



Senate Workforce Development SB2122

January 26, 2023

Chairman Wobbema and members of the Senate Workforce Development Committee, for the record, my name is Wayde Sick, State Director for the Department of Career and Technical Education. I am here to testify in opposition for SB2122, but also provide an amendment to consider.

Currently, the state invests in workforce training centers known as TrainND, in each of the four regions of the state. This training is housed at Bismarck State College, North Dakota State College of Science, Lake Region State College, and Williston State College. The funding for TrainND is housed within the Department of Career and Technical Education budget. TrainND was created from a workforce taskforce, led by the Greater North Dakota Chamber, in 1999. The taskforce studied other states' workforce systems and adopted the system that exists today.

The formula for funding TrainND is a formula that has been existence for many years. The funding is distributed to the four regions, based on the covered employment of each region. Every biennium, the Department of Career and Technical Education requests from Job Service North Dakota, the covered employment for each region.

Covered employment is calculated by determining the number of employees that are attached to employers within each region. For the 2021-23 biennium, the distribution of funds are as follows:

Total Allocation - 2,000,000

		1,000,000			1,000,000			Biennium Total
		<u>Year 1</u>		<u>Year 2</u>				
	<u>2021-23</u>	<u>Base</u>	<u>Demand</u>	<u>Total Allocation</u>	<u>Base</u>	<u>Demand</u>	<u>Total Allocation</u>	
NW	19.364%	125,000	96,820	221,820	125,000	96,820	221,820	443,641
NE	15.428%	125,000	77,140	202,140	125,000	77,140	202,140	404,281
SE	39.461%	125,000	197,305	322,305	125,000	197,305	322,305	644,611
SW	25.747%	125,000	128,734	253,734	125,000	128,734	253,734	507,468
								<u>2,000,000</u>

SB2122 would codify how the TrainND funds are allocated to each of the regions, in the following fashion. The proposed formula in SB2122 would distribute 50% of the appropriation evenly. The current formula of covered employment would be used to distribute 10% of the funds. The remaining 40% of the appropriation would be distributed according to number of workforce members trained in each region according to the statistics from the previous biennium.

My concern is allocating funds based on counting the number of individuals trained. I bring this concern forward because not all training is created equal or in other words, some training is much more labor and time intensive compared to others. An example is Commercial Driver's License is around 160 hours of training, while OSHA-10 is ten hours. I don't believe it is appropriate to allocate funds by counting each trainee equally.

My request of the Senate Workforce Development Committee to consider amending SB2122 into a study, allowing the time to determine how TrainND funds should be distributed to best serve the state and each TrainND region. As I mentioned, the distribution formula has been in use for several years but was created collaboratively by the leadership of the four TrainND regions.

I ask you to consider the following amendment:

Page 1, line 1, after “A BILL” replace the remainder of the bill with “to provide for a legislative management study on workforce training center funding distribution.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY- WORKFORCE TRAINING CENTER FUNDING DISTRIBUTION. During the 2023-24 interim, the legislative management shall consider studying the workforce training center funding distribution model. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.”

Renumber accordingly

This amendment was agreed upon by the College Presidents from Bismarck State College, Lake Region State College, North Dakota State College of Science, and Williston State College. You'll see a letter, from the College Presidents, included in my testimony.

This concludes my testimony and I have happy to stand for any questions you may have.