical education the

sum of \$1,000,000 from the North Dakota student loan trust fund, appropriated for the postsecondary education vocational grants - category II in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,001,877	\$2,999,834	(\$2,993)	\$2,996,841
Operating expenses	621,845	621,845	336,553	958,398
Grants	20,037,083	19,837,083	(345,200)	19,291,883
Adult farm management	625,760	625,760		625,760
Workforce training	1,350,000		1,350,000	1,350,000
Postsecondary education vocational grants	357,452	357,452	(357,452)	
Postsecondary education vocational grants - Category I			357,452	357,452
Postsecondary education vocational grants - Category II			1,000,000	1,000,000
Total all funds	\$25,993,617	\$24,211,774	\$2,338,360	\$26,550,134
Less estimated income	<u>10,875,297</u>	<u>10,874,593</u>	<u>999,907</u>	<u>11,874,500</u>
General fund	\$15,118,520	\$13,337,181	\$1,338,453	\$14,675,634
FTE	27.50	27.50	0.00	27.50

Dept. 270 - Vocational Education - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	RESTORES WORKFORCE TRAINING FUNDS REMOVED BY THE HOUSE ³	ADDS FUNDS FOR POSTSECONDARY GRANTS - CATEGORY II ⁴	TRANSFERS FUNDING FOR POSTSECONDARY GRANTS - CATEGORY I ⁵	TRANSFERS FUNDING FROM GRANTS TO OPERATING EXPENSES ⁶
Salaries and wages	(\$2,993)					
Operating expenses		(\$8,647)				\$345,200
Grants						(345,200)
Adult farm management						
Workforce training			\$1,350,000			
Postsecondary education vocational grants					(\$357,452)	
Postsecondary education vocational grants - Category I					357,452	
Postsecondary education vocational grants - Category II				\$1,000,000		
Total all funds	(\$2,993)	(\$8,647)	\$1,350,000	\$1,000,000	\$0	\$0
Less estimated income	(93)			1,000,000		
General fund	(\$2,900)	(\$8,647)	\$1,350,000	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	TOTAL SENATE CHANGES
Salaries and wages	(\$2,993)
Operating expenses	336,553
Grants	(345,200)
Adult farm management	
Workforce training	1,350,000
Postsecondary education vocational grants	(357,452)
Postsecondary education vocational grants - Category I	357,452
Postsecondary education vocational grants - Category II	1,000,000
Total all funds	\$2,338,360
Less estimated income	<u>999,907</u>
General fund	\$1,338,453

FTE

0.00

- 3 of 3
- 1 This amendment reduces the funding for state employee health insurance premiums from \$493 per month to \$488.70 per month.
 - 2 This amendment reduces funding for information technology by \$8,647 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.
 - 3 This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019.
 - 4 This amendment adds funds of \$1,000,000 to a new line item, Postsecondary education vocational grants - Category II, for grants to support existing programs.
 - 5 This amendment transfers the \$357,452 for Postsecondary education vocational grants to postsecondary education vocational grants - Category I.
 - 6 This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant, and \$100,000 is for the career development web site.

This amendment also adds four sections to the bill, Sections 2, 3, 4, and 5. Section 2 requires the State Board for Vocational and Technical Education to report to the Budget Section on the distribution of the postsecondary education vocational grants - Category II. Section 3 is a section of legislative intent encouraging the executive budget to recommend funding the postsecondary education vocational grants - Category II for the 2005-07 biennium, and Section 4 is a section of legislative intent that the North Dakota University System consider funds for the workforce training and postsecondary education grants - Category II as part of higher education's share of the general fund spending. Section 5 transfers \$1 million from the student loan trust for postsecondary education vocational grants - Category II.

38020.0204
Amendment
Thane

Date: 4-3-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38020.0204

Action Taken Do Pass As Amend

Motion Made By Thane Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger					
Senator Tallackson					
Senator Thane	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Thane

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature

10/30/03
Date

REPORT OF STANDING COMMITTEE (410)
April 3, 2003 4:16 p.m.

Module No: SR-59-6709
Carrier: Thane
Insert LC: 38020.0204 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1020, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 2, after "education" insert "; to require a report to the budget section; to provide statements of legislative intent; and to provide for a transfer from the student loan trust fund"

Page 1, line 10, replace "2,969,634" with "2,966,641"

Page 1, line 11, replace "621,845" with "958,398"

Page 1, line 12, replace "19,637,083" with "19,291,883"

Page 1, after line 13, insert:
"Workforce training 1,350,000"

Page 1, line 14, after "grants" insert "- Category I" and replace "357,452" with "357,452"

Page 1, after line 14, insert:
"Postsecondary education vocational grants - Category II 1,000,000"

Page 1, line 15, replace "24,211,774" with "26,550,134"

Page 1, line 16, replace "10,874,593" with "11,874,500"

Page 1, line 17, replace "13,337,181" with "14,675,634"

Page 1, after line 17, insert:

"SECTION 2. POSTSECONDARY EDUCATION VOCATIONAL GRANTS - CATEGORY II - REPORT TO THE BUDGET SECTION. The postsecondary education vocational grants - category II line item in section 1 is to provide funding for career and technical education programs offered through the North Dakota university system in high demand occupations and growth industries in North Dakota. The state board for vocational and technical education shall report to the December 2004 meeting of the budget section on the distribution of the postsecondary education vocational grants - category II for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. LEGISLATIVE INTENT - 2005-07 BIENNIUM GRANTS. It is the intent of the fifty-eighth legislative assembly that the executive budget recommend continued funding for the postsecondary education vocational grants - category II for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 4. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING. It is the intent of the fifty-eighth legislative assembly that the funds totaling \$2,350,000 included in the state board for vocational and technical education for workforce training and for postsecondary education grants - category II be considered by the North Dakota university system as a part of higher education's share of total general fund spending.

SECTION 5. STUDENT LOAN TRUST FUND TRANSFER. The industrial commission shall transfer to the state board for vocational and technical education the

REPORT OF STANDING COMMITTEE (410)
April 3, 2003 4:16 p.m.

Module No: SR-59-6709
Carrier: Thane
Insert LC: 38020.0204 Title: .0300

sum of \$1,000,000 from the North Dakota student loan trust fund, appropriated for the postsecondary education vocational grants - category II in section 1 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,001,677	\$2,969,634	(\$2,993)	\$2,966,641
Operating expenses	621,845	621,845	336,553	958,398
Grants	20,037,063	19,837,063	(345,200)	19,291,863
Adult farm management	625,760	625,760		625,760
Workforce training	1,350,000		1,350,000	1,350,000
Postsecondary education vocational grants	357,452	357,452	(357,452)	
Postsecondary education vocational grants - Category I			357,452	357,452
Postsecondary education vocational grants - Category II			1,000,000	1,000,000
Total all funds	\$25,993,817	\$24,211,774	\$2,338,360	\$26,550,134
Less estimated income	<u>10,675,297</u>	<u>10,674,593</u>	<u>999,907</u>	<u>11,674,500</u>
General fund	\$15,118,520	\$13,337,181	\$1,338,453	\$14,675,634
FTE	27.50	27.50	0.00	27.50

Dept. 270 - Vocational Education - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	RESTORES WORKFORCE TRAINING FUNDS REMOVED BY THE HOUSE 3	ADDS FUNDS FOR POSTSECONDARY GRANTS - CATEGORY II 4	TRANSFERS FUNDING FOR POSTSECONDARY GRANTS - CATEGORY I 5	TRANSFERS FUNDING FROM GRANTS TO OPERATING EXPENSES 6
Salaries and wages	(\$2,993)					
Operating expenses		(\$8,647)				\$345,200
Grants						(345,200)
Adult farm management						
Workforce training			\$1,350,000			
Postsecondary education vocational grants					(\$357,452)	
Postsecondary education vocational grants - Category I					357,452	
Postsecondary education vocational grants - Category II				\$1,000,000		
Total all funds	(\$2,993)	(\$8,647)	\$1,350,000	\$1,000,000	\$0	\$0
Less estimated income	<u>(93)</u>			<u>1,000,000</u>		
General fund	(\$2,900)	(\$8,647)	\$1,350,000	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL SENATE CHANGES					
Salaries and wages	(\$2,993)					
Operating expenses	336,553					
Grants	(345,200)					
Adult farm management						
Workforce training	1,350,000					
Postsecondary education	(357,452)					

(2) DESK, (3) COMM

Page No. 2

SR-59-6709

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Operator's Signature

Date

REPORT OF STANDING COMMITTEE (410)
April 3, 2003 4:16 p.m.

Module No: SR-59-6709
Carrier: Thane
Insert LC: 38020.0204 Title: .0300

vocational grants	
Postsecondary education	357,452
vocational grants -	
Category I	
Postsecondary education	1,000,000
vocational grants -	
Category II	
Total all funds	\$2,336,360
Less estimated income	<u>999,907</u>
General fund	\$1,336,453
FTE	0.00

- 1 This amendment reduces the funding for state employee health insurance premiums from \$493 per month to \$486.70 per month.
- 2 This amendment reduces funding for information technology by \$8,647 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.
- 3 This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019.
- 4 This amendment adds funds of \$1,000,000 to a new line item, Postsecondary education vocational grants - Category II, for grants to support existing programs.
- 5 This amendment transfers the \$357,452 for Postsecondary education vocational grants to postsecondary education vocational grants - Category I.
- 6 This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant, and \$100,000 is for the career development web site.

This amendment also adds four sections to the bill, Sections 2, 3, 4, and 5. Section 2 requires the State Board for Vocational and Technical Education to report to the Budget Section on the distribution of the postsecondary education vocational grants - Category II. Section 3 is a section of legislative intent encouraging the executive budget to recommend funding the postsecondary education vocational grants - Category II for the 2005-07 biennium, and Section 4 is a section of legislative intent that the North Dakota University System consider funds for the workforce training and postsecondary education grants - Category II as part of higher education's share of the general fund spending. Section 5 transfers \$1 million from the student loan trust for postsecondary education vocational grants - Category II.

Deanna G. Ball
Operator's Signature

10/30/03
Date

2003 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1020

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Deanna G. Hall
Operator's Signature

10/30/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 10, 2003

Tape Number	Side A	Side B	Meter #
1	X		18.2
Committee Clerk Signature <i>Celste Keller</i>			

Minutes:

Chairman Monson opened the conference committee on HB 1020, Vocational and Technical Education. All members of the conference committee were present. Rep. Monson started the hearing by having the Senate explain the changes they made to the House version.

Senator Thane You made the same changes that we did on the health insurance. The Senate decision was to reduce the funding for information technology by 4% rather than 20%. We restored the workforce training funds of \$1,350,000 removed by the house and placed under the Department of Commerce. If we agree to have those funds returned to the Board of Vocational and Technical Education it would be distributed on a basis of approximately 39.6% to the North Dakota State College of Science, 24.9% to the Bismarck State College, 20.14% to Lake Region State College and 15.3% to Williston.

Chairman Monson Are those the same percentages that were in there before?

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Deanna Ballentine
Operator's Signature

10/30/03
Date

Page 2

Education and Environment Division

Bill/Resolution Number 1020

Hearing Date April 10, 2003

Senator Thane We didn't make any changes. One of the major changes that we made was to add \$1 million for post secondary grants category II funding which would come from a transfer from the student loan trust fund and authorizes the Industrial Commission to make that transfer. The funds will go to the four institutions on the same percentage basis that I mentioned. I had legislative council prepare a document regarding the student loan trust fund balance which has been handed out to you for informational purposes.

We transferred \$357,452 from the post secondary vocational grants to post secondary category I.

We transferred \$345,200 from the grants line item to operating expenses line item for proper classification of the funds. Of this \$345,200, \$245,200 would be for the transition to teaching grants and \$100,000 is for developing and implementing the career development web site.

Chairman Monson What was the amount for the web site?

Senator Thane \$100,000.

Senator Grindberg That wasn't added, that was what came from the House I believe.

Senator Thane Of the \$345,000, \$100,000 was for the web site.

Stephanie, Legislative Council That was a transfer. It is not additional from the House it is a transfer between the grants line item and the operating expenses.

Senator Thane Stephanie is absolutely right.

We added a section 2 that the state board report to the budget section in the December budget section meeting on the distribution of the category II funds. Section 3 deals with the legislative intent that the executive budget recommend continued funding for post secondary category II grants in the 2005-2007 biennium. Section 4 is the legislative intent that the total of \$2,350,000 included in the workforce training and the category II grants be a part of the 21% figure that

Page 3
Education and Environment Division
Bill/Resolution Number 1020
Hearing Date April 10, 2003

higher education or the board office or the university system feels that they should have of the total budget. Section 5 strictly deals with the industrial commission and their authorization to transfer \$1,000,000 from the student loan trust fund to the category II. I didn't mention the health insurance, that is going to be the same in all budgets. Up front, off the table will be the 4% and the 20% because that is going to be a decision I think that's got to be made at a level entirely different than this conference committee. We don't have any idea at the present time where that is going to shake out.

Rep. Rennerfeldt There is \$2.3 million restored here, is that correct?

Chairman Monson \$2.35. The \$1.35 was just moved back. We had taken it out and put it into one clump, and you didn't add anything there.

Senator Thane You're exactly right. It's general fund dollars that shows up here, but it was over in the Department of Commerce before so it isn't really any new money that is being pulled in to enhance general fund spending, it is just being moved from one department to another.

Chairman Monson Was the \$357,452 new money or was that just transferred back in from somewhere?

Stephanie, LC That is just the transfer. There was previously one line labeled post secondary grants and when we put in the category II, we just transferred the first one into a category I. We just basically switched from post secondary grants to post secondary grants category I line. So it is just a transfer between lines.

Chairman Monson If I am understanding, the real change as far as the appropriation goes here is \$1 million added that came out of the student loan trust fund?

Senator Thane Essentially that is the major point of difference.

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Chairman Monson I would like a little more elaboration on the \$1 million and what you see the need is there and why that was done.

Senator Thane There is a lot of good arguments on the need for those four institutions. 80% of the jobs that are created in the state of North Dakota need to be highly trained, skilled jobs. They don't necessarily have to be coming from the institutions that grant degrees. They are going to be coming from Lake Region, Bismarck, Williston, and from Wahpeton. They are going to be highly skilled in a lot of areas. The highly skilled jobs offered in coal fields and the oil industry don't necessarily need to have degrees, they need to be well trained. In view of some of the reductions that took place, it looked like we don't have the money in the general fund and we can't tap it. It seems to be almost agreed on by both sides in varying levels that we can't do that, we can't bust the budget. The sheet handed out to you regarding the balance of the student loan trust fund indicates to me that with all of the reductions that were made on the student loan trust fund, it started out at about \$57 million, if you figure the revenue coming into it. If you look at the detail on it and what the governor proposed, including this million dollars, then we are suggesting that it should be taken out of that. You still have got left \$25.7 million in the student loan trust fund. My feeling is if it was okay for the executive branch to pull money out of that, why shouldn't we do it in an area that there is a real strong need, and that is for institutions that we referred to. There is really a need there.

Senator Grindberg We heard a number of comments regarding the high cost programs at the four two year colleges. I received at least 20 e-mails from manufacturers across the state during that period that were concerned about the cuts to NDSCS. The House took \$5.9 out of HB 1003 of higher ed., we are targeting \$1 million back to the four two year colleges. You could argue

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that that's the rationale being used. We had asked Wayne Kutzer if we were to put \$1 million dollars and create this new category, go visit with the four two year college presidents to see what their feelings are, and come up with a method on how that would be distributed. That's where section 2 came in as a report back to us of how that was expended and did it make a difference to the overall outreach of those two year colleges which are closer to the workforce. They came back saying they would accept it being distributed the same way the workforce training money is distributed, percentage of workforce in each region.

Senator Lindaas In the case of the four institutions that provide this type of education, there aren't just classrooms and a few books, there is material and there is hands on equipment that they are dealing with and that is where the additional costs come in.

Rep. Gulletson It's also on the student instructor ratio. That is a big part of the cost because by law they have to have one instructor for every 6 or 8 students. They have much higher staffing costs.

Chairman Monson Do you remember what the number is, the lowest that we can draw down that student loan trust fund before we run into problems with maximizing the return?

Stephanie, LC I don't know but I can find out.

Chairman Monson Did any of you Senators address that in your discussions?

Senator Thane No we did not. The only thing that I have is what I provided the rest of the committee on the balance on the student loan trust fund.

I invited Mr. Kutzer to come down and he recognizes that this is not a hearing. He is here in case we have a question we need to ask him.

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Celeste, OMB I believe the only restriction on the student loan trust fund would be in the bill that you passed for refinancing the bonds of the student loan trust fund. I believe the House put a \$23 million limitation on that. If you were going to draw it down, you probably want to increase that refinancing amount so that they could refinance all the dollars at the higher interest rate and continue to maintain the revenue stream..

Chairman Monson That was the number that I thought it was. You don't know of anybody else that is tapping into this and dropping it even further?

Celeste, OMB Not in any of the bills that I am familiar with.

Senator Thane There was an attempt made on the Senate side to tap it, but it lost out in committee. It was an amendment added to take about \$5 million out for higher ed. and it failed. That is the only action as far as I know that has ever taken place.

Chairman Monson I understand everything that you did and why, and I don't necessarily disagree that there is a need and that it is a valuable thing. I do know that we are going to have a real hard problem on the House side dropping or taking anymore out of that student loan trust fund from discussions that we have had in our House appropriations committee. We had a fight getting it to the level that it is now. Do you think this would fly with our House appropriations committee?

Rep. Gulleson I am supportive. I can't say whether it will fly. I think if we put it in front of the whole committee it would be pretty much split. There is different interests on all of that. This comes to that point in time where you have to fund the things that is really going to grow this state's economy.

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Rep. Rennerfeldt I see the need for the money but trying to second guess our committee, I can say it will be a tough sell.

Senator Thane On the Senate side we have some of the same thoughts, but on the other hand we were deeply concerned about the health care trust fund and a whole lot of others and the reduction on them. We had little, if any, objection on the Senate side to this amendment. It was pretty much agreed. We have some of the same sentiment that you have that we don't want to reduce these trust funds, but I think they felt it was a worthy effort.

Chairman Monson This will have to percolate. Everything you did was quite simple and understandable. The \$1.35 million, I know the reason we took the action we did was to roll it up into one place and whether this is the right or wrong place or whether the roll up is proper or putting it back where it is. I think the money will be spent the same way no matter where it is at. We felt maybe the \$1.35 million being put in with commerce would be easier for one department to track.

Senator Grindberg With the commerce budget, which I chaired in the Senate, the workforce 2000 money and the job service federal money and the human service money, we moved all of those back to the entities where they were before they left the House. Since I got talking to House appropriations members and talked about how much office space commerce has because of 30 employees and human services. We thought we would move everything back. If it was the fiscal agent like with workforce training and workforce 2000 in commerce, that would be one debate we could have in conference but I don't think anybody was realizing they were swiping all of these employees and everything out of human services and out of job service into a different agency.

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Chairman Monson That did come up in our discussions late in the decision. I don't think we have a huge problem moving it back and forth. We are talking the same amount of money and I think it will go in the same place and do the same thing and whatever works best is fine. I would like to look through some of the other transfers. On the surface I don't see that there is a problem with them, but I would like to think about it. The big question is definitely going to be that million dollars and it is going to be a hard sell. I don't really disagree that it is maybe not needed and wouldn't be money well spent, but I do know with the money being tight, we will have to look at that pretty close.

Senator Thane One of the compelling reasons why we decided to move the workforce training dollars back out of Department of Commerce was almost unanimous testimony by everyone from the board office to everyone else who testified on this particular bill that they would prefer it be returned rather than left in the Department of Commerce, which had a lot of influence on the committee. The issue that we are going to have to resolve is the \$1 million off the student loan trust fund.

Chairman Monson I think we all understand the issues pretty well and we need to sit back and digest them and think about the options and see where we are at.

Senator Thane The subcommittee did try to restore part of a half million dollars for career development. You folks left \$100,000 in there. We put \$200,000 back in, but the majority of the committee said not to do that, so we didn't. It went back to the \$100,000 that you had.

Chairman Monson recessed until a further meeting is set up on HB 1020, Vocational and Technical Education.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 11, 2003

Tape Number	Side A	Side B	Meter #
1	X		5.3
Committee Clerk Signature <i>Celeste Keller</i>			

Minutes:

Chairman Monson opened the conference committee on HB 1020, vocational and technical education. Chairman Monson asked Senator Thane to explain his handout to the committee.

Senator Thane I thought this was of interest and thought it would be even more interesting if we knew what the other three institutions had planned as far as utilizing their share of the \$1 million and I think it is almost self explanatory. It talks about updating critical programs in the areas where the funds would be utilized if they receive them and the plan of the State College of Science to utilize those dollars if they become available in the areas of critical need. In a trade tech school such as Wahpeton, equipment costs are paramount. I had them send this to me and I am sharing it with the committee.

Chairman Monson Would you have any information on what has happened as far as federal dollars goes to buying equipment?

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Senator Thane The only thing I can speak to is the State College of Science and I can't really speak for the rest of the institutions. The State College of Science relies very heavily on the private sector for equipment for training purposes. I can't speak as far as the federal dollars.

Chairman Monson I know private industry dollars have been a lifesaver. The main stumbling block in this bill that we are going to run into is the \$1 million.

Senator Grindberg We've all been here long enough to know that things start to transpire in the last few days. I think leadership on both sides need to start coming together before we take any action. From my perspective we are not going to budge.

Chairman Monson I see the same thing. We've got four people that are going to have to get their heads together and come up with a plan that they can agree on. I agree that this is important and it's money well spent. This is just a piece of a very big puzzle and it is way bigger than what we are going to decide with the six of us sitting here. We've got to get 140 some people all on the same page and our leaders have got to get the plan laid out. This is our only big stumbling block as I see it.

Senator Thane The Senate is pretty solidly behind this.

Senator Lindaas I think this is very important. I don't see us moving on it. This is a compromise deal and I think we've come part way from what we had originally looked at and I think it is important that we hold our position at this point.

Chairman Monson On another matter, I ran up to higher ed. and I talked to Chancellor Isaak and Laura Glatt. They said that they are going to be having a higher ed. board meeting this afternoon and address some of the things that the Senate and the House have done in budgets that intertwine from vocational education to higher ed. and commerce. They are all kind of in some

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ways interconnected. They were a little hesitant to say they think the \$1 million is good or bad. Anytime you can get money into higher ed. in any way, shape or form, they are all for it. At the same time they said they really have to go by what their board says their priorities are and this is not one of their priorities up to this time. Maybe after they meet they will change their priority. That will be some of the direction that they may give us, but I think we have to wait just to see what direction higher ed. says they want us to move to.

Senator Grindberg In all respect to the higher ed. board and the roundtable, we are the policy branch, and my opinion is that the board has never responded to the two year colleges in a fashion that meets employer needs. My perspective would be yes, I understand what we need to listen to in opinions, but yet this is a direct response to business and industry.

Chairman Monson I can't disagree with that. We are the policy branch and I am not saying they are going to make our decision for us, but I guess they are going to be meeting and address what they feel are important needs in higher education. I don't know what weight, if any, that will hold in the end. The main thing is, we've got some leadership that is going to have to come together because we have a lot of differences in about three or four bills that all kind of fit together and have to be worked out as a package. We are just going to have to wait.

Senator Thane From our perspective I think that this is an area that my committee wants to sit on for awhile. We haven't gotten anything compromised right now.

Chairman Monson I think we are in agreement on a lot of things but we have one big issue. Chairman Monson recessed the conference committee on HB 1020, vocational and technical education.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 18, 2003

Tape Number	Side A	Side B	Meter #
1	X		6.7
Committee Clerk Signature <i>Celste Keller</i>			

Minutes:

Chairman Monson opened the conference committee on HB 1020, Vocational and Technical Education. All members of the conference committee were present.

Chairman Monson We were talking about some options and things that might happen. The feeling in our caucus and the House Appropriations committee members when we had been talking is that we really want to get the focus of this money, this \$1 million is the big thing, and try to get it back into higher education where it can be distributed to the colleges. I don't know how you want to word it or how you want to set it up so that we are back into higher education with it because we've got money now for colleges in three different places, in vocational education, commerce and in higher education. It is just not acceptable to leave it in all of these different budgets. A lot of our people would like to see the whole \$1 million disappear right out of here and I would support that, but I don't think I am in the majority on that in this conference

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committee so our next option would be to try and come to an agreement where we would move this out of vocational education into higher education.

Senator Thane I understand your position, I don't necessarily agree with it. What is your attitude on bringing the \$1,350,000 back from the Department of Commerce and into vocational technical?

Chairman Monson I liked it the way it came out of the House were we put it into commerce, not necessarily that it was going to stay there, but at least we had other money in commerce for job training and so on and we were trying to get all of the money in one pool for job training type of things. If you have real strong feelings in the Senate that you want to keep that \$1.35 million here, we could live with that, but the \$1 million has to either go away or go someplace else.

Senator Thane The reason I brought that up was, in a conversation with the head of the Department of Commerce, he said he didn't have any particular objections for having it pulled out of Department of Commerce and moved to here. I thought that reinforced that, so that is really not an issue on the table to speak of. We feel strongly about the \$1 million staying where it is. I think we could be flexible if we thought you could be flexible. I can't speak for the other two members of the committee. If the \$1 million can survive coming from the student loan trust fund and be directed in some other way that might accomplish the same results, in other words if you don't feel comfortable about vocational and technical education having control of that money, maybe there is a solution to make sure that the \$1 million is used because those four institutions are not over funded. They are under funded.

Chairman Monson I appreciate where you are coming from. I know that you represent Wahpeton and it is a state wide institution. I know where you are at on it. I don't know where

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you would guarantee that it is still going to be given out the way you want it to be. If it's put into a different committee, and you are not on it, then it is out of your control. You are going to have to go to your leadership or the people on the higher education and make a case for that there. It won't fly with it sitting where it is here. That is our only stumbling block.

Senator Grindberg I think what we are really striving for here is part of the big picture and I don't think anybody sees the big picture yet. We knew that this was going to come down to negotiation in the conference committee, but if we didn't start and make an attempt we'd never have that opportunity. Now we have that opportunity. I have no problem with moving the \$1 million into the board office. That is naturally where it should be. I would go a step further and say that I think as a matter of clearing up any confusion, that we also move the Work force training money into the higher education board so we don't have so many discussions two years from now. Let's put it where it probably needs to be. If we vote to take it out, then it's gone. If we wait until higher education comes out with the language in it, then we vote. It is a matter of semantics and where the leadership's big picture is so that we can start to fall in line. If the support is there, it is pretty easy to say here is what we do with the money. Yesterday in commerce the feelings were that the House would concede to the Senate's action putting those dollars back into the budgets as introduced in the executive budget. If this is a desire of what we want to do, to prevent future discussions on this, the Work force training money that has been appropriated the last two bienniums in vocational education should now be in higher education so that it is all in one place. There are thoughts and discussions going on within the university system office and the commerce budget on internships. If we want to, move that \$1 million over

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to university systems and designate high cost programs for the four two year schools and a pool for internships. I think those are all discussions that may be coming to head here.

