

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2271

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2271

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2271

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 31, 2001.

Tape Number	Side A	Side B	Meter #
1	x		25.6 to end
1		x	0 to 16.6
3		x	18.5 to 23.2
(Feb 13/01) 3	x		37.8 to 41.7
(Feb. 14/01) 1	x		41.0 to end
1		x	0 to 12.9
1		x	24.0 to 40.9
Committee Clerk Signature <i>Norio & Pines</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2271 relating to the creation of a regional work force training investment program; and to provide a continuing appropriation.

SENATOR JUDY LEE, District 13, introduced the bill.

JOHN KRAMER, Pres. Fargo-Cass County Economic Dev. Co., in favor. Provided committee members with 4 reports: 1. Primary sector employer survey of anticipated hirings for the next 5 years. 2. NDSU letter of economic impact. 3. Population and Labor Pool Shifts 4. Changes in the Economic Base(Cass County). If companies do not find employees, they will move. Employers need tools to enable them to recruit people. Concept of tapping into the chronically unemployed and training the underemployed. Training must be quick to and able to react immediately to

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2271

Hearing Date January 31, 2001.

private sector needs. We ask for increase in unemployment insurance to provide training for the un and underemployed. Employers affected would be those with more than 25 employees. We would with JS do studies, find needs, develop with employer basics needs to fill jobs, contract with providers for the training. Most training would take between three and four months.

SENATOR MUTCH: Where do you fit in all the JS training program?

J KRAMER: We would fill entry level positions specifically developed by companies for companies.

SENATOR EVERY: Funding administered by Job Service instead of Voc Ed, money goes to the treasurer's office, then to JS who develops curriculum and contracts out? Funds administered by JS?

WAYNE KINDEM, JSND, neutral, to explain fiscal note. Fee is assessed against employers who have over 25 employees. Fees collected would be used by JS for fee collection, balance would be allocated to the workforce training boards in the four regions, dependent on the amount of contributions made. Boards would decide on training needs for each region.

EDDIE DUNN, Vice Chancellor for Strategic Planning for the University System. In agreement with central issue : the need to increase focus on workforce training as a means of addressing the labor shortage in ND. This bill will duplicate legislation enacted in 1999, written testimony attached. Distributed letter from **PAUL BREWINSKI**, in opposition to this bill.

DONNA THIGPEN, Pres Bismarck State College, in opposition, this bill will duplicate the existing workforce training system. Written testimony attached.

PAUL WOHNOUTKA, Eide Bailly, CPA, in opposition because of the calculation for the new proposed tax. Written testimony attached.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2271

Hearing Date January 31, 2001.

BOB LAMP, ND Automobile Dealers Assn., in opposition, this will duplicate existing programs and add to the load of the employers who have to pay the fees.

Did not testify but submitted written statements: ARNOLD THOMAS, NE Healthcare Assn, against.

Hearing closed.

Committee reconvened. Tape 3-B- 18.5 to 23.2 All members present. Discussion held.

SENATOR D. MATHERN: We are looking at 3 months of training vs. years of higher education. This would benefit the 6500 underemployed that need technical skills.

SENATOR KREBSBACH: Issue of how do you keep the regions straight, how do you funnel the money equitably.

Hold for further study.

February 13/01. Tape 3-A-37.8 to 41.7.

Committee reconvened. All members present. Discussion held. Waiting for forthcoming amendment.

February 14/01. Tapes 1-A-41.0 to end; 1-B-0 to 12.9

Committee reconvened. All members present. Discussion held of proposed amendment.

SENATOR KLEIN: Amendments limits counties affected to those listed. There is a lot of opposition from the small and junior colleges.

SENATOR ESPEGARD: We are asked to put a tax on all employers to train employees for one company?

R KRAMER: Its a problem for all, if prime sector doesn't grow other sectors will decline.

SENATOR KLEIN: The way it is written now I cannot support it.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2271

Hearing Date ~~January 31, 2001.~~ 2-13-01

Tape 1-B- 24 to 40.9 Committee reconvened. All members except SENATOR KREBSBACH, present. Discussion held on figures prepared by Wayne Kindem for the proposed amendment.

Change assessment from taxable wage basis to employee number basis, identified number of employers with more than 25 employees in the 15 counties in the southeast quadrant of the state.

This is higher than the original fiscal note. JS will also administer contracts for training grants.

SENATOR ESPEGARD: Are people from the rural areas going to live in training centers; who will pay for that?

J KRAMER: Training can be provided in their own town.

SENATOR ESPEGARD: Motion to not adopt amendments. SENATOR TOLLEFSON: Second.

Roll call vote: 5 yes; 1 no; 1 absent not voting. Motion carried.

SENATOR TOLLEFSON: Motion: do not pass. SENATOR KLEIN: Second.

Roll call vote: 5 yes; 1 no; 1 absent not voting. Motion carried. Floor assignment: SENATOR MUTCH.

FISCAL NOTE

Requested by Legislative Council
01/22/2001

Bill/Resolution No.: SB 2271

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$5,850,000	\$0	\$6,512,000
Expenditures	\$0	\$0	\$0	\$5,796,691	\$0	\$6,510,210
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$136,400	\$136,400	\$0	\$151,800	\$151,800	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Job Service will need to establish and operate a fee collection system for the workforce training assessment.

It is important to note that Job Service does not have a source of funds to establish the fee collection system and initiate the first assessment. For purposes of development of this Fiscal Note, the assumption is made that the bill will be amended to provide Job Service with borrowing authority to finance the start-up.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenue comes from the workforce training assessment fee of one-tenth of one percent of taxable wages paid during each calendar year by employers (assumed to be defined as set forth in Chapter 52-04), excluding employers with twenty-five or fewer employees, and private and public elementary and secondary schools.

The first assessment would be made on May 1, 2002 for calendar year 2001 "taxable wages" and annually thereafter each May 1st.

The estimated revenue for the 01-03 biennium would be \$5,850,000. The estimated amount of revenue is from the following categories of employers: private sector and nonprofits \$5,041,300, state government \$535,900, and local government \$272,800. Local government is Counties and Cities combined. We are not

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NEXT FIGURE

able to provide a breakout between Counties and Cities, but have shown an equal split of the combined amount for each in Section 1B.

The estimated revenue for the 03-05 biennium would be \$6,512,000. The estimated amount of revenue is from the following categories of employers: private sector and nonprofits \$5,611,800, state government \$596,600, and local government \$303,600. Local government is Counties and Cities combined. We are not able to provide a breakout between Counties and Cities, but have shown an equal split of the combined amount for each in Section 1B.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures for the 2001-2003 biennium include \$198,176 for Job Service administrative costs and \$5,598,515 in allocations to the four regional workforce training investment boards. The Job Service expenditures include: \$89,784 in salaries and benefits for 1.5 permanent FTE, \$61,092 for operating expenses, and \$47,300 for equipment.

Expenditures for the 2003-2005 biennium include \$131,287 for Job Service administrative costs, and \$6,378,923 in allocations to the four regional workforce training investment boards. The Job Service expenditures include: \$95,252 in salaries and benefits for 1.5 permanent FTE, and \$36,035 for operating expenses.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

This bill provides a continuing appropriation for the expenditures.

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/26/2001

February 14, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2271

Page 1, line 2, remove "regional", after "investment" insert "pilot", and remove "and"

Page 1, line 3, after "appropriation" insert "; and to provide an expiration date"

Page 1, replace lines 7 through 24 with:

"Workforce training investment pilot program - Investment fee - Legislative council report - Loan authority - Continuing appropriation.

1. Except for employers with fewer than twenty-six employees and public and private elementary and secondary schools, job service North Dakota shall assess each employer in the counties that comprise job service North Dakota customer service area III a workforce training investment fee in the amount of seven dollars and twenty-five cents per employee. The number of employees for each calendar year is the average number of employees reported by the employer each quarter for each employing unit to job service North Dakota under section 52-01-02. The workforce training investment fee is assessed on an annual basis. The counties that comprise job service North Dakota customer service area III are Barnes, Cass, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Ransom, Richland, Sargent, Steele, Stutsman, Traill, and Wells. The workforce training investment fee is a fee separate from contributions made under chapter 52-04 and may not be deposited in the unemployment compensation fund. However, any unpaid workforce training investment fees are subject to the interest and penalty provisions set forth in section 52-04-11. The workforce training investment fee payments may not be included in computing unemployment compensation rates assigned to employers and may not be deducted by an employer from the wages of the employer's employees.
2. Job service North Dakota shall deposit funds collected under this section in a workforce training investment fund. All moneys accruing to this fund in any manner, including interest earnings, must be maintained in a separate interest-bearing account at the Bank of North Dakota. Administrative costs incurred by job service North Dakota in collecting the workforce training investment fee, implementing this section, and establishing and maintaining the workforce training investment account must be paid from the workforce training investment fund.
3. All money in the workforce training investment fund, including interest earnings, is appropriated on a continuing basis to job service North Dakota for carrying out the purposes of this section. The Bank of North Dakota shall provide a loan in an amount not exceeding two hundred thousand dollars to job service North Dakota to provide initial funds for deposit in the workforce training investment fund for use to finance the administrative costs incurred by job service North Dakota in collecting the workforce training investment fee during the period beginning July 1, 2001, and ending June 30, 2002. Job service North Dakota shall repay the loan by September 30, 2002, from the fees collected under this section.

4. Available funds collected under this section are to be awarded as grants to eligible two-year institutions under the control of the state board of higher education and to eligible private sector and nonprofit training organizations for the purpose of providing workforce training programs. In order to be eligible for a grant under this section, an applicant must be located within North Dakota and shall present a plan to provide workforce training services to individuals residing within job service North Dakota customer service area III or to employees employed within job service North Dakota service area III, or to both. Workforce training services provided by a grant recipient must focus on training new residents of job service North Dakota customer service area III, on training underemployed individuals employed in job service North Dakota customer service area III, or on providing employee training for businesses in job service North Dakota customer service area III which want to upgrade the training of the business's employees, or any combination of these.
5. The job service North Dakota customer service area III director shall appoint a five-member committee to administer the pilot program, review applications for workforce training grants, make determinations regarding the awarding of workforce grants, and to certify approved recipients of workforce training grants. The five-member committee must include a representative of job service North Dakota, a private sector representative with economic development experience, and a private sector representative with business experience.
6. Job service North Dakota shall:
 - a. Adopt policies and procedures necessary to administer and implement this pilot program, including policies and procedures regarding collection of the workforce training investment fee and standards for distribution of workforce training grants;
 - b. Distribute workforce training grants to certified, approved recipients of grants, subject to availability of funds; and
 - c. Present reports regarding the status of the pilot program to the legislative council during the 2001-02 and 2003-04 bienniums."

Page 2, remove lines 1 through 26

Page 2, after line 26, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through June 30, 2005, and after that date is ineffective."

Renumber accordingly

Date: 2/14/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2271

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do not accept amendments

Motion Made By Sen Espgaard Seconded By Sen Tollefson

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espgaard	✓				
Senator Krebsbach	A				
Senator Johnson	✓				

Total (Yes) 5 No 1

Absent 1

Floor Assignment _____

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

Date: 2/14/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2271

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do not pass

Motion Made By Tollefson Seconded By S. Klein

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern		✓
Senator Espgaard	✓				
Senator Krebsbach	A				
Senator Tollefson	✓				

Total (Yes) 5 No 1

Absent 1

Floor Assignment Senator Mutch

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

REPORT OF STANDING COMMITTEE: (410)
February 15, 2001 8:33 a.m.

