

Chairman Beard and Senate Education Committee Members,

I write today in follow up to the brief testimony allotted today to encourage a do not pass vote on House Bill 1265.

I had the pleasure to spend some time with Representative Christy in 2022 and 2024 about a variety of topics. Unfortunately, this bill was unable to make it to a place where I believe it is a good use of tax payer funds. With a crunch to make the budget work, it is not feasible in my view to make this work.

Applied Digital is a leader not only in North Dakota but also globally. While all of our facilities are located here, in North Dakota, we also run some of the fastest super computers on the planet. With billions of dollars committed to North Dakota projects, which will eventually employ hundreds of North Dakotans, we live in the tough work of recruiting and training the workers to support the revolutionary technology and breakthroughs enabled by AI.

While we believe it is vitally important to engage with the university system to get our students acquainted with these new technologies, this bill does not accomplish the goal that the university system exists for, which is to provide a well rounded education and bring additional skill sets to the workforce we badly need. The urgency surrounding workforce development and innovation cannot be met through the language in this bill.

Private industry can, is, and will continue to solve the immediate needs today and we need the university system to focus on preparing the next generation of workers for the new world AI and other technologies bring. Specifically, this means building a comprehensive education plan for individuals who will enter the workforce in 10 to 15 years, not issuing grants for use of expensive technology today, that is also available in an open-source, cost-free environment. Beyond access to software, we have said before and say again now, we are willing to engage with the university system in a variety of ways to get low-cost access to compute for students.

There are already groups within the university system doing the needed work, private industry does not need this effort, the tax payers will not see adequate returns or value for this bill's cost, and there are already ample opportunities for public-private partnership without tax payer funds to accomplish more appropriate goals for the university system.

I urge the committee to vote no on this bill and am available for questions as needed.

Thank you,

Nick Phillips

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