Chairman Monson Your privy to what's going on in commerce because you are sitting on that one. I am getting my information through the conferees on that. There are so many different budgets. You brought up Job Service, the Work force training dollars, and there is vocational education and higher education and the internships. We thought we had a really good plan as it left the House. The Senate version came back with everything fragmented, it was harder to get our hands around everything. I wouldn't disagree that maybe we would try to see where they are going with it if you want to get some direction from them. It is not going to happen in this budget.

Senator Grindberg I think we can work with that. You've got to recognize the big picture. The Senate work on the commerce bill is only four or five areas, but when you compound all of the actions the House took, then it gets confusing. We felt strongly that a plan would be put in place. It is going to take some time for everyone to see the plan as it unfolds.

Senator Thane This is a one time thing. We are not going to be going back two years from now to the student loan trust fund and taking another \$1 million dollars. We see a real strong need for these institutions to be able to strengthen the existing programs and attract students and provide better technical training for the students they already have. State College of Science is short funded on some of this specialized training equipment and that is what industry demands.

Chairman Monson You are saying that this \$1 million in here, whatever portion of that Wahpeton would be getting would be basically for equipment or for the college students that come there to be trained at the college. Right there it says that that's definitely higher education

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to me. If higher education round table felt that this was a priority, then it should have been in their budget and you shouldn't have to come through this part of it to get it. Where is the round table and where is higher education on this issue?

Senator Thane I can't speak to where the round table is. I don't necessarily think that the round table was so specific that they wanted to eliminate or exclude anything like this. I would question that they would say no, this is a mistake.

Rep. Gulleason I want to clarify how I interpret these dollars to be. These are Work force training dollars. It is different and separate from just the traditional on campus training. One of the things that I think is unique to those four colleges that we are talking about is that they truly have taken their programs on the road to meet the needs of the business industry of older than average people to upgrade their level of skills from a \$7.00 per hour job to a \$10.00 per hour job. You are seeing that a lot. Reality is this is expensive programming for all of those colleges. Whenever you have to transport your program, offer it in a distance education capacity or set up off site types of classrooms, that's expensive. In my view that is what these dollars are doing. It truly is addressing the Work force training needs of this state and that is unique and different than on campus programming.

Chairman Monson You are saying it isn't necessarily going to end up on campuses? You are saying it is for the outreach or the training of workers that are already on the job and you are going to upgrade their salary?

Rep. Gulleason I think it is a combination of both of those things. The reality is that some of those folks are going to come to campus to take that programming and some of it is going to be met in off campus programming. The bigger picture is that you are building a more skilled work

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force. That is what these dollars are about. The reality is technical education is more expensive than any other kinds of classrooms because you have all of those equipment requirements and you have a higher standard of student to instructor ratio that you have to meet for OSHA standards and all of those things. That is why the costs are higher. If your goal is to raise the bar across the state in terms of salaries and wages and the opportunities for our workplaces to have a more skilled pool, then these are the types of initiatives that have to come forward. I think this is an important initiative.

Senator Thane I hope we're not mixing the two. The \$1,350,000 for Work force training and the \$1 million dollars. The critical programs in high demand are automated machine technology and diesel technology. That is how the State College of Science would spend any part of that million dollars that they got, to enhance those particular programs. I am sure that the other three institutions, if it directed in the way that is was suggested it be directed, and it might not be because if it goes to the board office, it will be handled in an entirely different way. That is the whole idea behind how that should be used, that I saw. Rep. Guleson is speaking more towards the Work force training side of it.

Rep. Guleson I think it is a combination. You can't separate it. Part of my job for many years was working with this. You really affect both sectors. You'd be amazed at how many people are coming back to campus to achieve that higher level of skill. They are not separate.

Senator Thane It would be hard to separate them, because they were perhaps both working in the same room.

Chairman Monson Isn't there \$1.5 million in some bill that was to build a building and there was \$1 million for something up in Grand Forks?

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Senator Grindberg You are talking about the Department of Commerce and the Centers for Excellence which is not even related to this.

Senator Thane There is no capital construction or anything at all in this particular area.

Chairman Monson What is happening with that because I consider that part of the big picture too.

Senator Grindberg We met this morning with the chancellor. The genesis of our conversation was more on the long term partnership than the administrative piece of Centers of Excellence. The feelings on the projects we are funding is that those things are coming together. As we move forward with a Centers of Excellence model, it is going to contribute to overall growth of the state's economy through university research and commercialization.

Senator Thane We are still pretty far apart on this, and we are not ready to accede.

Chairman Monson We are going to have to define the whole big picture in all three places at one time. Our one stumbling block is if it is going to stay in here or try to bring it all together into a big picture. If you are going to have a big picture, I think you've got to get it into higher education and make it part of that. I think if you need to get an agreement that you are going to be guaranteed that, I can't guarantee you that.

Senator Thane What you are saying is if it became part of the big picture and by mutual consent was put into the higher education budget, perhaps earmarked with authority of the board of how to utilize it, you might accept it?

Chairman Monson I might and the House might. We are going to have to see the big picture. If you are talking like it is going to go for equipment and Rep. Gulleson is saying that it is going to be not just equipment, it is going to be for training people on the job.

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Senator Thane It will.

Chairman Monson I think we are going to have to put our arms around this and say, it's got to be under the direction someplace and it sounds to me like higher education could take care of it in either place. If it was just for equipment, maybe it would fit in here okay, but I just don't see that it is going to fit in this one and that we are going to get it through the House the way it is.

Senator Thane I probably should have not just spoken to equipment because equipment and training is all intrical. Without equipment you can't train.

Senator Grindberg This is an information piece on another bill as an FYI. I am chairing the conference committee on SB 2332 that deals with the student loan trust and the residual bonding authority maintain 9.5% return. The House action on that bill capped that fund at \$23 million, I have amendments to take that down to \$20 million. I throw that out only as a point of information. That bill is a key part of negotiations that if we need additional money, there certainly should be discussion on a \$23 million dollar cap versus a \$20 million dollar cap.

Senator Thane I visited with Karlene Fine of the Industrial Commission. She has no serious concerns about what we are trying to do here.

Chairman Monson Senator Grindberg came back to the student loan trust fund level and the bonding, that obviously has something to do with this because we are looking at this million dollars as coming from there, so we can't really separate this one from that one. My own sense with the republicans on this appropriations committee was we had a hard fight to get it to the level where we kicked it out at.

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Rep. Rennerfeldt I think the majority wanted to kill it. I think we can sell them on moving it to higher education and putting language in there, but beyond that I would question if it is going to survive.

Senator Grindberg I am not opposed to that but it is what comes first in this process. If the subcommittee members did nothing on this budget, we wouldn't be sitting here today. That is the nature of the process. I am not opposed to putting it in higher education but what comes first and what is the big picture.

Senator Thane I am flexible on that. I certainly am not going to be directly opposed to doing that.

Chairman Monson At least we are all thinking that we've got some wiggle room on this one.

Senator Lindaas I have been sitting here listening with interest to the discussion. I don't have one of these institutions in my district, but I am interested in this to a great deal because of economic development in North Dakota as a whole. I think it is important that we put a little extra toward the four institutions that are doing this type of work and give it a little boost. I think it is important in this day and age that this happen. I think that this would be money very well spent whatever avenue we happen to take.

Rep. Rennerfeldt I see the need for it. I think if it is going to survive, we are going to have to move here.

Chairman Monson adjourned the conference committee on HB 1020, Vocational and Technical Education.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

☒ Check here for Conference Committee

Hearing Date April 21, 2003

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Committee Clerk Signature <i>Cheryl Keller</i>			

Minutes:

Chairman Monson opened the conference committee on HB 1020, Vocational and Technical Education. All members of the conference committee were present.

Chairman Monson We have an amendment .0205 before us that I had drafted. It reflects the agreement that leadership has come to where we would back off \$1 million that is in this one. It would be language that would show that there would be intent in the North Dakota University System and the higher education budget to consider funds for the Work force training as part of higher education's share of the general fund spending. That is the only change I see.

Rep. Gulleon Regarding section 2, putting the language in there that directs these dollars to be considered as part of the higher education budget, why are we doing that now? My understanding, I believe it was in 99 when the work force training was put together, that it really is about economic development. It is really about the state's efforts to grow a work force.

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Deanna Gulleon
Operator's Signature

10/30/03
Date

Page 2
Education and Environment Division
Bill/Resolution Number 1020
Hearing Date April 21, 2003

Vocational education has (inaudible) the money, but it really wasn't part of higher education's funding. It shouldn't be replacing what we are directing to those campuses.

Chairman Monson The \$1.35 million remains in there like it was before, so the only change is the million dollars that the Senate moved in to add to this. It is going to come through the higher education budget as I understand it.

Rep. Gulleason This is new language where the \$1.35 will be part of higher education's budget.

Senator Grindberg The Senate version to the bill with the original \$1,350,000 is now back for Work force training and the \$1 million that we put in, that intent language came as part of our discussions, that through the round table process, it is kind of an unwritten rule that would participate at 21% or 21.6% of the general fund portion. If the economy grew, so would the funding for higher education. What we were trying to do with that million was to make sure that was captured in with that \$1.35 million. So now the million is gone, it's philosophical in nature, that if we are funding four two year colleges through vocational education, is it really not part of higher education from a percentage wise factor.

Chairman Monson Part of it might be for buying equipment and so on at Wahpeton or any of the colleges. I guess it is more than just Work force training. It's actual dollars being spent for equipment and so on.

Rep. Gulleason It is a philosophical thing. I am not sure that I agree with it.

Rep. Rennerfeldt moved the amendments .0205 and Senator Grindberg seconded.

Stephanie, Legislative Council Footnote 4, transferring the \$357,452 between lines is no longer necessary since there is no longer a post secondary education grant category II, we no

Page 3
Education and Environment Division
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Hearing Date April 21, 2003

longer need to move the \$357,452 into a category I. It can stay in the original line. I will take care of that after you pass this through, I will take that part out of it and leave the rest the same.

Chairman Monson It really doesn't do anything anymore, so we don't need footnote 4. That would go away.

Rep. Gulleason Clarify for me the language that is going to be added to the higher education budget, directing a share of their pool dollars.

Chairman Monson I think it is about 800,000. It wasn't the full million. I think they came with \$750,000 or \$800,000 which was what I was told.

Rep. Gulleason But nobody has a copy of it?

Chairman Monson I do not. Have you seen that Senator Grindberg?

Senator Grindberg I just had a verbal conversation with Senator Holmberg.

Chairman Monson That's all I've had too, is assurances that it is going to be there.

Rep. Rennerfeldt That was my understanding of it too, that was the assurance that I got.

ROLL CALL VOTES ON A DO PASS AS AMENDED

6 Yes 0 No 0 Absent

Senator Thane I am disappointed because no one has yet to explain to me why they were so nervous about taking the million dollars out of the student loan trust fund. No body will ever convince me now or in the future that it was the right move to make, I don't know what they were protecting. I could understand if it was coming out of the general fund if the student loan trust fund was badly depleted, but it was not.

Chairman Monson It is general fund money.

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Education and Environment Division
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Senator Thane It was general fund money, but it is not general fund money in the sense that general fund money is.

Chairman Monson It is a part of money that is general fund money. If we are spending half or over half of it this biennium, and things don't get better, I think the fear is that we will need that same matching half to just hold even what we spent this time.

Senator Thane This bill is not taking it. If it was justifiable in all of the other areas, it would be just as justifiable in this particular area, in my opinion.

Chairman Monson adjourned the conference committee on HB 1020, Vocational and Technical Education.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

38020.0205
Title.
Fiscal No. 1

Prepared by the Legislative Council staff for
Representative Monson
April 18, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1020

Page 1, line 2, after "education" insert "; and to provide a statement of legislative intent"

Page 1, line 10, replace "2,969,634" with "2,966,641"

Page 1, line 11, replace "621,845" with "956,237"

Page 1, line 12, replace "19,637,083" with "19,291,883"

Page 1, after line 13, insert:

"Workforce training 1,350,000"

Page 1, line 15, replace "24,211,774" with "25,547,973"

Page 1, line 16, replace "10,874,593" with "10,874,500"

Page 1, line 17, replace "13,337,181" with "14,673,473"

Page 1, after line 17, insert:

"SECTION 2. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING. It is the intent of the fifty-eighth legislative assembly that the funds totaling \$1,350,000 included in the state board for vocational and technical education for workforce training be considered by the North Dakota university system as a part of higher education's share of total general fund spending."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,001,877	\$2,969,634	(\$2,993)	\$2,966,641	\$2,966,641	
Operating expenses	621,845	621,845	334,392	956,237	956,398	(\$2,161)
Grants	20,037,083	19,637,083	(345,200)	19,291,883	19,291,883	
Adult farm management	625,760	625,760		625,760	625,760	
Workforce training	1,350,000		1,350,000	1,350,000	1,350,000	
Postsecondary education	357,452	357,452	(357,452)			
vocational grants						
Postsecondary education			357,452	357,452	357,452	
vocational grants -						
category I						
Postsecondary education					1,000,000	(1,000,000)
vocational grants -						
category II						
Total all funds	\$25,993,817	\$24,211,774	\$1,336,199	\$25,547,973	\$26,550,134	(\$1,002,161)
Less estimated income	<u>10,875,297</u>	<u>10,874,593</u>	(93)	<u>10,874,500</u>	<u>11,874,500</u>	(1,000,000)
General fund	\$15,118,520	\$13,337,181	\$1,336,292	\$14,673,473	\$14,675,634	(\$2,161)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

Dept. 270 - Vocational Education - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	RESTORES WORKFORCE TRAINING FUNDS REMOVED BY THE HOUSE ³	TRANSFERS FUNDING FOR POSTSECONDARY GRANTS - CATEGORY I ⁴	TRANSFERS FUNDING FROM GRANTS TO OPERATING EXPENSES ⁵	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,993)					(\$2,993)
Operating expenses		(\$10,808)			\$345,200	334,392
Grants					(345,200)	(345,200)
Adult farm management						
Workforce training			\$1,350,000			1,350,000
Postsecondary education				(\$357,452)		(357,452)
vocational grants						
Postsecondary education				357,452		357,452
vocational grants -						
Category I						
Total all funds	(\$2,993)	(\$10,808)	\$1,350,000	\$0	\$0	\$1,336,199
Less estimated income	(93)					(93)
General fund	(\$2,900)	(\$10,808)	\$1,350,000	\$0	\$0	\$1,336,292
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$10,808 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

³ This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019. The Senate also made this change.

⁴ This amendment transfers the \$357,452 for postsecondary education vocational grants to postsecondary education vocational grants - category I, the same as the Senate's version.

⁵ This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant and \$100,000 is for the career development web site. The Senate also made this change.

The funding of \$1 million from the student loan trust fund for postsecondary education vocational grants - category II included by the Senate is removed.

A section of legislative intent is added providing that the North Dakota University System consider funds for the workforce training as part of higher education's share of the general fund spending.

Date: April 21, 2003
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

House Appropriations Education Environment Division Committee

☒ Check here for Conference Committee

Legislative Council Amendment Number LC # .0205

Action Taken DO PASS AS AMENDED

Motion Made By Rep. Rennerfeldt Seconded By Senator Grindberg

Representatives	Yes	No	Representatives	Yes	No
Representative Monson	X				
Representative Rennerfeldt	X				
Representative Gulleson	X				
Senator Thane	X				
Senator Grindberg	X				
Senator Lindaas	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Monson

If the vote is on an amendment, briefly indicate intent: See proposed amendments.

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Deanna Gulleson
Operator's Signature

10/30/03
Date

REPORT OF CONFERENCE COMMITTEE (420)
April 22, 2003 11:40 a.m.

Module No: HR-73-8085

Insert LC: 38020.0206

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Thane, Grindberg, Lindaas and Reps. Monson, Rennerfeldt, Gulleason) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1281-1283, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1281-1283 of the House Journal and pages 1093-1096 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 2, after "education" insert "; and to provide a statement of legislative intent"

Page 1, line 10, replace "2,969,634" with "2,966,641"

Page 1, line 11, replace "621,845" with "956,237"

Page 1, line 12, replace "19,637,083" with "19,291,883"

Page 1, after line 13, insert:
"Workforce training

1,350,000"

Page 1, line 15, replace "24,211,774" with "25,547,973"

Page 1, line 16, replace "10,874,593" with "10,874,500"

Page 1, line 17, replace "13,337,181" with "14,673,473"

Page 1, after line 17, insert:

"SECTION 2. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING. It is the intent of the fifty-eighth legislative assembly that the funds totaling \$1,350,000 included in the state board for vocational and technical education for workforce training be considered by the North Dakota university system as a part of higher education's share of total general fund spending."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Vocational Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,001,677	\$2,969,634	(\$2,993)	\$2,966,641	\$2,966,641	
Operating expenses	621,845	621,845	334,392	956,237	956,398	(\$2,161)
Grants	20,037,083	19,637,083	(345,200)	19,291,883	19,291,883	
Adult farm management	625,760	625,760		625,760	625,760	
Workforce training	1,350,000		1,350,000	1,350,000	1,350,000	
Postsecondary education vocational grants	357,452	357,452		357,452		357,452
Postsecondary education vocational grants - Category I					357,452	(357,452)
Postsecondary education vocational grants - Category II					1,000,000	(1,000,000)
Total all funds	\$25,993,817	\$24,211,774	\$1,336,199	\$25,547,973	\$26,550,134	(\$1,002,161)
Less estimated income	<u>10,875,297</u>	<u>10,874,593</u>	(83)	<u>10,874,500</u>	<u>11,874,500</u>	(1,000,000)
General fund	\$15,118,520	\$13,337,181	\$1,336,282	\$14,673,473	\$14,675,634	(\$2,161)

(2) DESK, (2) COMM

Page No. 1

HR-73-8085

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Operator's Signature

10/30/03
Date

REPORT OF CONFERENCE COMMITTEE (420)
April 22, 2003 11:40 a.m.

Module No: HR-73-8085

Insert LC: 38020.0206

FTE 27.50 27.50 0.00 27.50 27.50 0.00

Dept. 270 - Vocational Education - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS ²	RESTORES WORKFORCE TRAINING FUNDS REMOVED BY THE HOUSE ³	TRANSFERS FUNDING FROM GRANTS TO OPERATING EXPENSES ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,993)				(\$2,993)
Operating expenses		(\$10,808)		\$345,200	334,392
Grants				(345,200)	(345,200)
Adult farm management					
Workforce training			\$1,350,000		1,350,000
Postsecondary education					
vocational grants					
Postsecondary education					
vocational grants -					
Category I					
Postsecondary education					
vocational grants -					
Category II					
Total all funds	(\$2,993)	(\$10,808)	\$1,350,000	\$0	\$1,336,199
Less estimated income	(93)				(93)
General fund	(\$2,900)	(\$10,808)	\$1,350,000	\$0	\$1,336,292
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

² This amendment reduces funding for information technology by \$10,808 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent.

³ This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019. The Senate also made this change.

⁴ This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant, and \$100,000 is for the career development web site. The Senate also made this change.

The funding of \$1 million from the student loan trust fund for postsecondary education vocational grants - category II included by the Senate is removed.

A section of legislative intent is added providing that the North Dakota University System consider funds for the workforce training as part of higher education's share of the general fund spending.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

2003 TESTIMONY

HB 1020

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Deanna G. Hall
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10/30/03
Date

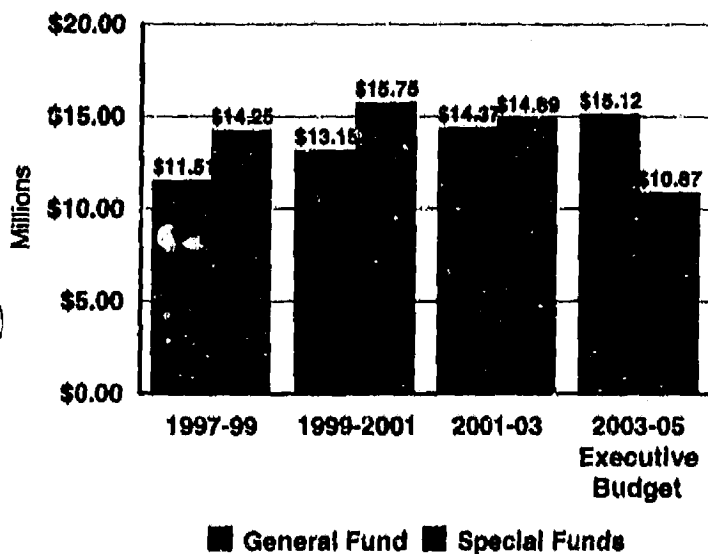
**Department 270 - State Board for Vocational and Technical Education
House Bill No. 1020**

	FTE Positions	General Fund	Other Funds	Total
2003-05 Executive Budget	27.50	\$15,118,520	\$10,875,297	\$25,993,817
2001-03 Legislative Appropriations	28.50	14,368,861 ¹	14,895,768	29,264,629 ²
Increase (Decrease)	(1.00)	\$749,659	(\$4,020,471)	(\$3,270,812)

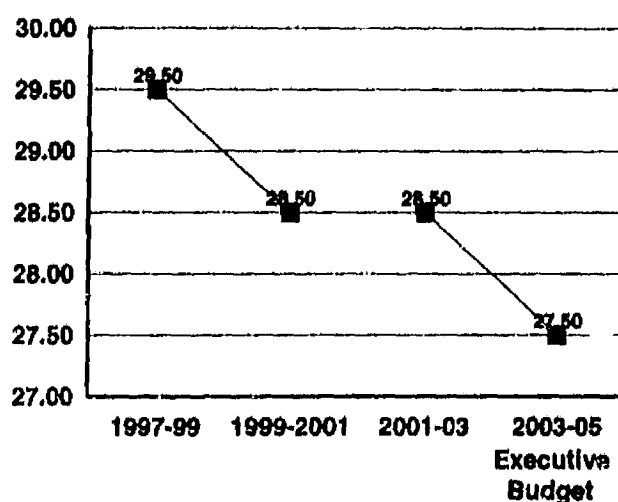
¹ The 2001-03 general fund appropriation is the amount appropriated by the 2001 Legislative Assembly and does not include a reduction of \$150,873 relating to the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

² The 2001-03 appropriation amounts include \$22,932, \$14,906 of which is from the general fund, for the agency's share of the \$5 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2001-03 appropriation amounts do not include \$65,000 of additional federal funds authority resulting from Emergency Commission action during the 2001-03 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
(With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Removes 1 FTE computer and network specialist III position		(\$87,833)	(\$87,833)
2. Decreases federal funds for grants to reflect the ending of the school-to-work initiative. Increase in general fund grants attributed to moving funding for information technology into grants line, approval of general funds (\$250,000) for videoconferencing of vocational technical education courses, and career development counseling (\$500,000). The House removed funding to expand career development programs by \$360,000 from the general fund.	\$1,122,234	(\$3,853,439)	(\$2,731,205)
3. Decreases operating expenses, primarily due to ending of the school-to-work initiative and the finalization of the national finance-career cluster curriculum project	(\$104,500)	(\$159,802)	(\$264,302)
4. Increases adult farm management line for additional general fund grants	\$50,000		\$50,000

Major Related Legislation

House Bill No. 1068 - This bill provides that it is unlawful to issue, manufacture, or use false academic credentials to obtain employment, a promotion or higher compensation in employment, admission to an institution of higher learning, or in connection with any business, trade, profession, or occupation.

House Bill No. 1183 - This bill changes the name of "state board for vocational and technical education" to "state board for career and technical education" and changes the name of "area vocational and technology centers" to "area career and technology centers." This bill also authorizes the area vocational and technology centers to accept property and grants from the federal government, designates a department of career and technical education, and repeals North Dakota Century Code (NDCC) Section 15-20.1-10, which relates to the powers of the school board of a vocational school district.

Senate Bill No. 2109 - This bill repeals NDCC Section 52-08-12, which relates to the distribution of workforce training funds by the State Board for Vocational and Technical Education to State Board of Higher Education Institutions.

Senate Bill No. 2260 - This bill provides a general fund appropriation of \$50,000 to the State Board for Vocational and Technical Education for assisting schools that participate in cooperatives offering approved applied technology programs with hardware and software purchases, applied technology curriculum enhancements, and professional development opportunities for applied technology teachers.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

02/21/03

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1020 - Funding Summary**

	Executive Budget	House Changes	House Version
Vocational Education			
Salaries and wages	\$3,001,677	(\$32,043)	\$2,969,634
Operating expenses	621,845		621,845
Grants	20,037,083	(400,000)	19,637,083
Adult farm management	625,760		625,760
Workforce training	1,350,000	(1,350,000)	
Postsecondary educ vocational grants	357,452		357,452
Total all funds	\$25,993,817	(\$1,782,043)	\$24,211,774
Less estimated income	10,875,297	(704)	10,874,593
General fund	\$15,118,520	(\$1,781,339)	\$13,337,181
FTE	27.50	0.00	27.50
Bill Total			
Total all funds	\$25,993,817	(\$1,782,043)	\$24,211,774
Less estimated income	10,875,297	(704)	10,874,593
General fund	\$15,118,520	(\$1,781,339)	\$13,337,181
FTE	27.50	0.00	27.50

House Bill No. 1020 - Vocational Education - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,001,677	(\$32,043)	\$2,969,634
Operating expenses	621,845		621,845
Grants	20,037,083	(400,000)	19,637,083
Adult farm management	625,760		625,760
Workforce training	1,350,000	(1,350,000)	
Postsecondary educ vocational grants	357,452		357,452
Total all funds	\$25,993,817	(\$1,782,043)	\$24,211,774
Less estimated income	10,875,297	(704)	10,874,593
General fund	\$15,118,520	(\$1,781,339)	\$13,337,181
FTE	27.50	0.00	27.50

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Operator's Signature

Date

10/30/03

02/21/03

Department No. 270 - Vocational Education - Detail of House Changes

	Removes Recommended Salary Increase ¹	Removes Funding To Expand Career Development Programs	Decreases Funding For Awareness Campaign ²	Removes Funding for Workforce Training Contracts ³	Total House Changes
Salaries and wages	(\$32,043)				(\$32,043)
Operating expenses					
Grants		(360,000)	(40,000)		(400,000)
Adult farm management					
Workforce training				(1,350,000)	(1,350,000)
Postsecondary educ vocational grants					
Total all funds	(\$32,043)	(\$360,000)	(\$40,000)	(\$1,350,000)	(\$1,782,043)
Less estimated income	(704)	0	0	0	(704)
General fund	(\$31,339)	(\$360,000)	(\$40,000)	(\$1,350,000)	(\$1,781,339)
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment removes the Governor's recommendation for state employee increases and retains the recommended state payment for health insurance premiums.

² This amendment decreases funding from the general fund for the agency's awareness campaign from \$80,000 to \$40,000.

