

January 26, 2023

Senate Workforce Committee

Chairman Wobbema and Committee members,

To simplify your understanding of this bill I will summarize it in 6 words; We Need Them, They Need Us.

I am Tim Mathern, a senator from Fargo. Fargo has been the beneficiary of immigrants building our workforce. It is time the whole state benefits from the workforce available in the world.

From local businesses and appropriations committee hearings, I hear daily of our workforce shortage and the drain on our economy when we have potentially up to 50,000 unfilled positions. Governor Burgum noted this too in his state of the state address.

When we are short of workers, people do not get the services they need, our towns and communities dwindle, our churches and schools empty, our infrastructure doesn't get built in time to escape higher costs, and our business profits stall.

This bill is needed to get legal immigrants into North Dakota, and to get persons vetted to fill the actual job openings in North Dakota. This bill is an old idea coming back to life. In the early 1900s when we were looking for people to farm the land we had an Office of Immigration to address that need. Today we are looking for people to work in our businesses and healthcare organizations. It is for these reasons I introduced SB 2151.

The bill does two things, 1. Establish an office of immigration and 2. Establish an immigration Workforce Loan program.

The appropriation of \$10,000,000 is enough to be prudent in developing a proof of concept and developing a method to fund it in future legislative sessions.

Section 1 establishes the duties and fees of the Immigration office within the Bank of North Dakota. Why the Bank of North Dakota? The Bank has a history of carrying out major public policy initiatives impacting our citizens; examples are student loans, beginning farmers, and loans to our local government units while we wait for federal dollars coming to address a disaster. I believe the Department of Commerce is another option but starting out with the Bank has a broader appeal to our citizens. However, I have amendments to permit the Bank to have Commerce to carry out program aspects. The Bank would establish a board of related entity leaders and determine workforce loan eligibility criteria. The loan amount is capped at \$160,000 and is an "up to" amount. If the Bank issued a loan at the maximum amount of \$160

thousand the bill would help about 60 families, if it decided to give only enough for a house down payment of about \$40 thousand there would be enough for 240 families.

You might ask why the number \$160,000. This amount makes a connection with the Homestead program which brought people to North Dakota by providing 160 acres of free land. 160 acres, 160 thousand dollars is a way to connect to the heritage of many of us now living in North Dakota. Certainly, another amount could be chosen. Also, this is a loan, not a gift, though there is a provision so loans could be forgiven in increments of the length of time the family stayed in North Dakota. This is to address a key challenge; how do we keep people here? The goal is to have time-related incentives to stay, friends to get established, children to be born and go to school, fall in love here, and get accustomed to the climate. These are factors in families deciding to stay in North Dakota.

Sections 2 and 3 fund the appropriation from the Legacy Earnings Fund. I think this fits well as the consequence of the program will have generations of payback as families establish themselves here.

Members of the Committee, this bill is just one ingredient to address our workforce shortage going forward. I encourage you to give due consideration to the many persons who have contacted me about the details. I have no doubt that this bill needs further amendments, and I offer some that I developed with key players including Bank and Commerce staff. I am hopeful that your committee will adopt these amendments. See attached Christmas tree version.

I ask for a Do Pass recommendation on SB2151 and a referral to the Appropriations Committee. I am ready to address your questions, but I also want to leave time to hear what others have to say to you.

Thank you for your time and attention.

Senator Tim Mathern

Introduced by

Senators Mathern, Davison, Hogue

Representatives Dakane, Lefor, Nathe

1 A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code,
2 relating to the creation of an office of immigration and the immigration workforce loan program;
3 to provide a transfer; to provide an appropriation; and to provide for a report.