Module No: SR-28-3429
Carrier: Mutch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2271: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2271 was rereferred to the Appropriations Committee.

2001 SENATE APPROPRIATIONS

SB 2271

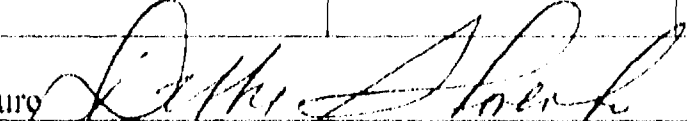
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2271

Senate Appropriations Committee

Conference Committee

Hearing Date February 20, 2001

Tape Number	Side A	Side B	Meter #
2	X		0.0-4.8
Committee Clerk Signature 			

Minutes:

Senator Nething opened the hearing on SB 2271 and questioned why the bill was referred to the committee as it came out of the last committee with a Do No Pass.

Senator Judy Lee, District 13, West Fargo, (testimony attached) stating others would talk on the topic. She gave a message from her county commissioners to exempt the government from this bill.

Senator Thane: No, sure if the Sugar Industry is for or against this bill as they would benefit little from this legislation and it is for a different type of worker. This statement is just for your information.

With no further testimony or opposition, the hearing was closed.

Senator Solberg moved for a Do No Pass; seconded by Senator Holmberg. Vote 13 yes, 0 no, and 1 absent. Senator Mutch will be the carrier of the bill.

Date: 2 20 01

Roll Call Vote #: _____

**2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.**

Senate Appropriations Committee

Subcommittee on SB 2271

or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not PASS

Motion Made By Sen Solberg Seconded By Sen Holmberg

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson					
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 13 No 0

Absent 1

Floor Assignment Sen Mitch

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

REPORT OF STANDING COMMITTEE (410)
February 20, 2001 10:07 a.m.

Module No: SR-31-3966
Carrier: Mutch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2271: Appropriations Committee (Sen. Nething, Chairman) recommends DO NOT PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2271 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2271



Consultants • Certified Public Accountants

January 31, 2001

Senate Industry Business and Labor Committee
North Dakota Senate
600 E Boulevard Ave
Bismarck, ND 58505

RE: Senate Bill 2271 – Regional Workforce Training

Dear Chairman and Committee Members:

I'm here to speak in opposition to Senate Bill 2271 because of the calculation for the new proposed tax.

Senate Bill 2271 can be extremely time intensive to comply with for businesses that have locations crossing regional territorial lines. The Bill provides that the tax will be paid by reference to the Job Service taxable wages. Those wages are capped at the first \$17,000 of wages for each employee. If people are hired in mid-year, that \$17,000 salary calculation starts when they start employment.

The North Dakota Job Service return is prepared on a statewide basis. Payroll softwares that do the North Dakota Job Service form provide the information on a statewide basis.

While several payroll softwares can provide gross wages by location, they are not able to provide unemployment taxable wages by location. As such, the effort to break the North Dakota unemployment taxable wages down by regions will be a huge labor effort every quarter. That will be a point of significant irritation, cost, and inconvenience every quarter.

Senate Industry Business and Labor Committee

January 31, 2001

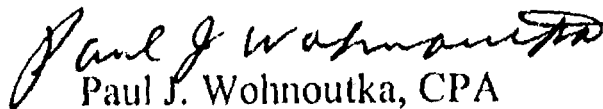
Page 2

I mentioned that several payroll softwares provide payroll by location provided the information is properly coded in the software. We also need to keep in mind that in addition to North Dakota based businesses, there are out of state businesses operating in North Dakota. How do you think out of state companies will view North Dakota with this extra calculation for the privilege of doing business in North Dakota, especially if they are operating in more than one region?

While most payroll softwares will provide gross wages by location, taxing employers on gross wages would also be a negative. That is because the employers who pay the higher salaries (which we are trying to promote in this state) will be the ones paying the highest tax.

Sincerely,

EIDE BAILLY LLP



Paul J. Wahnoutka, CPA

PJW/bp



Vision

The North Dakota Healthcare Association will be a leader in the development of a health care system.

Mission

The North Dakota Healthcare Association will work to advance the health status of people served by the members.

2001 Session

Testimony: SB 2271

Chairman Mutch, members of the Industry, Business and Labor Committee. I am Arnold Thomas, President of the ND Healthcare Association, appearing in opposition to SB 2271.

Hospitals, like other industries in this state, have a need for trained manpower -- now and in the coming years.

The availability and quality of the health care services that we can provide are directly linked to the availability and quality of health care workers.

We have looked to higher education to produce the many types of workers we need. Those workers range from doctors and nurses to skilled maintenance personnel. While higher education meets many of our manpower needs, it doesn't meet all of our needs. If higher education doesn't provide an academic program from which we can hire graduates, we have to look elsewhere. We might look out of state or we might contract in the private sector. Our response depends on the need we have. The hospital at Crosby for instance, sends some of its employees to Montana to hone their x-ray skills. That's a service that's geographically close to Crosby and more importantly, it meets the needs of the hospital.

NDHA believes that there is sufficient potential within the current higher education system to meet most of our manpower requirements. In those instances where our system of higher education cannot meet our needs, service sectors such as ours can contract for continuing education services in the private as well as the public sector.

We believe that this type of a response is far superior to imposing yet another tax on employers.

The problem with the tax is that it tries to be a one-size fits all solution. Unfortunately, the manpower requirements of our industries don't lend

themselves to one-size fits all manpower solutions. What my members require in terms of manpower is very different from that of the oil industry. The reality is that employers in this state do not need another bureaucracy trying to be all things to all people and failing miserably. What we would like to see is this legislative assembly encourage the entities we already have in place to think and act flexibly so that the diversity in our manpower training requirements can be met.

We respectfully suggest a Do Not Pass on SB 2271.

2-13-01

Prepared by W. Kindem JSND 328-3033

SB 2271 with proposed amendments

I. Fee assessment.

- Employers with 26 or more employees excluding schools located in the SE Quadrant of the state (The 15 counties comprising the JSND Customer Service Area III). There are 825 employers who would be subject to the fee.
- The fee would be \$7.25 per the annual average number of employees of the subject employers. There is 80,943 average annual employment reported for the 825 subject employers. The fee was set to raise a minimum of \$750,000 for training grants during the 2001-03 biennium.
- The estimated revenue net of uncollectables (est. 2%) is \$1,150,200 for the 2001-03 biennium.
- The estimated expenditures for the 2001-03 biennium are:
 - JSND Administration \$295,349
 - Training Grants 760,357
 - Total \$1,055,706

(The difference between revenues and expenditures is the fund balance to cash flow administrative costs in the 2003-5 biennium until the receipt of the 2004 fee assessment.)

Average Annual Employment	Not Reimbursable - Excluding Schools			Reimbursable - Excluding Schools		
	UI Account Numbers	Total Employment	Average Total Wages	UI Account Numbers	Total Employment	Average Total Wages
26	33	858	20,125,572	2	52	800,303
27	28	756	26,635,671	1	27	401,023
28	27	756	15,964,569	0	0	0
29	20	580	10,797,189	0	0	0
30	25	750	18,998,248	2	60	628,242
31	19	589	13,587,132	0	0	0
32	20	640	16,581,385	3	96	1,088,507
33	17	561	16,007,699	1	33	519,459
34	18	612	16,685,072	0	0	0
35	13	455	12,527,226	1	35	625,241
36	17	612	15,403,496	3	108	3,608,682
37	18	666	13,331,897	1	37	699,135
38	8	304	11,395,264	1	38	547,016
39	13	507	12,436,114	0	0	0
40	12	480	10,501,941	0	0	0
41	7	287	6,427,593	2	82	1,757,428
42	15	630	12,080,010	2	84	1,759,550
43	10	430	12,384,232	1	43	792,304
44	13	572	14,094,711	1	44	832,090
45	8	360	6,497,904	2	90	498,496
46	10	460	7,291,798	1	46	887,600
47	12	564	13,020,284	1	47	520,118
48	4	192	3,911,374	1	48	760,462
49	6	294	7,591,055	1	49	1,220,845
50	8	400	10,876,635	1	50	555,208
51	6	306	9,390,312	0	0	0
52	8	416	10,349,575	1	52	172,720
53	6	318	7,862,073	1	53	768,207
54	10	540	18,703,694	0	0	0
55	9	495	14,940,215	1	55	845,172
56	8	448	9,991,779	0	0	0
57	11	627	13,146,731	0	0	0
58	8	464	9,748,321	2	116	850,271
59	6	354	8,883,134	1	59	860,634
60	3	180	4,956,999	1	60	1,580,789
61	3	183	1,697,406	0	0	0
62	3	186	3,346,984	1	62	1,100,156
63	5	315	9,045,768	1	63	1,891,195
65	4	260	8,392,206	2	130	1,475,723
66	6	396	13,769,069	2	132	2,106,196
67	3	201	8,828,240	0	0	0
68	6	408	5,288,497	2	136	1,555,941
69	6	414	9,505,021	0	0	0
70	8	560	17,044,906	0	0	0
71	1	71	859,098	1	71	1,541,309
72	4	288	5,703,754	0	0	0
73	4	292	7,488,384	2	146	2,700,997
74	7	518	11,856,176	0	0	0
75	6	450	11,542,378	0	0	0
76	4	304	7,856,960	0	0	0
77	5	385	9,741,734	0	0	0
78	4	312	4,629,093	0	0	0
79	2	158	3,054,178	0	0	0
80	3	240	3,543,627	0	0	0
81	8	648	17,558,038	1	81	2,186,976
83	4	332	12,144,688	1	83	2,263,805
84	5	420	10,240,604	1	84	1,145,799
85	1	85	3,217,428	0	0	0
86	3	258	5,567,008	0	0	0
87	4	348	9,370,327	0	0	0
88	1	88	3,267,105	0	0	0
89	3	267	4,961,211	1	89	1,929,720
90	2	180	5,992,677	0	0	0
91	2	182	3,300,718	0	0	0
92	1	92	1,899,270	1	92	2,110,716
93	2	186	5,305,280	1	93	553,290

