

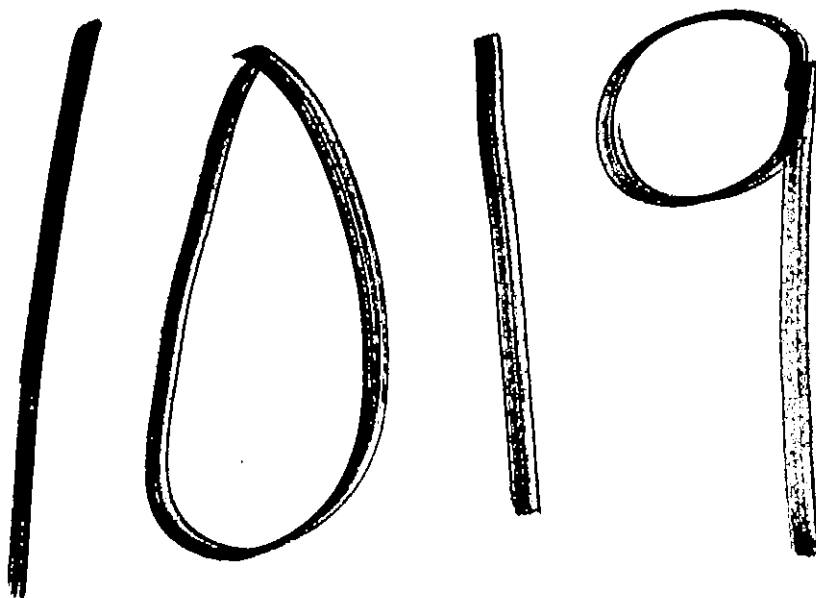
MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION



2007 HOUSE APPROPRIATIONS

HB 1019

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1019**

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 757

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald called the meeting on HB 1019 to order.

Mr. Wayne Kutzer, representing career and technical education provided testimony on HB 1019 (handout #1). (Handout #1a) Budget request increases include: 1). \$300,000 to maintain funding of current programs. 2). \$250,000 for the Career Resource Network. 3). \$250,000 for National and Industry based skill assessments. 4). 2.65 million for workforce training regions a total budget of \$4 million.

Chairman Wald: If you are in your bill book, it's on page 226.

Kutzer The blue sheet (handout #1b) is the budget sheet.

Representative Klein 2 FTEs would be new FTEs?

Kutzer: FTEs are actually there, but now this would put state funding to them.

Representative Guleson Could we get copies of Career Outlook?

Kutzer: Absolutely, I have copies here.

Representative Klein: What documentation manages completion of training? I.e. certification.

Kutzer: We have a completion certificate that shows that they have completed 720 hrs of technology, for example.

Rep. Klein: Cont. It's not an industry standard they are certified as a welder and so forth.

Kutzer: No, it is not an industry based certification.

Representative Klein: Would this, if I may continue, \$250,000 would that do that?

Kutzer: Yes, it would.

Kutzer: The buff colored sheet (handout 1.e) shows the virtual centers NDCRN.

Green sheet (handout 1d) is the excerpt from the full report of the Education Improvement Commission and the Appropriation for area career and technology centers.

Vice Chairman Monson: There is a discrepancy in the green sheet \$1.2 million and in your request on the blue sheet you have a request for \$2.5 million and the governor in his budget put in \$2 million. How do these tie in?

Kutzer: That is not designed specifically for area centers but for regional centers. The other 500,000 that is not included in this was asking our agency to redirect \$500,000 current funds to make up the \$2.5 million. So there would be \$1.2 million that would be for area career technology centers, \$800,000 for regional activities and another \$500,000 that

Vice Chairman Monson: The \$500,000 that you requested that is not in the governor's budget, is something that you are requesting to go into your budget that you can turn around and pass through who ever....

Kutzer: Right, the \$800,000 and the \$500,000 would be going to regional delivery systems. How we can better deliver Career Tech Ed and the other part of our request is the \$1.3 million to provide increase incentive funding for schools to share partner in the development of regional delivery methods in Career Tech Ed. Additional items from the sheet. Adult Farm Management.

Chairman Wald: Did we give you an increase last biennium of \$1 million?

Kutzer: Mr. Chairman it was \$100,000.

Chairman Wald Is there any overlapping with the Farm Extension Services?

Kutzer With Farm Management they can get those same services.

Representative Klein: Funding sources? In adult Farm Management, what are special funds and why are they changing?

Kutzer They are directly related to the Farm Management Program. The next item is Work Force Training.

Vice Chairman Monson On that work force Training, you're looking at the same appropriation. Are there any other budgets that have Work Force Training dollars that were expanded?

Kutzer No, not for the Work Force Training system.

Chairman Wald: How do you interact or coordinate with WFT dollars and Job Service? If memory serves me right, there was about \$21 million in that budget last biennium. How do you coordinate your activities with Job Service?

Kutzer The money that comes out of Job Service are dollars that go to business that train employees. WFT system is designed to work with business to help pay for training. They are two separate activities.

Chairman Wald: What percentage goes to high schools and what percentage goes to colleges in your total budget? What would the split be about?

Kutzer State dollars go to High schools, in federal dollars 35% goes to post secondary. 65% goes to secondary.

Chairman Wald: On page 3 you allude to federal dollars going to Title I, could you explain?

Kutzer Title is based on students who are receiving free and reduced hot lunch. That is where the federal dollars come from.

Representative Gulleson Do you have an expanded plan for WFT for the additional \$2.6 million. In all of our meetings WFT was the number 1 thing in all of our meetings with the Bobcat plant and those types of things in my district. There are tremendous industry needs.

Chairman Wald Other testimony on HB 1019?

Dale Knutson (See attached handout 1, f – HB1019)

Chairman Wald: Killdeer and Hettinger get over \$1million from the University system. How do you interact with those systems?

Knutson We provide training that is paid by the employers.

Chairman Wald: Is this is the formative stage?

Knutson Working with the centers of excellence, I would say yes. (See attached handout 1,g – HB1019).

Woody Barth representing NDFU provided testimony on behalf of WFT.

Nancy Sand Representing NDEA testified in support of HB 1019.

Chairman Wald: How is the program going in Williston?

Hearing closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 17, 2007

Recorder Job Number: 1298

Committee Clerk Signature

Shirley Branning

Minutes: **Chairman Wald** opened the discussion on HB 1019, State Board of Career and Tech. Ed.

Vice Chairman Monson introduced Lt. Governor Dalrymple to provide testimony on the proposed amendment to HB 1019.

Chairman Wald: Basically a K-12 funding bill.

Lt. Governor Dalrymple (See attached handout 1a-Proposed amendment to HB 1019). I am sorry I missed the meeting on 1019. There is a grant showing in your bill for \$2 million. That is the direct result of the Commission on Education Improvement. It is an enhancement to this budget, which has been static for a number of years. SB2200 has the same line item. At some point in time you will have to decide if you want that \$2 million here in your budget or whether it should stay in the education bill. I have no preference. If you want to keep it in the budget bill, you need additional language that authorizes the use of the money and controls it. We should resolve that we would provide \$1.2 million for two new career and technology centers probably to be located in the west. The \$800,000 is to go to incentives for the C and T program. Part 3 is that we take \$500,000 from matching or cost share funds and we direct those to cooperative programs. The grants would go out on competitive bases

Vice Chairman Monson Is it the same \$2 million that is in the Senate Bill

Lt. Governor Dalrymple It is the same \$2 million

Vice Chairman Monson Than we don't have to change anything, no new language for at least two new cooperative programs for the northwestern part of the state. Dickinson, Minot, Williston would be candidates

Lt. Governor Dalrymple It could be divided up three ways.

Vice Chairman Monson This would be to start programs, for equipment, not for buildings.

Lt. Governor Dalrymple As a matching grant it would require at least a 25% local match. The majority of the cost would go into instructors and equipment but every case is different. The conditions of criteria on a competitive application process, giving consideration to number of students involved, giving preference to JTAs, and a %25 local match.

Vice Chairman Monson I don't see anything that it would be based on the total number of students served.

Lt. Governor Dalrymple Since you are handling your entire budget and you are looking at the entire operation, if you see anything that would improve this initiative, go ahead and do that.

Representative Aarsvoid: The second item in the grants line, the second line appropriates, \$500,000. Is that part of the \$800,000 from existing funds or separate?

Lt. Governor Dalrymple Separate.

Representative Aarsvoid: Are we talking about grant dollars, channeled onto JTAs.

Lt. Governor Dalrymple Hoping to shift money to the cooperating side of the equation, to reach a more comprehensive program.

Chairman Wald: Did you say that there are \$2 million in SB 2200? This is a duplication.

Lt. Governor Dalrymple That is a \$2 million enhancement plus a little bit more.

Vice Chairman Monson Adopt the amendment but add that the number of competitive grants would be based on the number of new students served.

Chairman Wald: I think what we should do is adopt these amendments and further amend.

Set this aside until amendments have been made by Vice Chairman Monson and then we will probably take it up tomorrow sometime.

Vice Chairman Monson Roxanne, do you draft these amendments?

Woeste I didn't do this amendment, I will work with it.

Chairman Wald: I think the proper way is to have Vice Chairman Monson draft the amendment and we will probably take it up tomorrow.

Is there any other discussion? If not, we stand adjourned until 9:00am tomorrow.

Meeting closed

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: January 24, 2007

Recorder Job Number: 1741

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald: Vice Chairman Monson, you are the carrier on this bill, 1019 Career and Tech Ed. Do you have any amendments to pass out?

Vice Chairman Monson: Yes (See amendment 78019.0103 to HB 1019). Going back to the Green Sheets. In Section 4 in the grants we added two career centers not saying where they will be, possibly Dickinson, Minot, Williston, and Bismarck are ready to go, they may share among them.

Chairman Wald: Is that the discussion the Lieutenant Governor had with us?

Vice Chairman Monson: Yes, so the \$1.2 million is reference to SB 2200 and it is appropriated in 2200. It is also in this budget but it makes sense to have the money and the words in here so we are going to take the money out of 2200 when we get it. The \$1.2 million in section 4 is to build two new area tech centers. In SB2200, \$800,000 of the grant's line item # 3 must be used to cost share incentives for career and technology centers and the board reallocated \$500,000 of the grant's line item available for cost share programs to support additional cost share incentives for area career and technical centers. We are adding \$800,000 to the grant's line item.

Representative Klein: Net effect, we found \$1.2 million.

Vice Chairman Monson: Yes, we are going to take \$2 million out of the other bill and give him back \$800,000 to develop the area tech centers. I would move this amendment.

Chairman Wald: Vice Chairman Monson is moving this amendment 0103 and seconded by Representative Hawken. Is there further discussion? If not, Clerk will call the vote on amendment 0103 to HB 1019. We can take a voice vote. All voted yes. Motion carried.

Chairman will entertain a motion to pass.

Representative Aarsvold: Motion to pass

Representative Hawken: Second

Chairman Wald: Motion to pass as amended.

Vote: 7 yes, 0 no, 0 absent

Carrier: Vice Chairman Monson

Hearing closed

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

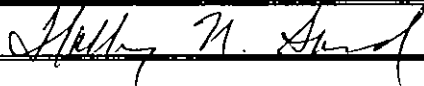
House Appropriations Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2096

Committee Clerk Signature



Minutes:

Chm. Svedjan opened the hearing on HB 1019.

Rep. Monson reviewed amendment .0103 (Attachment A). Our section added \$800,000 to the grants line item to make the budget whole again. There were about \$300,000 lost federal funds which would cut services if it was not added to this line item. SB 2200 includes language and an appropriation for \$2 million. This bill (HB 1019) plus SB 2200 is a duplication. We are planning to take out \$2 million from SB 2200. By adding back \$800,000 we are not adding anything other than \$500,000 to run new centers and the net savings when we get SB 2200 and take the \$2 million out would be \$1.2 million.