³ This amendment removes funding for the workforce training contracts to be added to House Bill No. 1019.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

04/09/03

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1020 - Funding Summary**

	Executive Budget	House Version	Senate Changes	Senate Version
Vocational Education				
Salaries and wages	\$3,001,677	\$2,969,634	(\$2,993)	\$2,966,641
Operating expenses	621,845	621,845	336,553	958,398
Grants	20,037,083	19,637,083	(345,200)	19,291,883
Adult farm management	625,760	625,760		625,760
Workforce training	1,350,000		1,350,000	1,350,000
Postsecondary educ vocational grants	357,452	357,452	(357,452)	
Postsecondary ed voc grants-category I			357,452	357,452
Postsecondary ed voc grants-category II			1,000,000	1,000,000
Total all funds	\$25,993,817	\$24,211,774	\$2,338,360	\$26,550,134
Less estimated income	10,875,297	10,874,593	999,907	11,874,500
General fund	\$15,118,520	\$13,337,181	\$1,338,453	\$14,675,634
FTE	27.50	27.50	0.00	27.50
Bill Total				
Total all funds	\$25,993,817	\$24,211,774	\$2,338,360	\$26,550,134
Less estimated income	10,875,297	10,874,593	999,907	11,874,500
General fund	\$15,118,520	\$13,337,181	\$1,338,453	\$14,675,634
FTE	27.50	27.50	0.00	27.50

House Bill No. 1020 - Vocational Education - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,001,677	(\$32,043)	\$2,969,634
Operating expenses	621,845		621,845
Grants	20,037,083	(400,000)	19,637,083
Adult farm management	625,760		625,760
Workforce training	1,350,000	(1,350,000)	
Postsecondary educ vocational grants	357,452		357,452
Total all funds	\$25,993,817	(\$1,782,043)	\$24,211,774
Less estimated income	10,875,297	(704)	10,874,593
General fund	\$15,118,520	(\$1,781,339)	\$13,337,181
FTE	27.50	0.00	27.50

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04/09/03

Department No. 270 - Vocational Education - Detail of House Changes

	Removes Recommended Salary Increase ¹ (\$32,043)	Removes Funding To Expand Career Development Programs (360,000)	Decreases Funding For Awareness Campaign ² (40,000)	Removes Funding for Workforce Training Contracts ³ (1,350,000)	Total House Changes (\$32,043) (400,000) (1,350,000)
Salaries and wages					
Operating expenses					
Grants					
Adult farm management					
Workforce training					
Postsecondary educ vocational grants					
Total all funds	(\$32,043)	(\$360,000)	(\$40,000)	(\$1,350,000)	(\$1,782,043)
Less estimated income	(704)	0	0	0	(704)
General fund	(\$31,339)	(\$360,000)	(\$40,000)	(\$1,350,000)	(\$1,781,339)
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment removes the Governor's recommendation for state employee salary increases and retains the recommended state payment for health insurance premiums.

² This amendment decreases funding from the general fund for the agency's awareness campaign from \$80,000 to \$40,000.

³ This amendment removes funding for the workforce training contracts to be added to House Bill No. 1019.

House Bill No. 1020 - Vocational Education - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$7,001,677	\$2,969,634	(\$2,993)	\$2,966,641
Operating expenses	621,845	621,845	336,553	958,398
Grants	20,037,083	19,637,083	(345,200)	19,291,883
Adult farm management	625,760	625,760		625,760
Workforce training	1,350,000		1,350,000	1,350,000
Postsecondary educ vocational grants	357,452	357,452	(357,452)	
Postsecondary ed voc grants-category I			357,452	357,452
Postsecondary ed voc grants-category II			1,000,000	1,000,000
Total all funds	\$25,993,817	\$24,211,774	\$2,338,360	\$26,550,134
Less estimated income	10,875,297	10,874,593	999,907	11,874,500
General fund	\$15,118,520	\$13,337,181	\$1,338,453	\$14,675,634
FTE	27.50	27.50	0.00	27.50

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Department No. 27(i) - Vocational Education - Detail of Senate Changes

	Reduces Recommended Funding for Health Insurance ¹	Reduces Funding for Information Technology Costs ²	Restores Workforce Training Funds Removed by the House ³	Adds Funds for Postsecondary Grants - Category II ⁴	Transfers Funding for Postsecondary Grants - Category I ⁵	Transfers Funding From Grants to Operating Expenses ⁵
Salaries and wages	(\$2,993)					
Operating expenses		(8,647)				
Grants						345,200
Adult farm management						(345,200)
Workforce training			1,350,000			
Postsecondary educ vocational grants					(357,452)	
Postsecondary ed voc grants- category I					357,452	
Postsecondary ed voc grants- category II				1,000,000		
Total all funds	(\$2,993)	(\$8,647)	\$1,350,000	\$1,000,000	\$0	\$0
Less estimated income	(93)	0	0	1,000,000	0	0
General fund	(\$2,900)	(\$8,647)	\$1,350,000	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	(\$2,993)
Operating expenses	336,553
Grants	(345,200)
Adult farm management	
Workforce training	1,350,000
Postsecondary educ vocational grants	(357,452)
Postsecondary ed voc grants- category I	357,452
Postsecondary ed voc grants- category II	1,000,000
Total all funds	\$2,338,360
Less estimated income	999,907
General fund	\$1,338,453
FTE	0.00

¹ This amendment reduces the funding for state employee health insurance premiums from \$493 per month to \$488.70 per month.

² This amendment reduces funding for information technology by \$8,647 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

³ This amendment restores funding of \$1,350,000 for workforce training which the House had transferred to the Department of Commerce in House Bill No. 1019.

⁴ This amendment adds funds of \$1,000,000 to a new line item, postsecondary education vocational grants - category II, for grants to support existing programs.

⁵ This amendment transfers the \$357,452 for postsecondary education vocational grants to postsecondary education vocational grants - category I.

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This amendment transfers a total of \$345,200 from the grants line item to the operating expenses line item for proper classification of the funds. Of the \$345,200, \$245,200 is for the transition to teaching grant, and \$100,000 is for the career development web site.

This amendment also adds four sections to the bill, Sections 2, 3, 4, and 5. Section 2 requires the State Board for Vocational and Technical Education to report to the Budget Section on the distribution of the postsecondary education vocational grants - category II. Section 3 is a section of legislative intent encouraging the executive budget to recommend funding the postsecondary education vocational grants - category II for the 2005-07 biennium, and Section 4 is a section of legislative intent that the North Dakota University System consider funds for the workforce training and postsecondary education grants - category II as part of higher education's share of the general fund spending. Section 5 transfers \$1 million from the student loan trust for postsecondary education vocational grants - category II.

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**Testimony on HB 1020
House Appropriations Committee
Education and Environment Division
January 9, 2003**

Mr. Chairman and members of the committee, my name is Wayne Kutzer,
Director of the State Board for Vocational and Technical Education.

At no other time has the need to prepare students for careers in our workforce been so great. Nearly every industry that exists in our state: energy, trucking, education, and health care is looking at a worker and skill shortage now, and in the not too distant future. As the population in our state ages so does our workforce, ...workers are going to be able to retire in record numbers in the coming decade. While we definitely need doctors, dentists, engineers, and teachers whose preparation includes at least a bachelor's degree, the vast majority of careers in this state and across the nation are in the technical skill areas -- the base for that knowledge and those skills are taught in vocational technical programs across the state at the high school and postsecondary - certificate and associate degree level.

According to the US Labor Department, the demand for jobs needing a four year degree has been relatively stable since about 1950 at 20%, that is expected to grow to around 25% over the next 10 years. Technical jobs, in comparison, have steadily grown from 20% in 1950 to 65% of the jobs requiring technical skills by the end of this decade. At the same time, the unskilled share of the workforce will decline to 10% by the end of the decade.

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In order for our state to replace retiring workers in our current industries and provide workers for growing our economy in areas such as information technology and advanced manufacturing we must do two things:

- 1) provide the knowledge and skills students need to enter into their chosen career field and;
- 2) make students, educators, parents, and businesses aware of the education and career opportunities that exist within our state.

Secondary vocational technical education provides a solid foundation of technical skills and an awareness of careers. That foundation is critical as students choose a career path. Postsecondary technical education at our two-year campuses provides advanced training, adding to our economic skills base. It is necessary for this state to keep technical education strong at all levels. It provides students with the knowledge and skills necessary to fill the vast majority of those careers.

Vocational technical education is an essential component of the total educational system and is critical in our states ability to respond to an ever changing economy. It provides focus and motivation to students who want to know "why do I have to know this?" They can make that connection between what they are learning and the world of work. One of the strongest attributes of vocational technical education and an area that we actively participate in, is student organizations, FFA, SkillsUSA-VICA, FBLA, DECA, TSA, and FCCLA. These organizations enable students to demonstrate their skills at state and national competitions. Last year at a competition in Seoul, South Korea, a NDSCS automotive student, Josh Boschee, placed second in the world in Automotive Technology; Amber Haugland, an FFA student from Crosby, is the first National VP from our state in over 40 years. North Dakota students consistently place at national skills competitions. We are not only providing job specific and career

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skills to students but through student organizations, instructors take education that extra step and provide leadership, communication, and workplace readiness skills that benefit all students who participate.

The top sheet of your handout is a budget comparison, I will refer to it during my testimony about our programs and funding requests. I have also attached an agency information sheet.

Here is what we do and are doing - We provide technical assistance, professional development activities for instructors, and perform evaluations for all vocational technical education programs in the state which includes 727 secondary and 117 postsecondary programs. That is nearly a 9% increase compared to 665 last year. You have a handout that identifies those programs and a total enrollment of 65,750 students in grades 7 - 12. The unduplicated count is 23,000 students in grades 9 - 12. Also listed at the bottom of the page are postsecondary and adult programs.

One of the critical aspects of education in our rural state is access. On the back side of that handout are two tables that illustrate the access to vocational technical programs and the impact of our cooperative arrangements. The tables are broken down by school size and the number of programs that they offer. The two tables reflect the last and current school year. If you look at the top table, in the first three columns it shows the number of schools in each foundation aid category, followed by the fourth column which has the average number of programs in schools of that size. As you move to the right, the fifth and sixth columns reflect average offerings without Area Centers or cooperative arrangements.

The bottom table is the current year, it shows not only a decline in the number of schools in the larger categories, but an across the board increase in the average number of programs in all schools. It demonstrate the impact on access and that

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the efforts and funding put into cooperative efforts is creating more access and benefiting students. The next two pages of the handout are the list schools and the programs that make up these tables.

The tables show that we have helped to provide more programs to more students, but it also indicates that we have a ways to go to provide more equitable access. Our board feels strongly that access to quality VTE programs is a priority. They have shown that by reallocating dollars to new programs and cooperative efforts. The resulting demand in dollars for new VTE programs has forced us to cut our reimbursements rates for all programs. In this current biennium from 26% to 25%, ten years ago those rates were at 35%.

This growth in the number of programs that schools offer is primarily due to the expansion of Information Technology programs and cooperative arrangements. We have IT programs in 89 schools ...In 1999 we only had six IT programs in the state. ...First let me talk about cooperative arrangements. We currently provide a 4% reimbursement rate incentive for a school to send a technical class to another school on the interactive and video conferencing systems, allocating a total of \$260,000. This equates to 70 programs in 45 schools, ...more can be done. The next page in your handout is a list of the schools that participate in cooperative arrangements and the courses that they send or receive.

The Governor's budget recommendations have included an additional \$250,000 in our grants line item, to expand the number of distance offerings, thereby more fully utilizing the statewide video conferencing network and providing more equal access to more students across the state. VTE course delivery over interactive video is challenging due to the hands on nature of instruction. This new money will provide incentives to schools to develop and put more courses on the network. Of the current 89 IT programs, eight Computer Networking courses are in schools where the class is received over the video network. IT programs are not alone in vocational technical courses taught over ITV or video networks, we

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have classes in Health, Business & Office, Drafting, Family and Consumer Science, Agriculture, and Marketing.

The next page of the handout lists the schools where IT programs exist and what programs they offer. The IT programs consist of IT Essentials, an introductory course that started in North Dakota and is now nationwide, Programming Essentials, Computer Hardware (A+), and computer networking which is almost entirely made up of the Cisco classes that you have heard about. What is unique about the Cisco course is that the curriculum is web based and there is no need for textbooks. The curriculum is updated regularly at no cost. ...and the newer course curriculums such as A+, Programming, and IT Essentials will be also be free. The curriculum and upgrades are sponsored by leading software and hardware manufacturers and follow industry standards.

If you would look at the Budget Comparison handout, in the Executive Budget Recommendations column, the funding in the line item for Information Technology Grants has been moved to the Grants line item. Those dollars were earmarked during the last session for ExplorNet and schools in the state that taught their Computer Hardware (A+) course. ExplorNet is no longer in the state and we now provide oversight, technical assistance, and funding for those programs. Because of that, those funds have been moved to our grants line item and will continue to be used to provide funding for IT programs in schools across the state.

But whether you are talking about IT or Trade and Technical programs, an essential component is skills and certification testing, but it is costly. All programs currently test their students but those tests do not necessarily measure the same things or carry much weight with industry. Additionally, parts of our federal accountability requirements are to measure skill attainment, but we don't have a good and consistent way to measure that. There are skill assessments that are based on national skill standards and are validated by industry, but they

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are expensive, costing \$15 to \$30 for a pre and post test. We have started the process by partnering with the two year campuses and tribal colleges to join CompTia, an IT industry certification organization. Through that membership students can take certification tests for half price and it provides free certification to instructors, but it is still expensive. In our optional budget request, we are asking for \$90,000 to continue implementing industry based testing in these skill areas.

Those are the programs we offer to students that support the first point that I mentioned earlier – providing the knowledge and skills students need to enter into their chosen career field. The second point is to make students, educators, parents, and businesses aware of the education and career opportunities that exist.

This second point, that ability to help students create a career plan is an essential ingredient in the educational experience of every student. It provides students with a focus and relevance to what they are learning by tying it to their career interests and abilities. It also supports North Dakota's economic development activities by providing information on career opportunities in the state.

That career awareness is being delivered through Career Development Programs, but there aren't enough. Currently there are 59 Career Development Counselors serving 104 secondary schools in 97 districts across the state. The second group of handouts has a map of the locations served by the counselors. Where you see lines connecting towns the counselors travel between those towns, in stand-alone locations there is either a single counselor or a part time counselor serving that school. In addition to regular guidance counseling activities, these career development counselors assist students in: focusing on their career development, exploring different careers, putting together a career plan, understanding the knowledge and skills required for those careers, what the

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student can expect as far as openings, and where careers are located. A resource booklet "Design Your Future" that is attached to your handouts, is given to eighth grade students.

The Governor has put in his executive budget recommendation a \$500,000 increase in our grants to promote and provide increased access to Career Development. This funding will do three things: increase the number of programs by approximately 12, create a website and portal that is specifically for students, and an awareness campaign that will let students and parents know where Career Development services are available. It will provide students a focus on North Dakota careers in conjunction with national information. This proposal, coupled with existing programs, will provide greater statewide access for students in developing their career goals and objectives. The North Dakota Youth Development Council, an arm of the Workforce Development Council, has expressed their support for career development activities in the resolution that you also have in your packet.

A new tool for counselors and schools to use to help students in the career planning process are the Career Clusters. You have a couple of brochures of the clusters with your information. These clusters were identified by the US Dept of Education to organize all careers into 16 major areas. A consortium of states organized development teams, made up of business and education, who gathered and assembled the information and created curriculum frameworks for each of the clusters. North Dakota developed the Finance Cluster. They have been adopted nationwide by business and education. If you open the brochure to the first or second set of pages you will see a wheel that is divided into a number of pathways, leading outwards to career specialties. Each page of that brochure discusses one of those pathways in more detail, such as sample jobs and employment outlooks.

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The concept behind the clusters is to portray, to the student, the breadth of careers in a given industry as well as a pathway for occupations that require a secondary, two-year, four-year or advanced degree. There are similarities between pathways so that students can move to another as their career plans change. You also have a pathways chart in your materials that lists careers within a pathways. Across the bottom of that pathway chart are ten core foundation knowledge and skills – from academic foundations, communications, and leadership and teamwork to technical skills and critical thinking. Additionally in your materials, there is a sample program of study that we have started to develop for each cluster that lists suggested courses a student should take for a career in that area. This will be yet another resource that career development counselors can use with students and parents. We will be implementing the cluster concept into our curriculum and delivery of courses, so that students are not limited by their career choice, but understand that there are options.

To accomplish everything that we do, we need to have highly qualified instructors. VTE is not insulated from the teacher shortage. In fact because we rely on people who have industry experience, there is a bigger problem in filling positions with qualified teachers. In our original optional budget we asked for an additional \$80,000 to continue our Clinical Practice program. In this instance, I am glad to tell you that we won't be requesting that funding. We received a five-year, \$600,000 federal "Transition to Teaching in North Dakota" grant. This grant will not only provide the education and training for new teachers but will also provide incentives to qualifying individuals who would like to become teachers.

To address the education and training an individual must undergo to enter the classroom, we piloted a mentoring program we called "Clinical Practice", which is designed to transition individuals from industry and business to become teachers in high demand technical areas. The year long program provides two mentors for each new teacher, one from within the school who is selected by the administration and a content specialist who is selected by our staff. This

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program has grown from 18 VTE teachers last year, to working with 22 new emergency certified teachers this year, including the academic areas of math, science, art, and music. A critical component in all transition to teaching programs is the ability for that instructor to satisfy a professional educators program of study, including student teaching. Up to this point an emergency certified individual would have to quit teaching in order to take a 10 - 12 week student teaching course. Through participation in our clinical practice program they can satisfy that requirement and continue teaching. Valley City State University worked closely with us when we developed the program and now we are also working with the teacher education departments of NDSU, Minot State, and Dickinson State.

To give you an example, if you had an elementary teaching license and wanted to teach Technology Education at the high school level, you could get all the Tech Ed classes you need online and with a mentor, start teaching. Over the summer you can take the teacher education classes you need, but when it comes to student teaching you would have to quit teaching for 10 to 12 weeks while you student taught at another school. Our Clinical Practice program would enable you to satisfy the student teaching requirement, under a mentorship, while you continued teaching at your school. The responses that we have had from teachers have been extremely positive. We now have teachers who want to have a second year of the program and we are working with the two year colleges to adapt this program for their technical faculty. This alternative certification process also meets the requirements in the new No Child Left Behind Act for highly qualified teachers. Because of this program, a dentist in Harvey, who is emergency certified through ESPB to teach biology, will be able to satisfy his student teaching requirement and continue teaching. Our five year federal grant will enable us to continue and expand this program.

A number of years ago with the passage of the federal vocational technical legislation, referred to as "Perkins", a much higher level of accountability was put

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into place. Much of the same accountability is contained in the new NCLB legislation. Until two years ago all the data that we collected for federal reporting purposes was done "paper and pencil". It was done because it was a requirement and the data, though complete, was not very reliable. We consistently looked at information in aggregate form and could not use the data effectively for program improvement.

Two years ago we designed a web-based data collection system that will allow us to collect data and report on the performance requirements of the Perkins legislation, but more importantly it allows us and local schools to measure the impact of our programs on students and the future career choices of our completers. The data is collected on an individual student record basis with each school determining an individual student identifier or preferably using a social security number. The benefit of using the SS# is that when a school does the required follow-up surveys of students for retention and placement, we can do that survey for the schools by matching employment and higher education information that already exists. This system required a lot of input time from schools and two year colleges, but the information that is collected will provide program improvement data at the local and state levels. I encourage you to talk with your local school administrator about our data system.

We also designed our website to make it easier for schools and institutions to access to information and forms via our website. We don't mail out forms any longer, they can be accessed via our website.

We are requesting in our optional budget \$100,000 of which \$20,000 is for website updates required by ITD the balance of the request will enable us to continue work on our web-based data and information system. With the additional funding reductions over the past year and the 95% budget for this coming biennium it will be very difficult to complete the updates.

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Adult Farm Management serves farmers and ranchers across North Dakota. An optional budget request was originally made for \$960,000. This funding would enable the level of reimbursement for program costs to return to the original 75% from it's current 60%, it would allow for expansion of up to four additional programs into areas of the state where there are current voids. The Governor's executive budget recommendation included an additional \$50,000 for AFM which will help stabilize some of the program costs, but more is requested to expand the number of programs. An additional request of \$400,000 is reflected in our optional budget request that you have before you. Steve Metzger, the AFM instructor in the Carrington area is here to speak more about the request.

Two other line items in our budget reflect our involvement and partnership with the two year colleges. While there is not a request for additional funding in these programs, the dollars have a big impact. The Postsecondary Grants line item provides funding for development and enhancement of technical programs at the five two-year campuses. The Workforce Training line item provides funding for the four workforce training regions in the state. I have asked representatives from the two year institutions and workforce training to speak on those items.

If you would look at the budget comparison sheet that I provided to you, in the third column, titled Recommended Adjustment, the negative numbers reflect the reduction of federal funding for School to Work, the impact of the 95% budget on our operating expenses line item and the moving of the Information Technology Grants to the Grants line item.

Again the fourth column represents the Executive Recommendation in the fourth column and our Optional Budget Request in the fifth column. At the bottom of the page each change in the budget is briefly explained.

In summary I would ask that you approve the Governor's executive budget recommendation, which include the following recommended increases;

\$250,000 to expand VTE video conferencing offerings to provide greater access to schools and students.

\$500,000 to provide greater access to Career Development Programs.

\$50,000 for the Adult Farm Management program.

In addition we ask that you consider our Optional requests;

\$90,000 to provide funding for implementing industry certification testing for all VTE programs,

\$400,000 to increase the funding for Adult Farm Management programs and to allow additional for program expansion.

\$100,000 to provide the additional funding to continue work on our data and website information system for schools.

With the many demands on the state budget I appreciate your consideration of these investments in the youth of our state.

There are others present who will be speaking about this budget but I would first like to answer any questions that you may have.

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State Board for Vocational and Technical Education Budget Comparison

LINE ITEMS	Present Budget 2001-2003	Requested (95%) Budget 2003-2005	2003-2005 Recommended Adjustments	Executive Recommendation 2003-2005	Optional Budget Request
Salaries and Wages	2,969,682	2,910,619	31,985	3,001,677	3,001,677
Operating Expenses	886,147	621,845	(264,302)	621,845	721,845
Grants	22,768,288	19,041,883	(2,731,205)	20,037,083	20,127,083
Information Technology Grants	422,300	0	(422,300)	0	0
Adult Farm Management	575,760	575,760	50,000	625,760	1,025,760
Workforce Training	1,350,000	1,350,000	0	1,350,000	1,350,000
Postsecondary Grants	357,452	357,452	0	357,452	357,452
Total Line Items	29,329,629	24,857,559	(3,335,812)	25,993,817	26,583,817
FUNDING SOURCE					
General Fund	14,368,861	14,230,200	749,659	15,118,520	15,708,520
Special Funds	225,958	225,958	0	225,958	225,958
Federal Funds	14,734,810	10,401,401	(4,085,471)	10,649,339	10,649,339
Total Funding Source	29,329,629	24,857,559	-3,335,812	25,993,817	26,583,817
FTE	28.5	27.5		27.5	27.5

Executive Budget Recommendation

Reduces 1 FTE due to elimination of School to Work Program
Provides \$245,200 federal funds for Transition to Teaching in North Dakota Grant
Approves \$250,000 general funds grants, for video conferencing of vocational technical education courses
Provides an additional \$50,000 general fund grants for Adult Farm Management
Approves \$500,000 in general fund grants for Career Development Counseling

Optional Budget Request

\$90,000 in general funds to begin implementing industry certification testing
\$400,000 increase in general funds for Adult Farm Management for programs expansion
\$100,000 additional general funds operating expenses for data and information system

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State Board for Vocational and Technical Education

2003 Agency Information

- Provide technical assistance, professional development activities, and perform evaluations for all VTE programs in the state which includes 727 secondary and 117 postsecondary.
- Utilizing state and federal grant dollars to support VTE, including
 - K-12 programming, Tech Prep, Transition to Teaching, Carl Perkins.
- Enrollment of 65,750 (duplicated count) junior high and high school students. (23,000 - unduplicated - or 72% of all 9-12)
- Expansion of information technology programs including Cisco, A+, Programming, and IT essentials. Currently there are 89 districts that have IT offerings -four years ago there were six.
- Integrating and identifying academic content throughout VTE curriculum.
- Initiated "Clinical Practice" a mentoring process, providing alternative teacher certification for individuals transitioning from industry and other levels of education to teaching at the secondary level.
- Provide financial incentives to VTE programs to enter into cooperative agreements, including Area Centers, video conferencing, sharing instructors, and transporting students. Involving 77 schools and 27 program offerings.
- Initiated development of Career Academies with North Dakota industries for high school students in Telecommunications, Construction, Manufacturing, Information Technology, Culinary Arts, and junior high technology camps.
- Align technical programs and instructor certifications with industry and national standards.

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- Work with 1,207 farmers & ranchers from 666 farms through Adult Farm Management programs, 270 in Farming for Profit program, and supported 28 marketing clubs across the state.
- Work with other agencies in developing a foundation of skilled workers necessary to improve North Dakota's economy.
- Provide leadership support and curriculum integration activities for student organizations: FFA, DECA, Skills USA-VICA, FBLA, TSA, FCCLA. Postsecondary organizations PAS, PBL, Delta Epsilon Chi, and Skills USA-VICA.
- Support Career Development programs in 97 school districts (59 counselors) through technical and financial assistance.

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HB 1020

VOCATIONAL AND TECHNICAL EDUCATION

Prepared for

HOUSE APPROPRIATIONS COMMITTEE

JANUARY 9, 2003

by the

STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

Wayne Kutzer
State Director & Executive Officer

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State Board for Vocational and Technical Education
(Number of Programs and Students Served)

Secondary Programs

136	Family and Consumer Sciences	14,672	Students
	Junior High	7,151	Students
78	Technology Education	7,666	Students
	Junior High	11,793	Students
78	Agriculture Education	4,398	Students
72	Business and Office Technology	9,940	Students
138	Trade, Technical, and Health Careers	4,732	Students
	Auto Technology		
	Auto Collision Technology		
	Commercial Art		
	Construction Technology		
	Culinary Arts		
	Drafting Technology		
	Electronics Technology		
	Graphic Arts		
	Health Careers		
	Machine Tooling		
	Recreational Engine Technology		
	Welding Technology		
89	Information Technology	2,868	Students
	IT Essentials		
	Programming Essentials		
	Computer Hardware - A+		
	Computer Networking		
104	Career Development (59 counselors)	22,185	Students
16	Marketing Education	2,264	Students
17	Diversified Occupations Programs	266	Students

(Students may be enrolled in more than one class.)