Average Annual Employment	Not Reimbursable - Excluding Schools				Reimbursable - Excluding Schools			
	UI Account Numbers	Total Employment	Average Employment	Total Wages	UI Account Numbers	Total Employment	Average Employment	Total Wages
94	3	282	7,826,653	0	0	0	0	
95	3	285	2,487,941	0	0	0	0	
96	3	288	6,303,037	1	96	1,708,530	0	
97	3	291	5,650,343	0	0	0	0	
98	2	196	9,482,445	0	0	0	0	
100	2	200	8,128,228	0	0	0	0	
101	3	303	7,519,813	0	0	0	0	
102	2	204	8,642,292	0	0	0	0	
103	2	206	3,580,239	0	0	0	0	
104	2	208	3,925,241	0	0	0	0	
105	1	105	2,881,501	0	0	0	0	
106	2	212	8,708,049	0	0	0	0	
107	2	214	4,500,470	0	0	0	0	
108	1	108	3,116,223	0	0	0	0	
109	2	218	7,663,710	0	0	0	0	
110	2	220	7,474,852	1	110	1,762,162	0	
112	1	112	1,006,748	0	0	0	0	
113	2	226	7,333,747	1	113	2,929,668	0	
115	1	115	3,745,379	0	0	0	0	
117	3	351	10,894,754	1	117	2,253,151	0	
118	1	118	4,614,736	0	0	0	0	
119	4	476	9,730,622	0	0	0	0	
121	1	121	2,061,120	1	121	2,003,805	0	
122	2	244	5,352,834	0	0	0	0	
123	1	123	3,593,588	1	123	1,937,648	0	
126	2	252	6,474,904	1	126	1,837,671	0	
128	3	384	10,033,424	0	0	0	0	
129	3	387	12,948,890	1	129	3,365,140	0	
130	0	0	0	1	130	2,051,259	0	
131	3	393	10,170,888	1	131	2,079,085	0	
132	1	132	1,279,737	0	0	0	0	
133	2	266	5,761,224	0	0	0	0	
134	1	134	6,085,135	0	0	0	0	
135	1	135	4,427,320	0	0	0	0	
138	1	138	2,188,127	0	0	0	0	
139	4	556	8,983,109	0	0	0	0	
141	3	423	11,413,846	2	282	5,106,273	0	
142	2	284	6,441,207	0	0	0	0	
143	1	143	4,249,023	2	286	6,133,415	0	
145	1	145	1,526,381	1	145	2,097,035	0	
146	2	292	11,063,417	0	0	0	0	
147	1	147	4,344,547	0	0	0	0	
150	1	150	3,827,589	0	0	0	0	
152	1	152	5,713,454	0	0	0	0	
153	3	459	10,190,616	0	0	0	0	
156	3	468	10,071,222	0	0	0	0	
157	2	314	6,723,941	0	0	0	0	
161	1	161	5,196,698	1	161	1,860,612	0	
163	1	163	7,561,987	0	0	0	0	
164	0	0	0	1	164	3,874,369	0	
168	0	0	0	1	168	3,919,423	0	
169	2	338	8,779,409	0	0	0	0	
174	0	0	0	1	174	2,324,789	0	
175	1	175	6,492,226	1	175	3,846,174	0	
176	0	0	0	1	176	3,787,543	0	
177	1	177	6,162,612	0	0	0	0	
179	1	179	1,598,419	0	0	0	0	
183	1	183	5,750,563	0	0	0	0	
186	1	186	7,081,333	0	0	0	0	
187	1	187	2,164,500	0	0	0	0	
189	0	0	0	1	189	3,090,624	0	
190	1	190	4,305,154	0	0	0	0	
192	1	192	4,989,699	0	0	0	0	
194	1	194	2,484,433	0	0	0	0	
195	1	195	3,931,896	0	0	0	0	
197	1	197	7,431,735	0	0	0	0	

Average Annual Employment	Not Reimbursable - Excluding Schools			Reimbursable - Excluding Schools		
	UI Account Numbers	Total Average Employment	Total Wages	UI Account Numbers	Total Average Employment	Total Wages
199	1	199	2,355,624	0	0	0
201	1	201	5,030,874	0	0	0
202	1	202	2,648,801	0	0	0
203	1	203	3,316,137	0	0	0
204	0	0	0	1	204	5,167,164
205	1	205	1,946,652	0	0	0
208	1	208	2,277,136	0	0	0
209	1	209	3,221,116	0	0	0
210	2	420	6,228,018	1	210	5,584,541
216	1	216	2,844,492	0	0	0
220	1	220	3,626,257	0	0	0
225	1	225	3,129,981	0	0	0
227	1	227	3,024,041	0	0	0
239	1	239	4,606,790	1	239	3,916,830
241	1	241	2,661,440	0	0	0
245	2	490	5,011,428	0	0	0
253	1	253	9,609,008	0	0	0
254	1	254	9,032,940	0	0	0
255	0	0	0	1	255	4,550,033
257	1	257	8,807,784	0	0	0
263	1	263	3,608,923	0	0	0
265	1	265	7,320,586	0	0	0
271	1	271	6,569,409	0	0	0
274	1	274	10,828,786	0	0	0
294	1	294	11,130,921	1	294	7,686,085
315	1	315	7,942,074	0	0	0
316	1	316	7,064,468	0	0	0
326	1	326	12,151,875	0	0	0
327	0	0	0	1	327	2,420,315
336	0	0	0	1	336	3,774,646
343	1	343	14,377,775	0	0	0
346	0	0	0	1	346	10,089,650
359	0	0	0	1	359	4,917,374
376	0	0	0	1	376	5,732,777
400	1	400	4,805,260	0	0	0
403	1	403	15,214,828	0	0	0
406	1	406	8,012,811	0	0	0
427	0	0	0	1	427	11,269,922
463	1	463	12,216,211	0	0	0
482	1	482	20,707,826	0	0	0
489	1	489	11,261,868	0	0	0
511	1	511	20,772,795	0	0	0
536	1	536	11,445,158	0	0	0
542	1	542	13,809,433	0	0	0
564	1	564	22,892,283	0	0	0
644	1	644	8,957,383	0	0	0
686	0	0	0	1	686	24,149,032
688	1	688	26,082,473	0	0	0
712	1	712	8,455,074	0	0	0
818	1	818	40,813,121	0	0	0
835	1	835	20,096,724	0	0	0
856	0	0	0	1	856	26,402,934
864	0	0	0	1	864	22,421,623
912	1	912	34,656,795	0	0	0
946	1	946	41,370,303	0	0	0
972	1	972	34,333,536	0	0	0
1144	0	0	0	1	1,144	31,515,348
1179	1	1,179	36,800,837	0	0	0
1281	1	1,281	63,461,404	0	0	0
1367	1	1,367	83,127,586	0	0	0
1432	1	1,432	47,540,690	0	0	0
1880	0	0	0	1	1,880	53,005,257
2193	0	0	0	1	2,193	67,948,002

734 1164103 1770365704

91 116838 394661234

37215
 2025 Employers
 2023 Employees

Includes 15 counties: Barnes, Cass, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Ransom, Richland, Sargent, Steele

Mister Chairman and members of the committee:

For the record, I am Senator Judy Lee from District 13 West Fargo.

SB 2271 provides for investment in a workforce training program.

There are 13,000 underemployed people and a projection of 13,000 new jobs in our region in the next 3-5 years without people to fill them. This bill attempts to put in place a plan for training those employees to fill those positions.

It is the intent to re-create the workforce training program. The plan is to identify the funding stream.

If the bill needs work in order to work within existing structure, I encourage the committee to pursue that.

The people who will follow me in appearing before your committee will provide more information and will be able to answer any questions you might have in greater detail than I can.

Thank you for your consideration of SB 2271!

January 30, 2001

Senator Duane Mutch, Chairman
Industry, Business and Labor Committee
North Dakota Senate
Bismarck, ND 58501

Dear Senator Mutch:

As Advisory Board Chair for the Northeast Workforce Training Partnership, I am writing this letter in testimony for Senate Bill 2271.

This bill, as proposed, would be duplicative of the current workforce training quadrant structure. The implementation of the current structure, as directed by HB-1443, includes an advisory board whose members are inclusive of primary sector employers, economic developers, and labor union representatives.

This bill calls for local development corporations in each region to appoint, on a per capita basis, a board of directors. These same local developers are currently represented on the Workforce Training Advisory Boards. The formation of another regional board, with a very similar name and a different mission can only cause confusion among the people it was meant to serve. Employers are only now beginning to understand the mission and services of the Workforce Training Quadrant System and the new mission and services of Job Service North Dakota.

I also understand this bill proposes a wage tax. I personally believe we need incentives to attract business and industry, not additional taxes. A properly funded Work Force Training Quadrant System can be one of these incentives.

We support continued funding of the Workforce Training Quadrant System at the requested \$1.3 million amount which is necessary for the success of HB-1443. We also support funding for workforce training projects through programs such as Workforce 2000, which is vital to many companies ability to maintain a skilled employee base, however, this bill does not ensure either of these needs will be met.

At this time, the Northeast Workforce Training Advisory Board cannot support SB-2271 and must ask respectfully that you do not pass it in its present language.

Thank you for your consideration,

Paul Brewinski

Paul Brewinski
Division President, GFG Foodservice

Presentation to North Dakota Industry, Business and Labor Committee
By Donna S. Thigpen, President of Bismarck State College
January 31, 2001

Chairman Mutch and Members of the Committee:

My name is Donna Thigpen and I am President of Bismarck State College. I appreciate this opportunity to speak to you in opposition to SB 2271.

The 1999 Session of the ND Legislature passed a bill that established a statewide system for the delivery of workforce training. This legislation created four workforce-training regions and assigned primary responsibility for the delivery of workforce training to the four community colleges located in those regions. This effort has been very successful.

For the past year and a half, Bismarck State College and the other three community colleges have worked to develop the infrastructure specified in the legislation and to deliver workforce training in the regions. Each region has a workforce training board that oversees the workforce training activities of the region. These boards consist of up to 15 representatives from the private sector, tribal colleges or businesses, and labor.

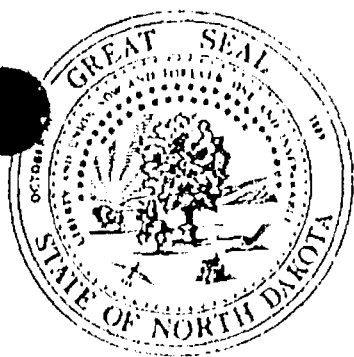
As a result of this legislation, Bismarck State College has been able to dramatically increase the amount of customized training in the southwest region of the state. Mr. Eddie Dunn from the North Dakota University System office has already shared with you a copy of the 1999-2000 report from the regions documenting the results of the first year of operation. From July 1 - December 31, 2000, Bismarck State College has already provided training to 148 businesses. This represents 247 different training sessions. These sessions have provided training to 1375 employees. These figures clearly demonstrate that the current system is working in the southwest region of the state. If my colleagues from Williston State College, Lake Region State College, and North Dakota State College of Science were here to share their numbers with you, you would see similar success in the other three regions.

Bismarck State College is not only providing training assistance to the Bismarck/Mandan area, but also to the remainder of the region. Major employers of Dickinson have turned to Bismarck State College in partnership with facilities at Dickinson State University to help meet their specific training needs. This year we are expanding our capabilities to deliver training to the small businesses in the rural communities of this region. Access to customized training is a vital component of economic development in not only our urban areas, but also our rural communities. Our current system supports both.

Senate Bill 2271 calls for the creation of potentially different workforce training regions, another group of regional workforce training investment boards, and a different funding mechanism. In fact, it would duplicate the entire structure and function of the current workforce training system.

I am confused as to why it is necessary to create a duplicate system that appears to have no connection to the current workforce training system established by the 1999 Legislature. One of the goals in the previous legislation was to establish one point of entry for businesses seeking workforce training. This bill is counter to that goal and would be confusing to businesses that need to access training. Given the scarce resources available in North Dakota, the state needs to carefully coordinate workforce-training efforts to maximize its ability to provide customized training and enhance economic development. Thus it seems unwise for the state to create two systems to accomplish the same goals.

Mr. Chairman and Members of the Industry, Business and Labor Committee: I strongly urge you to provide a "DO NOT PASS" on Senate Bill No. 2271.



North Dakota University System

Year-End Report on Implementation of
Workforce Training System for FY-2000

By:

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

October 23, 2000

YEAR-END REPORT
on
Implementation of
Workforce Training System for FY-2000
Relative to North Dakota Statutes
October 23, 2000

- I. Situation – Changes urgently needed.** A task force of 31 state leaders (See Attachment A) representing business, education and government spent six months during 1998 examining North Dakota's workforce training system. Based on the examination and research results, the group concluded North Dakota's workforce training system was fragmented, underdeveloped, duplicative and incapable of meeting the current and rapidly changing workforce training needs of business in the state. The group also concluded major changes were urgently needed for business and industry in all regions of the state, as well as individual communities, to remain viable and competitive. A workforce training plan was developed by the Workforce Training Task Force and enacted into law by the 1999 Legislature.