Rep. Monson motioned to adopt amendment .0103. **Rep. Wald** seconded the motion.

Chm. Svedjan: Is the Senate aware there's a duplication here?

Rep. Monson: I testified on SB 2200 and they are aware there is \$2 million in that budget. I don't know if they've taken it out. I know that Lt. Gov. testified in our section and pointed out that there is \$2 million and I have checked on that and there is a duplication.

Chm. Svedjan: So there was \$1.2 million in here, but you're adding \$800,000 to bring it up to \$2 million and you will remove the \$2 million from SB 2200.

Rep. Monson: And because there was \$2 million in here, we will still have a net savings of \$1.2 million on this budget. We are adding to this one \$800,000.

Chm. Svedjan: The \$800,000 is \$300,000 in lost federal money and \$500,000 to run the two centers.

Rep. Kempenich: Why didn't the Governor put that \$300,000 in?

Rep. Monson: I'm not sure. Maybe he felt \$2 million was adequate. He may not have realized the duplication.

Rep. Kempenich: Why are the federal funds being pulled?

Rep. Monson: There has been a program running for about 25 years and that funding is running out. It does affect the reimbursements to the K-12s.

Rep. Skarphol: The \$1.2 million to build the two centers, is it not appropriate that that not be added to the baseline? Or should there be language to address that? Building two centers for a total of \$1.2 million would seem to be something that would not necessarily have to be done in the next legislative session and should not add to the baseline.

Rep. Monson: That is something we should add to it or make clear the intent that this is a one-time payment to get the centers built.

Rep. Skarphol: I would like to see that language added.

The motion to adopt amendment .0103 carried by a voice vote and the amendment was adopted.

Chm. Svedjan: I do have some draft language that was used on another bill (HB 1011). We could use that language as a guide.

Rep. Wald: If you're going to set up centers in an area of the state where they have not had this kind of training I don't think it makes a lot of sense to curb it after one biennium.

Chm. Svedjan: I think what Rep. Skarphol is saying is that we should distinguish in the \$2 million what is one-time and what is not and the one-time be separated from the base so it's not built into the base for budget requests two years from now.

Rep. Skarphol: That's correct. And if we don't have a definition of what the one-time costs are, what I was saying was that if we include the \$1.2 million, I'm certain that the folks that are going to be using this money will let us know what the appropriate number is.

Wayne Kutzer, State Director, Department of Career and Technical Education: Re: one-time money, there is no one-time money. There are no bricks and mortar in the \$1.2 million. That is all to reimburse schools at a level of 75 percent for a brand new center of the cost of instruction and cost of setting up that center. The bricks and mortar are the responsibility of the local school (Ref: 13:22)

Chm. Svedjan: So it's all a continuing cost.

Rep. Monson: How long will you be reimbursing at the 75 percent? Is that an ongoing 75 percent rate?

Mr. Kutzer: After two years it will start dropping down and after a period of three or four years it will drop down to the same level as all other centers in the state.

Rep. Monson: So the \$1.2 million would not be needed beyond this biennium?

Mr. Kutzer: At 75 percent, this \$1.2 million will be spent in the last half of the biennium. The first half of the biennium will go toward planning purposes.

Rep. Skarphol: I'm not entirely convinced, when you say there are set-up costs, that there aren't set-up costs. Set-up costs to me mean that you set something up and after that you

have ongoing expenditures. If there's not a cost associated with setting up then I'm not sure why we have to reimburse them at twice the rate to start with.

Mr. Kutzer: The intent is to encourage them to start. That's why we're reimbursing them at that higher rate. Other than bricks and mortar, of the dollars that are going into these centers, it is designed for salary and the costs to operate these centers.

Rep. Skarphol: I guess we'll let it go for now and see what happens.

Rep. Monson: Why didn't the Governor give you the \$300,000? Do you want to elaborate on that?

Mr. Kutzer: The \$300,000 is to help us maintain our reimbursement rates. It costs us about \$150,000 per year to maintain reimbursement rate at 25 percent which is our base rate for schools. This was our number one priority but it was not funded.

Rep. Rep. Klein motioned a Do Pass as Amended. Rep. Monson seconded the motion.

The motion carried by a roll call vote of 24 yeas, 0 nays and 0 absent and not voting.

Rep. Monson was designated to carry the bill.

Rep. Wald distributed "Summary of Workforce Development and Workforce Training Funds" (Attachment B).

Written testimony from **Dave Maciver, President, North Dakota Chamber of Commerce** was also provided (Attachment C).

*Handout
1.a*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 2, after line 17, insert:

"SECTION 4. GRANTS - AREA CAREER AND TECHNOLOGY CENTERS.

1. The state board for career and technical education shall use \$1,200,000 of the grants line item in section 3 of this Act, for the development, during the second year of the biennium, of at least two new area career and technology centers in areas of the state that currently are not served. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a recipient. In awarding the grants, the board shall give priority to new area career and technology centers that will be aligned with educational associations governed by joint powers agreements.
2. The board shall use \$800,000 of the grants line item in section 3 of this Act, to increase cost-share incentives for area career and technology centers. The board shall also reallocate \$500,000 of the grants line item available for cost-share programs to support additional cost-share incentives for area career and technology centers."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 22, replace "2,000,000" with "2,800,000"

Page 1, line 24, replace "2,188,825" with "2,988,825"

Page 2, line 2, replace "2,444,307" with "3,244,307"

Page 2, line 11, replace "23,500,116" with "24,300,116"

Page 2, line 15, replace "30,320,808" with "31,120,808"

Page 2, line 17, replace "19,285,093" with "20,085,093"

Page 2, after line 17, insert:

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Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Board for Career and Technical Education - House Action

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$3,576,832		\$3,576,832
Operating expenses	986,606		986,606
Grants	23,500,116	\$800,000	24,300,116
Adult farm management	549,802		549,802
Workforce training	1,350,000		1,350,000
Postsecondary education vocational grant	357,452		357,452
Total all funds	\$30,320,808	\$800,000	\$31,120,808
Less estimated income	<u>11,035,715</u>		<u>11,035,715</u>
General fund	\$19,285,093	\$800,000	\$20,085,093
FTE	27.50	0.00	27.50

Dept. 270 - Board for Career and Technical Education - Detail of House Changes

	INCREASES FUNDING FOR THE GRANTS LINE ITEM	TOTAL HOUSE CHANGES
Salaries and wages		
Operating expenses		
Grants	\$800,000	\$800,000
Adult farm management		
Workforce training		
Postsecondary education vocational grant		
Total all funds	\$800,000	\$800,000
Less estimated income		
General fund	\$800,000	\$800,000
FTE	0.00	0.00

This amendment also adds a section to the bill to provide that \$2 million of the funding appropriated in the grants line item is for area career and technology centers.

HB 1019

Date: January 24, 2007
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations Education and Environment Division

Committee

Check here for Conference Committee

Legislative Council Amendment Number Bill# 1019 78 019.0103

Action Taken Do pass as amended

Motion Made By Rep Aarsvold Seconded By Rep. Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleon	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Monson

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

Date: 1/29/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78019.0103

Action Taken Adopt amendment .0103

Motion Made By Monson Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kemperich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote - Carries

Date: January 29, 2007
 Roll Call Vote #: 2

**2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1019**

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78019.0103

Action Taken DP is Amended .0103

Motion Made By Klein Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 24 No 0

Absent 0

Floor Assignment Monson

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

REPORT OF STANDING COMMITTEE

HB 1019: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (24 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 22, replace "2,000,000" with "2,800,000"

Page 1, line 24, replace "2,188,825" with "2,988,825"

Page 2, line 2, replace "2,444,307" with "3,244,307"

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2. The board shall use \$800,000 of the grants line item in section 3 of this Act, to increase cost-share incentives for area career and technology centers. The board shall also reallocate \$500,000 of the grants line item available for cost-share programs to support additional cost-share incentives for area career and technology centers."

ReNUMBER accordingly

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FTE 27.50 0.00 27.50

Dept. 270 - Board for Career and Technical Education - Detail of House Changes

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Operating expenses		
Grants	\$800,000	\$800,000
Adult farm management		
Workforce training		
Postsecondary education vocational grant		
Total all funds	\$800,000	\$800,000
Less estimated income		
General fund	\$800,000	\$800,000
FTE	0.00	0.00

This amendment also adds a section to the bill to provide that \$2 million of the funding appropriated in the grants line item is for area career and technology centers.

2007 SENATE APPROPRIATIONS

HB 1019

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1019

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-21-07

Recorder Job Number: 3610

Committee Clerk Signature

Steve Gulzer

Minutes:

Chairman Holmberg opened the hearing on HB 1019 at 3:30 pm on February 21, 2007 regarding the State Board for Career and Technical Education. He stated there would be a Subcommittee appointed and they are as follows: **Senator Grindberg, Chairman, and Senators Christmann and Mathern.**

Wayne Kutzer, Director of the Department of Career and Technical Education (CTE) presented written testimony (1) and gave oral testimony in support of HB 1019. He gave an overview concerning last session's budget. Written testimony (2) (Number of Schools with CTE and Students Served) and explained this sheet. A 2007-2009 Biennium Budget, Written testimony (3) was presented to the committee. Written testimony (4) North Dakota Career Resource Network Impact on Loss of Federal funding (salmon colored sheet) was presented and explained to the committee. Written testimony (5) (Pilot Projects for CTE Centers "Virtual Centers" was presented and explained. Written testimony (6) Excerpt from the full report of the Education Improvement Commission (green sheet) was presented and explained to the committee. Questions were raised regarding the eligibility of the schools and if this is new money for this project.

Senator Bowman asked if all schools are eligible is that money that is set aside for the 2 schools or would this be additional money. He also asked if the schools that receive grant

money are predetermined. There was further explanation regarding those monies. He said it is open, and the Board makes the decision regarding the grant eligibility and there is certain criterion that must be met and that is explained on the buff colored sheet of testimony # 5.

Senator Seymour asked where the virtual centers are located. He was informed the two farthest west is Devils Lake and Jamestown.

Dale Knutson, Director of North Dakota Workforce Training System, Southeast Region and current Chair of the Directors of the four Workforce Training Regions presented written testimony (7) and oral testimony in support of HB 1019. He made mention of SB 2249 in the 2005 Legislature Session and supported that bill.

Woody Barth, North Dakota Farmers Union presented written testimony (8) and oral testimony in support of HB 1019, specifically in support of Adult Farm Management.

Dana Bohn, Information Technology Council of North Dakota, Economic Development Association of North Dakota and the North Dakota Chamber gave oral testimony in support of HB 1019 and also SB 2249 from the 2005 Legislature. She presented written testimony (9) submitted by Dave Maclver, representing the ND Chamber of Commerce.

Senator Christmann asked what SB 2249 was.

Chairman Holmberg stated that was the one that spent two million dollars on Tech Ed Training.

Lt. Governor Jack Dalrymple, President of Senate, gave oral testimony in support of HB 1019. He stated that Representative Kelsch is also working on bills regarding education issues and this committee may want to confer with her.

Chairman Holmberg closed the hearing on HB 1019.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1019

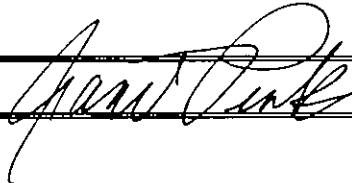
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 03-21-07

Recorder Job Number: 5423

Committee Clerk Signature



Minutes:

Senator Grindberg opened the hearing on HB 1019 dealing with the State Board of Career and Tech Ed.

Wayne Kutzer discussed the House action on HB 1019, indicating they had added \$800,000 to the budget with \$300,000 to keep up with inflation to the programs, \$500,000 is based on the ed commission work. They recommended redirecting \$500,000 to the budget.