Postsecondary Programs

10	Agriculture Education	500	Students
15	Business and Office Technology	1,144	Students
5	Family and Consumer Sciences	160	Students
73	Trade, Technical, & Health Careers	2,619	Students
4	Career Development	5,557	Students
10	Marketing Education	395	Students

Adult Programs

14	Adult Farm Management	1,207	Enrollees
8	Farm Management for Profit	270	Enrollees
28	Marketing Clubs	416	Enrollees

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**Impact of Cooperative Arrangements
on Access to
Vocational Technical Education Offerings
by School Size**

2001 - 2002 School Year - 665 programs

Foundation Aid Category	School size 9 - 12	# of schools	Avg # VTE programs	w/o Area Centers*	w/o coop** arrangements	Career Development Programs
1.1	550+	12	11.1	9.4	9.3	9
1.2	150-549	32	4.4	3.7	3.6	11
1.3	75 - 149	62	3.7	3.0	2.7	43
1.4	0 - 74	70	2.7	1.4	1.1	37

2002-2003 School Year - 727 programs

Foundation Aid Category	School size 9 - 12	# of schools	Avg # VTE programs	w/o Area Centers*	w/o coop** arrangements	Career Development Programs
1.1	550+	11	11.3	9.5	9.3	9
1.2	150-549	29	5.3	3.9	3.4	12
1.3	75 - 149	57	4.0	3.1	2.5	35
1.4	0 - 74	79	2.8	1.6	1.3	41

* There are six Area Vocational Technical Centers

- Lake Area at Devils Lake
- North Valley at Grafton
- James Valley at Jamestown
- Southeast Area at Oakes
- Sheyenne Valley at Valley City
- Richland County at Wahpeton

**The Cooperative Arrangements are

- ITV or Video Conferencing
- Sharing instructors
- Transporting students

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ND Districts by Foundation Aid Category (2002-2003)
Vocational Technical Courses Offered

DName	FACat	EnrK12	Enr912	Explor.	Occup	Career	Support	Coops
Fargo 1	1.1	11095	3431	2	10		2	
Bismarck 1	1.1	10399	3513	2	13	1	1	
Grand Forks 1	1.1	8008	2548	2	8	1	1	
Minot 1	1.1	6905	2306	2	15	1	1	
West Fargo 6	1.1	5207	1550	2	6		1	
Mandan 1	1.1	3351	1123	2	10	1	1	2
Dickinson 1	1.1	2717	888	2	10	1	1	
Jamesstown 1	1.1	2542	940	2	11	1	1	1
Williston 1	1.1	2345	907	2	7	1		
Devils Lake 1	1.1	1906	684		10	1	2	
Belcourt 7	1.1	1763	628	1	6	1		
Wahpeton 37	1.2	1519	527		9	1		
Valley City 2	1.2	1211	445	2	8	1	1	
Boulah 27	1.2	915	372	2	3	1		
Grafton 3	1.2	911	302	1	10	1		
Central Cass 17	1.2	841	262	2	2			1
Bottineau 1	1.2	797	292	1	3	1	1	
Hazen 3	1.2	769	300	1	3			1
New Town 1	1.2	761	208		4			
Kindred 2	1.2	712	219	1	3			2
Lisbon 19	1.2	662	224	2	4			2
Carrington 10	1.2	651	235	1	2			
May-Port CG 14	1.2	618	220	2	2			1
United 7	1.2	618	187	1	3			
McKenzie Co 1	1.2	617	214	1	3			
Rugby 5	1.2	605	235		4			
Larimore 44	1.2	573	233	1	3			
Cavaller 6	1.2	555	211	2	3			1
Langdon 23	1.2	548	229	2	4			
Dunselth 1	1.2	523	180	1	1	1		
Oakes 41	1.2	519	157		8	1	1	1
Harvey 38	1.2	517	200	1	4			
Thompson 61	1.2	481	192	2	2	1		2
Velva 1	1.2	454	164	1	2	1		
Park River 78	1.2	429	153	1	10	1		
Bowman 1	1.2	425	156	1	3	1		
Surrey 41	1.2	419	150	2	2			1
Washburn 4	1.2	375	152	1	3	1		1
Beach 3	1.2	341	168	1	4			
Fl Totten 30	1.2	185	185	1	9		1	
Totals	29			34	121	12	14	13
Northern Cass 97	1.3	457	133	2	2			
Hillsboro 9	1.3	426	147	1	3			
New Rockford 1	1.3	397	125	2	2	1		
Linton 36	1.3	377	117	2	1	1		1
Stanley 2	1.3	376	149	1	3			
Ellendale 40	1.3	374	116	1	4			1

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DName	FA	EnrK12	Enr912	Explor	Occup	Career	Support	Coops
T G U	1.3	373	129	1	2	1		
Garrison 51	1.3	369	131	1	3	1		1
Killdeer 16	1.3	365	146	1	2	1		
Hettinger 13	1.3	364	139	1	3			1
LaMoure 8	1.3	363	136	1	3			
New Salem 7	1.3	364	122	1	2	1		
Griggs County Central 18	1.3	341	123	2	2	1		1
Enderlin 22	1.3	339	133	1	5			2
Mt Pleasant 4	1.3	331	124	1	1			
Hankinson 8	1.3	328	117	1	8	1		2
Dakota Prairie 1	1.3	324	123	2	1	1		
Midway 128	1.3	323	102	2	8	1		
Sargent Central 6	1.3	321	115	1	8	1	1	3
Kenmare 28	1.3	318	118	1	2	1		
Northwood 129	1.3	315	116	2	1	1		1
Walhalla 27	1.3	314	106	2	3			2
Richland 44	1.3	309	101	1	7			1
Parshall 3	1.3	302	97	1	2	1		
Glenburn 26	1.3	302	132	1	1			
Divide County 1	1.3	302	121	1	3			
Richardton-Taylor	1.3	301	113	1	2	1		
Milnor 2	1.3	294	87	1	3			3
Mott-Regent	1.3	294	112	1	2			
St John 3	1.3	294	101		1			
Central Valley 3	1.3	288	95		1	1		1
Wyndmere 42	1.3	280	107	1	10	1		1
Tloga 15	1.3	280	106		2		1	
Southern 8	1.3	278	108	2	1			
Steele-Dawson 26	1.3	274	96	1		1		
Wishek 19	1.3	266	90	1	3	1		
Lakota 66	1.3	264	90	1	2			
Edgeley 3	1.3	260	93	1	3			1
Belfield 13	1.3	258	122	1	2	1		
S Heart 9	1.3	257	88	1	2	1		
Hatton 7	1.3	257	79	1	2	1		
Center 18	1.3	248	114		2	1		
Mohall 9	1.3	248	109	1	3			
Elgin-New Leipzig 49	1.3	244	99	1	3	1		
Napoleon 2	1.3	244	80	1	3	1		1
Minto 20	1.3	238	75	1	5	1		5
Fessenden-Bowdon	1.3	237	103	1	2	1		1
Lidgerwood 28	1.3	236	87	1	2	1		2
Underwood 8	1.3	230	86	1	1			
Maddock 9	1.3	228	82	1	4	1		
Eight Mile 6	1.3	219	78	1	2	1		
Montefiore 1	1.3	218	81	2	2	1		1
Glen Ullin 48	1.3	210	75	1	3	1		
Drayton 19	1.3	209	86	1	2			2
Maple Valley 4	1.3	199	95	2	9	1	1	
New England 9	1.3	199	85		1	1		
Hope 10	1.3	145	95	2		1		

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Totals	1.4	57	164	132	35	73	34
Flasher 39	1.4	231	71	2	2	1	
Berthold 54	1.4	215	59		1		
Strasburg 15	1.4	207	73	2			
Warwick 29	1.4	203	55	1	11	1	1
Turtle Lake-Mercer 72	1.4	200	71	1	2		2
N Sargent 3	1.4	198	54	2	2		2
Rolette 29	1.4	192	66	1	3		1
Mandaree 36	1.4	190	69		2		
Leeds 6	1.4	188	70	1	4	1	
Ashley 9	1.4	185	68	1	2		
Nesson 2	1.4	179	68	2		1	
Max 50	1.4	179	59	1	1		1
Scranton 33	1.4	176	71		3	1	
Hebron 13	1.4	171	61	1	3	1	
Midkota 7	1.4	168	69	1	1	1	
Finley-Sharon 19	1.4	164	56	1	1		
Wimbledon-Courtenay 82	1.4	163	52	2	11	1	
N Central 65	1.4	158	64	2	7	1	1
Valley 12	1.4	158	56		7	1	
Pingree-Buchanan 10	1.4	156	48		11	1	
Gackle-Streeter 56	1.4	153	66	1	2	1	
Solen 3	1.4	153	36		2		
Sawyer 16	1.4	152	47	1	3		1
Westhope 17	1.4	151	60		1	1	
Medina 3	1.4	151	48		10	1	
Pembina 1	1.4	149	63	1		1	
White Shield 85	1.4	145	38		1		
Hazelon-Moffit-Braddock 6	1.4	142	52		2		1
Drake 57	1.4	141	56		3	1	
St Thomas 43	1.4	141	46	1	7	1	1
Edinburg 106	1.4	138	58	2			
Fl Yates 4	1.4	136	41		2		
Kulm 7	1.4	131	50	2	1		2
Fairmount 18	1.4	126	45		7	1	2
Munich 19	1.4	126	43	2		1	
Roosevelt 18	1.4	124	46	1	2	1	
Powers Lake 27	1.4	118	41		2		
Minnewaukan 5	1.4	117	27		11	1	
Montpelier 14	1.4	116	42	1	10	1	
Sheyenne 12	1.4	115	39		1	1	
McClusky 19	1.4	113	53		2	1	
Starkweather 44	1.4	113	40	1		1	
N Shore 158	1.4	112	40		1	1	
Tappen 28	1.4	110	36	1	2	1	2
Marion 9	1.4	108	71	2	3	1	4
Burke Central 36	1.4	108	47	1		1	
Sherwood 2	1.4	106	38				
Bowbells 14	1.4	102	34	1			
Neché 55	1.4	102	34	1	1	1	
Edmore 2	1.4	101	69	2	1		

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NAME	1.4	93	41	2		Career	Supp	100%
Bisbee-Egeland 2	1.4	87	30	1				1
Stanton 22	1.4	86	51		1			
Fordville 79	1.4	83	43					
Anamoose 14	1.4	80	44			1		
Alexander 2	1.4	80	26		1	1		
Rhame 17	1.4	79	30		1	1		
Halliday 19	1.4	79	29		1	1		
Newburg-United 54	1.4	79	21		1	1		
Sykes 39	1.4	77	28	1		1		
Wing 28	1.4	69	31	2	1			
N Central 28	1.4	66	35					
Kensal 19	1.4	65	29		1	1		
Grenora 99	1.4	60	26					
Wolford 1	1.4	60	19					
Zeeland 4	1.4	58	40	2		1		1
Tuttle-Pettibone 20	1.4	58	18					
Selfridge 8	1.4	55	43	1	1			
Golden Valley 20	1.4	55	15			1		
Goodrich 16	1.4	52	22	1	3			
Willow City 13	1.4	50	24		8	1	1	1
Verona 11	1.4	49	23			1		
Wildrose-Alamo 91	1.4	33	14	1				
Border Central 14								
Grand Total	176		170	559	97	23	70	

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COOPERATIVE AGREEMENTS FY 2002-2003 SCHOOL DISTRICTS I.T.V

Transmitting School	Receiving School	Programs		
Binford - Midkota	Cooperstown	Cisco Networking		
Binford - Midkota	Fessenden-Bowdon	Computer Hardware		
Binford - Midkota	Jamestown	Cisco Networking		
Binford - Midkota	Tappen	Computer Hardware	Cisco Networking	
Bowman	Hettinger	FACS		
Ellendale	Edgeley	Health Careers		
Ellendale	Hazleton-M-B	Health Careers		
Ellendale	Kulm	Independent Living	Health Careers	Child Development
Ellendale	Litchville-Marion	Independent Living	Health Careers	Child Development
Glen Ullin	Hazen	Accounting III & IV		
Glen Ullin	Linton	Accounting III & IV		
Glen Ullin	Napoleon	Accounting III & IV		
Golden Valley	Turtle Lake-Mercer	Parenting	Independent Living	
Golden Valley	Stanton	Parenting	Independent Living	
Golden Valley	Tuttle-Pettibone	Parenting	Independent Living	
Grafton (NVVTC)	Cavaller	Health Careers		
Grafton (NVVTC)	St. Thomas	Health Careers		
Grafton (NVVTC)	Walhalla	Health Careers		
Larimore	May Port C-G	Bus. & Office Tech.		
Minot	Garrison	Health Careers		
Minot	Turtle Lake-Mercer	Health Careers		
Minot	Washburn	Health Careers		
Oakes (SEAVTC)	Fairmount	Marketing		
Oakes (SEAVTC)	Forman	Marketing		
Oakes (SEAVTC)	Lidgerwood	Marketing		
Oakes (SEAVTC)	Milnor	Marketing		
Valley City (SVVTC)	Buxton	IT Essentials		
Valley City (SVVTC)	Cassellton	Computer Networking		
Valley City (SVVTC)	Kindred	Computer Networking	IT Essentials	Health Careers
Valley City (SVVTC)	Lisbon	Computer Networking	Health Careers	
Valley City (SVVTC)	Northwood	Health Careers		
Valley City (SVVTC)	Thompson	Computer Networking	IT Essentials	Health Careers
Wahpeton (RCVTC)	Richland #44	Drafting		
Wahpeton (RCVTC)	Fairmount	Drafting	Health Careers	
Wahpeton (RCVTC)	Forman	Agriculture	Drafting	
Wahpeton (RCVTC)	Gwinner	Drafting	Health Careers	
Wahpeton (RCVTC)	Hankinson	Agriculture	Drafting	
Wahpeton (RCVTC)	Lidgerwood	Health Careers		
Wahpeton (RCVTC)	Milnor	Drafting	Health Careers	
Wahpeton (RCVTC)	Oakes	Drafting		
Wahpeton (RCVTC)	Verona	Agriculture		
Wahpeton (RCVTC)	Wyndmere	Agri Science		
Wimbledon/Courtenay	Tappen	FACS		

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COOPERATIVE AGREEMENTS FY 2002-2003 SCHOOL DISTRICTS TRANSPORTING STUDENTS

Host Schools	Sending School	Programs		
Bismarck	Mandan	Digital Design	Electronics	Graphic Arts
Bismarck	Wilton	Carpentry		
Garrison	Max	Agriculture IV		
Grafton (NVVTC)	Drayton	Auto Technology	Welding	
Grafton (NVVTC)	Minto	Auto Technology	Diversified Occ.	Health Careers
Grafton (NVVTC)	Minto	Marketing	Modern Business Tech.	
Grafton (NVVTC)	Cavaller	Diversified Occ.		
Grafton (NVVTC)	Walhalla	Diversified Occ.		
Oakes (SEAVTC)	Ellendale	Computer Networking		
Oakes (SEAVTC)	Gwinner	Auto Technology		
Sawyer	Surrey	FACS	Computer Hardware	
Surrey	Sawyer	Trades & Industry		
Valley City - (SVVTC)	Enderlin	Welding Technology	Automotive Technology	
Valley City - (SVVTC)	Marion	Automotive Technology		

COOPERATIVE AGREEMENTS FY 2002-2003 SCHOOL DISTRICTS SHARING INSTRUCTORS.

Contracting Schools	Receiving Services	Program(s)
Bisbee-Egeland	Cando	Technology Education
Inkster (Midway)	Minto	Family & Consumer Science
Lignite (Burke Central)	Bowbells	Technology Education
Napoleon	Wishek	Family & Consumer Science
Rock Lake (North Central)	Calvin (Border Central)	Technology Education
Rogers (North Central of Barnes)	Wimbledon/Courtenay	Family & Consumer Science
Starkweather	Munich	Technology Education
Valley City (VCAVTC)	Marion	Technology Education
Valley City (VCAVTC)	Tower City (Maple Valley)	Technology Education

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Information Technology Courses Taught In ND Schools 2002-2003

	School	IT Essentials	Programming Essentials	Programming Essentials (Exp/Net)	Computer Hardware (A+) - other	Computer Hardware (A+) (Exp/Net)	Computer Networking
1	Adams	x					
2	Ashley						
3	Beach	x					
4	Belfield				x		
5	Beulah	x					x
6	Bismarck - BHS	x					x
7	Bismarck - Century		x				
8	Bowman	x	x				x
9	Cando						
10	Carrington (Fessenden, Tappen, Midkota)	x					
11	Cavaler	x					x
12	Central Valley - Buxton	x					
13	Dakota Prairie - Petersburg	x					
14	DesLacs-Burlington	x					
15	Devils Lake (VoTech)	x	x				x
16	Dickinson	x	x		x		
17	Divide County (Crosby)						
18	Drake	x			x		
19	Edgeley						
20	Elgin-New Leipzig						
21	Enderlin	x					
22	Fargo (Skills Center)						x
23	Flasher						
24	Fordville-Lankin	x					
25	Fl Totten (Four Winds)	x			x		
26	Gackle-Streeter						x
27	Glen Ullin	x					
28	Glenburn						
29	Golden Valley						
30	Grafton (North Valley VoTech)	x			x		x
31	Grand Forks (Central and Red River)	x					x
32	Harvey	x			x		x
33	Hatton & Northwood	x					
34	Hazleton-Moffit-Braddock	x	x				
35	Hazen						
36	Hebron						
37	Hettinger						x NA
38	Hillsboro	x					
39	Jamestown (VoTech)	x NA					
40	Killdeer						
41	LaMoure	x					
42	Langdon	x					x
43	Larimore	x					
44	Leeds						
45	Litchville-Marion						
46	Maddock						
47	Mayport - CG	x					
48	Minot - Magic City	x	x				x
49	McClusky	x	x		x		x
50	Midkota - Bimford and Glenfield		x				x
51	Mohall	x					
52	Mott						x
53	Napoleon						
54	New Rockford - Sheyene	x			x		
55	North Central - Rock Lake						
56	North Shore - Makoti						
57	Northern Cass - Hunter	x					
58	Oakes - (SE Area Votech)				x		x

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Deanna G. Ball
Operator's Signature

10/30/03
Date

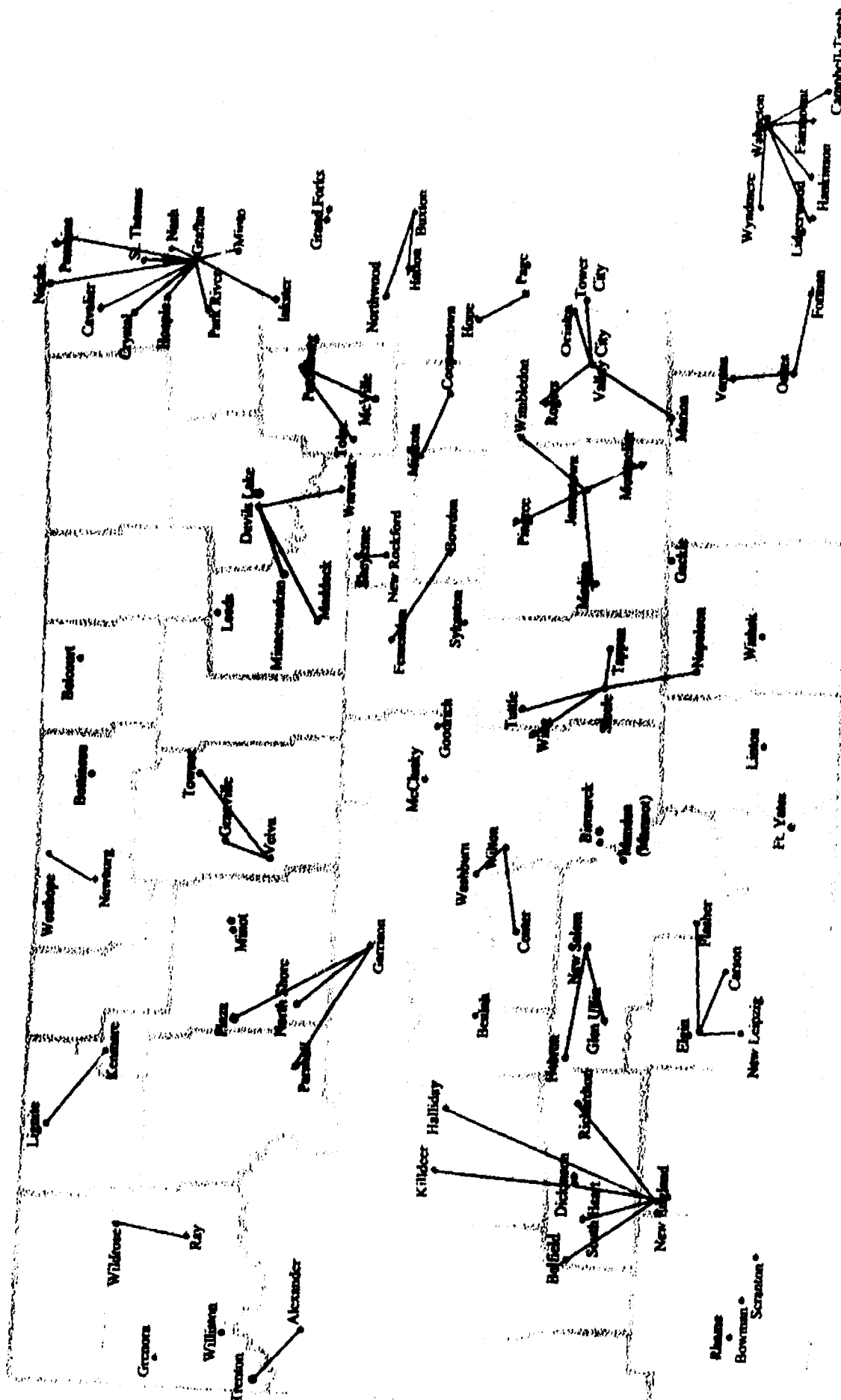
	School	IT Essentials	Programming Essentials	Programming Essentials (ExploitNet)	Computer Hardware (A+) - other	Computer Hardware (A+) (ExploitNet)	Computer Networking
59	Plaza	x					
60	Powers Lake					x	
61	Rhame					x	
62	Richardton - Taylor	x	x				
63	Rolette	x					
64	Rugby					x NA	
65	Sawyer					x	
66	Scranton					x	
67	Solen	x					
68	South Heart	x					
69	Standing Rock						
70	Stanley						x
71	Sykeston	x					
72	Thompson	x					
73	Tioga						
74	Valley City (VoTech)	x			x		x
75	Wahpeton - (Richland Co VoTech)	x					x
76	Warwick	x					
77	Washburn	x					
78	Watford City						x
79	Wilton						
80	Willow City						
81	Wishek						
TOTAL:		43	9	4	10	44	20

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Date

CAREER DEVELOPMENT PROGRAMS
59 Counselors in 104 Secondary Schools
4 Postsecondary Programs



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Deanna Hall
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10/30/03
 Date

RESOLUTION
A RESOLUTION REGARDING RECOGNITION AND ADVOCACY
FOR CAREER AWARENESS, CAREER EXPLORATION, CAREER
PREPARATION, CAREER COUNSELING AND CAREER
DEVELOPMENT

WHEREAS, all students will eventually enter the workforce sometime in their lives, and

WHEREAS, more effective learning occurs when instruction is related to the real world, and

WHEREAS, before a student can make an informed career decision, they need to be aware of the world of work around them, and

WHEREAS, to make an informed career decision, students must explore occupational areas in which they show interest, and

WHEREAS, students need to enroll in high school classes and participate in high school activities that help them prepare for their career area interest, and

WHEREAS, students need to transition from secondary to postsecondary education in a seamless manner that helps them attain their career goals, and

WHEREAS, students need to transition from their postsecondary education into an occupational area that fits their interest, aptitudes, abilities, and personal preference,

THEREFORE BE IT RESOLVED that all educational entities recognize and advocate career awareness, career exploration, career preparation, career counseling and career development experiences for k -16 educations.

CERTIFICATION:

We, the undersigned, hereby certify that the North Dakota Youth Development Council is comprised of 20 members, of whom 10, constituting a quorum were present at a meeting duly and regularly called, noticed, convened and held this 9th day of April, 2002, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of 10 members, and opposed by 0 members, and that said Resolution has not been rescinded or amended in any way.

Signed this 9th day of April, 2002.

s/s Lyn Dockter-Pinnick _____



Cluster knowledge and skills

♦ Academic Foundations ♦ Communications ♦ Problem Solving and Critical Thinking ♦ Information Technology Applications ♦ Systems ♦ Safety, Health, and Environmental ♦ Leadership and Teamwork ♦ Ethics and Legal Responsibilities ♦ Employability and Career Development ♦ Technical Skills

Operator's Signature Deanna G. Hall

10/30/03
Date



Career Cluster

Business, Management and Administration



Subject	Suggested High School Courses			
	9 th	10 th	11 th	12 th
Math	Applied Math or Algebra I	Algebra II or Geometry	Algebra II, Geometry &/or Probability & Statistics, Other Math Elective	
English	English I	English II	English III or Speech &/or Communications	English IV or Speech &/or Communications
Science	As Required			
Social Sciences/Humanities	As Required	Psychology/Sociology	Government and/or Economics	
Physical Education	As Required			
Business Financial Management & Accounting	Business Math Intro to Business	Word Processing, Spreadsheets, Databases, Electronic Presentations, Accounting I, II, III, IV	Entrepreneurship Business Law Cooperative Education	
Human Resources	Intro to Business Entrepreneurship	Business Communications Business Law	Marketing, Word Processing, Spreadsheets, Databases, Electronic Presentations, Cooperative Education	
Business Analysis	Intro to Business, Business Math Business Law, Word Processing, Spreadsheets, Databases, Electronic Presentations	Banking & Finance, Marketing/ Management, Entrepreneurship, Accounting I, II, III, IV, Cooperative Education		
Marketing & Management	Intro to Business, Marketing, Intro to Merchandising, Retailing, Management, Entrepreneurship	Business Math Word Processing, Spreadsheets, Databases, Electronic Presentations	E-Commerce Marketing International Marketing Cooperative Education	
Administrative & Information Support	Intro to Business Desktop Publishing	Accounting I & II, Word Processing, Spreadsheets, Databases, Electronic Presentations, Business & Office Technology I & II	Business Communications, Entrepreneurship, Telecommunications, Cooperative Education	

Dual Credit and Articulated Courses are offered at some schools
Career and Technical Student Organizations (CTSOs):
High School: Future Business Leaders of America, DECA
Postsecondary: Phi Beta Lambda, Delta Epsilon Chi

Suggested Postsecondary Courses	
Freshman	Sophomore
College Algebra or Applied Calculus	Elementary Statistics
Fund of Public Speaking College Composition	Technical Communications College Composition II
Intro to Psychology Intro to Sociology	Elements of Economics or Principles of Microeconomics and Macroeconomics
Wellness Elective: Agricultural Accounting, Fundamentals of Business, Insurance, Real Estate Financial/Approval, Computer Literacy, Microcomputer Database Microcomputer Spreadsheet, Operating Systems	Wellness Electives Elements of Accounting I, II, Law & Banking, Real Estate Financial/Approval, Banking, Financial Statement Analysis
Business/Leadership Techniques Personnel Management	Courses that lead to a degree in Business Administration
Accounting I, II, III, IV Business Management, Microcomputer Database, Microcomputer Spreadsheet	Law & Banking, Financial Statement Analysis, Principles of Microeconomics, Principles of Macroeconomics
Leadership Techniques, Word Processing I, Computer Literacy, Computer Applications in Business	Principles of Marketing/Management, Advertising I, Sales/Sales Mgmt, Sales Practicum, Personnel Mgmt, Organizational Behavior, Management Seminar, Elements of Accounting I, Business in Legal Environment
Business Math, Business Editing/ Proofreading, Transcription & Advanced Editing, Office Procedures I, II, Word Processing I, Accounting, Keyboard Speedbuilding, Keyboarding II, Medical Terminology I, II	Records Management, Desktop Publishing, Integrated Office Systems, Legal Office Procedures, Office Administration, Microcomputer Spreadsheet

Associate Degree: Loan Officer, Stockbroker, Agrilbiness, Ag Sales & Service,
Farm Management, Adjuster, Sales Representative, Bookkeeper, Computer Operator,
Financial Records Specialist, Administrative Assistant

Bachelor's Degree: Agricultural Economics, Financial Analyst, Accountant, Financial Planner,
Bank Examiner, Personnel Administrator, Computer Programming

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Operator's signature

10/30/03
Date

**Testimony on HB 1020
Senate Appropriations Committee
February 27, 2003**

Mr. Chairman and members of the committee, my name is Wayne Kutzer,
Director of the State Board for Vocational and Technical Education.