Results of the new workforce training system are already being demonstrated. For example, from July 1, 1999, to June 30, 2000, the training system has provided training for over 500 business, trained nearly 7,500 employees, generated training fees in excess of \$965,000, and received more than \$600,000 in funding commitments to date from local business, industry and community organizations in support of the new training system. Satisfaction levels from businesses and employees receiving training are above 90% for all four workforce training regions.

Significant increases in each of these areas are projected for all four workforce training regions in the state during the 2001-2003 biennium. Access to workforce training will also be increased significantly, both geographically and by portion of businesses in the state, during the 2001-2003 biennium. Details of the potential growth are included in the respective business plans which were prepared in consultation with the private sector workforce training boards in the four workforce training regions of the state.

II. Accomplishments in Relation to Specific State Statutes Resulting from HB-1443:

Chapter 52-08

52-08-08. Institution to serve work force needs. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall establish a division or other unit within the institution to serve the work force needs of business and industry and to serve as a broker in arranging the delivery of training.

Status: Completed-

- *The workforce training divisions have been established at each of the four colleges.*
- *The initial staffing has been completed in all four regions.*

52-08-09. Work force training board - Formation. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall appoint a work force training board consisting of representatives from businesses, labor, and industries located within the institution's delivery area. The work force training board must consist of at least seven but no more than fifteen members and must include at least one representative from either an Indian-owned business, the tribal government, or the tribal colleges within the designated region.

Status: Completed-

- *Workforce training boards have been formed by all four colleges in accordance with state statute.*
- *The members for each board and the designated chairman are listed later in this report.*

52-08-10. Preparation of business plan and revolving loan funds. Subject to state board of higher education policies, the president of an institution of higher education who is assigned primary responsibility for work force training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the work force training board. The work force training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. The state board of higher education may establish for each institution of higher education assigned primary responsibility for work force training a revolving loan fund for work force training program startups using the borrowing authority provided in section 15-10-16.1.

Status: Completed-

- *The organizational structure, defined service regions, criteria for allocating workforce training funds, and the proposed funding model were reviewed, revised and eventually approved by the Steering Committee for the Task Force on Workforce Training and, ultimately, by the full Task Force.*
- *Business plans for workforce training, as called for by the Steering Committee and included in HB-1443, were prepared by all four colleges. The plans covered the initial start-up phase (the 1999-2001 biennium) and full implementation beginning with the 2001-2003 biennium. (See Attachment B for a summary of the projected revenues and expenses for the initial start-up phase and full implementation).*
- *The respective local workforce training boards, after being formed, reviewed the business plans, including the budgets outlined for carrying out workforce training in the respective regions. Refinements of the business plans were made by each of the workforce training boards after which all four boards recommended approval by the SBHE.*
- *The SBHE approved the respective business plans at the November 18, 1999, Board meeting.*
- *The SBHE passed a motion at the November 18, 1999, Board meeting requesting the colleges assigned primary responsibility for workforce training provide a report to the SBHE prior to July 1, 2000, which included summary accomplishments in total and by region, accountability measures, and the business plans for each workforce training region for FY-2001.*
- *The colleges prepared business plans for FY-2001 in consultation with the respective local workforce training boards. The business plans were reviewed by the College Technical Education Council (CTEC) for consistency with the recommendations of the Task Force on Workforce Training and the legislative provisions of HB-1443. CTEC is comprised of the CEOs of the two-year institutions, the State Director of the State Board for Vocational Technical Education, the Chancellor of the NDUS, and the Executive Director of CTEC. The suggested modifications were forwarded to the respective regions.*
- *The local workforce training boards incorporated the suggested modifications from CTEC into their business plans and approved the plans, including the budgets outlined for carrying out workforce training in the respective regions. All four boards recommended approval by the SBHE.*
- *The SBHE approved the business plans for FY-2001 at the June 15, 2000, Board meeting.*
- *Revolving loan fund: Completed. The SBHE, as provided for under Section 52-08-10, authorized the establishment of an account for each institution of higher education assigned primary responsibility for work force training for creating a revolving loan fund for work force training program startups.*

52-08-11. Performance measurements for work force training. Subject to state board of higher education policies, the president of an institution of higher education who is assigned primary responsibility for work force training shall develop, in consultation with the work training board, performance measurements for work force training. The measurements must include requirements for being time sensitive and results oriented and must determine how well the training needs of business and industry are being met.

Status: Completed -

- *CTEC, in conjunction with the directors of the workforce training divisions at each of the four assigned colleges (through the workforce training boards), and with the SBVTE, developed proposed performance measures for workforce training.*
- *A two-day site visit to Mason City and Cedar Rapids, Iowa was arranged for the campus CEOs and the workforce training directors, in October, 1999, to become familiar with existing effective operational practices, including mechanisms for documenting performance.*
- *Job Service North Dakota was invited and attended a CTEC meeting and also the Chancellor's Cabinet meeting to explore potential cooperative efforts including performance measures for workforce training.*
- *Performance measures for the University System, including workforce training, were identified by the Legislative Council Interim Committee Study on Higher Education. Those performance measures have been merged with the proposed performance measures adopted by the four workforce training boards. Those performance measures are:*
 - a. *The number and percent of businesses in the region receiving training,*
 - b. *The number and percent of businesses requesting repeat or additional training,*
 - c. *Levels of satisfaction with training events based on results provided by employers and employees receiving training,*
 - d. *Number of referrals for training and results of those referrals (both referrals made to other sources and referrals received), and*
 - e. *Revenue generated from training fees.*
- *In addition to addressing these performance measures, the workforce training regions each adopted a position statement emphasizing and placing a priority on serving primary sector businesses. (See Attachment C for details).*

III. Lists of Advisory Board Members. Each of the four regions has a workforce training advisory board, composed primarily of business people. The primary responsibilities of the boards include making recommendations about training priorities, assisting in identifying skill shortages and training needs, and providing fund-raising support. The boards also review and approve the region's annual workforce training business plan. (See Attachment D for a more detailed description of the role of the work force training boards).

Bismarck State College

Southwest Region Workforce Training Board

- Terry Brosseau, Medcenter One, Bismarck, Chairman
- Robert Colton, Carpenters Local 1091, Bismarck
- Cal Kolling, TMI Systems Design, Dickinson
- Mike LaLonde, Basin Electric Power Co-op, Bismarck
- Dave MacIver, Bismarck-Mandan Chamber of Commerce, Bismarck
- Ron McNeil, Sitting Bull College, Fort Yates
- Guy Moos, Baker Boy, Dickinson
- Judy Pepler, U S WEST, Bismarck
- Joe Rothschilder, Steffes Corp., Dickinson
- Bill Shalhoub, Doublewood Inn, Bismarck
- Russ Staiger, Bismarck-Mandan Development Assn., Bismarck
- Becky Thiem, Zuger, Kirmis & Smith, Bismarck
- John Weeda, Great River Energy, Underwood

Lake Region State College

Northeast Region Workforce Training Board

- Paul Brewenski, GFG Food service, Grand Forks, Chairman
- Kathy Adkins, Marvin Windows, Grafton
- Jim Dahlen, FORWARD Devils Lake Development Corp., Devils Lake
- Dave Dickson, Cirrus Design Corporation, Grand Forks
- Dave Dircks, North Dakota Telephone Company, Devils Lake
- Carol Goodman, Cavalier County Job Development Authority, Langdon
- Dennis Hansel, United Telephone, Langdon
- Mark Krauseneck, Grand Forks Region Economic Development Corp., Grand Forks
- Sandra Larocque, Turtle Mountain Community College, Belcourt
- Lee Lindquist, Altru Health System, Grand Forks
- JoAnn Rodenbiker, Northern Plains Electric Co-op, Cando
- Ken Towers, Towers Foods, Grand Forks
- Bill Tuttle, Northern Valley Labor Council, Drayton

North Dakota State College of Science

Southeast Region Workforce Training Board

- Mike Gustafson, Cass County Electric Co-op, Kindred, Chairman
- Pete Boesen, Russ Honda Nissan, Fargo
- Erik Olson, Case Corporation, Fargo
- Bob Pitz, US Bank Corp Service Center, Fargo
- Jim Roers, Roers Construction Inc., Fargo
- Thomas Shorma, Team Marketing, Wahpeton
- J. Wade Hannon, Fargo-Moorhead T & LA, Fargo

- Lee Kaldor, ComMark, Inc., Mayville
- Vani Nagala, Southeast Medical Center, Oakes
- Joseph Hoak, Dakota Nation Gaming Enterprises, Hankinson
- Richard Fordham, Business person, Wahpeton
- Keith Hovland, Ag Air Mfg., Valley City

Williston State College

Northwest Region Workforce Training Board

- M.E. "Buzz" Syria, Preferred Travel, Minot, Chairman
- Andy Anderson, Halliburton, Williston
- Wayne Biberdorf, Amerada Hess, Williston
- Ken Lund, Northwest Communications Co-op, Ray
- Leonard McGuire, Bottineau Economic Development Corp., Bottineau
- Tom Mitchell, Mercy Medical Center, Williston
- Rick Monger, Triangle Electric, Williston
- Christine Morsfield, Souris River Telephone, Minot
- Abe Sakak, FMI Inc. (Applebees), Minot
- Jerylyn Schepp, Schepp's Dakota Deli, Lansford
- Steve Stenehjem, 1st International Bank & Trust, Watford City
- Gerald Syring, Cenex-Land O'Lakes, Williston
- Rita Wilhelmi, State Board for Vocational Education, Stanley
- Elizabeth Yellow-Bird-Demaray, Fort Berthold Community College, New Town

IV. For more information contact:

- ***Northwest Region: Minot and Williston:***
 In Williston, Deannette Piesik, workforce training manager, Williston State College, 701-774-4246, or e-mail dpiesik@mail.wsc.nodak.edu
 In Minot, Lisa Olson, workforce training manager, Minot State University, 701-858-3830, or e-mail lolson@misu.nodak.edu
- ***Southwest Region: Bismarck and Dickinson:***
 In Bismarck, Janet Noah, workforce training manager, Bismarck State College, 701-328-9841 or e-mail jnoah@gwmail.nodak.edu; or Lori Schlosser, workforce training manager, BSC, 701-328-9841, or e-mail lschloss@gwmail.nodak.edu
 In Dickinson, Cheryl Templeton, workforce training manager, 701-483-2139, or e-mail ctemptlet@eagle.dsu.nodak.edu
- ***Northeast Region: Grand Forks and Devils Lake:***
 In Devils Lake, Holly Mawby, workforce training manager, Lake Region State College, 701-662-1593, or e-mail mawbyh@lrsc.nodak.edu
 In Grand Forks, Galen Cariveau, workforce training manager, University of North Dakota, 701-777-2313, or e-mail galen_cariveau@mail.und.nodak.edu

- ***Southeast Region: Fargo and Wahpeton:***

In Wahpeton, Paul Schulz, Marketing Director, North Dakota State College of Science, 701-671-2106, e-mail pschulz@prairie.nodak.edu

In Fargo, Kyle Davison, Marketing Director, Skills and Technology Training Center, 701-231-6900, or e-mail kyle@fedc.com