Senator Christmann asked about the two new area centers. The response was they will be located in the western 2/3 of the state. Schools will have to apply. The language talks about the area centers coming from one of five JPAs that don't have an area center now. The language indicates the board has to pay attention to the number of students and how they align with the JPA.

Senator Grindberg asked that the executive recommendations be clarified.

Mr. Kutzer indicated the language says the money should only go to area technology centers, but that needs to go to all schools. I had submitted amendment but it didn't get in there and he showed a copy of the change indicating it is just a language change. He then discussed some schools that have programs and this provides incentives to any school.

Senator Grindberg talked about cooperative sharing.

Mr. Kutzer talked about what 1.3 does is act as an incentive for schools to share programs with neighboring schools across the state. We now have 27 course offerings but this will help develop the whole course. This can also be used to help transport students.

Senator Christmann asked what SB 2249 was. The response was that it was passed by the Senate for workforce training and money for curriculum grants to be a match. The bill went to the House and was changed which I didn't agree with. He indicated to them that our desire was to increase funding for full two years. However, to save time, I said kill the bill and we will pass over this to HB 1019.

Senator Mathern shared an amendment to deal with the marketplace for kids program and thru some misunderstanding on floor, the bill was defeated. This amended was worded more to reflect more of a school orientation. He did talk with Wayne and he clarified it would not fit with the boards priority. If we do it we need to fund it with \$250,000. I just want you to see the amendment.

Senator Grindberg indicated his 100 percent priority is to do right for the workforce training program and if this subcommittee wants to introduce this program that was defeated on the floor of the Senate then it should come from the dollars that are in the budget now. I am not an advocate for another quarter million dollars.

Senator Grindberg closed the sub committee session.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1019

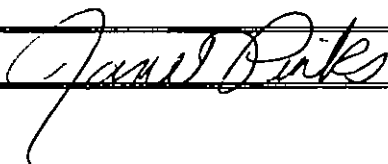
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 03-23-07

Recorder Job Number: 5537

Committee Clerk Signature



Minutes:

Vice Chairman Grindberg opened the hearing on HB 1019.

Senator Grindberg distributed amend on HB 1019 #0202 indicating it is very straight forward and it basically reflects SB 2249. There is one change that adds the amount the Senate has spoken on and back into the budget and adds the language on curriculum design grants. He indicated SB 2249 had not passed the House.

Senator Grindberg moved amend 0202, Senator Fischer seconded. There was some discussion. An oral vote was taken resulting in a pass.

Senator Mathern distributed amendment 0203 which brings this issue back to our committee. This is not adding general fund dollars, but gets it moved to the grant line item and fund it from there. There is a lot of evidence that this is helpful to kids throughout the state but particularly to kids in the rural area.

Senator Mathern moved a do pass on amendment 0203, Senator Krauter seconded. Discussion followed:

Senator Ginsberg indicated we had considerable discussion on this. With the testimony and support of the department we recognized this was not a high priority but they were in support. The interest of this committee, we felt it important to tie it into the grant line and fund the program.

Senator Bowman questioned where the two centers were located. The response was they have not been determined. Wayne Kutzer indicated they will be in the western two thirds of the state. They will be selected from those who apply.

An oral vote was taken on the amendments, resulting in a pass.

Senator Mathern moved a do pass as amended, Senator Krauter seconded, A roll call vote was taken resulting in 112 yes, 0 no and 2 absent. The motion passed. Senator Mathern will carry the bill.

Vice Chairman Grindberg closed the hearing on HB 1019.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; and to create and enact a new section to chapter 15-20.1 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program"

Page 3, after line 2, insert:

"SECTION 5. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the state board for career and technical education for the purpose of defraying the expenses of the North Dakota elementary student entrepreneurship program, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 22, replace "2,800,000" with "3,800,000"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:

"Workforce training	<u>2,650,000</u> "
---------------------	--------------------

Page 1, line 24, replace "2,988,825" with "6,638,825"

Page 2, line 2, replace "3,244,307" with "6,894,307"

Page 2, line 11, replace "24,300,116" with "25,300,116"

Page 2, line 13, replace "1,350,000" with "4,000,000"

Page 2, line 15, replace "31,120,808" with "34,770,808"

Page 2, line 17, replace "20,085,093" with "23,735,093"

Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and remove "The board"

Page 2, replace line 30 with:

"SECTION 5. CURRICULUM DESIGN GRANTS. The grants line item in section 3 of this Act includes the sum of \$1,000,000, or so much of the sum as may be necessary, for the purpose of providing a \$250,000 grant each to Bismarck state college, Lake Region state college, North Dakota state college of science, and Williston state college for curriculum design and development relating to critical workforce needs as determined in collaboration with the department of commerce, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. CURRICULUM DESIGN - USE OF FUNDS. The funding referenced in section 5 of this Act may only be allocated to a higher education institution after the higher education institution, the state board for career and technical education, and the department of commerce have agreed upon a plan for curriculum design and development relating to critical workforce needs, including a dollar-for-dollar match from higher education institutions. In-kind matches may be allowed if appropriate. In preparing plans, higher education institutions should emphasize meeting the high and emerging needs of the workforce and should make an effort to limit adverse duplication of programs. Each of the higher education institutions must use a minimum of eighty-five percent of the funding received for curriculum development and may use up to five percent for administration.

SECTION 7. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$2,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce

training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 3, remove lines 1 and 2

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Board for Career and Technical Education - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832
Operating expenses	986,606	986,606		986,606
Grants	23,500,116	24,300,116	\$1,000,000	25,300,116
Adult farm management	549,802	549,802		549,802
Workforce training	1,350,000	1,350,000	2,650,000	4,000,000
Postsecondary education vocational grant	357,452	357,452		357,452
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808
Less estimated income	11,035,715	11,035,715		11,035,715
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093
FTE	27.50	27.50	0.00	27.50

Dept. 270 - Board for Career and Technical Education - Detail of Senate Changes

	PROVIDES FUNDING FOR CURRICULUM DESIGN GRANTS ¹	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS ²	TOTAL SENATE CHANGES
Salaries and wages			
Operating expenses			
Grants	\$1,000,000		\$1,000,000
Adult farm management			
Workforce training		\$2,650,000	2,650,000
Postsecondary education vocational grant			
Total all funds	\$1,000,000	\$2,650,000	\$3,650,000
Less estimated income			
General fund	\$1,000,000	\$2,650,000	\$3,650,000
FTE	0.00	0.00	0.00

¹ This amendment provides funding for curriculum design grants of \$250,000 each to Bismarck State College, Lake Region State College, North Dakota State College of Science, and Williston State College.

² This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added regarding curriculum design grants to certain colleges.

A section is added providing guidance for the use of the curriculum design grants.

A section is added providing workforce training grants to institutions of higher education.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program; and to provide legislative intent"

Page 3, after line 2, insert:

"SECTION 5. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 6. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Renumber accordingly

amend
of 202-
0403
passed
passed

Date: 3/22
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1019.

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken _____

DP as amend 0202
0403

Motion Made By _____

Math

Seconded By _____

Krauter

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm			Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann			Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 12 No _____

Absent 2

Floor Assignment Mathern

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

REPORT OF STANDING COMMITTEE

HB 1019, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program; and to provide legislative intent"

Page 1, line 22, replace "2,800,000" with "3,800,000"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:
"Workforce training 2,650,000"

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Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and replace "The board" with:

"SECTION 5. CURRICULUM DESIGN GRANTS. The grants line item in section 3 of this Act includes the sum of \$1,000,000, or so much of the sum as may be necessary, for the purpose of providing a \$250,000 grant each to Bismarck state college, Lake Region state college, North Dakota state college of science, and Williston state college for curriculum design and development relating to critical workforce needs as determined in collaboration with the department of commerce, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. CURRICULUM DESIGN - USE OF FUNDS. The funding referenced in section 5 of this Act may only be allocated to a higher education institution after the higher education institution, the state board for career and technical education, and the department of commerce have agreed upon a plan for curriculum design and development relating to critical workforce needs, including a dollar-for-dollar match from higher education institutions. In-kind matches may be allowed if appropriate. In preparing plans, higher education institutions should emphasize meeting the high and emerging needs of the workforce and should make an effort to limit adverse duplication of programs. Each of the higher education institutions must use a minimum of eighty-five percent of the funding received for curriculum development and may use up to five percent for administration.

SECTION 7. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$2,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce

training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 9. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Page 2, remove line 30

Page 3, remove lines 1 and 2

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Board for Career and Technical Education - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832
Operating expenses	986,606	986,606		986,606
Grants	23,500,116	24,300,116	\$1,000,000	25,300,116
Adult farm management	549,802	549,802		549,802
Workforce training	1,350,000	1,350,000	2,650,000	4,000,000
Postsecondary education vocational grant	357,452	357,452		357,452
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808
Less estimated income	11,035,715	11,035,715		11,035,715
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093
FTE	27.50	27.50	0.00	27.50

Dept. 270 - Board for Career and Technical Education - Detail of Senate Changes

	PROVIDES FUNDING FOR CURRICULUM DESIGN GRANTS 1	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS 2	TOTAL SENATE CHANGES
Salaries and wages			
Operating expenses			
Grants	\$1,000,000		\$1,000,000
Adult farm management			
Workforce training		\$2,650,000	2,650,000
Postsecondary education			

vocational grant			
Total all funds	\$1,000,000	\$2,650,000	\$3,650,000
Less estimated income			
General fund	\$1,000,000	\$2,650,000	\$3,650,000
FTE	0.00	0.00	0.00

¹ This amendment provides funding for curriculum design grants of \$250,000 each to Bismarck State College, Lake Region State College, North Dakota State College of Science, and Williston State College.

² This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added regarding curriculum design grants to certain colleges.

A section is added providing guidance for the use of the curriculum design grants.

A section is added providing workforce training grants to institutions of higher education.

A section is added providing for an elementary student entrepreneurship program.

A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

2007 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1019

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

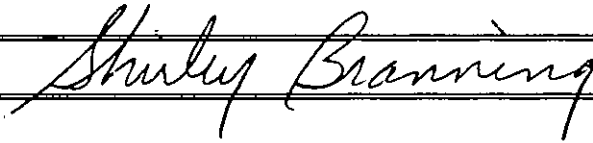
House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 11, 2007

Recorder Job Number: 5892

Committee Clerk Signature



Minutes:

Rep. Monson called the Conference Committee meeting to order on Engrossed HB 1019 by calling on **Sen. Grindberg** to explain the changes made in the Senate.

Sen. Grindberg: The action is related to 2 other bills that we passed. There are two different versions to increase financial support for the 4 two-year colleges with \$3.65m. There is funding for K-12 entrepreneur programs. Further explanation was provided regarding connections to other bills such as the Commerce bill.

Rep. Monson: You said we added \$800,000 but I believe we took \$2m out of SB 2200 because it was duplicated somewhere. What is the purpose of adding \$3.5m to the Governor's \$1m?

Sen. Grindberg: The workforce training delivery model that was set up in the 1997 session and named the 4 two-year institutions as the pulse points as centers of delivery for each of the 4 regions providing outreach to business and industry, not a traditional curriculum. The state would participate in general fund money, industry would pay fees for service, each institution had to raise money, and administrative assistance to contribute to the whole business model approach. There are no more resources to add capacity and the state hasn't added any

support in 10 years. The 4 2yrs. do not need to be in the Centers of Excellence if they do customized training

Sen. Mathern: Adding to that, in Section 5, the crucial part is "development relating to critical workforce needs". This is not a general fund mechanism; it is more of getting a focus on those jobs that are not being filled.

Rep. Gulleason: The major workforce challenges are: 1. What are they going to do to support of the emerging industries; 2. Side issues, keep and attract families, child care; 3. Infrastructure for communities. Workforce is central to the growth of industry.