At no other time has the need to prepare students for careers in our workforce been so great. Nearly every industry that exists in our state: energy, trucking, education, and health care is looking at a worker and skill shortage now, and in the not too distant future. You will be hearing from an industry today that is taking a proactive step in addressing this problem. While we definitely need doctors, dentists, engineers, and teachers whose preparation includes at least a bachelor's degree, the vast majority of careers in this state and across the nation are in the technical skill areas – the base for that knowledge and those skills are taught in vocational technical programs across the state at the high school and postsecondary - certificate and associate degree level.

According to the US Labor Department, the demand for jobs needing a four year degree has been relatively stable since about 1950 at 20%, that is expected to grow to around 25% over the next 10 years. Technical jobs, in comparison, have steadily grown from 20% in 1950 to 65% of the jobs requiring technical skills by the end of this decade. At the same time, the unskilled share of the workforce will decline to 10% by the end of the decade.

The top sheet of your handout is a budget comparison; I will refer to it during my testimony about our programs and funding requests. I have also attached an agency information sheet.

We provide technical assistance, professional development activities for instructors, and perform evaluations for all vocational technical education programs in the state, which includes 727 secondary and 117 postsecondary programs. That is nearly a 9% increase compared to the 665 last year. You have a handout that identifies those programs and a total enrollment of 65,750 students in grades 7 - 12. The unduplicated count is 23,000 students in grades 9 - 12. Also listed at the bottom of the page are postsecondary and adult programs.

Access to VTE - Cooperative Arrangements - Video Conferencing

One of the critical aspects of education in our rural state is access. On the backside of that handout are two tables that illustrate the impact of our cooperative arrangements on the access to vocational technical programs. The tables are broken down by school size and the number of programs offered. The two tables reflect the last and current school year. If you look at the top table, in the first three columns it shows the number of schools in each foundation aid category, followed by the fourth column which has the average number of programs in schools of that size. As you move to the right, the fifth and sixth columns reflect average offerings without Area Centers or cooperative arrangements.

The bottom table is the current year, it shows not only a decline in the number of schools in the larger categories, but an across the board increase in the average number of programs in all schools. It demonstrates the growth in the number of VTE programs and the impact on access these cooperative arrangements are having. The tables show that we have helped to provide more programs to more students, but it also indicates that we have a ways to go to provide more

equitable access. Our board feels strongly that access to quality VTE programs is a priority. They have shown that by reallocating dollars to new programs and cooperative efforts. The resulting demand in dollars for new VTE programs has forced us to cut our reimbursements rates for all programs. In this current biennium from 26% to 25%, ten years ago those rates were at 35%. We currently provide a 4% reimbursement rate incentive for a school to send a technical class to another school on the interactive and video conferencing systems, allocating a total of \$260,000. This equates to 70 programs in 45 schools, ...more can be done.

The Governor's budget recommendations, and concurred by the House, have included an additional \$250,000 in our grants line item, to expand the number of distance offerings, thereby more fully utilizing the statewide video conferencing network and providing more equal access to more students across the state. VTE course delivery over interactive video is challenging due to the hands on nature of instruction. This new money will provide incentives to schools to develop and put more courses on the video network. The next page in your handout is a list of the schools that participate in cooperative arrangements and the courses that they send or receive.

The area of largest growth is Information Technology. We have IT programs in 89 schools ...in 1999 we only had six IT programs in the state. Of the current 89 IT programs, eight Computer Networking courses are in schools where the class is received over the video network. The next page of the handout lists the schools where IT programs exist and what programs they offer. The IT programs consist of IT Essentials, Programming Essentials, Computer Hardware (A+), and computer networking which is almost entirely made up of the Cisco classes that you have heard about. There are more IT classes available every year; Web Design, Voice and Data Cabling, Unix, Fundamentals of Java. The curriculum, assessment, and student management system for all these programs were

designed to industry certification standards, are online, are accessible by any computer in any school, are continuously updated and are free to schools. If you would look at the Budget Comparison handout, the Executive Budget Recommendations, which was concurred by the House, shows the funding in the line item for Information Technology Grants has been moved to the Grants line item. Those dollars were earmarked during the last session for ExplorNet and schools in the state that taught their Computer Hardware (A+) course. ExplorNet is no longer in the state and we now provide oversight, technical assistance, and funding for those programs. Because of that, those funds have been moved to our grants line item and will continue to be used to provide funding for schools across the state.

Clinical Practice - Transition to Teaching Grant

To accomplish everything that we do, we need to have highly qualified instructors. VTE is not insulated from the teacher shortage. In fact because we rely on people who have industry experience, there is a bigger problem in filling positions with qualified teachers. In our original budget request we asked for an additional \$80,000 to continue our Clinical Practice program. In this instance, I am glad to tell you that we are not requesting that funding. We received a five-year, \$600,000 federal "Transition to Teaching in North Dakota Grant". This grant will not only provide the education and training for new teachers but will also provide incentives to qualifying individuals who would like to become teachers.

To address the education and training an individual must undergo to enter the classroom, we piloted a mentoring program we called "Clinical Practice", which is designed to transition individuals from industry and business to become teachers in high demand technical areas. The yearlong program provides two mentors for each new teacher, one from within the school who is selected by the administration and a content specialist who is selected by our staff. This program has grown from 18 VTE teachers last year, to working with 22 new

emergency certified teachers this year, including the academic areas of math, science, art, and music. A critical component in all transition to teaching programs is the ability for that instructor to satisfy a professional educators program of study, including student teaching. Up to this point an emergency certified individual would have to quit teaching in order to take a 10 – 12 week student teaching course. Through participation in our clinical practice program they can satisfy that requirement and continue teaching. We worked closely with Valley City State University when we developed the program and now we are also working with the teacher education departments of NDSU, Minot State, Dickinson State, and University of Mary.

To give you an example, if you had an elementary teaching license and wanted to teach Technology Education at the high school level, you could get all the Tech Ed classes you need online and with a mentor, start teaching. Over the summer you can take the teacher education classes you need, but when it comes to student teaching you would have to quit teaching for 10 to 12 weeks while you student taught at another school. Our Clinical Practice program would enable you to satisfy the student teaching requirement, under a mentorship, while you continued teaching at your school. The responses that we have had from teachers have been extremely positive. We now have teachers who want to have a second year of the program and we are working with the two-year colleges to adopt this program for their technical faculty. This alternative certification process also meets the requirements in the new No Child Left Behind Act for highly qualified teachers. Because of this program, a dentist in Harvey, who is emergency certified through ESPB to teach biology, will be able to satisfy his student teaching requirement and continue teaching. Our five-year federal grant will enable us to continue and expand this program. Originally this funding was place in our Grants line but because of how the grant will be administered we are asking you to move those federal funds to our Operating Expenses line. That request is reflected in the Budget Amendments column.

Career Development Counseling

The Governor has put in his executive budget recommendation a \$500,000 increase in our grants to promote and provide increased access to Career Development. This funding will do three things: increase the access to career development programs, create a website and portal that is specifically for students, and an awareness campaign that will let students and parents know where Career Development services are available. It will provide students a focus on North Dakota careers in conjunction with national information. This proposal, coupled with existing programs, will provide greater statewide access for students in developing their career goals and objectives. The North Dakota Workforce Development Council has designated us as the lead agency for career development activities by resolution, which you have in your packet.

That career awareness is being delivered through Career Development Programs, but there aren't enough. Currently there are 59 Career Development Counselors serving 104 secondary schools in 97 districts across the state. The second group of handouts has a map of the locations served by the counselors. Where you see lines connecting towns the counselors travel between those towns, in stand-alone locations there is either a single counselor or a part time counselor serving that school. In addition to regular guidance counseling activities, these career development counselors assist students in: focusing on their career development, exploring different careers, putting together a career plan, understanding the knowledge and skills required for those careers, what the student can expect as far as openings, and where careers are located. As you can see on the budget comparison under House Changes, the House has removed \$400,000 of that funding leaving \$100,000 of the initial amount. We ask that you consider reinstating the \$400,000.

Accountability – measures of performance

A number of years ago with the passage of the federal vocational technical legislation, referred to as "Perkins", a much higher level of accountability was put

into place. Actually much of the same accountability is contained in the new NCLB legislation. Until two years ago all the data that we collected for federal reporting purposes was done "paper and pencil". It was done because it was a requirement and the data, though complete, was not very reliable. We consistently looked at information in aggregate form and could not use the data effectively for program improvement.

Two years ago we designed a web-based data collection system that will allow us to collect data and report on the performance requirements of the Perkins legislation, but more importantly it allows local schools and our agency to measure the impact of our programs on students and the future career choices of our completers. The data is collected on an individual student record basis with each school determining an individual student identifier or preferably using a social security number. The benefit of using the SS# is that when a school does the required follow-up surveys of students for retention and placement, we can do that survey for the schools by matching employment and higher education information that already exists. This system required a lot of input time from schools and two year colleges, but the information that is collected will provide program improvement data at the local and state levels. I encourage you to talk with your local school administrator about our data system.

We also designed our website to make it easier for schools and institutions is access to information and forms via our website. We don't mail out forms any longer, they can be accessed via our website. We are requesting in our optional budget \$100,000 of which \$20,000 is for website updates required by ITD the balance of the request will enable us to continue work on our web-based data and information system. With the additional funding reductions over the past year and the 95% budget for this coming biennium it will be very difficult to complete the updates.

Industry Standards and Certification Testing

But whether you are talking about IT or Trade and Technical programs, an essential component is skills and certification testing, but it is costly. All programs currently test their students but those tests do not necessarily measure the same things or carry much weight with industry. Additionally, parts of our federal accountability requirements are to measure skill attainment, but we don't have a good and consistent way to measure that. There are skill assessments that are based on national skill standards and are validated by industry, but they are expensive, costing \$15 to \$30 for a pre and post test. We have started the process by partnering high schools, two-year campuses, and tribal colleges to join CompTia, an IT industry certification organization. Through that membership students can take skill certification tests for half price and it provides free certification to instructors, but it is still expensive. In our optional budget request, we are asking for \$90,000 to continue implementing industry based testing in these skill areas.

Adult Farm Management serves farmers and ranchers across North Dakota. I have provided you testimony from Steve Metzger, an Adult Farm Management instructor, which you may have received through an email from him.

An original budget request was made for \$960,000. This funding would enable the level of reimbursement for program costs to return to the original 75% from it's current 60%, it would allow for expansion of up to four additional programs into areas of the state where there are current voids. The Governor's executive budget recommendation included an additional \$50,000, and the House concurred, for AFM, which will help stabilize some of the program costs, but more is requested to expand the number of programs. An additional request of \$400,000 is reflected in our optional budget request that you have before you.

Work with other agencies

Two line items in our budget reflect our involvement and partnership with the two-year colleges. One is the Postsecondary Grants line item provides funding for

development and enhancement of technical programs at the five two-year campuses.

The other line item is the Workforce Training line item, which funded the four workforce training regions in the state. As you can see in the budget comparison, the House deleted that line of \$1,350,000, moving it to HB1019 the Dept of Commerce. We would ask that you reinstate the funding into our budget. We are the fiscal agent for the funds and distribute the funds to the four training regions. There is no administrative cost by our agency. The system is working well and it provides yet another opportunity for our agency to partner with two-year campuses. Both the SBVTE and the two-year campuses have similar missions – we are in the business of delivering quality education and training. You will hear later of the successes of that program from representatives from the two-year institutions and workforce training.

Review of the budget comparison sheet and summary recommendations.

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Deanna Ballantyne
Operator's Signature

10/30/03
Date

State Board for Vocational and Technical Education 2003-2005 Budget Comparison

LINE ITEMS	Present Budget 2001-2003	2003-2005 Recommended Adjustments	Executive Budget 2003-2005	House Changes	House Version	Budget Amendments	Total of Budget Amendments	Optional Budget Request
Salaries and Wages	2,969,682	31,995	3,001,677	(32,043)	2,969,634		2,969,634	2,969,634
Grants	22,768,288	(2,731,205)	20,037,083	(400,000)	19,637,083	(345,200)	19,291,883	19,291,883
Adult Farm Management	575,760	50,000	625,760		625,760		625,760	1,025,760
Postsecondary Grants	357,452	0	357,452		357,452		357,452	357,452
Total Line Items	29,329,629	(3,335,812)	25,993,817	(1,782,043)	24,211,774		25,561,774	26,151,774
FUNDING SOURCE								
General Fund	14,368,861	749,659	15,118,520	(1,781,339)	13,337,181	1,350,000	14,687,181	15,277,181
Special Funds	225,958	0	225,958	0	225,958		225,958	225,958
Federal Funds	14,734,810	(4,085,471)	10,649,339	(704)	10,648,635		10,648,635	10,648,635
Total Funding Source	29,329,629	(3,335,812)	25,993,817	(1,782,043)	24,211,774		25,561,774	26,151,774
FTE	28.5		27.5		27.5		27.5	

Executive Budget Recommendation

Reduces 1 FTE due to 95% budget request
Approves \$250,000 general fund Grants for video conferencing of vocational technical education courses
Provides \$245,200 federal funds for Transition to Teaching in North Dakota Grant
Approves \$500,000 in general fund Grants for Career Development
Provides an additional \$50,000 general funds for Adult Farm Management

House Changes

Removes \$400,000 of Governor's \$500,000 Career Development Request
Removes \$1,350,000 Workforce Training line item and places it in HB1019 the Dept of Commerce

Budget Amendments

Move \$245,200 of federal funds for Transition to Teaching in North Dakota Grant from Grants to Operating Expenses
Move \$100,000 of the funding for Career Development Counseling from Grants to Operating Expenses
Reinstates \$1,350,000 Workforce Training line item

Optional Budget Request

\$90,000 in general funds for Operating Expenses to begin implementing industry certification testing
\$100,000 additional general funds for Operating Expenses for data and information system
\$400,000 increase in general funds for Adult Farm Management for programs expansion

In summary I would ask that you approve the Governor's executive budget recommendation, which included:

- \$250,000 to expand VTE video conferencing offerings to provide greater access to schools and students.
- \$500,000 to provide greater access to Career Development Programs.
- \$50,000 for the Adult Farm Management program.

House Budget recommendations:

- Reinstate the \$400,000 removed by the House for career development activities.
- Reinstate the \$1,350,000 funding line item for Workforce Training that has been moved to HB 1019, Dept of Commerce.

Budget Amendments:

- Move 245,200 of federal funds Transition to Teaching from Grants to the Operating Expense line item.
- Move \$100,000 of funding for Career Development from Grants to the Operating Expense line item.
- Reinstate the \$1,350,000 Workforce Training line item.

In addition we ask that you consider our Optional requests;

- \$90,000 to provide funding for implementing industry skill and certification testing for all VTE programs,
- \$100,000 to provide the additional funding to continue work on our data and website information system for schools.
- \$400,000 to increase the funding for Adult Farm Management programs and to allow additional for program expansion.

With the many demands on the state budget I appreciate your consideration of these investments in the youth of our state. There are others present who will be speaking about this budget but I would first like to answer any questions that you may have.

Additional Information on Career Clusters and Student Leadership

Career Clusters

A new tool for counselors and schools to use to help students in the career planning process are the Career Clusters. You have a couple of brochures of the clusters with your information. These clusters were identified by the US Dept of Education to organize all careers into 16 major areas. A consortium of states organized development teams, made up of business and education, who gathered and assembled the information and created curriculum frameworks for each of the clusters. North Dakota developed the Finance Cluster. They have been adopted nationwide by business and education. If you open the brochure to the first or second set of pages you will see a wheel that is divided into a number of pathways, leading outwards to career specialties. Each page of that brochure discusses one of those pathways in more detail, such as sample jobs and employment outlooks.

The concept behind the clusters is to portray, to the student, the breadth of careers in a given industry as well as a pathway for occupations that require a secondary, two-year, four-year or advanced degree. There are similarities between pathways so that students can move to another as their career plans change. You also have a pathways chart in your materials that lists careers within pathways. Across the bottom of that pathway chart are ten-core foundation knowledge and skills – from academic foundations, communications, and leadership and teamwork to technical skills and critical thinking. Additionally in your materials, there is a sample program of study that we have started to develop for each cluster that lists suggested courses a student should take for a career in that area. This will be yet another resource that career development counselors can use with students and parents. We will be implementing the cluster concept into our curriculum and delivery of courses, so that students are not limited by their career choice, but understand that there are options.

Student leadership integration and support

Vocational technical education is an essential component of the total educational system and is critical in our states ability to respond to an ever-changing economy. It provides focus and motivation to students who want to know "why do I have to know this?" They can make that connection between what they are learning and the world of work. One of the strongest attributes of vocational technical education and an area that we actively participate in, is student organizations, FFA, SkillsUSA-VICA, FBLA, DECA, TSA, and FCCLA. These organizations enable students to demonstrate their skills at state and national competitions. Last year at a competition in Seoul, South Korea, a NDSCS automotive student, Josh Boschee, placed second in the world in Automotive Technology; Amber Haugland, an FFA student from Crosby, is the first National VP from our state in over 40 years. North Dakota students consistently place at national skills competitions. We are not only providing job specific and career skills to students but through student organizations, instructors take education that extra step and provide leadership, communication, and workplace readiness skills that benefit all students who participate.

Deanna Baller
Operator's Signature

10/30/03
Date

Exhibit 1

HB 1020

STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

Prepared for

SENATE APPROPRIATIONS COMMITTEE

FEBRUARY 27, 2003

*With exception
of these pages
Same testimony
given to Senate
as to the House*

**Wayne Kutzer
State Director & Executive Officer**

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State Board for Vocational and Technical Education

2003 Agency Information

- Provide technical assistance, professional development activities, and perform evaluations for all VTE programs in the state, which includes 727 secondary and 117 postsecondary.
- Utilizing state and federal grant dollars to support VTE, including
 - Grades 7 - 12 programming, Tech Prep, Transition to Teaching, Carl Perkins.
- Enrollment of 65,750 (duplicated count) junior high and high school students. (23,000 - unduplicated - or 72% of all 9-12)
- Provide financial incentives to VTE programs to enter into cooperative agreements, including Area Centers, video conferencing, sharing instructors, and transporting students. Involving 77 schools and 27 program offerings.
- Expansion of information technology programs including Cisco, A+, Programming, and IT essentials. Currently there are 89 districts that have IT offerings -four years ago there were six.
- Integrating and identifying academic content throughout VTE curriculum.
- Initiated "Clinical Practice" a mentoring process, providing alternative teacher certification for individuals transitioning from industry and other levels of education to teaching at the secondary level.
- Support Career Development programs in 97 school districts (59 counselors) through technical and financial assistance. Have been designated by the Workforce Development Council as the lead agency for Career development activities.

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Deanna G. Hall
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10/30/03
Date

- Initiated development of Career Academies with North Dakota industries for high school students in Telecommunications, Construction, Manufacturing, Information Technology, Culinary Arts, and junior high technology camps.
- Negotiated and adopted federal performance standards including academic and skill attainment, completion, placement, and non-traditional participation.
- Align technical programs and instructor certifications with industry and national standards. Examples of industry program certification are NATEF, NCCER. Instructor certifications Cisco – CCNA and CCAI, Microsoft MOUS certifications, CompTia's A+, Net+.
- Work with 1,207 farmers & ranchers from 666 farms through Adult Farm Management programs, 270 in Farming for Profit program, and supported 28 marketing clubs across the state.
- Work with other agencies in developing a foundation of skilled workers necessary to improve North Dakota's economy.
- Provide for leadership support and curriculum integration activities for student organizations: FFA, DECA, Skills USA-VICA, FBLA, TSA, FCCLA. Postsecondary organizations PAS, PBL, Delta Epsilon Chi, and Skills USA-VICA.

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10/30/03
Date

State Board for Vocational and Technical Education

A Proposal for Expanding Career Development in North Dakota

Career Development is an essential ingredient in the educational experience of every student. It provides students with a focus and relevance to what they are learning by tying it to their career interests. It will also support North Dakota's economic development activities by providing information on career opportunities in the state.

Everyone – including parents, teachers, administrators, and the community – contributes to the guidance process, but the career development counselor plans and facilitates the process and makes it happen for every student. To ensure the quality and effectiveness of any Career Development program, the programs will be staffed by credentialed Career Development Counselors.

This proposal, coupled with existing programs, will provide greater statewide access for students in developing their career goals and objectives.

Total Budget **\$500,000**

Expand the number of Career Development programs **\$360,000**

There are currently 58 career development counselors serving 99 schools and 28,000 students. This proposal would begin the process to increase the number of programs by approximately 20% (approximately 12) over the biennium. The focus would be in areas of the state that currently lack connection to Career Development programs.

Maintenance and development of website **\$ 60,000**

A statewide student centered website would serve as a portal into a number of career development websites and help focus on ND careers.

Awareness campaign **\$ 80,000**

An awareness campaign across the state that would help direct students and parents to ask about career development activities at their local school.

Contacts Kathy Holle, State Supervisor for Career Development - 328-3196
Wayne Kutzer, State Director - 328-2259

Partners

State Board for Vocational and Technical Education
-provide technical assistance, professional development, program standards,
and coordinating activities

ND Tech Prep
- potential web site development funding

ND Career Resource Network
- information resources, sharing website

Relatedness of Program of Study in High School to NDUS Enrollment for 2001 VTE Completers

This data is based on using social security numbers to connect data from secondary to postsecondary to employment.

- 8,915 total 12th graders in 2001
- 4,355 (49%) VTE Completers – took a sequence of VTE courses and graduated from high school in 2001
- 1,992 represents 46% (4355/1992) of the student records submitted by schools which were identified by a SS number
- 563 (28%) of the 1,992 were employed
- 85 (4%) attended postsecondary education in Minnesota
- Enrollment of 2001 completers decreased (left school in ND) by 8.8% between 2001 and 2002, versus general college population nationally with an attrition rate between 25% and 40%
- The percent of related enrollment increased from 2001 to 2002 by 3%
- Largest increase in related enrollment from 2001 to 2002 was in Architecture /Construction - 14.41% (33% to 47%)
- Largest decrease in related enrollment was in Information Technology - 20.68% (53% to 32%)
- Largest sustained related enrollment from 2001 to 2002 was in Transportation - 51.52% to 59.59%
- Lowest related enrollment over was in Agriculture/Nat Resources 2001 – 14.19% and 2002 – 15.71%
- On average the related enrollment for 2002 Completers is greater across every career cluster.

General Observations

While this is preliminary data it indicates are VTE is helping students with their career planning and decision-making.

Demonstrates the potential value of using data for decision-making at the local and state level.

North Dakota State Board for Vocational and Technical Education
Carl D. Perkins Vocational and Technical Education Act
Baseline and Performance Levels

	<u>Negotiated Baseline</u>	<u>Actual 2000-2001</u>	<u>Actual 2001-2002</u>	<u>Percentage Difference</u>
<i>Secondary</i>				
Academic Attainment (1S1)	86.25%	82.50%	79.21%	-7.04%
Skill Proficiencies (1S2)	93.24%	99.00%	95.10%	+1.86%
Completion (2S1)	92.20%	96.90%	97.79%	+5.59%
Placement (3S1)	94.75%	93.85%	92.61%	-2.14%
Nontraditional Participation (4S1)	15.04%	21.60%	21.16%	+6.12%
Nontraditional Completion (4S2)	15.41%	22.50%	20.89%	+5.48%
				+9.87%
<i>Postsecondary</i>				
Academic Attainment (1P1)	98.63%	80.00%	93.33%	-5.30%
Skill Proficiencies (1P2)	86.09%	90.00%	91.46%	+5.37%
Completion (2P1)	60.75%	79.00%	52.13%	-8.62%
Placement (3P1)	80.75%	77.00%	67.78%	-12.97%
Nontraditional Participation (4P1)	6.75%	26.00%	21.06%	+14.31%
Nontraditional Completion (4P2)	7.25%	26.00%	18.45%	+11.20%
				+3.99%

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House Bill 1020
Testimony to House Appropriations Committee
by Eddie Dunn, Vice Chancellor of Strategic Planning and
Executive Director of the College Technical Education Council
North Dakota University System
January 9, 2003

Good afternoon, Mr. Chairman and members of the House Appropriations Committee. For the record, I am Eddie Dunn, Vice Chancellor for Strategic Planning and the Executive Director of the College Technical Education Council (CTEC) of the North Dakota University System.

CTEC is comprised of the CEOs of the two-year institutions within the University System and the state director of the State Board for Vocational Technical Education (SBVTE), which is Wayne Kutzer. One of the primary functions of CTEC, which was created through a joint agreement between the State Board for Vocational Technical Education and the State Board of Higher Education (SBHE) in 1993, is to increase the coordination of vocational technical education programs between K-12 and higher education. In 1999, after the legislative enactment of the workforce training system, the State Board of Higher Education charged CTEC with the successful implementation of the new training system.

Wayne asked me to report on the workforce training delivery system in North Dakota, which is funded through the SBVTE. Before I do, I want to commend Wayne and the members of the SBVTE for helping foster a strong cooperative relationship between the SBVTE and the University System. As I mentioned, Wayne serves on CTEC. He has played a major role in helping increase understanding and to bridge the gap between the vocational technical programs in K-12 and in higher education. From my standpoint, and I am sure the college CEOs would agree, we have a very positive and productive working relationship with Wayne, his office, and the board.

Attached to my testimony is a copy of the Year-End Report on Implementation of the Workforce Training System for FY-2002. The report provides a brief description of the major components of the training system followed by a listing of actions and progress to date (refer to major sections).

I would like to draw your attention to Page Nine. This page summarizes the training results and also provides the data on the accountability measures which were established by the task force for the training system and adopted by the 2001 Legislative Assembly.

The training results are presented in the table at the top of the page (Attachment B-1). The data shows the number of businesses that contracted for training increased from 518 in FY-2000 to 1,326 in FY-2002 (a 156% increase). The number of employees who received training increased from 7,463 to 10,299 (38%) during the same period. The significantly larger increase in the number of business served, in comparison to the number of employees receiving training, is due to a larger proportion of the training being provided to smaller communities and smaller businesses in FY-02 compared to FY-00 and FY-01 -- as the delivery system was extended to the more rural areas of the state.