Task Force on Workforce Development and Training

Customized Training Network, Network Support Team:

Verlyn Fick* Director, Outreach & Customized Training, NDSCS
 Don Roloff* Supervisor of Trade, Industry, Tech. Ed., & Custom Training, SBVTE
 Eddie Dunn* Executive Director, College Technical Education Council, NDUS

State Agencies Involved in Workforce Training:

Larry Isaak Chancellor, North Dakota University System
 Mel Olson* State Director, State Board for Vocational Technical Education
 Jennifer Gladden* Executive Director, Job Service North Dakota
 Kevin Cramer State Director, Dept. Economic Development & Finance
 Randy Schwartz* Deputy Director, State Department of Economic Development & Finance
 Carol Olson State Director, Department of Human Services

Workforce Development Council:

Fraine Zeitler* Director, North Dakota Workforce Development Council
 Dennis Johnson President, TMI & Chairman, ND Workforce Development Council
 Jodi Uecker-Rust Group Vice President, Great Plains Software Inc., & Member, NDWFDC

Private Sector:

Dale Anderson* President, Greater ND Assn., State Chamber of Commerce
 Roger Rierson President, Flint Communications & Chairman of the Board, GNDA
 Dave MacIver President, Bism-Mandan Area Chamber & BSC Bus. Advisory Council
 Russ Staiger* President, Bismarck-Mandan Development Association
 John Campbell* President, Fargo-Moorhead Chamber of Commerce
 (Also represented in other categories: Dennis Johnson, Jodi Uecker-Rust, Bill Marcil, Gary Nelson, John Dorso, Tim Mathern, Merle Boucher, Tony Grindberg, Mike Gustafson, Jack Hoeven and Craig Caspers)

Governor's Office:

Bill Goetz* Chief of Staff, Governor's Office

Legislative Leadership:

Gary Nelson Senate Majority Leader, ND Legislature
 Tim Mathern* Senate Minority Leader, ND Legislature
 John Dorso* House Majority Leader, ND Legislature
 Merle Boucher House Minority Leader

Vision-2000:

Bill Marcil Forum Publisher & Past Chairman, Vision-2000 Committee
 (Also represented in other categories: Dennis Johnson, & Dale Anderson)

Board of Higher Education:

Jack Hoeven Chairman-elect, North Dakota Board of Higher Education
 Craig Caspers* Member, North Dakota Board of Higher Education
 Mike Hillman* Vice Chancellor, Academic Affairs, ND University System
 Laura Glatt Vice Chancellor, Administrative Affairs, NDUS

Campus Presidents:

Donna Thigpen* President, Bismarck State College, Two-Year College
 Ellen Chaffee President, Valley City State Univ. & Mayville State Univ., Four-Year College

Skills Training & Technology Center:

Tony Grindberg* Senator, & Loaned Executive, Skills Training & Tech. Ctr.
 Mike Gustafson Director, Cass County Rural Electric Cooperative
 (Also represented in other categories: Larry Isaak, Mel Olson, & Jennifer Gladden)

*Participated in the site visit to Cedar Rapids, Iowa, and Kirkwood Community College May 13, 1998.

Summary of Budgets for Start-up Phase and Full Implementation

	Pre-WFTR <u>FY99</u>	Start-up Phase <u>FY00</u>	<u>Actual</u>	<u>FY01</u>	Full Operation <u>FY02</u>	<u>FY03</u>
Training Rev:						
BSC	\$156,100	\$190,000	\$299,872	\$338,800	\$350,000	\$360,000
NDSCS	\$341,700	\$366,000	\$482,213	\$437,950	\$485,000	\$535,000
LRSC	\$70,630	\$100,000	\$99,106	\$140,000	\$165,000	\$200,000
WSC	\$82,000	\$101,000	\$84,800	\$150,000	\$200,000	\$230,000
TOTALS	\$650,430	\$757,000	\$965,991	\$1,066,750	\$1,200,000	\$1,325,000
Region Funds:						
BSC	\$0	\$145,000	\$145,800	\$145,000	\$125,000	\$125,000
NDSCS	\$0	\$340,000	\$350,000	\$150,000	\$150,000	\$150,000
LRSC	\$0	\$57,000	\$55,500	\$111,350	\$113,438	\$94,135
WSC	\$0	\$40,000	\$35,000	\$60,000	\$70,000	\$75,000
TOTALS	\$0	\$582,000	\$586,300	\$466,350	\$458,438	\$444,135
Instit. Funds:						
BSC	\$70,000	\$34,900	\$34,900	\$35,900	\$37,000	\$38,100
NDSCS	\$197,500	\$68,515	\$68,515	\$70,570	\$72,687	\$74,868
LRSC	\$51,740	\$44,000	\$44,000	\$60,198	\$65,834	\$66,489
WSC	\$38,871	\$32,400	\$32,400	\$33,300	\$34,300	\$35,400
TOTALS	\$358,111	\$179,815	\$179,815	\$199,968	\$209,821	\$214,857
State Funds:						
BSC	\$0	\$109,813	\$109,813	\$109,813	\$175,500	\$175,500
NDSCS	\$0	\$171,062	\$163,253	\$171,062	\$243,000	\$243,000
LRSC	\$0	\$87,938	\$87,938	\$87,938	\$135,000	\$135,000
WSC	\$0	\$62,775	\$62,775	\$74,600	\$121,500	\$121,500
TOTALS	\$0	\$431,588	\$423,779	\$443,413	\$675,000	\$675,000
BIENIUM TOTAL				\$875,000		\$1,350,000
All Rev. & Funds:						
BSC	\$226,100	\$479,713	\$590,385	\$629,513	\$687,500	\$698,600
NDSCS	\$539,200	\$945,577	\$1,063,981	\$829,582	\$950,687	\$1,002,868
LRSC	\$122,370	\$288,938	\$286,544	\$399,486	\$479,272	\$495,624
WSC	\$120,871	\$236,175	\$214,975	\$317,900	\$425,800	\$461,900
TOTALS	\$1,008,541	\$1,950,403	\$2,155,885	\$2,176,481	\$2,543,259	\$2,658,992
State Funds %:						
BSC	0%	22.9%	18.6%	17.4%	25.5%	25.1%
NDSCS	0%	18.1%	15.3%	20.6%	25.6%	24.2%
LRSC	0%	30.4%	30.7%	22.0%	28.2%	27.2%
WSC	0%	26.6%	29.2%	23.5%	28.5%	26.3%
TOTALS	0%	22.1%	19.7%	20.4%	26.5%	25.4%

**North Dakota Workforce Training System
Position Statement Regarding Training
for Primary Sector Businesses
April 21, 2000**

In recognition of the importance that primary sector businesses¹ play in determining the economic vitality (i.e., the economic carrying capacity) of a community, region, and state, priority will be placed on providing workforce training opportunities to this sector of the economy within each of the Workforce Training Regions. Placing a priority on the primary sector shall be defined to mean:

1. A special effort will be made to assure all primary sector businesses in each region are contacted to determine their workforce training needs. Contact may be by a workforce training manager or by one of the workforce training partnering organizations in the region;
2. Where workforce training needs are identified, arrangements will be made to provide training in accordance with the specific needs and preferences of the business;
3. Requests for workforce training for primary sector businesses, by local development organizations, or by local providers involved in workforce training in the respective region, will receive priority attention for follow-up and action. Specifically, this item shall be interpreted to mean no primary sector businesses shall be denied training due to lack of priority in relation to non-primary sector business training being provided; and
4. Further guidance, including additional emphasis on selected primary sector businesses in relation to non-primary sector businesses, shall be in the prerogative of the local Workforce Training Boards.

¹The North Dakota Century Code defines primary sector business as "an individual, corporation, limited liability company, partnership, or association which through the employment of knowledge or labor adds value to a product that results in the creation of new wealth. This term includes tourism, but does not include production agriculture." Additional definitions in the Century Code provide for the majority of sales to come from out-of-state markets.

SBHE Defines Role for Workforce Training Boards (NDUS Board Meeting, June 17, 1999)

Several revisions and amendments to SBHE policy were approved at the June Board meeting to pave the way for implementation of the new workforce training legislation.

HB 1443 provided the legislation and funding mechanism to create four workforce training regions in the state and assigned primary responsibility for workforce training to Williston State College (WSC), Lake Region State College (LRSC), North Dakota State College of Science (NDSCS) and Bismarck State College (BSC).

The provisions establish the workforce training boards and enumerate their duties and responsibilities. The local workforce training boards are subject to SBHE policy.

The presidents of WSC, LRSC, NDSCS and BSC will establish a division or other unit within the college to serve the workforce needs of business and industry, to serve as a broker in arranging the delivery of training and to develop partnerships with business and industry and other training providers.

The presidents will also appoint a workforce training board that consists of representatives from business, labor and industries located within the institution's workforce training service region. Each board consists of between seven and 15 members.

The primary responsibility of the advisory boards is to:

- Make recommendations concerning priorities of the workforce training units;
- Assist in identifying skill shortages and workforce training needs;
- Provide input for preparation of an annual business plan;
- Make recommendations for funding the business plan;
- Provide connection between institutions and business, labor, and industry associations and organizations;
- Assist with establishing strong and effective partnerships with other NDUS institutions and all other related colleges, organizations and agencies;
- Provide fund-raising support to meet local workforce training funding needs;
- Assist the College Technical Education Council with the development of performance measurements for workforce training;
- Serve as an advocate for workforce training; and
- Assist with preparation or review of annual workforce training reports.

The amendments adopted by the SBHE also change the WSC and LRSC institution names in SBHE policy.

Fargo-Moorhead Market Area Employer Survey: 1999

North Dakota State Data Center
Department of Agriculture Economics
North Dakota State University
IACC 424
Fargo, North Dakota 58105-5636

Executive Summary

Introduction

- The purpose of this project was to provide information regarding employers' attitudes and perceptions of labor issues concerning the growth and development of the Fargo-Moorhead metropolitan area.

Survey Results

- Nearly 29 percent of respondents indicated their organization has more than 75 full-time employees on their work force.
- More than one-fourth of respondents said their employees commute more than 30 miles to work.
- Respondents rated the overall quality of their organizations' employees above average.
- Respondents rated professional staff highest in creative thinking, problem solving, and decision making skills. Entry level staff were ranked highest in computing, problem solving and creative thinking.
- Respondents indicated integrity/honesty was the highest value among both the professional and entry level staff.
- Respondents rated professional staff lowest in relationship building and entry level employees lowest in self-management.
- Approximately 37 percent of organizations experienced more than a 10 percent employee turnover in the past year. Nearly 14 percent experienced no employee turnover.
- The majority of respondents indicated the most important reasons for high employee turnover were the changing skills of workers and wage/salary.
- More than 51 percent of respondents said there are few qualified candidates with the appropriate amount of experience to fill a job opening.
- The most important reason why employers are experiencing trouble finding qualified employees is because of the technical skills of the applicants.
- Respondents indicated that work experience in the technical/professional and information technology fields was more essential than in the clerical and production fields.
- More than one-third of respondents said their organizations' labor demands were changing.
- More than 43 percent of respondents indicated that more than half of their staff received some form of formal skills training that was either recommended or required by their

organization.

- Nearly 81 percent of respondents said their organization does not have a cooperative training arrangement with local colleges and universities.
- Of those employers whose organization does not have a cooperative arrangement, 55.4 percent indicated some interest in exploring such an arrangement.