Rep. Monson: Workforce training to me means a 2-3 week training program for business to get their laborers up to speed on some new things. Those businesses should have something in mind when they and ask for workforce training. I wonder about providing \$250,000 to each of the colleges to develop a curriculum that is pretty laid out by industry. Sen. Mathern what are the curriculum Needs?

Sen. Mathern: This permits industry to work with these colleges and get it as soon as possible so they can get on the job. The details of training need to be designed and not all training can be done on the worksite.

Rep. Monson: When does the responsibility of the state end to keep putting money into it? When does business take over for the worker who is getting the benefit? This should be a pay as you go, and when does business begin to pay its own way?

Sen. Mathern: From the beginning, it was designed to be a partnership, not all of it from taxpayer dollars.

Rep. Gulleason: Curriculum design, in the emerging areas, the development of programs takes advanced curriculum design. Bioscience is another emerging area, working with a company out of Canada that requires advanced type of work that we currently don't have.

Rep. Monson: These are all, or most, new types of industries. Are they ever ending the old programs or do they just keep adding new ones, as they come on the scene?

Rep. Gulleason: This becomes part of the university budget; they exit other programs and transition some.

Rep. Carlson: Request to Becky Keller, Legislative Counsel, to bring all workforce dollars that are spread around in the various bills. Added comment, that if the colleges and universities can't respond to the workforce needs, maybe the mission should change. This budget is up \$7m for career and technical and we are saying we are not training enough people. All this money being spent is not meeting the needs. We need to change the focus of these schools.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 12, 2007

Recorder Job Number: 5958

Committee Clerk Signature

Shirley Branning

Minutes:

Rep. Monson called the Conference Committee meeting to order on HB 1019, workforce development and training funds, by calling on **Rep. Carlson** to continue his discussion from the previous meeting. Handout # 1 was provided.

Rep. Carlson: (Referring to handout #1) Should we be enhancing or redirecting the money we have throughout the system? Most of the changes made by the Senate have to do with curriculum design grants. It appears that we are adding another layer on top of here and maybe we should be changing the focus on what we expect from these colleges. I want to know from the Senator why more dollars are going to workforce and why we don't redirect the focus of the campuses.

Sen. Grindberg: The sheet spells it out and the majority of it is federal. There are 3 programs funded with general fund money: Workforce 2000 program that is \$1.4m, the Department of Commerce at \$1.5m, and career and tech at \$4m. There have been no increases and the Senate hopes to increase the funding to the 4 two-year campuses by a \$2.65m for a total of \$4m. The other \$1m put in originally had some Center of Excellence language but more providing the campuses some state funding that had to be matched. The curriculum design

and the quadrant system need funding to get the North Dakota new jobs training program going.

Rep. Monson: The K-12 entrepreneurship program, there is new language in here but I don't see any money. Grants and matching funds are listed but no line item. The \$1m that you guys added here is to be for curriculum design, right?

Sen. Mathern: The market place for kids is one of the projects. This comes out of the grants line.

Rep. Monson: You have \$250,000, stated in the footnotes.

Rep. Carlson: This is for elementary schools? I question the value at that level. You know kids, if the fire department comes to school one day, everyone wants to be a fireman and the job market could be quite different when they graduate from high school. The Governor has placed a lot of emphasis on workforce development but he did not have this \$3.5m in his budget, what's the scoop?

Joe Morrissette, OMB Analyst: The \$2.6m was included in optional request from Career and Technical Ed. The emphasis was on funding those increases that related to the work of the education commission and that is where the money was directed.

Sen. Grindberg: Employers were calling me and asking when the training programs would be ready. Demands are growing, and they don't have the capacity to grow with the demand. The Governor's budget does not support it on the quadrant side and on the curriculum side the capacity is not there. At the end of the day, it is about resources.

Sen. Christmann: The university system has been granted all kinds of flexibility but does not take care of the needs in the area. We take care of a lot of 4-year degree programs that aren't

in job areas that are in high demand or fit job opportunities in the state. This is necessary to fit the needs of the workforce demands.

Rep. Monson: I partially agree, the future is here. Why isn't higher ed doing it, with the stand alone budget it has. We should be able to sort this out and put all of the workforce money together in one budget.

Sen. Grindberg: This is about training and retraining, post higher ed. I would prefer it in commerce

Sen. Christmann: These institutions are working extremely well.

Sen. Mathern: When you look at the whole chart, you see that we are taking more responsibility as a state. It is the \$3.65m that is the issue.

Meeting adjourned for further study.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1019

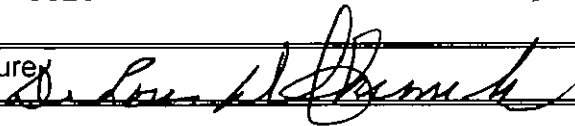
House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 16, 2007

Recorder Job Number: 6026

Committee Clerk Signature



Minutes:

Rep. Monson opened the conference committee hearing on HB 1019. Roll call taken with the following present: Rep. Monson, Rep. Carlson, Rep. Gulleason, Senator Grindberg, Senator Christmann, Senator, Mathern.

Rep. Monson: Not sure what we were covering. I did get some information from Chancellor Dunn and Laura Glatt last week. Got some clarification on the difference between Workforce Development and Workforce Training and the roll of CTE and Workforce Training at K12 vs. higher Ed and then the differences with Job Service North Dakota and Human Services. One of the things they pointed out to me was HB 1016 with Job Service North Dakota, for instance, most of that money is federal money. Looks like there is roughly half, I suppose, is general fund. In Job Service it is \$20 million of federal and a \$1.5 roughly of general and a little special. On the second page 2012 Department of Human Services it's basically all federal or a little bit of special so it is hard to tie anything in between all of these different agencies. As I understood the general fund monies in Job Service budget really are needed to leverage and run the federal funds that come in. Not sure this is true; a remark made that this is totally separate.

Rep. Carlson: Go back to when the House added \$800,000 in the grants and the Senate added a million so over the Governor's recommendation it is \$1.8 million in the grants line. I just need to remind you what the \$800,000 was for when it left the House.

Rep. Monson: \$300,000 was basically for cost to continue and so on. I think the \$500,000 was...

Rep. Gulleson: There is an explanation for the \$800,000 for cost share. I think it might be for the two western areas.

Rep. Monson: That is correct. That was for 2200 I believe.

Rep. Grindberg: I guess my point is we added \$800,000 and there was another \$1 million on top of that, which appears to me to be going back to the regional centers. \$500,000 will be going to regional delivery systems so we can better deliver period tech and the other part of our request.

Rep. Monson: The \$500,000 is to help get these new career tech up and running. \$300,000 is for inflationary purposes. That is for K12; the \$800,000 was all for K 12. Rep. Gulleson, which memo from Shirley?

Rep. Gulleson: It is hearing dated January 24, 2007 in the standing committee report that is included in here. The \$1.2 million and \$2200 and the \$800,000 in the grants line item.

Rep. Monson: We took \$ 2 million out of 2200; it was duplicated and we put it in \$1.2 million that was reduced from the Governor's budget. The Senate put in all for the 4 quadrants, correct? So everything you needed in this bill has nothing to do with K12. As far as money goes there was nothing. Your \$3.65 million that you added was all for the 4. The million is for Workforce Development that is the curriculum which I would consider workforce development.

Senator Grindberg: It will be for the full two years to work in partnership with industry for special need curriculum planning that needed the resources for curriculum design etc. It is solely targeted toward training.

Rep. Monson: I was told to keep this money totally separate from other operations in higher Ed so the money that goes through 1003 to higher Ed does not get co mingled with any of this and it addresses a whole different group of people. The regular 1003 money simply goes for their students academic programs. This money is all Workforce Training and working with the businesses, I guess.

Rep. Carlson: Is there any way of breaking out the increases that were received by those four institutions in 1003? I would like to know what those are. What those total budget increase would be for those four institutions.

Rep. Monson: Here is Lake Region; last biennium they got \$3.7 million that was capitol assets.

Rep. Carlson: I want the total increases from last time to this time.

Rep. Monson: Section 2 should be my increase. General fund; Bismarck \$3.157 total general fund adjustments and enhancements. Lake Region general fund adjustment and enhancements is \$725,000; Williston general fund adjustment is \$502,000; Wahpeton general fund is \$4.million one thousand and some change. That is in this amendment I am proposing so actually there is a little bit more presently in there than what this is. About 1% or 2%; something likes that.

Rep. Carlson: \$8.5 million increase for those four schools over the last biennium whose function is to train our workforce. I am having a hard time understanding why there are increases like that. I think we need to tell them they need to redesign their curriculum and then

we have to train the workforce, which is their basic job in the first place. It is almost half of what their increase was and comes again new dollars.

Rep. Monson: I would point out that those dollars that I just mentioned or increases are across the board and I am sure some of it does end up going into the lights and fuel costs and things like that which probably gets used in workforce training, but for the most part they are separate, as I understand after talking to the Chancellor Laura, the money that they get through 1003 goes to junior colleges and that is more for the academics, but obviously there is some infrastructure that gets used for workforce training. Many of these workforce training dollars are used for totally different facility and not even on campus, as I understand it, in some cases they go off to the work site. Senator Grindberg and Rep. Gulleson can explain it better than I did.

Senator Grindberg: I am not sure where we are at in this process with this bill, but I have gone through it twice. I don't know what purpose I would offer to do it again.

Rep. Monson: Did I state it correctly? They are separate dollars for the most part. I still have the same concerns as Rep. Carlson over here. We are putting a lot of money into higher Ed and a lot of new money into K12 and a lot of new money into CTE. We have to balance the budget here you guys. We have got \$25 million or better. You guys have anything else to add?

Senator Christmann. Not being an expert on this I could be off on these figures. I was not writing them down. I think it was said that those four you read off totaled \$8 million dollars. As I recalled it is \$80 or \$90 million dollars of new money in the university system budget, which would tell me if these four are getting \$8 million the others are getting 10 times that much and when we add something we want to what their doing we end up having to pay for that too. I

don't think we should treat these different than what we treat the others and to start subtracting these dollars from the other dollars. Will then we need to do that all across the university system; not just on these four.

Rep. Monson: Actually the amendments I was reading off of are from higher Ed that I am proposing today and it would be brining the general fund down to about \$78 million of general funds for higher Ed. That is for 1003; just preparing for that time. I think we are done.

Hearing closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 17, 2007

Recorder Job Number: 6084

Committee Clerk Signature

Suzanne Oersted

Minutes:

Chairman Monson called the conference committee to order on HB 1019. All were present including Representatives Monson, Carlson, and Gulleson and Senators Grindberg, Christmann, and Mathern. He asked Representative Carlson to explain the situation.

Representative Carlson said the point of contention in this bill has been the curriculum development and workforce additional three and a half million dollars. He spent time talking to Jim Hirsch who is our workforce development guy at commerce and they were trying to address the issue of how we can at some point in time and we have made this attempt in the past to try and put some kind of umbrella over all of our workforce training efforts to try to get the best bang out our bucks. Last session we tried to put all the money in one pot and it passed the house and the senate took it back out because there were some problems with mixing job service money and human service money and all of those things, When we were discussing this we looked at the fact that we have the quadrants established and we have been funding that in recent years. We seem to be having trouble identifying and reacting to our workforce needs. I think that is a correct assessment when you look at it. We are just not reacting quickly enough to the market where the jobs are at. One of thought that we had when we were discussing that is that maybe what we should be attempting to do here is to

make this more competitive similar to what we have done with the Centers of Excellence except doing it in terms of workforce where we combine out general fund monies that we have available in the commerce budget and then the two that are in this budget and allow the quadrant schools, the four two year schools to be able to compete for grants that would have tied to it 1) some private sectors involvement and 2) a plan and a curriculum developed for how they were going to react and train this workforce. Jim is still working on some language that would help clarify this and I have kind of given you the broad brush on this. I think it is worthy of our discussion because I don't think our biggest disagreement here is that we want to train our workforce, it is a matter of, and since I have been in appropriations in 1999, this is the same issue that we have addressed absolutely every session. We don't seem to be gaining so maybe we need to take a different approach on how we do that. My thought would have been to take the money that we had, and I don't have it finalized for amendments, the money that we have in here for grants for curriculum design and the grants that went out to the four quadrants move that into the department of commerce under the direction of Mr. Hirsch and establish a plan whereby that money can be worked together on a common plan and a competitive basis to establish curriculum that does in fact have programs that trains our workforce needs. That is what our discussion was yesterday. I think I summarized it fairly well.