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The right hand side of the table shows the satisfaction levels by the businesses and the employees to the training received. As you can see, the satisfaction levels continue to be consistently high for both the employers and employees (94% and above for all results categories for all three fiscal years).

The table on the lower portion of the page (Attachment B-2) provides the performance data for the accountability measures for FY-02. A total of 1,326 businesses contracted for training representing 3.8% of the businesses in the state. Revenue generated from training fees totaled \$1,880,864 which is \$680,864 above the revenue projection for FY-02 (see Attachment-C, Column 6, under "Training Revenue").

The level of satisfaction of companies with the responsiveness of training provided was 98.1% during FY-02. Nearly 40% (39.5%) of the businesses requested repeat or additional training. The task force that developed the plan for the workforce training system was interested in seeing cooperation among the training quadrants and among other service providers. One of the measures selected to track cooperation was referrals. Twenty referrals were made to other training or service providers across the system while six referrals were received from other training or service providers.

The plan, developed by the statewide Task Force for Improving Workforce Development and Training, calls for a state general fund appropriation of \$1,350,000 per biennium to sustain the workforce training system. That is the amount included in the budget of the State Board for Vocational Technical Education for this purpose. On behalf of the campus presidents and the workforce training boards in the four workforce training regions, I respectfully request your favorable consideration of this funding level.

One of the most frequently asked questions is, "How do the various workforce training programs from the different agencies work together?" I have attached a fact sheet which the Task Force for Improving Workforce Development and Training prepared during the 1999 legislative session which answers that question (makes the distinction between funding sources and delivery system).

One final note: The training system developed in North Dakota and described in this report was modeled after the workforce training system at Kirkwood Community College in Cedar Rapids, Iowa. It is interesting to note that Kirkwood Community College was selected as the Community College of the Year by the National Alliance of Business in the year 2000. The workforce training division of the college was specifically singled out as a primary reason for the recognition.

Kirkwood was also selected as the Community College of the Year by the American Association of Community Colleges from among the more than 1,200 community colleges in the nation in 2001. My reason for mentioning these achievements is that it is reassuring that the training system developed in North Dakota is patterned after a college and training system that has been determined to be the best in the nation.

Mr. Chairman, thank you for the opportunity to provide testimony to your committee. I would be pleased to respond to any questions you or other members of the committee might have.

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Dennis Ball
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10/30/03
Date

**FACT SHEET ON
WORKFORCE TRAINING LEGISLATION**
February 11, 1999

There is a wide array of funding sources and mechanisms being used among states with successful workforce training systems to encourage economic development and provide workforce training. The most successful training programs have a combination of funding sources and mechanisms involving the state, business and industry, county and city governments, and educational institutions.

I. Funding Sources-

Workforce-2000. Workforce 2000 is a funding source available to customers (business and industry) that is focused on training existing employees. The purpose of Workforce 2000 is to allow North Dakota Businesses and industries to be more viable and competitive through a well trained workforce. Workforce-2000 provides a source of funding, administered by Job Service through an application process, which businesses and industries (the customers) can access to purchase training for their existing employees. The funds are used to "buy down" the cost of training and thereby make training more affordable. The program is marketed by local development corporations.

New Jobs Training Program. The New Jobs Training Program is also a funding source administered by Job Service and marketed through local development corporations. The program is designed to foster primary sector businesses in the State. The program provides funding to cover the training costs of the employees of new and expanding primary sector businesses. The training costs are financed by a bank loan which is repaid from the withholding tax of the new employees.

II. Delivery System-

The Workforce-2000 and New Jobs Training Programs described above are funding sources available to business and industry. HB-1443 will help develop the delivery system needed for training. Both the delivery system and the funding sources are important and work together in providing training. For example, if a company requests training and is not able to cover all of the direct costs of the training, the company will be encouraged by the training manager to apply for funding through the Workforce-2000 or New Jobs Training Programs which are administered by Job Service. These funding sources, along with the fees provided by the business or industry for the training, typically cover the direct costs but do not cover the total costs associated with the infrastructure and program development involved in providing training. The infrastructure and program development costs of successful training systems throughout the United States are typically covered by a combination of local funds (including contributions by local business and industry), institution funds, and state support.

The purpose of House Bill 1443 is to help develop the necessary infrastructure for a more effective workforce training delivery system in North Dakota. HB-1443, in addition to other provisions, is intended to provide the state portion of the funding which here-to-for has not been available to support workforce training in North Dakota.

III. Delivery Sites and Sources of Training-

The workforce training divisions of the two-year colleges that are assigned primary responsibility for workforce training in each of the four quadrants of the State will be responsible for contacting business and industry, developing effective working relationships, determining training needs and arranging training. It is important to note that the individuals responsible for these functions will operate from locations within the respective service regions (in the major population centers, for example) which are the most convenient and accessible to business and industry.

As each training need is identified by business and industry, the two-year college assigned primary responsibility for workforce training in the region will work with the various training providers in arranging the training. The training providers include the four-year colleges and universities, tribal colleges, vocational technical centers, comprehensive high schools, and other private and public training providers. The various campuses, tribal colleges, Skills and Technology Training Center, vocational centers, etc., will serve as delivery sites for training. The location, time, and content of the training will be determined by the business and industry receiving the training. To the extent possible, the training will be provided on site of the business and industry and on terms most convenient and efficient to the business requesting the training.

D:\WFTR Quadrant System\Fact Sheet on WFTR Legis 2-11-99.doc

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North Dakota Workforce Development Council

"Making Good Things Happen for North Dakotans"

TO: North Dakota Workforce Development Council

SUBJECT: Position on funding for the state funded workforce training and workforce development programs.

Working definitions:

Workforce Development refers to education and training whereby students or individuals are direct customers of the service delivery system. This includes education and training provided to and through: 1) K-12, post-secondary, and proprietary institutions; 2) the existing workforce that is unemployed, displaced, disadvantaged or underemployed, and; 3) the existing employed workforce served through life-long learning and continuing education.

Workforce training, or jobs training, refers to the more immediate service relationships involved in responding to short term business and industry needs. It is business and industry driven and often involves customized or contracted training. The business is usually the direct client of the services delivered.

The differentiation. The primary factor that differentiates workforce development from workforce training is the primary customer being served. Workforce development is oriented toward meeting the education and training needs of individuals, including providing continuing education and life-long learning. Workforce training is oriented toward serving the training needs of business and industry.

Within this context, the major state agencies partnering to provide workforce development and workforce training throughout the state include the North Dakota State University System, Job Service North Dakota, State Board for Vocational and Technical Education, Department of Public Instruction, Department of Human Service and the North Dakota Workforce Development Council.

The North Dakota Workforce Development Council coordinates the efforts of the State Agencies administering the federal and state funded workforce development and workforce training programs in North Dakota. This current structure allows North Dakota to:

1. Maximize access to federal funding;
2. Foster more focused delivery of workforce development and workforce training services to North Dakota citizen and employers and;
3. Provide more responsive services to business, industry and economic development professionals.

North Dakota's workforce development and workforce training programs include a number of specific federally funded programs complemented by several State funded programs. The State funded programs fill 'gaps' in workforce training and are targeted toward addressing employer needs for keeping their workforce trained and competitive.

Background:

North Dakota's 21st Century Demographics show that the State will be faced with tighter labor markets, an aging workforce, wider "skill gaps", and a replacement worker issue.

According to Peter Drucker, "The dominant factor in the next two decades is not going to be economics or technology. **It will be demographics.** Workforce is an increasingly big piece of the economic development puzzle. In the knowledge economy, our competitive economic advantage depends on the quantity and quality of our workforce". Our state, our communities, and our businesses, depend on our workforce development system.

A well trained highly skilled workforce is essential to the future economic growth and vitality of North Dakota and to the global competitiveness of the businesses and industries located in the state. Site selectors for business and industry consistently rate "the availability of a well-educated and highly-trained labor force" as one of the highest priorities in selecting a state, and in turn a community, for locating their business or industry.

The North Dakota Legislative Assembly has enacted legislation, leading to an effective workforce training system to meet the training needs of current and potential businesses and industries in the state.

- 1991 - Workforce 2000 Program
- 1993 - North Dakota New Jobs Training Program
- 1999 - Workforce Training Quadrants

There is a high level of cooperation and coordination regarding workforce development and workforce training among the organizations and agencies involved in economic development at the local and state level.

The success of the workforce development and workforce training programs are documented by the reports and tracking of participants that is being done by the agencies and colleges who have administrative responsibility for the programs.

North Dakota needs to maintain its current commitment and funding levels for State funded workforce development and workforce training programs. In addition, North Dakota needs to pursue a permanent funding source for the Workforce 2000 Program and the Workforce Training Quadrants Program. In addition, a new program is needed to provide funding to support the training of underemployed and youth in primary sector

and high demand, high skill, targeted occupations having an average annual wage of \$25,000 or more, in return for a commitment to work in North Dakota.

Recommendations:

1. State funding for the workforce development and workforce training programs is continued at the current levels.
2. Continue the workforce development and workforce training system as currently structured and administered.
3. Continue to address accessibility to training and provide access to funding to assist the underemployed with retraining for high demand and high skill jobs that exist in North Dakota.
4. Work with the legislature and the Governor's Office to develop a permanent funding source for workforce development and workforce training programs.
5. Explore options to fund a new program to provide matching funds to assist with retraining underemployed workers and youth for primary sector and high demand high skill target occupations in return for a commitment to work in North Dakota.

Attachment I

Workforce Development and Workforce Training

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Funding Sources and Delivery System

An effective and responsive workforce development and workforce training system has the capacity to deliver employer focused training in a timely manner and provides incentives for North Dakota businesses to invest in training for their incumbent workers. Both the delivery system and the funding sources are important and work together in providing needed training to meet employer and worker training needs.

Funding Sources:

Workforce 2000 Program. Workforce 2000 provides matching funds to assist North Dakota employers in upgrading the skills of current workers (North Dakota residents) when new technologies or new work methods are introduced. The program also provides pre-employment training when new companies located to the state or North Dakota businesses are expanding. Workforce 2000 is administered by Job Service North Dakota. Program funding is used to provide a "match" to employers to help reduce the cost of training and thereby make the training more affordable. The program is marketed by local development corporations and business services staff of Job Service.

North Dakota New Jobs Training Program. North Dakota New Jobs Training provides funding to "primary sector" business by capturing the State Income Tax Withholding generated from new jobs created by eligible businesses in the state. The program is administered through Job Service North Dakota. Administrative fees for the program are paid by businesses participating in the program. Businesses can access funding by either obtaining a loan, repayable grant or a self-finance option. Under the loan or repayable grant option, 100% of the eligible state income tax withholding each quarter would be applied to repayment of loans and repayable grants. Under the self-finance option, 60% of the eligible state income tax withholding each quarter would be reimbursed back to the business to cover cost of training individuals filling new job positions.

Delivery System:

Workforce Training Quadrants Program. Workforce Training Quadrants Program provides funding to the two year state colleges assigned primary responsibility for workforce training in their respective quadrant to develop the delivery system for needed training. The training providers include the four-year colleges and universities, tribal colleges, vocational and technical centers, comprehensive high schools and other private and public training providers. The location, time, and content of the training provided will be determined by the business and industry receiving the training. Development and support of the infrastructure is important to an effective workforce training delivery system in North Dakota.



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Chairman Bob Martinson
Members of the House Appropriations Committee

For the record, my name is Sharon Etemad. I am President of Lake Region State College and I am here to testify in support of HB1020. I would like to address my remarks specifically to the need for the enhancement funding for post secondary institutions included in the Vocational/Technical Education Budget.

First, I would like to give you a bit of a historical perspective. Initially all of the state funding for three of the North Dakota community colleges, Lake Region State College, Bismarck State College, and Williston State College was provided through the State Board for Vocational/Technical Education. Basic funding for ND State College of Science and Minot State University-Bottineau was provided through the higher education budget and a small amount of enhancement funding for vocational/technical programs and services at those two institutions was provided through the State Board for Vocational/Technical Education budget. Once the legislature determined that Lake Region, Bismarck and Williston should be part of the North Dakota University System, basic funding for those three institutions was also included in the higher education budget. However, enhancement funding for all five community colleges would be provided through the Vocational/Technical Education Budget to meet some of the high cost vocational/technical program equipment, faculty development, and new program start up. It was envisioned that this pool of funds would eventually reach a million to a million and a half per biennium. The pool was initially funded at \$400,000. As a result of budget cuts over recent biennia, the pool is currently \$357,452. While never reaching the level the colleges and Vocational/Technical Board had envisioned, the dollars have been invaluable for the community colleges. Over the past several biennia, the fund has provided about two and a half million to meet critical equipment needs, fund faculty development, and support new program start-ups. For example, the money was used to begin the fledgling cooperative customized training program that has now evolved into a world class statewide workforce training program. The funding has been used to develop a baccalaureate degree at Valley City State University where our vocational/technical faculty can articulate their Associate of Applied Science Degrees and finish a four-year degree without losing credits. In recent years, for example our auto and diesel tech instructors have taken advantage of this option. The pool provided funding for the development of a collaborative nursing program to help meet the needs of a serious practical nursing shortage in the state. This nursing program is offered collaboratively by Williston, Bismarck and Lake Region. Recently, Lake Region updated several very high cost engines for our diesel program. The cost of these engines would have depleted our general equipment budget. The money has also provided funding for technical instructors to return to the workplace to update their skills.

The funding has been critical. We thank you for your support for this funding and the entire vocational/technical budget. I urge your continued support for funding vocational/technical education in North Dakota.

"a comprehensive community college"

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ECONOMIC DEVELOPMENT ASSOCIATION OF NORTH DAKOTA



PO BOX 2639 • 2000 SCHAFER STREET • BISMARCK, NORTH DAKOTA 58502

January 9, 2003

House Appropriations Committee, Education and Environment Division

Testimony on Workforce Training System

Jim Melland, President, Economic Development Association of North Dakota (EDND)

Dear Committee members:

EDND is the professional association of economic developers in North Dakota. Our membership is 100 strong, representing some 40 distinct organizations and businesses. Our purpose is to provide education and training for professional developers and to ensure that the necessary competitive resources are available for driving primary sector economic growth.

Among the leading criteria demanded by expanding and newly locating primary sector businesses is the need for a well-trained workforce. The North Dakota labor force has characteristics that surpass those found in many other areas of our country. North Dakota citizens in the labor force set the pace for our nation in work ethic. This fact in itself leads to high levels of productivity for business.

The other crucial factor that influences productivity is education. Here again, North Dakotans have a very high percentage of the labor force with high school education and beyond. The place where we have fallen short is in specific skills training. To be sure, ND high schools, vocational schools, 2 and 4 year colleges, and the universities offer premier education in a variety of fields. Still, business today demands very specific training—sometimes very unique training for a single business. The Workforce Training System was established to address this issue and is doing so with growing success.

The staff, based in the four quadrants across the state, has been able to accomplish several important objectives. First, they have established specialized training services that are being offered on a regular basis. These courses offer training into careers that have a continuing need for new employees and/or need to deliver new training on a continuing basis to existing employees. Secondly, they have built relationships and identified expertise among public and private training providers. The resources can be engaged to provide a host of training programs and even tailor courses to meet specific business needs.

Additionally, they have established relationships with clients throughout their territories. These client relationships help the Workforce Training Quadrant staff identify training needs and, in turn, offer solutions that businesses use to enhance productivity. Until these services were

available many small and medium sized businesses had little access or knowledge of training resources.

In some regions, resource centers have been established to offer a place for training as well as tools to meet client demands. For example, a computer training center was established in the Northeast Quadrant for business training needs. In other Quadrants, host institutions have established sites for corporate training.

Local developers have taken the opportunity to become more familiar with the services and benefits available through the Workforce Training System. There are different needs among developers, based on the nature of the businesses in their community or region. The Workforce System has demonstrated flexibility in meeting needs from service and retail clients to manufacturing and industrial companies.

The EDND supports the proposed funding and plan for the Workforce Training System as developed by the local workforce training boards and presented by the Steering Committee for the Task Force for Improving Workforce Development and Training. As local developers we count on the system as a key resource and partner in achieving a stronger labor force, thereby impacting economic growth. Thank you for your consideration.

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**Task Force for Improving Workforce
Development and Training**

JANUARY 9, 2003

**STATEMENT BY GUY MOOS, CHAIRMAN
THE TASK FORCE FOR IMPROVING WORKFORCE DEVELOPMENT AND TRAINING
REGARDING HB 1020, NORTH DAKOTA HOUSE EDUCATION AND ENVIRONMENT
DIVISION OF THE HOUSE APPROPRIATIONS COMMITTEE.**

Chairman Martinson and Committee members, I am Guy Moos, Chairman of the Task Force for Improving Workforce Development and Training and President, Baker Boy, which is located in Dickinson. Thank you for this opportunity to provide input regarding HB 1020.

Since 1979, Baker Boy has grown from 3 employees to 270 employees. Our market area has expanded, as well. We currently market over 600 different bakery products from Illinois to the State of Washington. During the past 23 years, our plant has grown from 3,000 square feet to 86,000 square feet.

North Dakota, Dickinson, and the surrounding area have been a great place to start and grow our business. The community has been very supportive and our workforce is very hard working, eager to learn and productive.

Like most food processors and other manufacturers, most of our staff is hired locally and come to us with a High School education. Training, both on the job and formal training which is available through North Dakota's world class workforce training system is very important to our success and growth.

Since the creation of this new workforce training system by the 1999 North Dakota Legislature, I have had the opportunity to serve on the Southwest Region Workforce Training Board and am a past President of that board. I continue to serve on this very important Board. This Board provides the type of connection business needs with each region. We are in essence locally driven.

On behalf of private sector employers throughout the state, we express our appreciation to the 2001 Legislative Assembly for passing SB 2020 and appropriating \$1,350,000 of general fund money to the workforce training program you passed into law during the 1999 Legislative Assembly. The workforce training plan you created implements recommendations of the Task Force for Improving Workforce Development and Training. It provided a major change in how workforce training is provided. It is built around a goal to provide business and industry in North Dakota with the most competitive workforce in the nation. The plan defines four primary

In cooperation with...

College Technical Education Council • Customized Training Network • Department of Economic Development & Finance • Department of Human Services
Greater North Dakota Association • Job Service North Dakota • North Dakota State Board for Vocational Technical Education • North Dakota University System
North Dakota Workforce Development Council • Office of the Governor • State Legislative Leadership • Vision 2000 Leadership

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Date

success characteristics found among successful programs around the country. They are defined service regions, primary responsibility, financial support and collaborative relationships.

The Task Force for Improving Workforce Development and Training is a diverse group representing the governor's office, legislative leadership, business, education and government.

The Steering Committee of the Task Force met on August 26, 2002. They received reports from the four college's assigned primary responsibility for workforce training. The Steering Committee was impressed with the results that had been accomplished since passage of this new workforce training program. The Task Force recommends that the following be adopted:

- The workforce training system be continued as currently structured and administered and as recommended by the Roundtable on Higher Education,
- The "three-part funding package" recommended by the Task Force for Improving Workforce Development and Training be continued: (1) revenue from training fees, (2) state funding support, and (3) support provided by the institutions assigned primary responsibility for workforce training,
- State funding for the 2003-05 biennium remain at the current level plus an adjustment for inflation,
- Decisions regarding additional local funding support, in addition to the funding provided by the "three-part funding package" described above, be left to the discretion of the local workforce training advisory boards,
- Funding for the workforce training delivery system continue to be included in the budget of the State Board for Vocational and Technical Education where other funds to the University System for vocational technical education and training are channeled and because the missions of the University System and the State Board for Vocational Technical Education both focus on education,
- The workforce training quadrants continue to place a high priority on cooperation and on coordinating activities with economic development organizations at the local and state levels,
- Continue creating an environment of "flexibility with accountability" based upon the accountability measures for workforce training which were adopted by the 2001 Legislative Session; i.e., avoid imposing additional administrative and reporting requirements which decrease responsiveness and effectiveness of the workforce training system, and
- The workforce training directors continue to place a high priority on making training available to the primary sector (value-added) businesses and industries in their respective regions.

Thank you Chairman Martinson and Committee members for this opportunity to discuss the business community's position on HB 1020.

I urge a do pass recommendation from this committee to the North Dakota House. I welcome your questions.

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Exhibit 3

House Bill 1020
Testimony to Senate Appropriations Committee
by Larry Isaak, Chancellor
North Dakota University System
February 27, 2003

Good afternoon, Mr. Chairman and members of the Senate Appropriations Committee. For the record, I am Larry Isaak, Chancellor of the North Dakota University System. I also serve on the board for the State Board for Vocational Technical Education. Thank you for the opportunity to provide testimony today.

I would like to comment on just one of the topics Mr. Wayne Kutzer mentioned in his testimony — workforce training.

Attached to my testimony is a copy of the *Year-End Report on Implementation of the Workforce Training System for FY-2002*. This report provides a brief description of the major training system components, followed by a list of actions and progress to date.

I will not go through the report, but would like to draw your attention to Page 9. This page summarizes the training results and also provides data on the accountability measures established for the training system by the task force and adopted by the 2001 Legislative Assembly.

As you can see, the program has been extremely successful. For example, the number of businesses that contracted for training increased from 518 in FY 2000 to 1,326 in FY 2002 (a 156 percent increase). Satisfaction levels also continue to be consistently high for both the employers and employees receiving training (94% and above for all of the categories).

The other point I would like to make is that during the 2001 Legislative Session, the House amended the SBVTE appropriations bill to place the workforce training system in the Department of Commerce. The statewide steering committee comprised primarily of individuals from the private sector, which designed the workforce training system, encouraged the legislature to not make that change at that time. Instead, the steering committee urged the legislature to conduct a thorough study of the system before making changes. As a result, an interim study of all of the workforce development and training programs was conducted by the Interim Commerce Committee during the 2001-03 biennium. The committee was chaired by Senator Andrist.

Prior to providing information to the Interim Commerce Committee, the steering committee initially chaired by Roger Reiersen and later by Guy Moos requested input from the four local private sector workforce training boards about how well the system was working and what changes were needed. The local workforce training boards developed recommendations and presented them to the interim committee. A copy of the recommendations will be presented by Guy Moos.

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The four workforce training boards concluded that the workforce training system is working well and should continue as currently structured, administered and funded.

North Dakota University System campuses charged with the training responsibility, along with all other organizations and agencies involved in the workforce training system, testified during the House Appropriations Committee hearing that they would prefer the workforce training system administration, structure and funding to continue as recommended by the Task Force on Workforce Development and Training, in other words, to continue to be funded through the State Board for Vocational Technical Education and administered through the State Board of Higher Education.

As has been mentioned, the House moved \$1.35 million in funding for workforce training -- as well as the administration -- to the Department of Commerce. The State Board of Higher Education met yesterday and took action to encourage the legislature to return this funding to the SBVTE and to remove language which assigns administration of the workforce training units on our campuses to the Department of Commerce. Since the Board of Higher Education is responsible for "control and administration" of the campuses, having the administration of workforce training in another agency not only adds bureaucracy to the system, but also raises governance issues about the administration of these units which are an integral part of the core operations of the institutions.

In summary, I ask that you maintain administration, structure and funding of the workforce training system as originally designed and called for in the *Report of the Task Force for Improving Workforce Development and Training* and as adopted by the 1999 legislative assembly.

Mr. Chairman, thank you for the opportunity to provide testimony to your committee. I would be pleased to respond to any questions.

w:\Larry I Testimony on HB1020 2-27-03.doc

Exhibit 5

NORTH DAKOTA

UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

Testimony by Sharon L. Etemad, Ed. D.
President, Lake Region State College
February 27, 2003

Chairman Ray Holmberg
Members of the Senate Appropriations Committee

For the record, my name is Sharon Etemad. I am President of Lake Region State College and I am here to testify in support of Engrossed Bill 1020. I would like to address my remarks specifically to the need for the enhancement funding for post secondary institutions included in the Vocational/Technical Education Budget.

First, I would like to give you a bit of a historical perspective. Initially all of the state funding for three of the North Dakota community colleges, Lake Region State College, Bismarck State College, and Williston State College was provided through the State Board for Vocational/Technical Education. Basic funding for ND State College of Science and Minot State University-Bottineau was provided through the higher education budget and a small amount of enhancement funding for vocational/technical programs and services at those two institutions was provided through the State Board for Vocational/Technical Education budget.

Once the legislature determined that Lake Region, Bismarck and Williston should be part of the North Dakota University System, basic funding for those three institutions was also included in the higher education budget. However, enhancement funding for all five community colleges would be provided through the Vocational/Technical Education Budget to meet some of the high cost vocational/technical program equipment, faculty development, and new program start up. It was envisioned that this pool of funds would eventually reach a million to a million and a half per biennium. The pool was initially funded at \$400,000. Because of budget cuts over recent biennia, the pool is currently \$357,452. While never reaching the level the colleges and Vocational/Technical Board had envisioned, the dollars have been invaluable for the community colleges.

Over the past several biennia, the fund has provided about two and a half million to meet critical equipment needs, fund faculty development, and support new program start-ups. For example, the money was used to begin the fledgling cooperative customized training program that has now evolved into a world-class statewide workforce-training program. The funding has been used to develop a baccalaureate degree at Valley City State University where our vocational/technical faculty can articulate their Associate of Applied Science Degrees and finish a four-year degree without losing credits. In recent years, for example our auto and diesel tech instructors have taken advantage of this option. The pool provided funding for the development

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Phone: 701.328.2960 • Fax: 701.328.2961
E-mail: NDUS.office@ndus.nodak.edu • Web: www.ndus.nodak.edu

The North Dakota University System is governed by the State Board of Higher Education and includes:
Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University •
Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science •
North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

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of a cooperative nursing program to help meet the needs of a serious practical nursing shortage in the state. Williston, Bismarck and Lake Region offer this nursing program collaboratively. Recently, Lake Region updated several very high cost engines for our diesel program. The cost of these engines would have depleted our general equipment budget. The money has also provided funding for technical instructors to return to the workplace to update their skills.

The funding has been critical. We thank you for your support for this funding and the entire vocational/technical budget. I urge your continued support for "Postsecondary Enhancement" funding included in the vocational/technical education budget.

We have just been informed that the Workforce Training funding has been shifted from the Vocational/Technical Education budget to the Department of Commerce budget. We believe that retaining the funds in the Vocational/Technical Education budget is the best way to fund Workforce Training for the following reasons:

- The original Workforce Training Taskforce recommended that the budget be funded through the Vocational/Technical Education budget.
- Workforce Training is an educational activity and should have funding through an educational entity.
- The four community colleges providing Workforce Training have considerable investment in time, resources, and facilities in developing the Workforce Training System and have a strong interest in continuing the successful structure that has been created. It will be costly to develop a different structure.
- The Workforce Training Advisory Councils, made up of over 50 business leaders across the state, the Workforce Development Council, the Greater North Dakota Association, the North Dakota Economic Developers Association, and perhaps, most important, the Legislative Interim Committee chaired by Senator Andrist, that studied the performance of Workforce Training agreed that system is functioning extremely well.
- Educational budgets have been more stable and less politically influenced than the state economic development functions, activities, and budgets. We believe that the Workforce Training operations will be more stable left in the educational environment. Our local business communities feel the same way.