Employer Survey – Briefing Points

1. **Commuting:**

-more than 1/2 of employees come from 20 miles out

-more than 1/4 of employees come from 30 miles out

2. **Turnover:**

-more than 1/3 of companies have more than 10% turnover

Why: major reason is changing skill level of workers followed by wages

3. **New Hires:**

-51% of employers felt there were few qualified applicants with appropriate experience

-another 18% said there were very few applicants overall

Why: technical skills of applicants 55% followed wages 33%

4. **Future Labor Needs:**

-to maintain current growth...need to grow labor force by 11,000 to 13,000 in next five years and 12,000 – 15,000 in next 10 years

-expected hires based on employers survey...nearly 10,000 in next 3 years and 13,000 in next 5 years

5. **Educational Requirements:**

-30% of new hires minimum requirement will be certification

-25% of new hires minimum requirement will be technical degree

Training:

-82% of employers see training as important in next 5 years

-19% of companies have cooperative training arrangements with colleges

-of those without cooperative arrangement, 55% want to...

Note: Data based on 38 percent of businesses from initial list of major companies. Thus, we can estimate the total new hires by applying the rates noted below to the total base of companies.

Sample for 0 to 3 years

Statistics		Managerial in 0-3 years	Technical in 0-3 years	Operators/ assembly in 0-3 years	Clerical in 0-3 years	Service in 0-3 years	Information Technology in 0-3 years	Profession al in 0-3 years	Other in 0- 3 years
N	Valid	79	76	63	78	57	58	63	20
	Missing	44	47	60	45	66	65	60	103
Mean		1.91	4.38	17.92	4.67	19.47	3.72	3.22	14.60
Sum		151	333	1129	364	1110	216	203	292
estimate for all companies		397	876	2971	959	2921	568	534	768

Total for sample companies: N= 3,798

Total for total base of companies N=9,993

Sample for 4 to 5 years

Statistics		Managerial in 4-5 years	Technical in 4-5 years	Operators/ assembly in 4-5 years	Clerical in 4-5 years	Service in 4-5 years	Information Technology in 4-5 years	Profession al in 4-5 years	Other in 4- 5 years
N	Valid	65	62	49	60	46	52	53	16
	Missing	58	61	74	63	77	71	70	107
Mean		2.78	7.82	33.67	8.27	28.04	4.77	6.11	17.81
Sum		181	485	1650	496	1290	248	324	285
estimate for all companies		476	1276	4342	1305	3395	653	853	750

Total for sample companies: N= 4,959

Total for total base of companies N=13,050

Employer Survey

Estimated total new hires for all companies in 4-5 years

Managerial	Technical	Operators/ Assembly	Clerical	Service	Information Technology	Professional	Other
476	1276	4342	1305	3395	653	853	750

Total for sample companies: N=4,959

Total for total base of companies N=13,050

NDSU**NORTH DAKOTA STATE UNIVERSITY***Department of Agribusiness and Applied Economics**P.O. Box 5636**Fargo, ND 58105-5636*

701 231 7400

Fax 701 231 7400

econ@nysu.ndsu.edu

January 29, 2001

Mr. John Kramer, President
Fargo-Cass Co. Economic Development Corporation
51 Broadway, Suite 400
Fargo, ND 58102

Dear John:

Attached are the two analyses we discussed, one dealing with worker training and the other reflecting the past and potential growth in manufacturing and exported services in Cass County.

The training analysis is based on the assumption that workers who participate in training might increase their annual earnings by \$10,000.

The analysis of growth in manufacturing and exported services is based on my estimates of growth in these sectors from 1991 to 1999. The projection for future growth (4-5 yrs.) is based on the **1999 F-M Employer Survey**. I calculated the growth in the primary sectors necessary to generate total employment growth of 13,050 jobs (as per the survey). I feel that this level of growth could be realistic in the Fargo area.

Let me know if you have any questions or would like other analyses.

Sincerely,



F. Larry Leistritz
Professor

Economic Impacts of Worker Training/Skills Enhancement¹

Impacts	Per 100 Workers	Per 6,437 workers ²
	----- \$000 -----	
Direct Effect (enhanced worker earnings)	\$1,000	\$64,370
Total Economic Impact:		
Personal income	1,552	99,902
Retail sales	745	47,956
Total Gross Receipts (gross business volume)	3,078	198,131
Secondary Employment (jobs)	25	1,609
State Tax Revenue:		
Sales & use tax	34.5	2,221
Personal income	20.2	1,300

¹ Assumes that workers who participate in retraining/skill upgrading increase their annual earnings by \$10,000 (equivalent to about \$5/hr.).

² Based on *F-M Area Labor Market Study* (2000).

Growth in Manufacturing and Exported Services¹, Cass Co., 1991-99 and future

Impacts	1991 - 99	Future (4 -5 yrs.) ²
	----- \$000 -----	----- \$000 -----
Direct Effect:		
Sales for final demand		
Manufacturing	\$107,800	82,575
Exported services	146,800	
		112,449
Direct jobs	5,755	4,408
Total Economic Impact:		
Personal income	189,829	145,409
Retail sales	132,325	101,361
Total Gross Receipts (gross business volume)	878,119	672,641
Secondary Employment (jobs)	11,270	8,634
State Tax Revenue:		
Sales & use tax	6,127	4,693
Personal income	<u>2,468</u>	<u>1,890</u>
subtotal	8,595	6,583

¹ Exported services are those service sector firms serving markets outside North Dakota (a.k.a. "national services").

² Based on *F-M Market Area Employer Survey* (1999).

Population and Labor Pool Shifts
in Cass, Traill, Barnes, and Richland Counties
of North Dakota
and
Clay County, Minnesota:
1990 to Present

December 1999

North Dakota State Data Center
North Dakota State University
IACC 424 - P.O. Box 5636
Fargo, North Dakota
58105-5636

Executive Summary

Purpose of the Study:

1. To examine population shifts that have occurred in the five core counties since 1990.
2. To assess corresponding shifts in the labor pool.
3. To document the overall pattern of migration since 1990.
4. To detail the most recent migrant streams for each core county.

Data Used in the Study:

The data were derived from several sources including population estimates from the Federal State Cooperative for Population Estimates (FSCPE), population projections from the North Dakota State Data Center, and county-to-county migration flow data from the Internal Revenue Service (IRS).

Key Findings:

Population Change 1990-1998

- * The population of Cass County increased nearly 14 percent while Richland County grew by less than 1 percent. The remaining 3 counties declined during the period.
- * Annual population change among the five counties has been mixed.

Labor Force Change 1990-1998

- * The labor pool in each of the 5 counties grew with Cass County expanding the most at 14.7 percent and Barnes County the least at 0.4 percent.

Migration Patterns 1990-1998

- * Net out-migration occurred in 3 of the 5 counties.
- * Persons less than 65 years of age comprise the largest migrant pool in each of the 4 counties; Traill County is the exception to this pattern.
- * A significant and increasing proportion of the in-migrant stream is from foreign countries. Foreign migrants represented 44 percent of the net in-migrants to Cass County.

County-to-County Migration Flows 1996-1997

- * Roughly 1/3 of the in-migrants to the core counties came from metropolitan areas while more than half came from non-metropolitan counties within commuting distance.
- * The greatest loss of migrants from the 5 core counties is to different states.

Estimated Future Labor Pool

- * Given the current source of new labor to the 5 core counties, there will be a significant labor shortage in the near future.

Cass County

Cass County's analysis is based on 48,118 tax returns. This closely approximates the 45,131 households estimated in Cass County during that period. The higher proportion of tax returns reflects the large portion of young adults in the area.

Key Findings

- 16.1 percent of Cass County households moved across county lines of which 53.2 percent (4,113) moved into Cass County and 46.8 percent (3,620) moved away from Cass County. The net change is an increase of 493 households.

In-Movers to Cass County

- 61 percent of in-movers were from a different state (48 percent if Clay County is excluded)
- 36 percent of in-movers were from other counties in North Dakota
- 3 percent of in-movers were from a foreign country

Movers from another North Dakota county:

- 36 percent were from metro counties (including Ward)
 - 23 percent were from contiguous or tier one counties (first commuting ring)
 - 22 percent were from second tier counties (second commuting ring)
- 81 percent of all movers from North Dakota

Movers from Out-of-State:

- 50 percent were from Minnesota (note: 21 percent from Clay County and an additional 19 percent from other tier one counties)
- 3 percent were from South Dakota
- Midwestern states account for 76 percent (including Minnesota)
- Western states account for 10 percent
- Southern states account for 7 percent
- All other states account for 7 percent

Out-Movers from Cass County

- 78 percent of out-movers moved to a different state
- 21 percent of out-movers moved to another North Dakota county
- 1 percent of out-movers moved to a foreign country

Movers to another North Dakota county:

- 44 percent moved to a metro county
 - 25 percent moved to a tier one county
 - 13 percent moved to a tier two county
- 82 percent of all movers to another North Dakota county

Movers to Other States:

- 44 percent moved to Minnesota (16 percent to Clay County) and an additional 24 percent moved to another Midwestern state
- 18 percent moved to a Western state
- 7 percent moved to a Southern state
- 7 percent to all other states

Estimate of Labor Pool Migration

- The proportion of migration from North Dakota counties captured by Cass County in 1996-1997 (based on IRS returns):

- 1) From North Dakota metro counties: 7 percent or approximately 533 households
 - 2) From North Dakota tier one counties: 23 percent or approximately 342 households
 - 3) From North Dakota tier two counties: 15 percent or approximately 324 households
- Total 45 percent Total 1,199 households