Chairman Monson said this was something that Representative Carlson and himself and a couple of others were talking about earlier this morning and he thought it sounded like something they may as well float out there. I know it doesn't give you much time to think about it or think of the ramifications of doing something like that but that is really our only thing in this budget and this bill where we are hung up.

Senator Grindberg said he would have to absorb this and he only had a brief conversation with Representative Carlson this morning. I guess there are two different ways of looking at it. I certainly think the competitive approach on the million dollar curriculum grants is a good discussion to have and maybe instead of just assigning two fifty to each campus put one million dollars into it and have that be competitive based on some kind of merit by industry requests through commerce. That has some good thought behind it. I think the other funding that we currently provide now to the four two year schools and the desire by the senate to increase funding for them to continue to broaden their outreach in my opinion I wouldn't favor putting that into a competitive arena because we have made it a priority with the quadrant system and we can certainly can discuss it further but it would seem to me that when industry that walks these halls, the economic developers in this state, who endorse and appreciate a role in the effectiveness in what your campuses do I think it is a step backwards to have them go through a competitive process when their work is being appreciated now. I still have to think that through a little more.

Senator Mathern said that one of the concerns that he has about the competitive process would be do we have some assurance that there is a competitive or an ability to be competitive. Are there enough infrastructures in each of the quadrants where each one could in fact have the overhead and the background to develop the proposals? I don't know. Maybe they are all equal that way and have that ability but a lot of times you can get into a competitive process and it isn't just the best it's also who has the most support to develop the right proposal. When you are talking about not a great amount of money is it possible that there isn't an equal amount of background overhead support to develop the right application. That is one of my concerns.

Representative Carlson said he has always assumed that the end result we are looking for is a final product where that worker is trained where we need him so that he can upgrade himself, not only the state and the economy but himself. That is why I have trouble saying everybody gets their share because I am not so sure that we would be having this discussion if everyone of them was properly reacting to the market. What this also would entail would be some participation by the private sector and there is some language that deals with this but not much. It is basically just saying here is two point six million divided by four and you each get your chunk and then come back to us and tell us that you have created more welders. I don't think it is working the way that it is but I am not sure that we have the safeguards in here that says that we are going to have any more highly trained workforce by adding two point six million dollars plus when we were shown the model that the oil industry uses and Mr. Ness brought in this guy that is going around into the high schools and the models that he is having trying to show people what they are. What is the end result of his showing those models if we don't have the proper training in place with these institutions? Again, on the other hand, how do you stop duplication? You don't need everybody training a welder all of a sudden because we need welders. We will have four quadrants with each training a bunch of welders. I don't think you do anyway or electricians. I think there is some merit I think to put some competition in for the grants. It isn't like we are taking away their base funding for the functioning of their college. This is money on top of that. This isn't the base funding that they function on day after day and put out the students that they have had for the programs that they have had forever. This is more and I don't have the answer to this. All I know is that we always talk about and we don't seem to be getting it right to the target. Why do you think the training center in Fargo came about? Because we weren't hitting the nail on the head for training the

workforce and that is probably the most reactionary teaching that we have. It trains you bang and it gives you a new skill and it kicks you out the door to work. That is what we haven't been able to do in a lot of our other quadrant institutions. We need to shorten them up and get them out in the workforce.

Senator Grindberg said he knows that we are on day 72 here but I really think we should spend the next meeting with a presentation from either Mr. Kutzer or a designee from the four two year colleges to provide an overview because I am not sure if that was provided when you had the hearing on this bill and I don't know if we got into any great detail on this bill on the senate side but I know that information is available and exactly what Representative Carlson was mentioning is going on in the three quadrants. The center in Fargo is a satellite for state college of science and as he noted it was put in motion by demands from industry to create welders which grew a bigger vision with that center. I think that would really be some good information if the committee is willing to look at that. If you are living in Williston and Williston is charged with the northwest region and there is a demand for welders, Williston had better be able to respond and not expect Wahpeton to which is seven hours away hanging on the industry side. There is going to be duplication because we know there are diverse needs out there and yet needs that are similar whether it is trades or oil particularly in the northwest.

Chairman Monson said they seem to each have their own little niche forming at least if I am hearing what they are all doing. Williston seems to be targeting those oil field workers and there would be overlap because oil field workers, and it is not just drilling rig people, but it is welders and pipeline people. It seems like Devils Lake is starting to develop into the wind mill and electric generator type of training that is going on and there is other things that they are doing of course but they all seem to have one key thing if you would like a center of excellence

workforce training of sorts. I think down in the southeast it seems like the welding and now there is nanoscience stuff happening and I don't what the needs are there but everybody seems to have their little nitch. The Bismarck area or southwest seems to be the coal field workers. Tell me if I am wrong. It seems like this is kind of happening already but this might be a little impetus to get them to better define their nitch and maybe they don't all need the same number of dollars. Maybe the southeast needs a little more than the south or west.

Senator Grindberg said unless something change he is not aware of the 2.65 million which is being considered being added on top of the 1.35 million and it is not divided by 4 evenly. The model is based on employment and a number of people in the workforce in the region on a percentage basis. The southeast region clearly gets a larger share than the northwest because of the number of employees in the base so it is not divided by four. The curriculum is but not this. That was set up when this whole taskforce report was put in and legislation adopted that the funds need to follow where the majority of the demand is and it is what it is with the southeast region. They have the most population.

Senator Mathern asked if he was hearing the house say that they are kind of agreeing with the senate on the amount but disagreeing on the process.

Chairman Monson said not necessarily on the amount. I guess we haven't really settled on that but the thought is maybe that we can get by with a little less if we pool the money together and become more efficient with it.

Representative Gulleson said one of the concerns that she has is basically in terms of the concept of possibly awarding these as grants competitive or otherwise, I don't have a big problem with that part of it. Moving it to commerce from Career and Tech I would be more concerned about because right now we have a very strong relationship built with those two

year and the Career and Tech, the background and educations. Remember in many cases we are sharing staff with these and you will have a staff member who is leading a certain initiative on campus and then in addition can help with some of these workforce needs through additional staff time or whatever but with a very shared type concept. I worked with Jim and he is great through the department of commerce but those are by in lodge job service directed activities more and it has a little different approach than the technical training and they certainly do not have access to all the equipment and everything that you do through the campus on Career and Tech so my concern would be more of the location but I am open to some combination of the grant concept.

Senator Christmann said he thinks that they need to be cautious that this is not a precise either or as far as what program different institutions offer. When we think of some of these things like the power plant program it probably makes more sense for BSC because they can send the students thirty miles and be in a large facility. For some of those things, there is very little reason for duplication but some other things like to train electricians and welders, these are valuable career fields that have jobs available in every quadrant in the state. I don't know that we would want to have students that have to drive seven or eight hours to get the training for those kinds of things. They seem like things that I would expect to be duplicated.

Representative Carlson said if he misspoke on duplication that is not my intention but I think you look more carefully where your needs are and if the needs are in each place then you do it but you don't duplicate without some planning. He wanted to go back to two things that he brought up and that is kind of what got this whole idea started, Representative Monson and Senator Grindberg and I spent a lot of time last session working on the Centers of Excellence guideline. We spent all kinds of time discussing not only what components should be at the

workforce and what components should be infrastructure and buildings. We spent a lot of time saying what are the rules, what are we trying to attempt and what do we want to do with that private public partnership and build that partnership where we have the two get together to create new ideas and new jobs and I can quite honestly tell you that it was not our intention to build the workforce training facility at BSC. It happened and it got built and it is probably a good thing but that was not our intention when we started. It was the same thing with Williston that we would build buildings for workforce training. It was more of the design concept to get things where ideas turn into results and new businesses. When we were discussing how competitive it was and how people work really hard to find new ideas for Centers of Excellence we thought that if we could take that competitive advantage or that competitive spirit that the schools had and try to work with private sector and get new ideas and get some money involved to put projects on those campuses why wouldn't that have some merit to look at a process of grants and some competition and some involvement of the private sector that needs to hire those workers and put it into a concept dealing with workforce. In essence we did it even though it wasn't our intention and none of us look back and say we want to close the BSC project or the Williston project. That is not our intent but I think we should take a good strong look at what we could do to marry up with that and to use our dollars a little more coordinated. I don't know the right answer whether it should be in Career and Tech or whether it should be under commerce. Pam has a point there and I understand that there is infrastructure things that go with this and stuff. My concern is that at the end of the day we could actually have someone who could look at it and say you know we have made a lot of progress in these areas. We are training people in these areas and they are making more money than they have made before and then I think we can walk out of here saying that was

money well spent. Just to give them more and to say that we have a formula that says if you have more people you get more money I would prefer that wasn't our goal.

Senator Grindberg said he would request that they have the manual reports divided up through council at the next meeting, what activities and what and where each of the four quadrants are spending their time and the types of training and the outcomes and their accountability. They have an accountability standard that they apply for the consistent data statewide and I think that could be turned around in a half day at the request of either Mr. Kutzer or Mr. Dunn.

Chairman Monson said that was a good idea.

Senator Grindberg said I think we are saying the thing yet trying to find what the better approach is. Whether it is a match that comes into this and you could lump it into the discussion on the Centers for Excellence and on the other hand you could say this is part of the Centers of Excellence theory or terminology. BSC is what it is. The oil project is what it is. I think that is kind of what the sediments were through the business congress and the discussions we are having this session is workforce training is not part of the Centers of Excellence spectrum. Keep it out. Fund it accordingly. Find out how you are going set it up and have two distinct programs and I think that is what I am saying. How do we get down to the details so that we can do the right thing and provide some more resources for outreach and move on? I am kind of rambling but whether it is a combination of the discussion on the million dollar curriculum grant lines section or the 2.65 and kind of define how that should be set up. We need to think about that at little bit but to just throw everything into one pool I am kind of at one end say it is done and say here is the new program. I think we have to be

careful about that because if we don't want them. Maybe we have to challenge them to go to a higher level. I think those are good discussions.

Representative Carlson said on the other hand how do you challenge them without starving them. Our intention here is not to starve them on these things. I looked at all the goals and you look at the bills that we have in front of us where we are talking quality and quantity of workforce and about creating a talent pool and all the things that are in these bills that are all over the place like in 1018, 1027, 1019, I mean we will sprinkle a lot of things around that deal with workforce training and maybe I am handicapped because I have the commerce budget. What we are trying to source out is the future of the 20 or 25 million dollars for Centers of Excellence. In fact, do we want that money to be directed to the workforce or some component or do we not? Should we redirect some of that focus into the proper training of our workforce and the ability to have our four quadrants be competitive and go out to some of these dollars and create new programs? They are kind of tied together and it is hard for me to throw them out there because Senator Grindberg has concerns about workforce and my leader gets all excited about buildings. Somewhere in the middle we have to figure out where we are taking Centers of Excellence and workforce. I think we have created a pool of money. If you add it all together there has been some money committed by the senate for both of those so where we end up with the money I guess is what we are trying to work out and what is the best use of that money for training the workforce.