For the above stated reasons, the Community College CEO's urge that the funding of Workforce Training be through the Vocational/Technical Education budget or the Higher Education budget and that the administration of the Workforce Training System be maintained through the North Dakota University System.

Thank you for allowing my to testify today and I am available to answer any questions you might have.

Exhibit 4

**Task Force for Improving Workforce
Development and Training**

FEBRUARY 27, 2003

**STATEMENT BY GUY MOOS, CHAIRMAN
THE TASK FORCE FOR IMPROVING WORKFORCE DEVELOPMENT AND TRAINING**

**REGARDING ENGROSSED HB 1020
NORTH DAKOTA SENATE APPROPRIATIONS COMMITTEE.**

Chairman Holmberg and Committee members, I am Guy Moos, Chairman of the Task Force for Improving Workforce Development and Training and President, Baker Boy, which is located in Dickinson. The Task Force is a diverse group representing the Governor's office, legislative leadership, business, education and government.

Thank you for this opportunity to provide input regarding engrossed HB 1020. We are grateful that the North Dakota House of Representatives recommended \$1,350,000 to the world class workforce training program for the FY 2003-05 biennium. However, the Task Force is concerned about the action in the House to change the funding mechanism from the State Board for Vocational and Technical Education to the Department of Commerce.

Since 1979, Baker Boy has grown from 3 employees to 270 employees. Our market area has expanded, as well. We currently market over 600 different bakery products from Illinois to the State of Washington.

North Dakota, Dickinson, and the surrounding area have been a great place to start and grow our business. The community has been very supportive and our workforce is very hard working, eager to learn, and productive.

Like most food processors and other manufacturers, most of our staff is hired locally and come to us with a high school education. Training, both on the job and formal training which is available through North Dakota's world class workforce training system, is very important to our success and growth.

Since the creation of this new workforce training system by the 1999 North Dakota Legislature, I have had the opportunity to serve on the Southwest Region Workforce Training Board and am a past President of that board. I continue to serve on this very important Board. This Board provides the type of connection business needs with each region. We are, in essence, locally driven.

On behalf of private sector employers throughout the state, we express our appreciation to the 2001 Legislative Assembly for passing SB 2020 and appropriating \$1,350,000 of general fund

In cooperation with...

College Technical Education Council • Customized Training Network • Department of Economic Development & Finance • Department of Human Services
Greater North Dakota Association • Job Service North Dakota • North Dakota State Board for Vocational Technical Education • North Dakota University System
North Dakota Workforce Development Council • Office of the Governor • State Legislative Leadership • Vision 2000 Leadership

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money to the workforce training program you passed into law during the 1999 Legislative Assembly. The workforce training plan you created implements recommendations of the Task Force for Improving Workforce Development and Training. It provided a major change in how workforce training is provided. It is built around a goal to provide business and industry in North Dakota with the most competitive workforce in the nation. The plan defines four primary success characteristics found among successful programs around the country. They are defined service regions, primary responsibility, financial support and collaborative relationships.

The Steering Committee of the Task Force met on August 26, 2002. They received reports from the four colleges assigned primary responsibility for workforce training. The Steering Committee was impressed with the results that had been accomplished since passage of this new world class workforce training program. Therefore, the Task Force enthusiastically recommends the following:

1. Funding for the workforce training delivery system continue to be included in the budget of the State Board for Vocational and Technical Education. We believe this funding is important because: (a) the missions of the University System and the State Board for Vocational Technical Education both focus on education and (b) this is the vehicle through which other funds to the University System for vocational and technical education and training are channeled;
2. The "three-part funding package" recommended by the Task Force for Improving Workforce Development and Training be continued: (1) revenue from training fees, (2) state funding support, and (3) support provided by the institutions assigned primary responsibility for workforce training;
3. State funding for the 2003-05 biennium remain at the current level of \$1,350,000 plus an adjustment for inflation,
4. The workforce training system be continued as currently structured and administered and as recommended by the Roundtable on Higher Education;
5. Decisions regarding additional local funding support, in addition to the funding provided by the "three-part funding package" described above, be left to the discretion of the local workforce training advisory boards,
6. The workforce training quadrants continue to place a high priority on cooperation and on coordinating activities with economic development organizations at the local and state levels,

7. Continue creating an environment of "flexibility with accountability" based upon the accountability measures for workforce training which were adopted by the 2001 Legislative Session; i.e., avoid imposing additional administrative and reporting requirements which decrease responsiveness and effectiveness of the workforce training system, and
8. The workforce training directors continue to place a high priority on making training available to the primary sector (value-added) businesses and industries in their respective regions.

Thank you Chairman Holmberg and Committee members for this opportunity to discuss the Task Force's position on HB 1020 and the Task Force's concern about the House action which transferred the funding mechanism from the State Board for Vocational Education and Training to the North Dakota Department of Commerce.

We urge a do pass recommendation on the general fund recommendation of \$1,350,000 to the four colleges assigned primary responsibility for workforce training and the funding mechanism in the original HB 1020, through the State Board for Vocational and Technical Education and Training. I welcome your questions.

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10/30/03
Date



"Dan Rood Jr."
<Dan.Rood@sendit.nodak.edu>

03/17/2003 09:24 AM
Please respond to
dan.rood

To: "Russel Thane" <rthane@state.nd.us>
cc: "Clark Williams" <cdwilliams@state.nd.us>, "Bruce Eokre" <beckre@state.nd.us>, "Joel Heitkamp" <jheitkam@state.nd.us>, "Bill Amerman" <bamerman@state.nd.us>, "Pam Gulleson" <pgulleson@state.nd.us>
Subject: Vocational Appropriation

Senator Thane,

In follow-up to our earlier conversation regarding the Vocational Budget, Please note my areas of concern

Although it doesn't affect our shop directly or indirectly, I think the Workforce training dollars should continue to be "passed through" to the four regional 2 yr. vocational schools instead of going through the Dept. of Commerce. This is especially important to our corner of the state because at present 40% of the total goes to NDSCS. This is based on an agreed upon formula including population and other factors. A change could result in say, a 25% allocation.

The movement of \$245,000 of federal funds for the Teaching to Transition grants to Operating Expenses should be done. All this does on a practical basis is to let SBVTE administer those funds and not have to contract with a school district to then serve as the fiscal agent. This is a net zero cost change.

The \$100,000 for Career Development is currently in the Grants line item. Wayne Kutzer and I might disagree on this a little, as when it's in the grants line, it must go out to schools for direct service. I have no doubt that it could happen if it's put in operating expenses so I would suggest you get clarification from Wayne Kutzer on his intentions on this one.

As for optional funding, I know you said it's probably a no go, I would say that as a local school the \$90,000 for industry testing could really help us know where we are at in Vo-Tech. Ed. in terms of national standards and how and where we need to improve as part of the impending increases in core academic skills as outlined in No Child Left Behind.

Overall if you can see fit to leave intact the house level funding for grants to schools at the level they came out of the House at we can live with it. Any added reductions would not be good for our programs or the schools and students we serve. If I can be of further assistance please let me know.

Dan Rood, Jr., Director
Richland County Vo-Tech. Center
Wahpeton, ND 58075
dan.rood@sendit.nodak.edu

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If NDSCS were to receive additional dollars from the \$1,000,000 SBVTE engrossed bill, NDSCS would propose to use the dollars in the following manner:

Updating the critical programs in the Manufacturing Department which are:

- Automated Manufacturing Technology
- Machinist & Toolmaking
- Welding Technology

Students education in these programs are in very high demand in the state of North Dakota and last year our college reported seven jobs for every student seeking employment. NDSCS is the only college in the state which offers automated manufacturing programs. Equipment is extremely expensive (a single piece of equipment can cost \$50,000-\$100,000). While partnerships have been formed to help supplement our equipment and supplies, it is impossible to stay current with business and industries educational needs. Here are some examples of the equipment needs:

- EDM (electrical discharge machine) equipment
- laser cutters
- lathes
- milling machines
- welding robots
- CAD/CAM equipment (computer-aided drafting and manufacturing)

Depending upon available funding, other NDSCS high cost career and technical programs that could benefit from this funding are:

Allied Health Programs:

- Dental Hygiene
- Practical Nursing
- Occupational Therapy Assistant

Construction Programs:

- Building Construction Technology
- Civil Engineering Technology
- Heating, Ventilation & Air-Conditioning

Transportation Programs:

- Diesel Technology
- Automotive Technology
- Auto Body Repair & Refinishing

North Dakota's economic future relies on a well trained workforce. Developing this workforce starts with quality technical programming. To meet the needs of North Dakota's business and industry this programming must be adequately funded.

CONTACT UNIVERSITY SYSTEM OR VOC ED FOR COPY

NORTH DAKOTA

UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

Year-End Report on Implementation of Workforce Training System for FY-2002

By:

**College Technical Education Council (CTEC)
And University System Campuses
Assigned Primary Responsibility
for Workforce Training**

September 23, 2002

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Ron Ness
HB 1020



What can be done to attract the younger work force into the North Dakota energy industry?

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Concerns and Opportunities

- In 8 to 10 years, demand for skilled labor will exceed available supply for ND energy industry
- Retirements and new construction will drive increased demand
- Shrinking labor pool and low interest in vocational careers are affecting supply
- Problem is national in scale
- High paying career opportunities close to home will be available for ND young people

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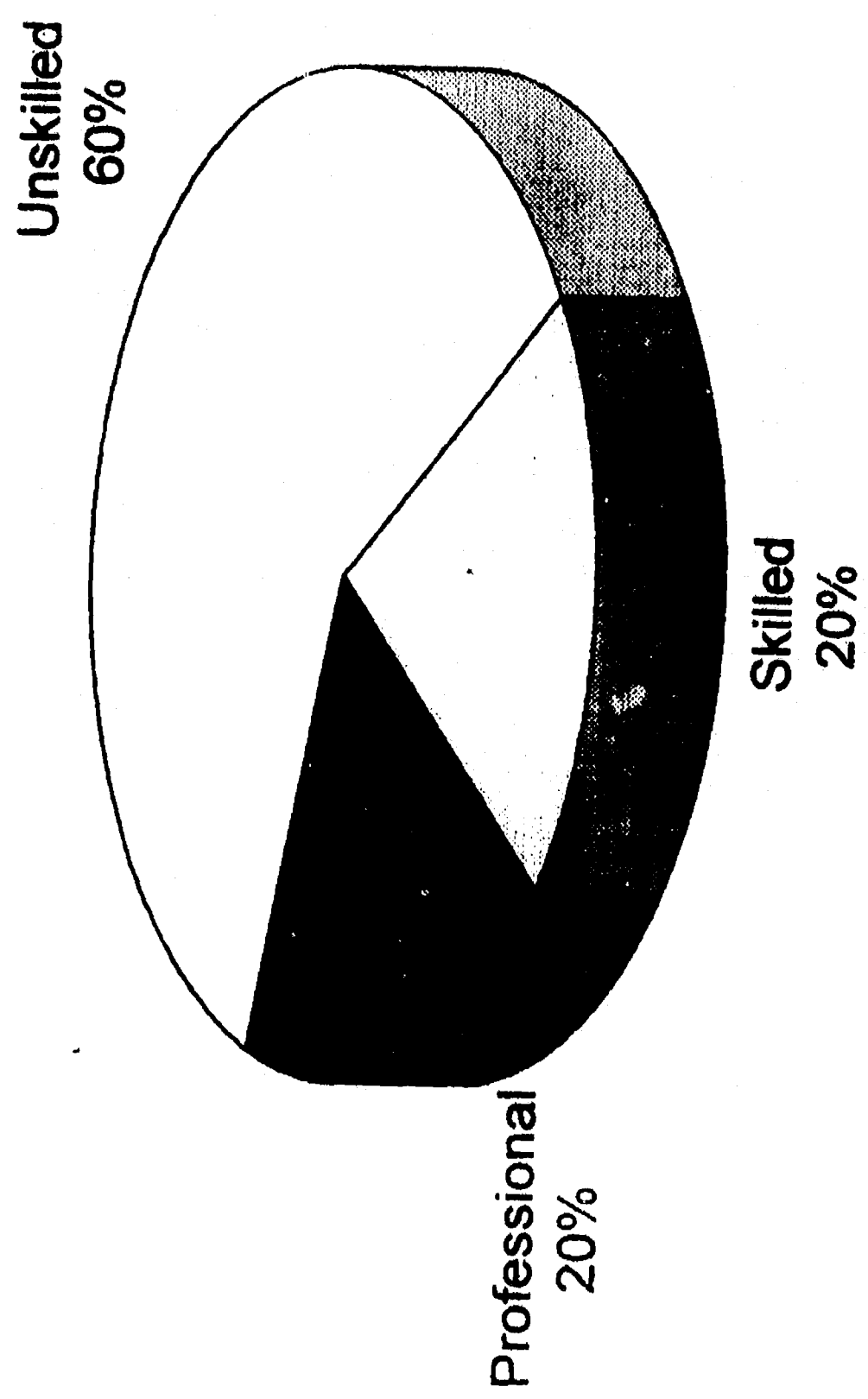
High Paying Jobs for ND Young People

(Wages stated below include benefits)

- Skilled labor jobs in energy industry typically run from \$24/hr for laborers to \$44/hr for control room operators
- Local construction trades are also well-paid (year 2000 wage rates shown below)
 - Laborer \$24/hr
 - Electricians \$27/hr
 - Plumbers/Pipefitters \$31/hr
 - Boilermakers \$35/hr
- Advancement/Management Opportunities



1950 Job Skill Levels

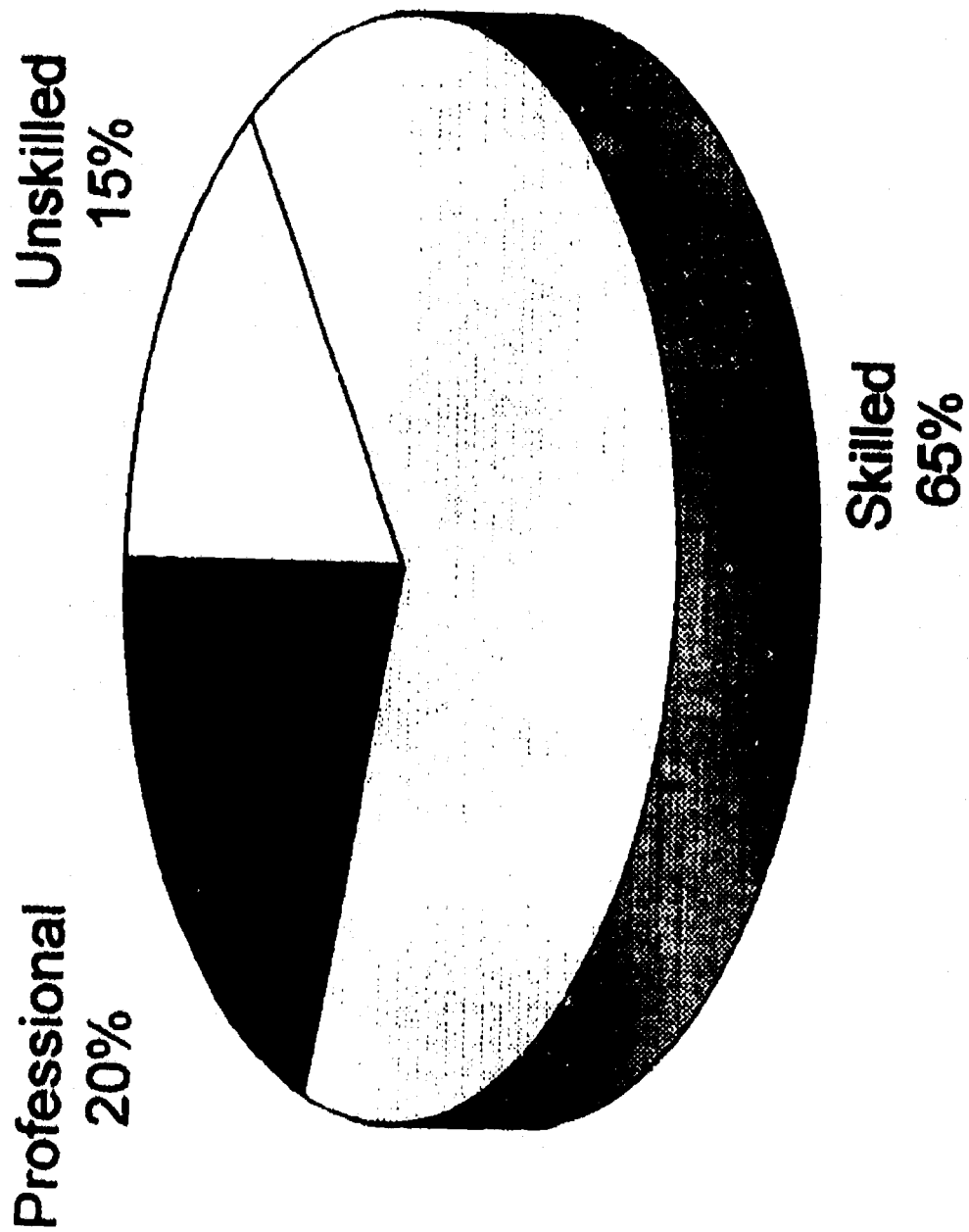


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2000 Job Skill Levels



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Dennis Ballantyne

Date

10/30/03

Age Profile of Workforce

Tesoro's Mandan Refinery on October 2, 2002



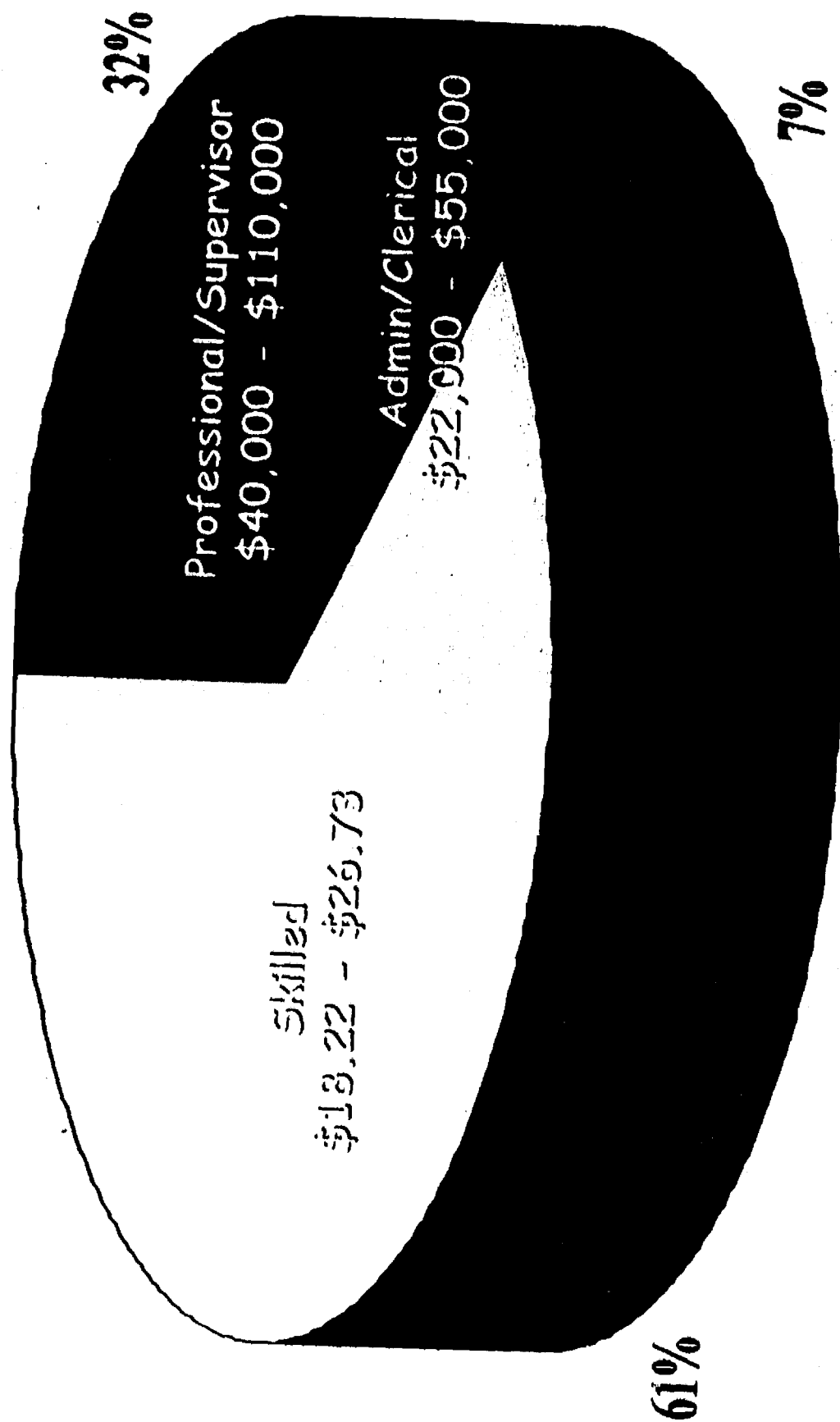
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Job Skill & Pay Levels

Tesoro's Mandan Refinery on October 2, 2002



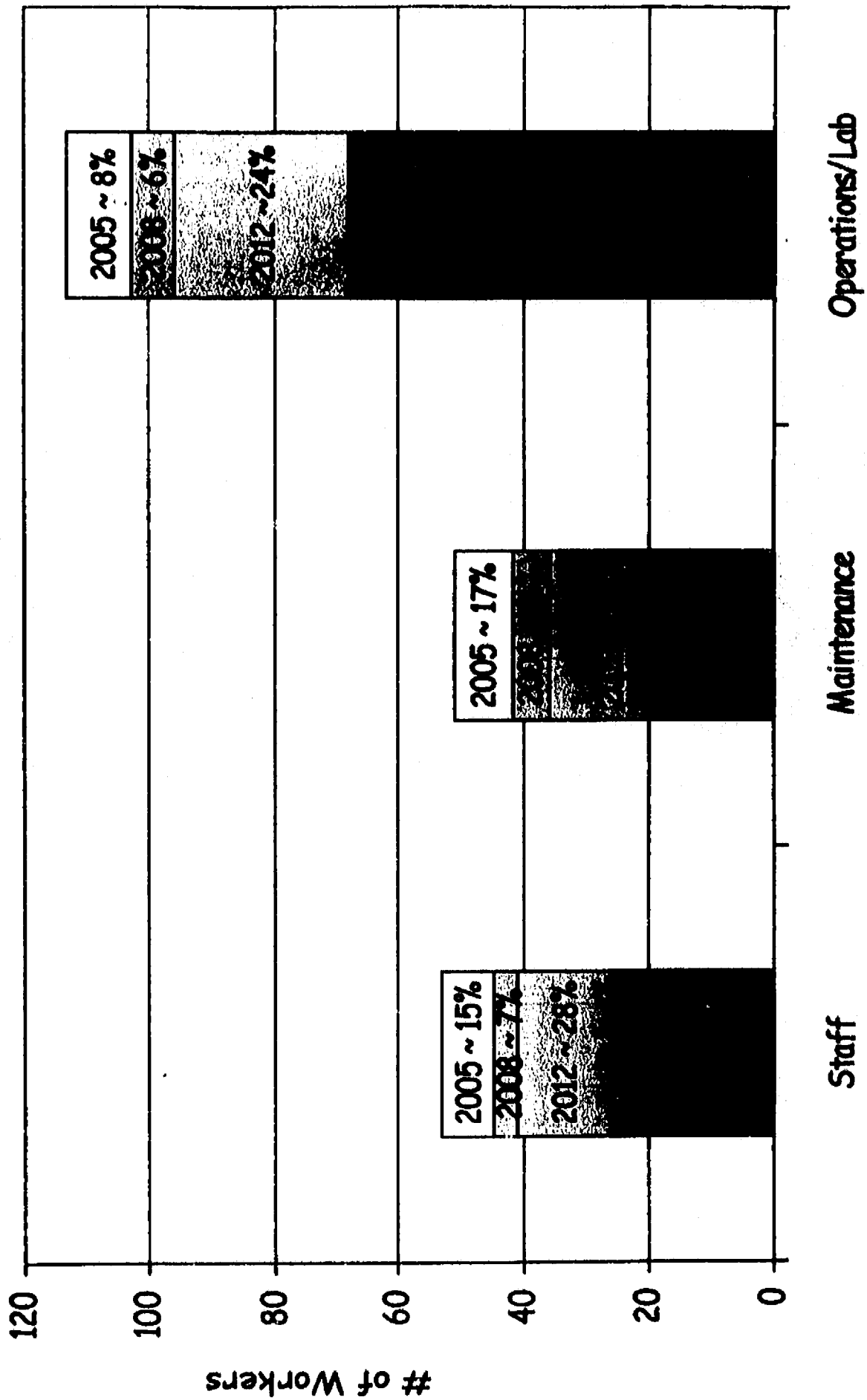
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Projected Workforce Needs

Tesoro's Mandan Refinery
Today's Average age = 43



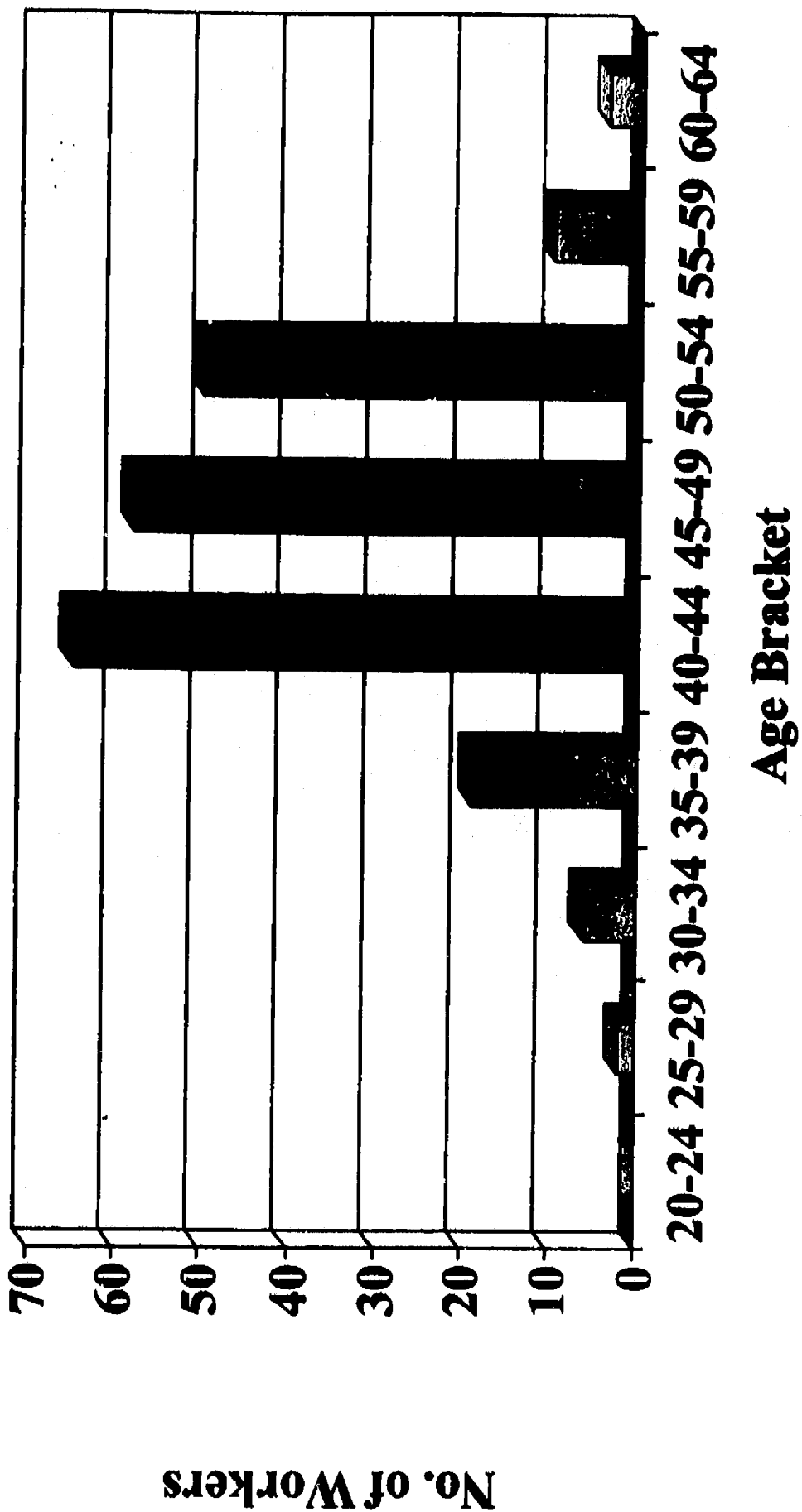
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Typical Age Profile of Workforce