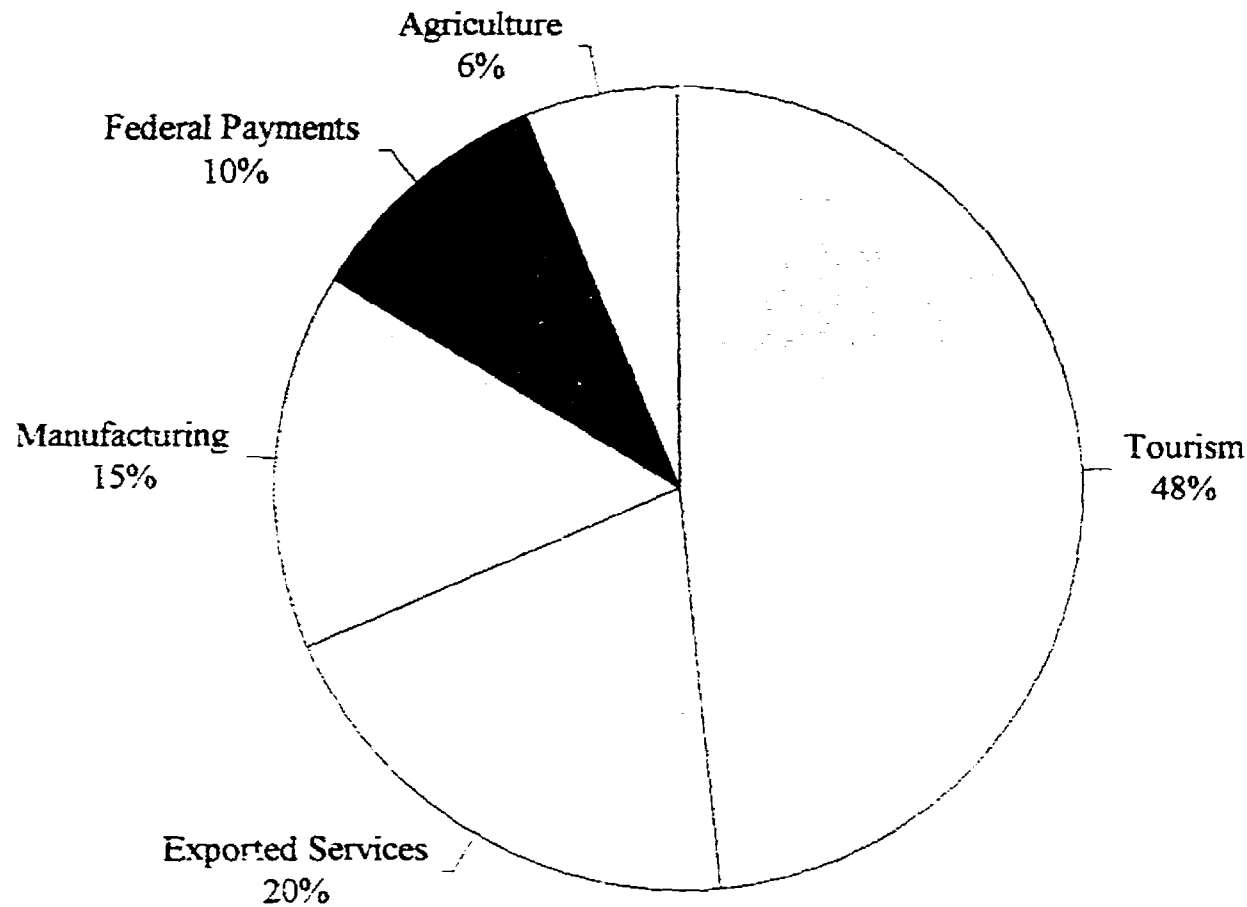
- In order to maintain an annual growth rate of 1.5 percent, Cass County's labor pool will need to increase annually by 1,138 to 1,263 workers between 1999 and 2005 and 1,282 to 1,466 workers between 2006 and 2015.
- Future labor pool in North Dakota counties that constitute the draw area for Cass County will decline by: [Source: population projections from North Dakota State Data Center]

		<u>1997-2005</u>	<u>1997-2015</u>
1) Metro counties:	Age 20-34	-13 percent	-37 percent
	Age 35-49	- 5 percent	-17 percent
2) Tier one counties:	Age 20-34	- 6 percent	-57 percent
	Age 35-49	-13 percent	-25 percent
3) Tier two counties:	Age 20-34	7 percent	-10 percent
	Age 35-49	-13 percent	-25 percent

Changes in the Economic Base (Sales for Final Demand), Cass County, 1991-1999

Sector	1999	1991	Change, 1991-1999	
	---\$million (1999\$)---		\$	%
Agriculture	266.0	219.6	46.4	21.1
Federal Payments	470.3	396.7	73.6	18.6
Manufacturing	247.3	139.5	107.8	77.3
Tourism	419.3	72.3	347.0	479.9
Exported Services	146.8	0	146.8	00
Total	1,549.7	828.1	721.6	87.1

Growth in Sales for Final Demand, Cass County, 1991-1999



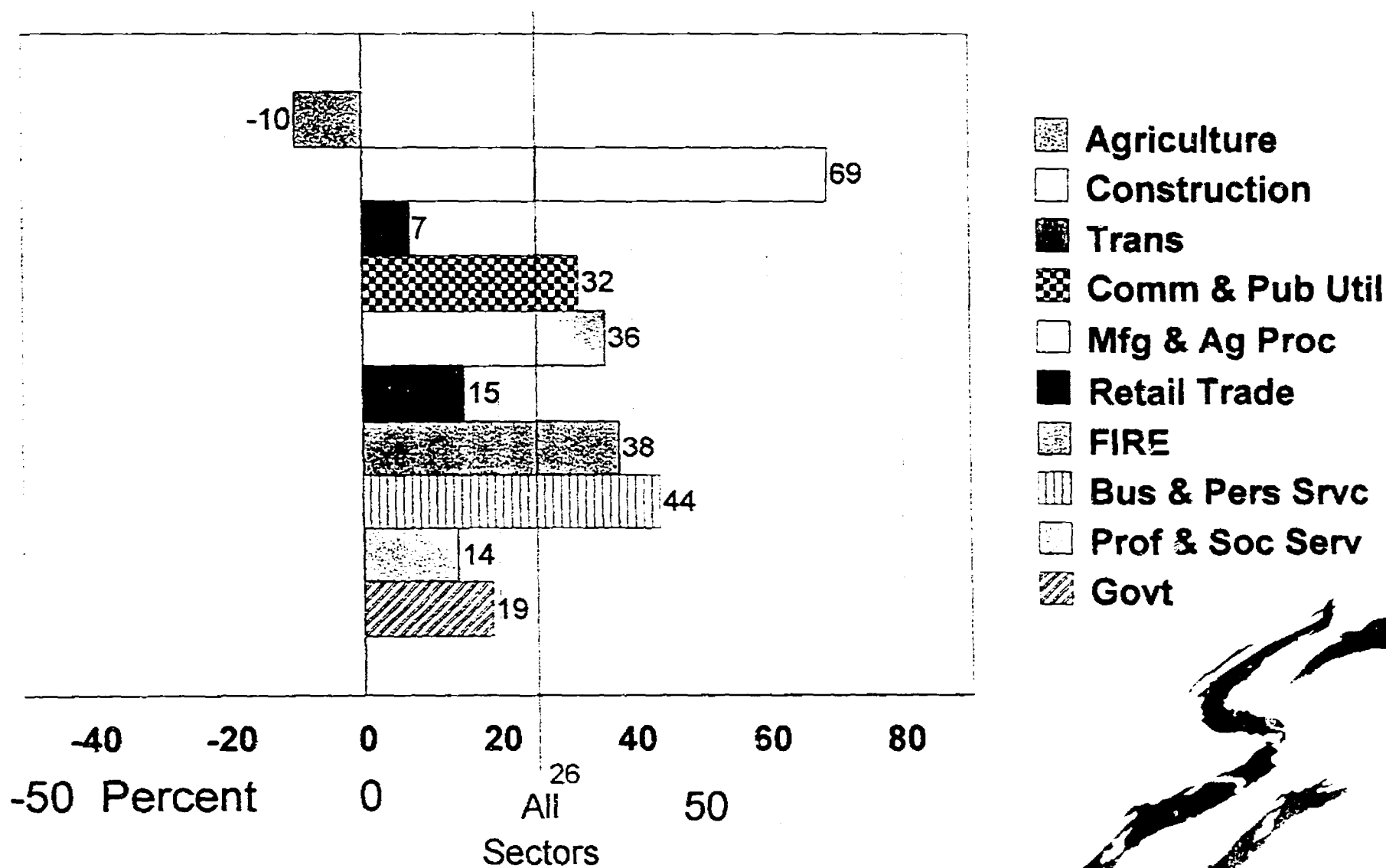
Growth in sales for final demand = \$722 million



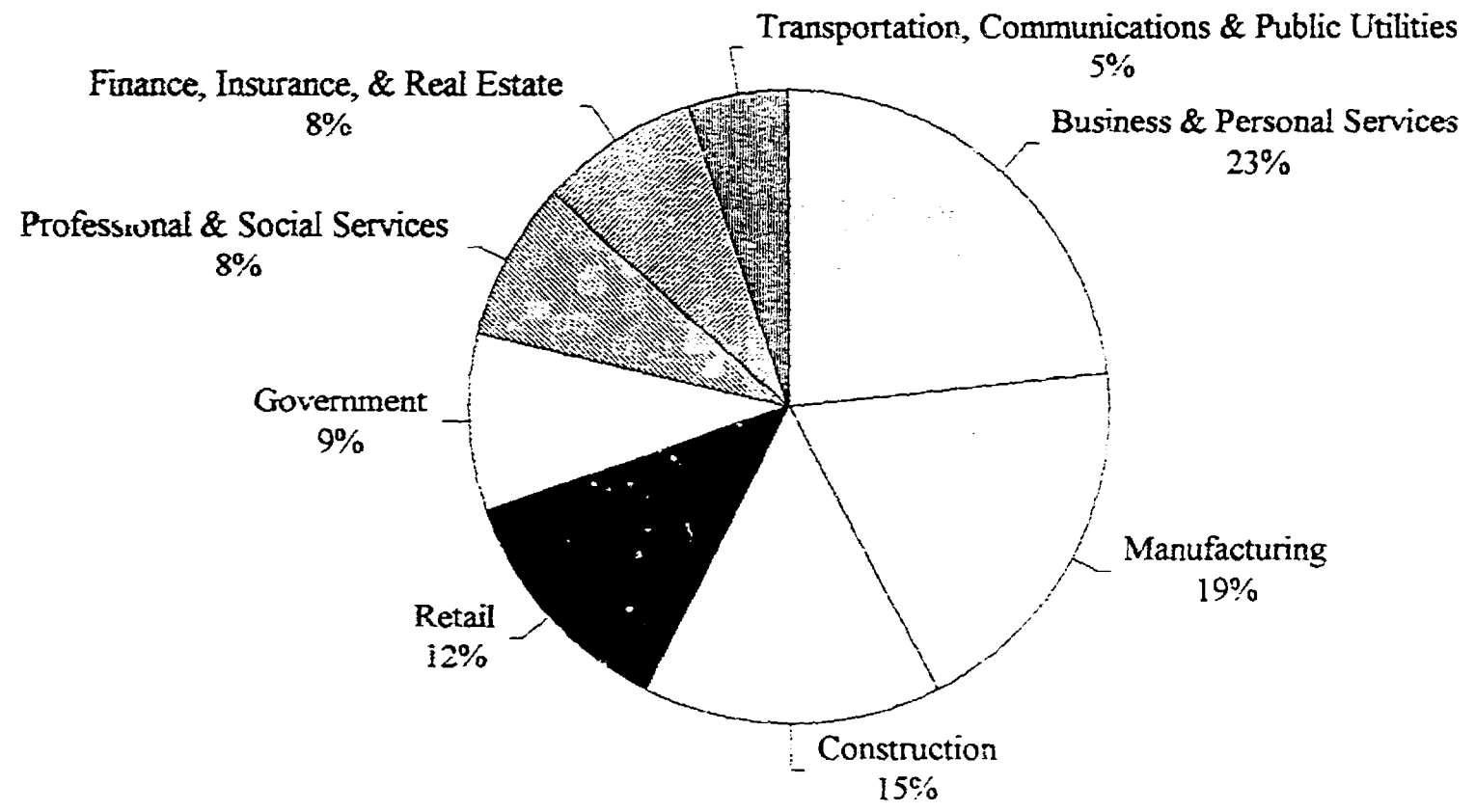
Employment Changes by Sector, Cass County, 1990 and 1999

Sector	Employment		Change 1990-99	Percent Change, 1990-99
	1990	1999	No.	%
	-----no of jobs-----			
Agriculture	1,741	1,571	-170	-10
Construction	4,208	7,122	2,914	69
Transportation	2,888	3,088	200	7
Comm & Pub Util	2,448	3,219	771	32
Manufacturing	9,924	13,444	3,520	36
Retail Trade	15,489	17,794	2,305	15
FIRE	4,260	5,857	1,597	38
Bus. & Per. Serv.	9,623	13,878	4,255	44
Prof & Soc. Serv.	11,319	12,878	1,559	14
Government	9,302	11,027	1,725	19
Total	71,202	89,878	18,676	26

Changes in Cass County Employment by Sector, 1990 to 1999



Employment Growth, Cass County, 1990-99, by sector



Future Scenarios for F-CC Economy, 2005

- └ Status Quo (no change in economic base):
 - Employment declines 2%
- └ Status Quo with ag. recession (10% reduction):
 - Employment declines 4%
- └ Status Quo with moderate decreases in ag., mfg.,
exported services, and tourism (1997-99 avg.
value):
 - Employment declines 17%



SB-2271 TESTIMONY
Senate Industry Business and Labor Committee
Presented by Eddie Dunn, Vice Chancellor,
January 31, 2001

For the record, I am Eddie Dunn, Vice Chancellor for Strategic Planning for the University System. I am also the Executive Director of the College Technical Education Council which involves the community colleges and the State Board for Vocational Technical Education. A primary area of responsibility assigned to the Council by the Board of Higher Education is the successful implementation of the workforce training system which was enacted by the 1999 Legislature.