Chairman Monson said it is pretty obvious too that you are not going to put all the money in one pool. There are some that are separate but there are some places where they do have some commonality and where they have commonality maybe we can do some sharing or the

sharing of ideas and what has worked and hang on to that and try to make them stronger with less money maybe.

Representative Carlson said he just wanted to bring that out today because that seems to be out discussion. We have spent a lot of our time talking about what is the role of higher Ed and maybe they are not doing their job well. Let's get off of that and I will leave that one behind and how do we deal with the issues that you brought for us and that is the curriculum design and the training of the workforce. Let's focus on that target and not fight over whether or not someone has done their job or not.

Senator Grindberg asked if Mr. Kutzer could provide us the executive summary of the four two years and where they spent their time for the next meeting.

Chairman Monson said he would rather not have presentations but if you could put something on paper that we can take a look at because we will start getting into a dialog and presentation and we only have a half hour.

Representative Carlson said he intends to bring a proposal the next time we meet that will have some kind of umbrella that shows how we would view some kind of coordination with all our workforce efforts and maybe some competitive process to help deal with that at least to get this headed in one key direction. Now whether that is right or not I don't know.

Chairman Monson said any information that Mr. Kutzer might have and you are going to talk to Hirsch right? You are going to get things lined up from the Legislative Council, right? OK. We will adjourn.

2007 HOUSE STANDING COMMITTEE MINUTES

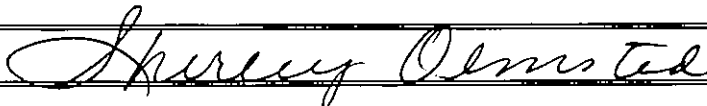
Bill/Resolution No. HB 1019

House Appropriations Committee
Education and Environment Division

Check here for Conference Committee

Hearing Date: April 18, 2007

Recorder Job Number: 6136

Committee Clerk Signature	
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Minutes:

Chairman Monson called the conference committee to order on HB 1019 and asked the clerk to make note that everyone was present. Those present included Representatives Monson, Carlson and Gulleson and Senators Grindberg, Christmann and Mathern. He passed out an amendment that actually is from Representative Haas marked at Attachment A. It is amendment 0205 and I am maybe not the best one to explain this but he came to both Representative Carlson and I and indicated that some bill that has been passed along the way this session had one part of a plumbing code missing. This is somehow the best vehicle that they thought we could attach it too because it fit with this bill. I don't know what that actual code it but all it does it add the state plumbing code adopted under section 43-18-09. I would hope that we don't feel pressured to do anything with this at the moment but at least you have got it and don't let us forget it because I guess it is quite important and maybe if we need more explanation we an get Representative Haas to tell us more. Did he tell you more Representative Carlson?

Representative Carlson said what happens is if you look at the other references in code it is my understanding that is the other building divisions that fall under that code including electrical, heating, and when they got all done they missed the plumbing one. It is not a big

deal. They just missed the plumbing section and we need to get it in. The bill as it was passed is signed and gone and is incorrect. This is a correction. It shouldn't be on this bill but it got overlooked.

Senator Grindberg made a motion to accept the amendment.

Representative Gulleason seconded the motion.

Chairman Monson said Senator Grindberg moved to accept the amendment and it was seconded by Representative Gulleason.

Senator Mathern asked what Representative Haas' connection with this.

Representative Carlson said it came through GVA when they were doing licensing and fines for violations of the various codes of building and they missed on his committee with the GVA committee and he is the chairman.

Senator Grindberg said he would withdraw his motion and he thought they should sit on it for awhile.

Chairman Monson said that would probably be his preference if Representative Gulleason will withdraw her second. I think just to give people a chance to look up or check with someone else. You have to take a look at it. Just don't let us forget it when we get it all done.

Representative Carlson said they talked about putting it on OMB.

Chairman Monson said they talked about putting it on OMB but it fits in here. It fits in here and rather than load up OMB at the end, it would be fine here. He said that Representative Carlson passed out a workforce enhancement grant program which is a draft idea. I think we will take a minute or two and have him work us through this. It kind of relates to what I believe to what we had discussed a little bit the other day.

Representative Carlson said the bill or the proposed draft before you kind of takes some of the ideas of the Centers of Excellence and tries to move it into the workforce area. We already have a workforce council in place. We have a development council and what this does is tie into that. It consists of a private sector members of that council and the director of the division of the workforce development which you know is in the department of commerce. This would be probably best removing some funding and from this bill and moving it to commerce if we were to accept this kind of idea. He read Section 2 and Section 4 to the group. See attachment B. He said there was no money added in because they haven't discussed what that would be. That is the concept that we were looking at when we put this together.

Chairman Monson asked for any questions or comments.

Senator Grindberg said he had a comment. He thinks the work that has gone into this draft or document is going in the right direction. I think it just expands and strengthens the intent of the curriculum language in HB 1019. I don't have problem moving that section in that funding or some level of funding to commerce coordinated tighter with our targeted industry. I think it is worth sleeping on.

Senator Mathern said he was looking at trying to make some connection some colleges too. If we are doing curriculum development how does commerce deal with curriculum development? Do they have people?

Representative Carlson said no but it would be grants. The way the system would work is that these grants are available. The four quadrant schools would put together their plan and their curriculum which is allowed under this and they would submit their request for these grants and how they are going to train these kids and fill these workforce shortages and then the grants would be based upon this commission's approval. They would not do any grant

writing, but they would distribute the grants and they are kind of the overall umbrella in our workforce training and there are all kinds of different terminologies out there like talents, strategies and all of these things that we are trying to work through in various bills and this is trying to put some coordination to those efforts through the commerce department on the workforce training and workforce development section that they have in commerce. Again, they are used because that is where they are headquartered on the workforce development plus they also have the coordination that goes with the Centers of Excellence. We do understand the process of working through these grants and the applications from the colleges already.

Senator Matheson said they would be doing curriculum development work.

Representative Carlson said they would be doing none. They would be requesting that be done in these quadrant schools come in and bring their plans and match them up with the private sectors that need these particular areas of workers and hopefully come up with not only the curriculum but also the staff and a proposal that will say it is going to cost us two million dollars and we need a grant for two million dollars to do this and fill this workforce shortage need. That was the purpose of looking at this.

Chairman Monson asked if there was already is a workforce enhancement council in the workforce development council.

Representative Carlson said the new council created is the workforce enhancement council but there is a workforce development council that is already in place and there is a private sector members so what they are saying is the new council established would have members of the workforce development council plus the chairman of the workforce enhancement council which I believe is the workforce division at commerce. Those people left but I believe that is

the way that it works. When they refer to the commissioner they are referring to the commissioner of the department of commerce obviously.

Chairman Monson said the purpose of doing this you feel would be that it would make sure that they planned out their workforce training and development a little more before they went off and maybe it would put the workforce training in the quadrant that needs it most.

Representative Carlson said you could be providing welders in each sector. It depends on what the needs would be. The private sector and the oil industry has already come forward and is already out promoting their interests in high schools and grade schools trying to get people interested in that field. What this says is it will take it another step further because it says if you are going to train them what the curriculum is? How are you going to cover the costs and how are you going to set up a new program to do it with particular emphasis on creating the workforce that fits that need.

Representative Gulleson said just to clarify, are you talking this language just to replace the curriculum portion?

Representative Carlson said actually this went farther than that. It would require more money than just the million dollars for curriculum development because if you look at what these grants can do they can use it for curriculum, equipment, recruitment of participants and training and certification of instructors. There is a lot more involved than just saying design a program because if you design it what good is it do unless you can actually implement it and be training the workers. It would require more than that.

Chairman Monson said it would be a complete plan.

Representative Carlson said there is going to be tuition and things and costs associated with it so the budget that would have to be developed to say what you are generating for revenue off of this and is there classroom space at your campus to do this.

Chairman Monson said it would require a dollar for dollar match.

Representative Carlson said it ties it back. Senator Grindberg and I are on the commerce budget but we have spent a great deal of time of time talking about the centers of excellence and there has been a great deal of concern about the centers of excellence and whether our focus was on infrastructure of workforce or was our emphasis on the centers of excellence on research and creating new wealth and new ideas and partnering up with the private sector and there are parts of the bills that want to limit what is going to happen for future centers that are tied directly to the workforce training. This was an alternative to that to say that we have different focuses here and they are doing good things in different areas. I don't know that I have the right answer for that but I am saying that I think it needs, and ever since I have been here we have been talking about workforce shortages in certain areas and it appears to me that we are very slow in reacting. The job that might be the best today might not be the best tomorrow. We have programs established at our two year campuses that might be great programs but there might not be many jobs with North Dakota kids in them. This would have been an idea to let them react to that.

Representative Gulleason said she worked a number of years at the State College of Science. My experience was the opposite. They really respond as quickly as possible to workforce needs. Generally their biggest obstacle is resources. It is not the ability because each of their boards each of the areas and I don't care if it is welding or whatever, they have a board and oversight advisory committee all made up of private sector.

Chairman Monson said so you are thinking it might be an expansion of bureaucracy?

Representative Gulleson said she was worried that it would slow the process actually because right now they are willing to respond quickly. Access to the resources is the challenge. Senator Grindberg's bill was to address that. It is not that the system is broken and certainly not that they are prepared and ready to respond. It is that they need more resources. There are parts of this that I like. My concern too would be transferring it to commerce. I am not sure if I understand that connection. I understand that is the business side but here we are talking about career technical training which is what this division does and does extremely well. We are trying to help make it respond better though additional resources.

Representative Carlson said here is where I struggle with the whole concept of workforce training. We received a handout that showed us that we spent thirty million dollars on workforce training in a biennium but yet when we come back we still don't have workers in critical need areas because we say that we are just not getting there. Part of this would be that we have talked about talent strategy and Senator Grindberg has talked a lot about that and there have been bills floating around this legislative assembly on how do you deal with that. Another idea is that the division of workforce development which is the department of commerce in developing and implementing the states talent strategy which is part of the commerce bill. It talks about the talent strategy shall consult with partners in the state systems of workforce development, workforce training and talent attraction including job services of North Dakota, the department of current technical education, the superintendent of public instruction, the state board of higher education, the department of human services and the other divisions of the department of commerce. Everybody really kind of works in their own way and I think we have a void there. I am not so sure that I can agree or disagree that the

Science school is very reactionary because if that would have been the case I would have been hiring carpenters out of Wahpeton Science fifteen years ago when I hired them all out of Moorhead Tech because they didn't react to the need in the region. There are things that are missed that need some coordination. I can't find an electrician but are we pumping out any more electricians? No we are not. Maybe we need some. I am a tech guy and we work with the trades and I see the void.

Senator Grindberg said this is great discussion that we are having. Representative Gulleon makes some excellent points. It is important to have distinction of the quadrant systems and the workforce training initiative that is probably a more adult based retraining of the current workforce. Some of the comments that Representative Carlson made were right on but it is more of the pipeline and a shrinking of the demographics pool and who wants to go in to be a welder or a carpenter at eighteen years old when they graduate from high school. That is the core purpose and the mission of each of these four year campuses and that is academic preparation. These dollars are more for the retraining after academic preparation and just so we understand that. There could clearly be some overlap but I think we should sleep on this. I see three things that we have we have to accomplish: 1) absorb this and does this make sense to all of us and if so, what number to plug in; 2) the 3.65 million dollars in the senate version if a portion of that goes into commerce we need to address the operational side of the four quadrants and that is what the 2.65 is intended to do of the 3.65 million. Hopefully we are on the same page with that logic or that thinking at this point in time. The third is maybe we can agree to this tonight is that the entrepreneurship grant intent for the kids and if we can agree to that maybe we can get down to two. I don't know if you want to do that Mr. Chairman but those are the three things that we need to resolve.