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

5 **SECTION 1.** A new chapter to title 6 of the North Dakota Century Code is created and
6 enacted as follows:

7 **Office of immigration - Duties - Fees.**

8 There is created an office of immigration within the Bank of North Dakota. The office of
9 immigration reports to the immigration workforce ~~advisory~~development board, administers the
10 immigration workforce loan program, and promotes immigration to encourage resettlement of
11 refugees and immigrants in the state. The office of immigration shall:

- 12 1. Collaborate with private sector businesses and nonprofit organizations to market and
13 promote North Dakota as a destination for immigrant ~~and refugee~~ families in an effort
14 to address workforce challenges and needs in the state. To ensure services required
15 under this section are available, the office of immigration may enter memorandums of
16 understanding with a state agency or contract with a nonprofit organization with
17 expertise in providing immigration assistance services.
- 18 2. Advise North Dakota businesses ~~and communities~~ on immigration policy and assist
19 with recruitment of immigrant workers.
- 20 3. Provide ~~legal assistance~~education to immigrant families, ~~businesses, and communities~~
21 regarding federal and state immigration requirements.
- 22 4. Develop guidelines and procedures for a fee system to be assessed to each business
23 benefiting from employment of immigrant workers as a result of the immigration
24 workforce loan program to offset administrative costs of the office of immigration. The

1 office of immigration shall begin assessment of immigration placement fees on July 1,
2 2025. Revenue collected from immigration placement fees and any interest earned on
3 these moneys must be deposited in a Bank of North Dakota operating fund for the
4 benefit of the office of immigration, subject to legislative appropriation.

5 **Immigration workforce ~~advisory~~development board - Membership - Meetings.**

6 1. The immigration workforce ~~advisory~~development board consists of:

- 7 a. The president of the Bank of North Dakota or the president's designee who shall
8 serve as the chairperson of the board;
9 b. The commissioner of the department of commerce or the commissioner's
10 designee;
11 c. The executive director of the department of health and human services or the
12 executive director's designee;
13 d. The ~~state health officer or the state health officer's designee~~executive director of
14 job service North Dakota; and
15 e. The commissioner of the department of labor and human rights;
16 f. An individual from a North Dakota labor union appointed by the governor to serve
17 a two-year term beginning July 1 of each odd-numbered year;
18 g. An individual from a North Dakota organization that promotes North Dakota
19 businesses and is dedicated to improving the state's workforce appointed by the
20 governor to serve a two-year term beginning July 1 of each odd-numbered year;
21 and
22 h. An individual from a private nonprofit organization promoting rural development
23 appointed by the governor to serve a two-year term beginning July 1 of each odd-
24 numbered year.

25 2. The board shall meet as necessary to review loan applications, approve the issuance
26 of loans, and review and approve the activities of the office of immigration.

27 **Immigration workforce loan program - Eligibility.**

28 1. The office of immigration shall administer the immigration workforce loan program and,
29 subject to approval from the immigration workforce ~~advisory~~development board, issue
30 immigration workforce loans to eligible individuals or families who have been residents
31 of the state for less than ~~one year~~three months. As used in this chapter, "family"

1 means a group of two or more individuals related by birth, marriage, or adoption who
2 reside together in North Dakota. The office may not issue new loans after June 30,
3 2029.

4 2. An eligible individual or family may receive a loan of up to one hundred sixty thousand
5 dollars for a term not to exceed ten years. Eligible uses of loan proceeds include costs
6 related to housing, transportation, food, health care, child care, the pursuit of career
7 development or technical skills identified as being in high demand in North Dakota.
8 and startup costs for a locally owned business.

9 a. Preference for loans will be given to immigrant individuals that can provide proof
10 of employment by a North Dakota-based business.

11 b. The amount of each loan provided is at the discretion of the office of immigration
12 based on need. The decisions of the office of immigration are considered final.

13 c. An immigrant individual or family is eligible for one loan through the immigration
14 workforce loan program.

15 Immigration workforce loan program - Interest rate and forgiveness.

16 1. The principal balance of the an immigration workforce loan must be forgiven by ten
17 percent each year if the individual or each adult in the family, during the year being
18 considered for loan forgiveness, has:

19 a. Been gainfully employed in North Dakota;

20 b. Established a business and is actively operating the business in North Dakota; ~~or~~

21 c. Children attending a North Dakota school on a full-time basis; or

22 d. Completed two semesters of postsecondary education as a full-time student at a
23 North Dakota institution.

24 ~~3.2.~~ An individual or family shall make monthly interest payments on the outstanding loan
25 balance based on the following interest rate schedule:

26 a. Zero percent for the first three years of the loan;

27 b. Two percent for the next two years of the loan; and

28 c. Equal to a standard Bank of North Dakota loan rate for all subsequent years.

