

**FIRST ENGROSSMENT
with House Amendments**Fifty-sixth
Legislative Assembly
of North Dakota**ENGROSSED SENATE BILL NO. 2404**

Introduced by

Senator Grindberg

Representative Dorso

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

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

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

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

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

15 13. To establish a retirement program as an alternative to chapter 15-39.1 for
16 employees of institutions under its control subject to the following guidelines:

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

- 1 the employee's assessments and employer's contributions together with
2 interest credited at the current rate for one-year certificates then being paid by
3 the Bank of North Dakota shall be transferred to the employee's account in
4 the alternate program. Such election shall be made prior to July 1, 1980, and
5 shall relinquish all rights the eligible employee or the employee's beneficiary
6 may have to benefits provided in chapters 15-39 and 15-39.2;
- 7 d. Employees of Bismarck state college and ~~university of North Dakota~~ Lake
8 Region state college coming under the jurisdiction of the board who are
9 members of the teachers' fund for retirement may elect prior to July 1, 1985,
10 to continue membership in the teachers' fund for retirement in lieu of the
11 alternate retirement program. If an employee does not elect to continue
12 membership in the teachers' fund for retirement, membership in that fund will
13 terminate and the employee will become a member of the alternate retirement
14 program established by the board effective July 1, 1985. An employee of the
15 above-named colleges who becomes a member of the alternate retirement
16 program may elect prior to July 1, 1985, to have the employee's assessments
17 and employer's contributions in the teachers' fund for retirement with interest
18 transferred by the board of trustees of the teachers' fund for retirement to the
19 employee's account in the alternate retirement program. If an employee
20 elects to transfer the employee's assessment and employer's contributions
21 together with interest to the alternate retirement program, the employee
22 relinquishes all rights the employee or the employee's beneficiary may have
23 to benefits provided in chapters 15-39, 15-39.1, and 15-39.2; and
- 24 e. Employees of institutions under the control of the state board of higher
25 education who are members of the public employees retirement system and
26 who become entitled to participate in the alternate retirement program are
27 entitled to a special annuity purchase in the alternate retirement program in
28 accordance with this subdivision. An eligible employee who consents to have
29 that employee's contribution included is entitled to have that employee's
30 contribution and employer's contribution, with interest, in the public
31 employees retirement system fund, used by the retirement board of the public

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

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

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

22 **Work force training - Investment fee.**

23 1. Except for employers with fewer than twenty-five employees and schools, job
24 service North Dakota shall assess each employer a work force training investment
25 fee of three one-hundredths of one percent of taxable wages paid by the employer
26 to employees during each calendar year. The work force training investment fee is
27 a fee separate from contributions made under chapter 52-04 and may not be
28 deposited in the unemployment compensation fund. Job service shall assess the
29 fee on an annual basis and may assess the fee in the same manner as it collects
30 contributions and taxable wages reported by reimbursing employers under chapter
31 52-04. The work force training investment fee payments may not be included in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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