Senator Christmann said if he had a good solution he would be throwing it out. He said he doesn't mean to criticize. I guess I will throw some of these points out for discussion. I am still not pleased entirely with the concept that Centers of Excellence and the workforce development are completely separate. One can dispute how things have fallen into the definitions but I will say this what we have poured into at Williston for oil field workers and what has been poured into Bismarck State for energy industry workers has been money very well spent. I just fear that when they seem to be moving towards a time when it is completely separate things and I don't want to say political reality and I don't mean the partisan politics I mean just politics in general. The reality is that it is always going to be the sexier thing that is going to get the funding and we are going to be plowing money always into the Centers of Excellence because it hits the news and I feel that the ultimate reality is going to fall behind here. Secondly the point on the thirty million dollars and we are still not getting good enough results on the on workforce development, thirty million dollars is definitely a lot of money but what are we pulling into higher education in general maybe half a billion? Some of that goes into these two year schools but I am thinking what 1/3 of the jobs out there require a four year degree. When I think of the size of the workforce that we train maybe we are doing pretty good for only putting thirty million dollars into it.

Chairman Monson said the higher Ed is about four hundred seventy million or four seventy in the governor's budget.

Representative Carlson said then comes the speech about what is the purpose of higher education training the workforce, right? Then it is five hundred and some million and we have a very low unemployment rate but are we hitting the right target is really what our discussions should center around. Are we training them for jobs in North Dakota or should we place more

emphasis on that? I don't have the right answer for this. All I can tell you is that it comes back every biennium and we talk about workforce because we are not training the right amount of people in the right place. This is just a thought we could look at. What is the price tag on the entrepreneurship program?

Chairman Monson said it is \$250 thousand.

Representative Carlson said I guess I need somebody to explain to me what this is supposed to accomplish when you are moving it down to this low of a level into the elementary.

Chairman Monson said is this basically for kids?

Senator Grindberg said it was passed out as an and/or so that they could do something on their own as well.

Representative Carlson said if the fireman comes and wants to be a fireman, and if the doctor comes and wants to be a doctor, that is what I am wondering about.

Senator Grindberg said it is a little more complicated than that.

Senator Mathern said the emphasis really is at a young age and getting kids, basically elementary students to think about being a person using their ideas to create a business and using their ideas to create something new. Using their ideas to create a place where other people are employed. It is really a beginning step in that regard and it has actually been very popular around the state. It has been particularly popular in rural areas giving kids an opportunity to have almost like a science fair atmosphere wherein they can compare their ideas and learn from other kids that ideas can turn into businesses. I think that is what that is all about. The senate did add some match requirements and did add some really close ties to the school. I think originally as the bill came to the senate it as a little loose in that regard. I think the senate wanted to make sure that all children in schools were exposed to this kind of

concept versus just strictly just academic programming and to me it all fits into this discussion very well. You have to start young with these kids. They then think about other ways of doing things instead of just going on to college and being a professor someplace.

Chairman Monson asked if it would then be basically a one to one match as I understand it, dollar for dollar. It said matching funds up to 50% of the curriculum and activity cost so each school district if they were to not use the canned if you will program that is out there already then the Marketplace for Kids if they were to develop their own little activities and like a science fair type program basically they would have to submit a grant application then to CTE.

Senator Mathern said yes they would and the reason that up to 50% is used is because there are some schools that have very few resources and we didn't want to limit this just to the ones who had money or let's say there is a business in the community that really wants their kids to do this well only those kids would get that opportunity because they could match all of that. If there is another school that doesn't have that match opportunity this would permit this board to make some decisions in that regard.

Chairman Monson asked do you see the JPA's or if the small schools even if they were to come up with something at least the smallest of the small schools anyway have a hard time I think developing some kind of proposal or program but you see the JPA's maybe as taking a role in this thing.

Senator Mathern said he thought that was an opportunity for the granting organization to make some decisions about how to permit somebody in.

Chairman Monson said so if you get several schools that could get together and cooperate together to put on a...

Senator Mathern said you mentioned Marketplace for Kids just to clarify; this is really moving towards taking the place of Marketplace.

Chairman Monson said so taking the place of?

Senator Mathern said it is not competing with. There are problems with funding the Marketplace and this is a way to make sure that this kind of opportunity for children is still alive and available for kids throughout the state.

Representative Carlson said he didn't really have a lot of heartburn over this but I look at the budget and the house is up about 3.5 million and workforce training and career and technical and the senate has added another three and one half million so there is 7 million dollar increase and I struggle a little bit with the fact that we are going to make sure that if we are going to do that kind of increase. I don't know is any of this considered one time funding?

Chairman Monson said he would think this one would be.

Representative Carlson asked if any of the workforce training grants considered one time money. The intent was ongoing. Was there a budget for those?

Senator Grindberg said the intent was for it to be continuing.

Representative Carlson said this was not included in the governor's budget. Were they included in the request of option that wasn't funded?

Senator Grindberg said 265 was.

Representative Carlson said 265 was in their optional requests?

Chairman Monson asked what constraints would you see on how large these entrepreneurship grants could be. For a school like Fargo or Grand Forks you know could potentially come in and I don't see any constraints in here unless I missed it and they could potentially suck up the whole or the bulk of the two hundred fifty thousand and I can see

something wrong with that. So I am assuming that you would leave this up to Mr. Kutzer to develop the size of the grants and to put some parameters on it.

Senator Grindberg said it was his understanding I believe this was a priority for the clear and vocational board and it did not make the their top priority list but I know that they have some feelings on it and perhaps in the next meeting we can get more.

Chairman Monson said maybe between now and the next meeting if we have questions about this we can talk to Wayne and get them answered instead of taking up more time here.

Senator Grindberg said he thought it was small grants for all schools.

Chairman Monson said that is what he would hope that he would have to have some parameters as to how big and I figured it would be. If there is nothing for tonight we will adjourn our conference committee.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1019

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 4-19-07

Recorder Job Number: 6174

Committee Clerk Signature

Holly N. Aard

Minutes:

Rep. Monson opened the discussion meeting on HB 1019.

Sen. Grindberg: This is directly tied to our work in commerce. The idea would be that we support the idea that was presented yesterday by the grant portion of this bill moving to workforce development in commerce. It would probably be a good idea for us to make sure that we run through that language again at some point. And make sure all parties are signed on and make sure it's all going to work which I think it will. And then put \$2M in that line in this bill. So \$2M would go to this matching grant program for the four two-year colleges that apply workforce training activities.

Rep. Carlson: Including curriculum.

Sen. Grindberg: We have \$3.65M in this budget of new money. The \$2M would be available for two years, but coordinated by the workforce division in the ND workforce development council on a competitive grant basis. And the remaining \$1.65M would be added to the \$1.350 that's in the executive budget so that four quadrants would receive \$3M. Obviously a nice bump that they haven't received in 10 years to operate their system. To take that a step further then, some of the discussions that we've been having with the centers of excellence and the logic that we've been using in the Senate in 1018 was that we restricted workforce training applications to centers of excellence. And I believe we're going to have consensus on

that in the conference committee on 1018 that if we properly address workforce that the campuses will be well positioned to respond with staffing and some might need to increase staffing and then they will have this pool so when business or industry comes in and says we need this type of training or this kind of curriculum they will have direct access to apply for those funds. This rock and a hard place will go away.

Rep. Carlson: That's better.

Sen. Grindberg: We're meeting again at 6:00 tonight on commerce.

Rep. Carlson: We're getting down to basically tax credits and centers of excellence. We've pretty much resolved everything else in there.

Rep. Monson: This bill has \$3.65M of new money (that was added by the Senate) \$2.65M of that is in the grants line item and \$1M is in curriculum grants for workforce development. So when you're talking about moving \$2 over, which 2M are you talking about? Out of the \$2.65M or \$2M consisting of \$1M from the curriculum and \$1M from the workforce training?

Rep. Grindberg: Yes, \$1M of each.

(Listen to the tape for the details of the funding movements of money)

Rep. Monson: There is \$800,000 for K-12. That's the area centers. By creating the area centers I believe we shorted the High School grants by \$500,000.

Rep. Carlson: Then inflation ate up the rest of that.

Rep. Monson: The other \$300,000 was to make up for inflation. Not just inflation, but there's some federal grants decreasing. The money just isn't coming in to those K-12 programs like they used to be.

Rep. Carlson: I don't know what the right number is but I'm convinced that after studying this a little more that the right fit for this curriculum development is in the commerce budget dealing with workforce training. I think Sen. Grindberg's idea of moving it over is the right idea. Make it competitive with some matching dollars.

Rep. Monson: My thought is there's workforce dollars in many different budgets and this one is still going to see quite an increase even if we did move \$2M of this \$3.65M into commerce, that's still going to leave a pretty nice chunk in this budget. My feeling is that the money was put in here, we were running into a brick wall as far as taking it out of here and leaving it out of here. So by making a little trade we're compromising a little bit. We do have to somehow find some money in some budgets.

Sen. Mathern: It seems like we could accomplish the goal by even keeping it in this budget. I don't have a difficulty about what you want to accomplish, but we could accomplish it through this agency too.

Rep. Monson: Perhaps. We need to think a little more about the ramifications of moving it. I don't have a problem moving these two forward together. The only other issue is that entrepreneurship for the elementary.

Sen. Mathern: I did get some more information which I would like to pass out.

Rep. Monson: We're getting a lot of information here - pretty soon we have to deal with the information.

Sen. Mathern: I think this gets to the heart of the issue. It's philosophical background of the program and it lists the places wherein Marketplace for Kids have their plans in place for 2007.

Rep. Carlson: Who handles this?

Rep. Monson: Someone in Wayne's dept.

Rep. Carlson: So it's brand new to them. It's not been anywhere else.

Sen. Mathern: Right, that would be brand new to them.

Sen. Christmann: What's "locus of control"?

Sen. Mathern: Imagine it's a behavioral description of encouraging children to recognize that they in fact have the possibility of taking initiative vs.: someone else giving them the opportunity of taking the initiative. Psychological term.

Rep. Carlson: (question to Wayne Mr. Kutzer) What are you going to do with this program.

Section 8 of the bill. You get \$250,000 - what are you going to do.

Mr. Mr. Kutzer: Currently there are 10 regional events that are held throughout the state attended by 5 to 10 schools in each region. These dollars will help support the schools to be able to do that. The funds can also be available to schools to set up their own regions - to be able to utilize the curriculum that's out there.

Rep. Carlson: Are we just adding funding to something that you're already doing?

Mr. Mr. Kutzer: We were never doing it. But it has been done out there. The reason for the dollars is that the federal funds have gone.

Rep. Monson: The entrepreneurship part is kind of a new thing. There hasn't been dollars for that has there?

Mr. Kutzer: Correct.

Rep. Monson: So we're developing our own program.

Mr. Kutzer: This money will help pay for schools that are currently doing it or schools that want start and do it as a fresh new program. It has a lot of curriculum and is a nationally recognized program.

Rep. Monson: Would you make sure that I explained the \$800,000 correctly.

Mr. Kutzer: There is \$500,000 for cooperative ventures to get more programs to more schools.

The \$300,000 was inflation dollars to add to the current dollars. We fund on a reimbursement basis. As the costs go up at schools, we need more dollars to maintain.

Rep. Monson: New frigs, sewing machines, table saws, etc. costs are more.

Mr. Kutzer: Yes.

Rep. Monson: I asked Rep. Haas to come down, but he had another commitment. He'll probably come tomorrow or I will have him talk to you individually - plumbing.

Rep. Carlson: He recapped the discussion.

Rep. Monson: That's my understanding.

Rep. Gulleason: She had Rep. Carlson clarify it again.

Rep. Mathern: Did we eliminate the wording about starting the new board?

Rep. Carlson: I don't want to create a whole new level of bureaucracy but that we'd work through the existing council.