29 ~~4.3.~~ The office of immigration shall establish the application process and additional
30 eligibility requirements for the immigration workforce loan program, subject to approval
31 from the immigration workforce ~~advisory~~ development board.

1 **Immigration workforce loan fund.**

2 The immigration workforce loan fund is a special fund in the state treasury and must be
3 administered by the Bank of North Dakota. Moneys in the fund are available for providing
4 immigration workforce loans and defraying administrative expenses of the immigration
5 workforce loan program, subject to legislative appropriations. Interest earned on moneys in the
6 fund must be credited to the fund.

7 **SECTION 2. TRANSFER - LEGACY EARNINGS FUND TO IMMIGRATION WORKFORCE**
8 **LOAN FUND.** The office of management and budget shall transfer \$10,000,000 from the legacy
9 earnings fund to the immigration workforce loan fund during the biennium beginning July 1,
10 2023, and ending June 30, 2025.

11 **SECTION 3. APPROPRIATION - BANK OF NORTH DAKOTA - IMMIGRATION**
12 **WORKFORCE LOAN PROGRAM - FULL-TIME EQUIVALENT POSITION - REPORT TO**
13 **SIXTY-NINTH LEGISLATIVE ASSEMBLY - ONE-TIME FUNDING.** There is appropriated out of
14 any moneys in the immigration workforce loan fund in the state treasury, not otherwise
15 appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the Bank
16 of North Dakota, of which ~~\$8,800,000~~ \$9,000,000 is for the purpose of issuing immigration
17 workforce loans and ~~\$1,200,000~~ \$1,000,000 is for the purpose of defraying administrative
18 expenses of the immigration workforce loan program for the biennium beginning July 1, 2023,
19 and ending June 30, 2025. The Bank of North Dakota is authorized one full-time equivalent
20 position to administer the program. The Bank of North Dakota shall report to the sixty-ninth
21 legislative assembly regarding the number and amount of immigration workforce loans issued
22 during the 2023-25 biennium.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2151

Page 1, line 9, replace "advisory" with "development"

Page 1, line 13, remove "and refugee"

Page 1, line 14, after the underscored period insert "To ensure services required under this section are available, the office of immigration may enter memorandums of understanding with a state agency or contract with a nonprofit organization with expertise in providing immigration assistance services."

Page 1, line 15, after "businesses" insert "and communities"

Page 1, line 17, replace "legal assistance" with "education"

Page 1, line 17, after "families" insert ", businesses, and communities"

Page 2, line 3, replace "advisory" with "development"

Page 2, line 4, replace "advisory" with "development"

Page 2, line 11, replace "state health officer or the state health officer's designee" with "executive director of job service North Dakota"

Page 2, line 19, after "organization" insert "promoting rural development"

Page 2, line 25, replace "advisory" with "development"

Page 2, line 27, replace "one year" with "three months"

Page 2, line 31, after the underscored period insert "Eligible uses of loan proceeds include costs related to housing, transportation, food, health care, child care, the pursuit of career development or technical skills identified as being in high demand in North Dakota, and startup costs for a locally owned business."

- a. Preference for loans will be given to immigrant individuals that can provide proof of employment by a North Dakota-based business.
- b. The amount of each loan provided is at the discretion of the office of immigration based on need. The decisions of the office of immigration are considered final.
- c. An immigrant individual or family is eligible for one loan through the immigration workforce loan program.

Immigration workforce loan program - Interest rate and forgiveness.

1."

Page 2, line 31, replace "the" with "an immigration workforce"

Page 3, line 4, remove "or"

Page 3, line 5, after "c." insert "Children attending a North Dakota school on a full-time basis; or"

d."

Page 3, line 7, replace "3." with "2."

Page 3, line 12, replace "4." with "3."

Page 3, line 14, replace "advisory" with "development"

Page 3, line 30, replace "\$8,800,000" with "\$9,000,000"

Page 3, line 31, replace "\$1,200,000" with "\$1,000,000"

Renumber accordingly