I am here today on behalf of the presidents who were assigned primary responsibility for workforce training by the 1999 Legislature, and also on behalf of the State Board of Higher Education.

Before proceeding, I want to emphasize that the University System is in total agreement with the central issue being addressed in SB-2271. That issue is the need to increase focus on workforce training as a means of addressing the labor shortage in North Dakota, particularly in the areas of high demand and those areas which have the greatest potential for enhancing the economy of North Dakota.

At the State Board of Higher Education meeting last week, the Chancellor's Cabinet and the Board reviewed legislation introduced to date affecting higher education, including SB-2271. It was concluded SB-2271, as written, would duplicate the structure and function (and thereby jeopardize) the current workforce training system designed by a statewide Task Force and enacted by the 1999 Legislature.

The current workforce training system is the result of the plan prepared in 1998 by the statewide Task Force on Workforce Development and Training. This effort was coordinated by the Greater North Dakota Association, and involved 31 representatives from the private sector, the executive and legislative branches, and the University System. A list of the members of the Task Force is included as Attachment-A in the Year-End Report attached to my testimony. The vehicle for implementation was HB-1443 in conjunction with policy action by the State Board of Higher Education.

Phase-I of the new workforce training system has been implemented and a year-end report, which documents progress toward the specific accountability measures called for in the legislation, is attached to my testimony. Progress relative to the accountability measures is presented in the bordered paragraph on page one of the report. The Year-End Report shows that all four regions met the legislative requirements as well as the financial goals established by the Task Force and by the Legislature.

Phase II of the workforce training system will be implemented in FY-02 contingent upon the necessary funding being provided in SB-2020. (SB-2020 is the appropriations bill for the State Board for Vocational Technical Education). Governor Hoenes is supporting the implementation of Phase-II, including the additional funding request of \$475,000.

In closing, I want to refer to a letter prepared by Mr. Paul Brewinski of Grand Forks. He is the chair of the Northeast Region Workforce Training Board. Mr. Brewinski expresses the central concern I am sure you will hear from other board members in other regions. In the interest of time, I will read only two paragraphs in the letter.

That concludes my comments. I would be pleased to respond to questions that the Committee might have. There are others here today, as well, who are directly involved in carrying out the workforce training responsibilities and would also be able to respond to your questions.

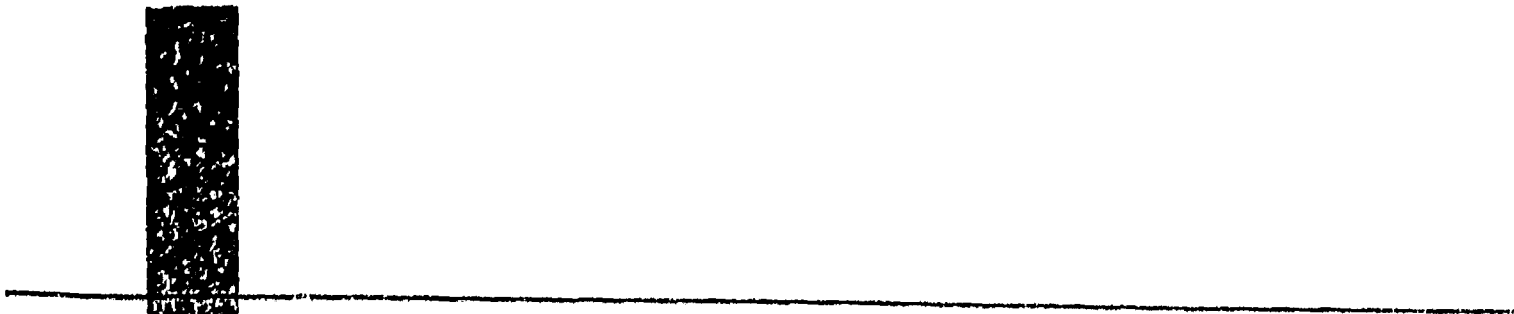
FACT SHEET

Senate Bill 2271 (Training the Underemployed)

Explanation: North Dakota will soon be running out of people to fill the jobs that are being created. A group that in the past has been overlooked, but cannot be overlooked any longer, are the chronically underemployed. Who are they? They are intelligent people who lack the basic skills necessary to get the quality jobs. They are intelligent, they just don't have the skill level.

- This bill will generate income for the state of North Dakota. Studies show that if we can take people making less than \$7.50 an hour and put them into jobs making \$12.50 to \$15.50 an hour, in one county alone it would generate \$3.5 million a year in additional sales tax and personal income taxes.
- Raising the unemployment insurance would provide the necessary revenue to finally train the underemployed that have been neglected, because now we need them.
- It provides Job Service, who has managed the Workforce 2000 and New Jobs Training programs in the past, the ability to work with business in projecting what training needs to be done which is based upon what the primary sector businesses require for training. This has never been done before.
- This would be controlled by business and responsive to business. If business is going to pay for it, they want the usage of it.
- This is a good investment because if the primary sector has the necessary labor force, they will continue to grow in all of the other sectors such as tourism, retail, etc. These areas will grow only when primary sector grows.
- If we don't do this, primary sector employment will decline and companies will move out of state to find the people they need; hence North Dakota sales taxes and personal income taxes, which have grown, will be in decline. Studies verify that.
- In just one area of our state alone, business projects an additional 13,000 jobs while similar studies show we will not have the labor needed to fill those jobs.
- This bill is focused on primary sector needs. It would force Job Service and the private sector to, in the future, look at what their true job needs are and then train the underemployed for their exact job needs.

Summary: This bill would assist business with basic training for thousands of people across our state that are very educated but don't have the basic skills necessary to fill the jobs that primary sector businesses are providing.



**Fargo-Moorhead Metropolitan Area
Labor Market Study**

Spring 2000

North Dakota State Data Center
Department of Agricultural Economics
North Dakota State University
Fargo, North Dakota

EXECUTIVE SUMMARY

Introduction

A random survey of residents aged 18 and older was conducted in February 2000, of a 16 county market area. The area was divided into two regions. Region 1 represents the metropolitan statistical area - Cass and Clay counties while Region 2 encompasses the 11 contiguous counties and includes Sargent, Grand Forks, and Polk counties. Respondents were asked to provide information regarding the labor force activity of everyone in their household between the ages of 18 and 65. A total of 1,142 households were surveyed (392 in Region 1 and 750 in Region 2). Information was collected on 2,236 persons (762 in Region 1 and 1,474 in Region 2).

WORK FORCE IN CASS AND CLAY COUNTIES (persons aged 18 and older, not retired)

Work Status: (Work Force in Cass And Clay Counties)

- In the Cass/Clay region, more than 98 percent of persons are currently employed.
- Of persons employed in a permanent job, 87.2 percent work full-time.
- Nearly 19 percent of employed persons work shifts.
- The predominate occupation among employed persons is technical, sales, and administrative support positions (35.2 percent), followed by managerial and professional specialty positions (25.2 percent).
- More than 65 percent of employed persons commute five miles or less to their jobs and an additional 21.0 percent commute between 6 and 10 miles (one-way).

Looking for Work: (Work Force in Cass And Clay Counties)

- More than 14 percent of household members in Cass and Clay counties are actively looking for new or additional jobs. Applied to estimates of the actual labor force, this translates to 15,777 people.
- More than 63 percent of household members looking for new or additional employment in Cass and Clay counties are very likely to apply for a job opening in the Cass/Clay area. When applied to estimates of the actual labor force, this equates to roughly 9,971 potential job seekers.
- Of persons interested in looking for new or additional employment, 83.2 percent in the metropolitan area are very willing to be trained for a new position.
- More than 42 percent of persons interested in new or additional employment in Cass and Clay counties would be willing to work in manufacturing, 69.5 percent would be willing to work in information technology, and 56.8 percent would be willing to work in a medical field/environment.

Under-employment: (Work Force in Cass And Clay Counties)

- More than 13 percent of persons in Region 1 are not working for pay.
- Of persons not currently working, 41.8 percent worked within the past year.
- More than 11 percent of persons employed are working part-time.
- Of persons employed part-time, 45.3 percent work 10 to 20 hours per week and an additional 36.0 percent work 20 to 30 hours per week.
- Nearly 9 percent of employed persons are temporary workers.
- More than 24 percent of employed persons are making less than \$10.00 per hour.
- In Cass and Clay counties, 35 percent of employed persons reported being trained for an occupation other than what they currently hold. Of these people, 41.5 percent have technical, sales, and administrative support training, while an additional 22.3 percent have managerial and professional specialty training.

Incentives: (Work Force in Cass And Clay Counties)

- Seventy-four percent of respondents (those who responded to the telephone survey) indicated that the job benefit that would most affect their decision to accept a new position was health insurance. The next three most important benefits were a retirement plan (52 percent), flexible work hours (37 percent), and paid vacation /holidays (37 percent).
- When considering a new position, nearly 86 percent of respondents (those who responded to the telephone survey) said pay was the most influential factor followed by benefits (59.9 percent), relationship with employer and co-workers (30.9 percent), and advancement/mobility within the company (28.6 percent).
- Of persons interested in new or additional work, more than one-quarter would accept an hourly wage of \$7.50 or less, and 44.1 percent would accept an hourly wage of \$10.00 or less.

(a) Occupation or specific skill for which training was received (Employed persons 18 and older and not retired who are trained for an occupation other than that in which they are currently employed who are very likely to apply for a new or additional job in the Cass/Clay area)

Occupation/specific skill training	Total	Region 1	Region 2
Managerial and Professional Specialty	61.1	69.6	54.8
Technical, Sales, and Administrative Support	0.0	0.0	0.0
Service	7.4	4.3	9.7
Farming, Forestry, and Fishing	1.9	4.3	0.0
Precision Production, Craft, and Repair	11.1	4.3	16.1
Operators, Fabricators, and Laborers	14.8	8.7	19.4
Military	3.7	8.7	0.0
Student	0.0	0.0	0.0
Other	0.0	0.0	0.0
TOTAL	100.0	100.0	100.0

I. Demographics

(1) Age (Persons 18 and older and not retired who are very likely to apply for a new or additional job in the Cass/Clay area)

Age	Total	Region 1	Region 2
18 to 20	5.1	10.0	2.0
20-29	32.9	33.3	32.7
30-39	12.7	21.7	7.1
40-49	25.3	26.7	24.5
50-59	19.6	6.7	27.6
60-65	4.4	1.6	6.1
66 or Older	0.0	0.0	0.0
TOTAL	100.0	100.0	100.0