(Coal Creek Station on March 5, 2002)

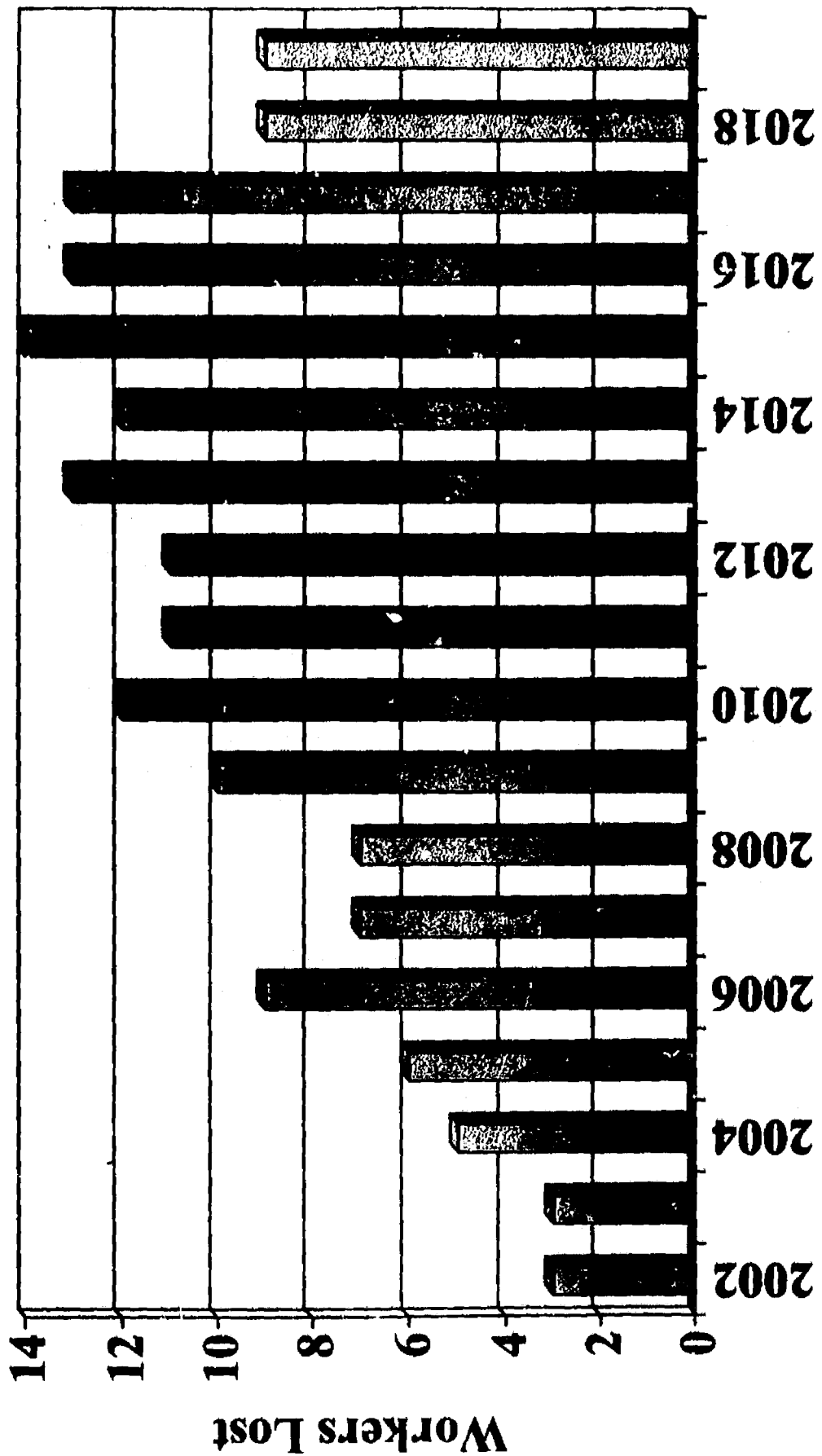


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Typical Profile of Anticipated Retirements



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How the ND Energy Industry is Addressing this Issue?

- Beginning November 2001 meetings involving ND energy plants, vocational schools, state government, construction trades, and major contractors have been held
- Subgroups formed to address the following:
 - Developing long-range forecast of hiring needs
 - Identifying future skills needed by the industry
 - Promoting vocational scholarships and internships
 - Marketing vocational career opportunities to ND youth, parents, career counselors, educators

Possibilities for Improving Awareness

- Travelling road show on energy career opportunities and required skills
- Provide tours of facilities to select students and vocational and science educators
- Develop energy career education information and training
- Provide written materials or CD's for marketing vocational career opportunities
- Give presentations at selected conferences and job fairs
- Using single coordinator for marketing energy job opportunities and identifying skills needed

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Testimony to the House Appropriations Committee, Education and Environment Division

Presented by Steve Metzger, Carrington North Dakota
January 9, 2003

Appropriations Committee Chairman – Ken Svedjan
Education and Environment Committee Chairman – Bob Martinson

My name is Steve Metzger and I am the Farm Business Management Instructor and Coordinator for the Carrington Farm Business Management Education program, sponsored by Carrington Public Schools but officed at the Carrington Research Extension Center, located just north of Carrington. I have been in farm business management education full-time for the past eighteen years with the previous twelve years of my professional life spent teaching agricultural education at Enderlin and Carrington high schools for seven years, with two years spent developing the Dickinson State University post-secondary agricultural program and three years spent working in agricultural lending.

I am appearing here today to seek your support of the present and future Farm Business Management Education Program in North Dakota. The Farm Business Management Education Program is a goal-oriented program of group and individualized instruction in business methods, goal setting, business analysis, marketing and several other key areas that promote the successful development and continuation of farm and ranch businesses in our state. In addition these instructors also serve in approximately two dozen marketing clubs, working with Extension personnel and other individuals to deliver high quality club oriented marketing education. The North Dakota instructors also serve the state by teaching the "Farm Management for Profit" program for Farm Service Agency borrowers when they are required to take the two-year program.

The enrollment of today's Farm Business Management Education Programs is made up of 650 to 700 producers of all ages, of farms of all sizes and of farms of all levels of profitability. This vast data base of information provides not only for an in depth business analysis of each farm or ranch but also provides many agencies and institutions, particularly NDSU with an irreplaceable data base from which both production and economic studies and forecasts can be drawn.

Of the fourteen programs located in North Dakota, now fifteen with the new program to be opened at the Langdon Research Extension Center, ten are funded through public school districts with the balance funded through a combination of block grants and other funding mechanisms. Program enrollees are today paying approximately 40-45% of the cost of the programs with state funds responsible for the balance. This cost to the state is approximately \$1,000,000 per year.

One serious problem that several programs are experiencing today is that the local sponsoring educational entities find themselves expending local and hard to find district tax dollars to provide educational opportunities for producers in other school districts. In my own situation, I currently work with producers in eleven different school districts and eight counties. These programs are no longer confined to small or localized areas and must be funded accordingly or they may eventually disappear from the scene.

The question today is what would additional funding beyond the \$50,000 increase proposed by the Governor do for a program such as this? I would ask that you direct your attention to the graphic entitled "Net Farm Income, per Farm, North Dakota, 1981-2001."

This graphic compares the net farm income of all farms in North Dakota (approximately 31,000) to the ND Farm Business Management Averages Report (451 farms) which includes only those farms in our programs that are located west of the Red River Valley Region. Due to the uniqueness of crops and Red River Valley agriculture our organization produces a separate report for the valley area in conjunction with the Minnesota farms on the east side of the Red River. In comparison it might be noted that the valley region averaged in excess of \$71,000 net farm income per year over the four-year period from 1998 through 2001. This is an important fact to bear in mind as you review the graph of net farm income comparisons.

On the graph you will note that the dotted line representing the ND Farm Business Management Education Program farms and ranches has exceeded the overall state average net farm income as reported by the North Dakota Ag. Statistic Service since the beginning of 1988. The shaded area of the graph represents the difference in net farm income for the last ten years from 1991 through 2001. **The average annual difference and increase in profitability over the ten-year period is calculated to be in excess of \$17,530 per farm.** When this amount, as represented by the shaded area is totaled for all 451 farms for the ten year period, the total is calculated to be just over **\$79,100,000 or \$7,910,000 annually.** When a common economic multiplier of 4.0 is applied to these additional profits a total business volume in excess of **\$316,000,000 is generated representing an annual volume of \$31,600,000.**

One should also remember that this large block of additional net farm income and increased business activity came from a group of only 451 farms which represents only 1.5% of the total farms in our state. What might have been possible and what amount might have been generated if this group was two or three or ten times larger in number than it really was. Ten times the number of farms or 15% of our ND farms may have created an additional amount of **\$791,000,000 in net farm income or a business volume of \$3,160,000,000.** Is this economic development? Would this be good for North Dakota? Would this help to enhance and stabilize our rural population and businesses?

In North Dakota where we search for "Smart Growth" as Governor Hoeven defines it, as a combination of education and economic development, would this **increase in net farm income of \$79,000,000 or \$316,000,000 in business volume** not meet that definition? What other area can be credited with promoting such economic growth and development? It is important to remember that the state's contribution to this past ten-year effort is estimated at \$1,000,000 per year or approximately \$10,000,000 total for the entire period.

If you think that the smaller group of farms was somehow composed of only high profit type farms you should be aware that 20% of the farms in this group had an annual profit of a minus \$13,000 for each year of the ten year period, adding validity to the fact that the small group is a very representative sample of farms and ranches located west of the Red River Valley area and across North Dakota. I can personally testify that in the Carrington area program approximately 25-30% of the enrolled farms and ranches have had a negative net farm income over the past ten years.

What then would an additional \$400,000 added to the Governor's proposed increase of \$50,000 do to help Farm Business Management Programs in North Dakota?

The first priority is to stabilize the programs by providing a state level of funding that will allow the programs to operate without the need for local educational dollars. It is imperative that each program be funded at a level of 75% of program expenses with enrollee tuition or fees making up the remaining 25%. At this level of funding each full-time instructor will work with a full compliment of 45 farms with additional efforts put into further planning, cash flow monitoring and marketing plans. Some instructors may also work with less farms but then include additional duties with more marketing clubs.

The second priority would be to establish as a minimum, a one-half time state-wide coordinator position to assist all programs with such areas as curriculum planning, instructional assistance and other tasks as warranted. This position would also be responsible for working with other agricultural agencies within the state and for coordinating program efforts with other agencies. Seeking grants and working with the public media would also be duties assigned to this individual. Any monies available beyond this priority could be used for opening an additional program.

The third priority, with funding above the additional \$400,000 level would be to establish additional programs at other sites in North Dakota. Additional programs would have an annual startup cost of \$50,000 to \$55,000 per year for the first three years. There are several areas of the state as well as other Research Extension Centers that may be very suitable places for locating present and future Farm Business Management Education Programs within. A map of the present program locations is included with these materials. In viewing the map it is quite easy to see several areas within the state that do not have Farm Business Management Programs available to them.

In summary I would point out that it is both the North Dakota farmer or rancher and their respective community that stand to benefit from the increased profitability and economic development that goes along with the operation of a successful Farm Business Management Education Program. The U of MN and NDSU have in the past completed studies documenting the improvement in farm profitability numbers associated with years of experience in Farm Business Management Education Programs.

I would like to close by sharing with you a short letter that was written to me back in May of 2000 and which I recently came across when filing other materials. It came from a family that I had the privilege of working with for fifteen years. It speaks to both goals and accomplishments and it reads as follows:

5-10-00

Steve,

Thanks for the help you have provided us in the past. Our main goal 25 years ago, was to get the farm paid for. With your help it came about.

Thanks,
(Name Withheld)

Committee members, I thank you for this opportunity to provide you with information concerning the operation, commitment and accomplishments of the North Dakota Farm Business Management Education Program. Thank you and I welcome your questions and comments.

Steve Metzger
Farm Business Management Instructor/Coordinator
Carrington Research Extension Center

5-10-00

Steve,

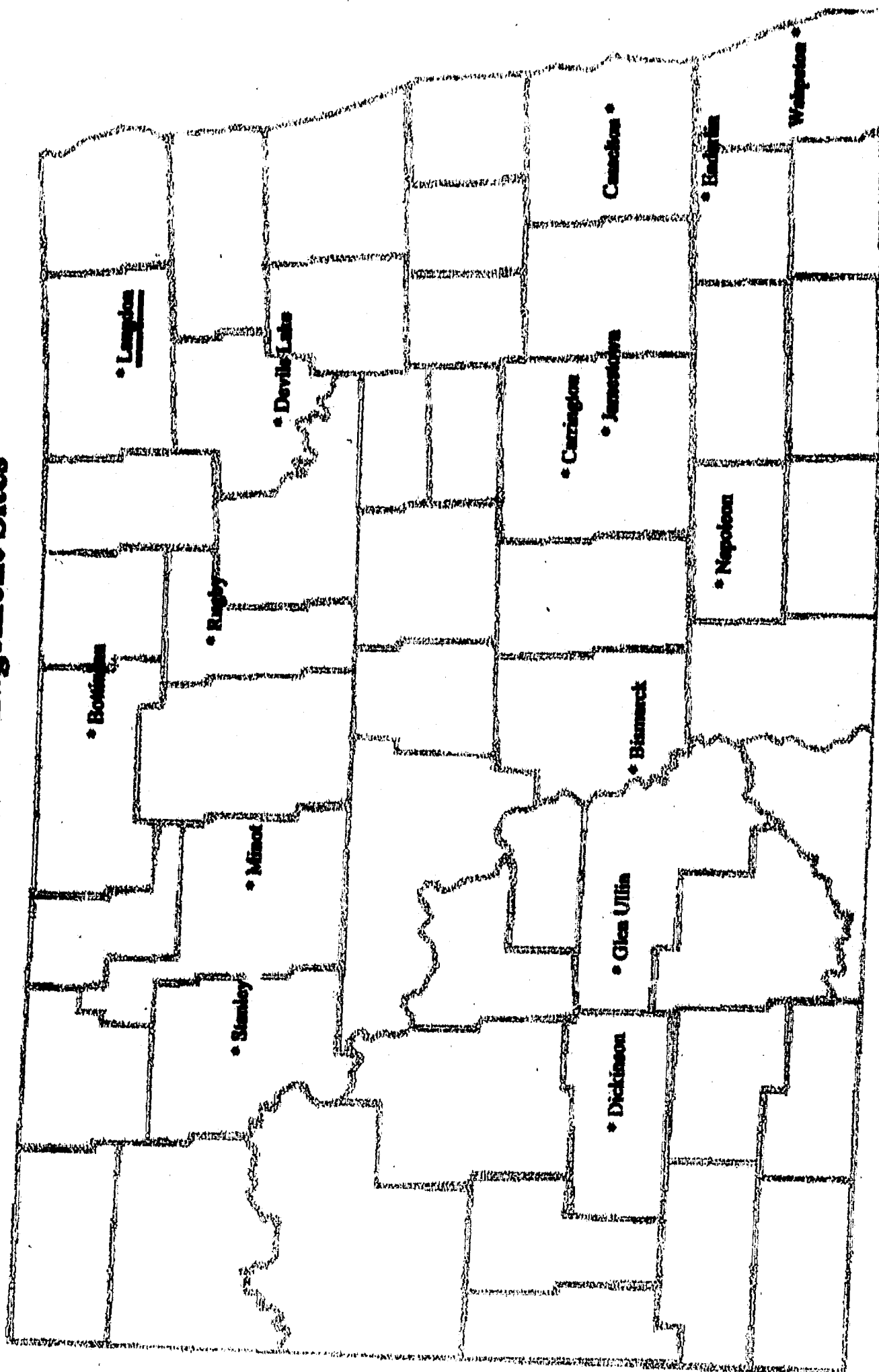
thanks for the help you
have provided us in the past.

Our main goal 25 years ago, was
to get the farm paid for. With
your help it came about.

Thanks,



North Dakota Adult Farm Management Sites



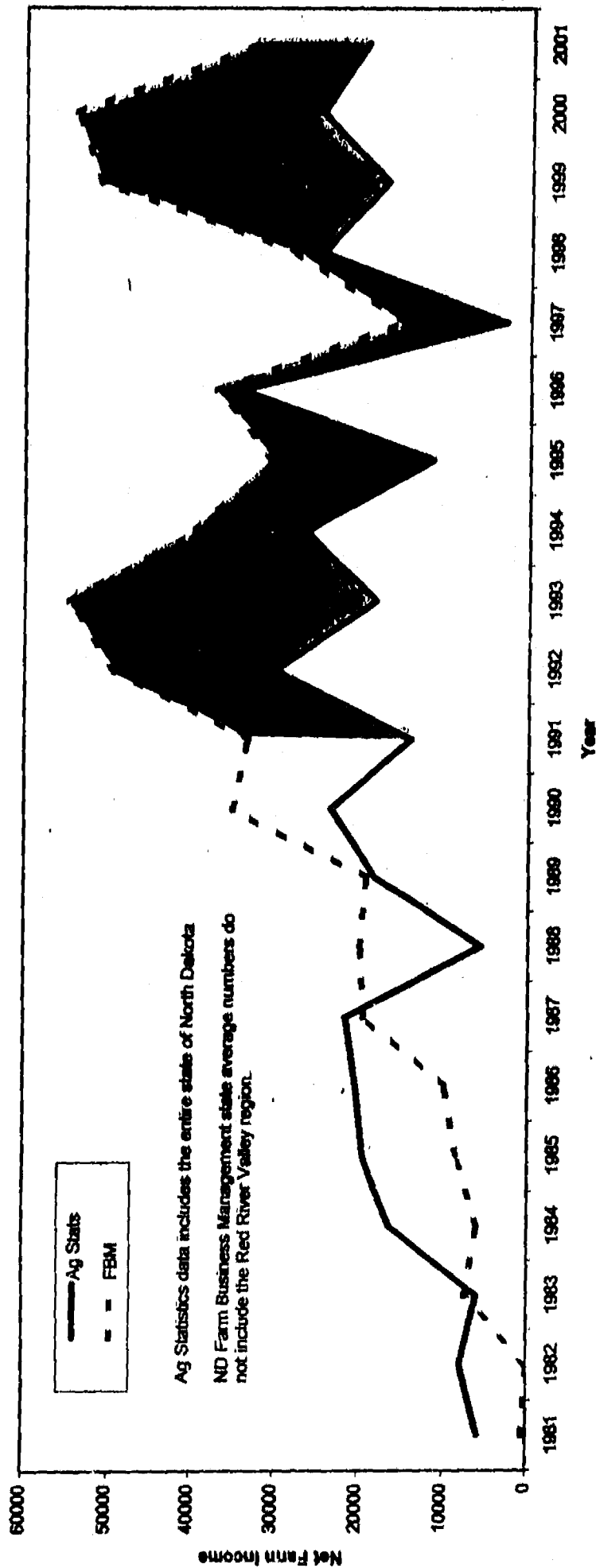
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Deanna Baller
Operator's Signature

10/30/03
Date

NET FARM INCOME, PER FARM, NORTH DAKOTA, 1981 - 2001
ND Ag Statistic Service and ND Farm Business Management Reports
January 2003



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Operator's Signature *Deanna Baller*

Date 10/30/03

Facts About the ND Farm Business Management Education Program
prepared for the

North Dakota Senate Appropriations Committee
February 27, 2003

by
Steve Metzger, Carrington North Dakota

Senate Appropriations Committee – Senator Ray Holmberg, Chairman

My name is Steve Metzger and I am the Farm Business Management Instructor and Coordinator for the Carrington Farm Business Management Education program, sponsored by Carrington Public Schools but officed at the Carrington Research Extension Center, located just north of Carrington. I have been in farm business management education full-time for the past eighteen years with the previous twelve years of my professional life spent teaching agricultural education at Enderlin and Carrington high schools for seven years, with two years spent developing the Dickinson State University post-secondary agricultural program and three years spent working in agricultural lending.

The purpose of my comments is to seek your support of the present and future Farm Business Management Education Program in North Dakota. The Farm Business Management Education Program is a goal-oriented program of group and individualized instruction in business methods, goal setting, business analysis, marketing and several other key areas that promote the successful development and continuation of farm and ranch businesses in our state. **In addition these instructors also serve in approximately two dozen marketing clubs, working with Extension personnel and other individuals to deliver high quality club oriented marketing education.** The North Dakota instructors also serve the state by teaching the "Farm Management for Profit" program for Farm Service Agency borrowers when they are required to take the two-year program.

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One serious problem that several programs are experiencing today is that the local sponsoring educational entities find themselves expending local and hard to find district tax dollars to provide educational opportunities for producers in other school districts. In my own situation, I currently work with producers in eleven different school districts and eight

counties. These programs are no longer confined to small or localized areas and must be funded accordingly or they may eventually disappear from the scene.

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In North Dakota where we search for "Smart Growth" as Governor Hoeven defines it, as a combination of education and economic development, would this **potential increase in net farm income of \$79,000,000 or \$316,000,000 in business volume** not meet that definition? What other area can be credited with promoting such economic growth and development? It is important to **remember that the state's contribution to this past ten-year effort is estimated at \$500,000 per year or approximately \$5,000,000 total for the entire ten year period.**

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25-30% of the enrolled farms and ranches have had an average negative net farm income for the ten year period from 1992-2001. Although the enrollment in the North Dakota Farm Business Management Education Program reflects a lesser number of smaller or hobby type farms, it is very clear that the average profitability of the farms enrolled in Farm Business Management does increase at greater pace than the average farm in North Dakota.

What then would an additional \$400,000 added to the Governor's proposed increase of \$50,000 do to help Farm Business Management Programs in North Dakota?

The first priority is to stabilize the programs by providing a state level of funding that will allow the programs to operate without the need for local educational dollars. **It is imperative that each program be funded at a level of 75% of program expenses with enrollee tuition or fees making up the remaining 25%.** At this level of funding each full-time instructor will work with a full compliment of 45 farms with additional efforts put into further planning, cash flow monitoring and marketing plans. Some instructors may also work with less farms but then include additional duties with more marketing clubs.

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In summary I would point out that it is both the North Dakota farmer or rancher and their respective community that stand to benefit from the increased profitability and economic development that goes along with the operation of a successful Farm Business Management Education Program. The U of MN and NDSU have in the past completed studies documenting the improvement in farm profitability numbers associated with years of experience in Farm Business Management Education Programs.

I would implore you to give the North Dakota Farm Business Management Education Program your attention as it provides a tried and proven method for increasing the profitability and sustainability of North Dakota farms and ranches.

Respectfully submitted,
Steve Metzger,
Farm Business Management Instructor
Carrington Research Extension Center and Carrington Public Schools

STUDENT LOAN TRUST FUND BALANCE (1979 Bond Resolution)

Estimated fund balance - July 1, 2003	\$53,393,000 ¹
Add	
2003-05 estimated revenues	4,536,000
Total available	\$57,929,000
Less	
2003-05 transfers to the general fund	27,258,969 ²
2003-05 other expenditures (including administrative costs and financial assistance to the North Dakota Student Loan Guarantee Agency)	4,980,031
Estimated fund balance - June 30, 2005	\$25,690,000 ¹
¹ This analysis reflects estimated revenues, expenditures, and ending balance for the 1979 bond resolution only.	
² The 2003-05 general fund transfers from the student loan trust fund consists of \$9,000,000 included in Section 12 of Engrossed Senate Bill No. 2015, \$13,258,969 included in Section 17 of Engrossed House Bill No. 1003, \$1,000,000 included in Section 7 of Engrossed House Bill No. 1019, \$3,000,000 included in Section 6 of Engrossed House Bill No. 1022, and \$1,000,000 included in proposed amendments to Engrossed House Bill No. 1020. (The executive budget recommended a \$9,000,000 transfer to the general fund and the appropriation of \$17,258,969 in House Bill No. 1003 for higher education programs.)	

The student loan trust is comprised of funds held under two general bond resolutions. The first general bond resolution referred to as the 1979 bond resolution includes funds from bonds issued in 1979, 1988, 1989, and 1992. The second general bond resolution referred to as the 1996 bond resolution includes funds from bonds issued in 1996, 1997, 1998, and 2000. All issuances with bonds outstanding are insured by the Ambac Insurance Corporation.

Under both of the bond resolutions, assets may only be used for:

- Purchase of student loans.
- Payment of debt service to bondholders.
- Providing financial assistance to the North Dakota Student Loan Guarantee Agency.
- Payment of any rebate liability to the federal government.
- Administration of the student loan trust fund.

After all bonds in a general bond resolution have matured, been redeemed or defeased, and all expenses paid, any remaining assets held under the general bond resolution would be transferred to the Industrial Commission for use at its discretion. In order to use assets held under the general bond resolution for a purpose other than those stated in the general bond resolution, the administrator of the student loan trust fund must receive permission from the bond insurer, and the trustee of the bond (Bank of North Dakota) would have to certify that sufficient reserves remain for bond payments and other related program costs.

FUND HISTORY

The 1971 Legislative Assembly authorized the Industrial Commission to acquire and hold all unpaid government-guaranteed or reinsured student loans and North Dakota student loans belonging to the state or any of its agencies. As a result, the student loan trust fund was created, which enabled the state to sell tax-exempt bonds and use the proceeds for purchasing student loans made or acquired by the Bank of North Dakota.