Rep. Monson: It's mostly business people. Are you on it Wayne/

Mr. Kutzer: Yes

Rep. Monson: I don't want the board to review everything. I don't want to slow the process up. They need to focus on the big picture.

Sen. Grindberg: What I'd like to see is for council to take this document and insert the \$2M and the other changes in the amendments so that we adopt the amendment in this bill.

Rep. Carlson: Do you want to adopt it here or do you want to take it over to the workforce and commerce.

Sen. Grindberg: I'd like to float it by them so they'd know what we're doing.

Page 6

House Appropriations Conference Committee

Bill/Resolution No. HB 1019

Hearing Date: 4-19-07

Rep. Monson: I'd like something more solid than something that says draft on it as well. As long as you are working on it, can you get together with Becky so we all know where we're at and what page we're on?

Sen. Grindberg: I'd like to wait to meet again until 1018 is passed.

Meeting adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1019**

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 4/20/07

Recorder Job Number: #6195

Committee Clerk Signature

Minutes:

Chairman Monson: Called the conference committee on HB 1019 to order.

All were present.

Rep Haas: Will explain the reference to the plumbing code. This is very important and was an oversight as an amendment was put this bill in the House GVA Committee, the oversight occurring when LC leaving out one small section of the code. This bill came to us and it did 2 things. SB 2060 allowed State Plumbing Board to increase the compensation for their members for their members from \$20 a day to a maximum to \$100 a day per Board action. The second thing it did, there was a broad sweeping statement that said violations that were determined by the State Plumbing Inspector would automatically carry a penalty of a Class D misdemeanor. The House GVA thought that was a little too extensive. We looked at numerous parts of the code and said within the State Plumbing Inspectors responsibilities, what are the sections that are logical to carry that large a penalty. We identified, through LC and the State Plumbing Inspector Sections that were appropriate to have that penalty. After all the action was taken care of by the House and the Senate in adopting that amendment, the Attorney General found, while reviewing it, that we had left out 43.18.09.

Chairman Monson: What is the one left out/

Rep Haas: That is the code itself.

Rep Carlson: It is important to have that in there.

Rep Haas: Yes it was strictly an oversight

Rep Monson: This is the only bill that you could identify that this would fit?

Rep Haas: Yes

Senator Mathern: Is the Plumbing Board Person aware of this?

Rep Haas: Yes. Bob Leingang is aware of the amendment and has a copy of it.

: There different spread sheets which compare version A, B and C. Is there one in existence right now which looks at the current statute what is in 2015 and what is in 1018?

Senator Mathern: Would you like to put this amendment on at this time?

Rep Carlson: We have other amendments

Senator Grindberg: Handed out amendment 0206.

Becky Keller: This is the amendment discussed yesterday which removes 1million dollars from the curriculum grant and changing the amount for the workforce training from the 2.65 to 165 million. The Sections added in are 8, 9 and 10 related to the workforce established and workforce council.

The transfer, the appropriation for the 2 million to the workforce enhancement fund, we did change the wording on that to fit the legal description that we need on the bill.

Rep Carlson: money goes to the commerce but the language what the commerce is going to do, because when they refer to the Commissioner here, they are referring to Commissioner of Commerce.

I like what it says.

Rep Gulleon: I understand that there is language that restrict who can access COE funds that it can not be used for Workforce training. Does the language on Page 2 of these grants than restrict the four year research from accessing this pool of Workforce training dollars?

Rep Grindberg: These amendments solely direct the training funds to those institution assigned Workforce Training which is the four year.

Rep Gulleson: Section 8 third line down describes this.

Rep Monson: Unless the Board of Higher Ed would change those designations I don't see how the 4 year would be eligible to work with Commerce to provide Business and Industry Training. The two year colleges in the 4 quadrants they would be the only ones eligible for this. That was our intent

Rep Carlson: I think this concept is very close but I do think that there are a few details to work out. There is still some Career Councilor type money over there that we haven't resolved and thing we may be able to use to enhance this. If we could have a concept, that would be good.

Sen Mathern: I suggest that the next draft include the Haas amendment.

Rep Monson: Could we have a motion.

Sen Mathern: Made a motion to approve

Sen Christmann: Seconded the motion.

Motioned carried.

Rep Carlson; Mr Goettle amendments were discussed that this language should stay specific to 1018 and not confuse this. Mr Goettle is this amendment prepared? This is adding workforce to your division and I think that we need any comment you would have on this.

Shane Goettle: I will.

Sen Christmann: I think changing the name in the Section 6 holds some merit. When we think of things that catch on, if we think it is a good enough programs to fund, we should think it is a great thing and grow it. If we expect it to be great the public has to buy off on it. I don't believe that the time will come that we will be sitting around the café or the hardware store or

something and you hear about the kids come back from the North Dakota came back from the elementary school entrepreneurship program and they are really pleased with it. As long as we got a wait anyway let's let the creative juices flow.

Rep Monson: I do think you are right. A one or two word title would be good and a school would look at it and say I am going to apply for this grant.

Sen Grindberg: I have it "A Promise Grant Program"

Rep Carlson: Sen Grindberg and I will talk about 1018 and see if we can get close to an agreement on the last couple things.

Sen Christmann: I can see cutting this budget by 2 million dollars. Are we doing anything to offer net savings or an increase to the State?

Sen Grindberg: We have not resolved the number in Commerce but it will be less and there will be savings through tax credits and reduced spending.

Rep Monson: Conference Committee closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1019

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 4-20-07

Recorder Job Number: 6216

Committee Clerk Signature

Minutes:

Chm. Monson called the meeting to order.

Sen. Grindberg: (passed out amendment .0207 -attachment A)

Becky Keller, Legislative Council: This is the same amendment that Sen. Grindberg provided this morning, but we have added in the provisions from .0206 which was the plumbing board amendment. What we did was remove the \$1M from the curriculum grant and reduce the workforce training to \$1.65M bringing the total to \$3M for that. We also removed the language relating to the curriculum grant and added the section of the code for the workforce enhancement council and the workforce enhancement fund and the transfer of the \$3M from the general fund to the workforce enhancement fund.

Chm. Monson: We haven't come up with our fancy name for Section 6 and Sen. Grindberg had a good idea. Do you want to share that with the group?

Sen. Grindberg: I had heard it in the hall. We're not proud we'll take it from anywhere.

Sen. Christmann: ND Elementary Innovation Program

Rep. Monson: Innovate ND for Kids

Sen. Christmann: Junior Innovation, I like ND Junior Innovation

Sen. Mathern: Why don't we just let the board decide?

Rep. Monson: That's not a bad idea. But I think we should give them some ideas.

Rep. Grindberg: I would also suggest that we would add in Section 8 - insert the Director of Career and Vocational Education

Rep. Carlson: We moved the \$2 out and all the rest is the same.

Rep. Monson: There is no new money in this budget for the elementary entrepreneur program. It is directed that it come out of his grants line which is really just coming out of his budget. However, we did add some money in the house and I visited with him and he thought it would be ok with the extra money in there.

Rep. Carlson: I still like the idea of Innovate ND for Kids program.

Rep. Monson: Do we want to direct them to change to that name?

Rep. Carlson: They have some pretty flashy stuff they are doing with Innovate ND.

Rep. Monson: Sen. Grindberg it's your motion. I'm looking for a motion.

Rep. Carlson: We don't have to name anything, do we?

Sen. Grindberg: If they want funding in '09, they have to have a name.

Sen. Mathern: I think we should give them the maximum latitude.

Rep. Carlson moved the adoption of amendment 0207 with the addition of the Director of Career and Technical Education to the Workforce Council.

Rep. Gulleason seconded the Motion

(yes) 6 (no) 0 (absent) 0

Carrier: Rep. Gulleason

78019.0205
Title.

Prepared by the Legislative Council staff for
Representative Haas
April 17, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1404-1406 of the House Journal and pages 976-978 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "education" insert "; and to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code"

Page 3, after line 2, insert:

"SECTION 5. AMENDMENT. Section 43-18-24 of the North Dakota Century Code as amended in section 2 of Senate Bill No. 2060, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

43-18-24. Violation of chapter - Penalty. Any person that violates the state plumbing code adopted under section 43-18-09; violates section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23; or works under the license of another person in a manner that is in violation of section 43-18-13 is guilty of a class B misdemeanor."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to provide a transfer; and to provide legislative intent"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:

"Workforce training 1,650,000"

Page 1, line 24, replace "2,988,825" with "4,638,825"

Page 2, line 2, replace "3,244,307" with "4,894,307"

Page 2, line 13, replace "1,350,000" with "3,000,000"

Page 2, line 15, replace "31,120,808" with "32,770,808"

Page 2, line 17, replace "20,085,093" with "21,735,093"

Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and replace "The board" with:

"SECTION 5. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$1,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 7. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council. The workforce enhancement council consists of the private sector members of the workforce development council and the director of the division of workforce development who shall serve as chairman.

SECTION 8. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council - Grants. The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement fund - Continuing appropriation. The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 7 and 8 of this Act. Interest earned by the fund must be credited to the fund.

SECTION 10. TRANSFER - APPROPRIATION. The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Page 2, remove line 30

Page 3, remove lines 1 and 2

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Board for Career and Technical Education						
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
Bill Total						
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808	\$34,770,808	\$0
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093	\$23,735,093	\$0

House Bill No. 1019 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to workforce enhancement fund			\$2,000,000	\$2,000,000		\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO WORKFORCE ENHANCEMENT FUND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to workforce enhancement fund	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income		
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

¹ This amendment transfers \$2,000,000 from the general fund to the workforce enhancement fund.

House Bill No. 1019 - Board for Career and Technical Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832	\$3,576,832	
Operating expenses	986,606	986,606		986,606	986,606	
Grants	23,500,116	24,300,116		24,300,116	25,300,116	(\$1,000,000)
Adult farm management	549,802	549,802		549,802	549,802	
Workforce training	1,350,000	1,350,000	\$1,650,000	3,000,000	4,000,000	(1,000,000)
Postsecondary education vocational grant	357,452	357,452		357,452	357,452	
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

Dept. 270 - Board for Career and Technical Education - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Adult farm management		
Workforce training	\$1,650,000	\$1,650,000
Postsecondary education vocational grant	_____	_____
Total all funds	\$1,650,000	\$1,650,000
Less estimated income	_____	_____
General fund	\$1,650,000	\$1,650,000
FTE	0.00	0.00

¹ This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added providing workforce training grants to institutions of higher education.

A section is added providing for an elementary student entrepreneurship program.

Sections are added to provide new sections to North Dakota Century Code Chapter 54-60 relating to the creation of a work enhancement council, grants provided by the council, and to create a workforce enhancement fund, from which the Department of Commerce will receive a continuing appropriation.

A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

That the Senate recede from its amendments as printed on pages 1404-1406 of the House Journal and pages 976-978 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:

"Workforce training : 1,650,000"

Page 1, line 24, replace "2,988,825" with "4,638,825"

Page 2, line 2, replace "3,244,307" with "4,894,307"

Page 2, line 13, replace "1,350,000" with "3,000,000"

Page 2, line 15, replace "31,120,808" with "32,770,808"

Page 2, line 17, replace "20,085,093" with "21,735,093"

Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and replace "The board" with:

"SECTION 5. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$1,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 7. AMENDMENT. Section 43-18-24 of the North Dakota Century Code as amended in section 2 of Senate Bill No. 2060, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

43-18-24. Violation of chapter - Penalty. Any person that violates the state plumbing code adopted under section 43-18-09; violates section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23; or works under the license of another person in a manner that is in violation of section 43-18-13 is guilty of a class B misdemeanor.

SECTION 8. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council. The workforce enhancement council consists of the private sector members of the workforce development council and the director of the division of workforce development who shall serve as chairman.

SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council - Grants. The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 10. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement fund - Continuing appropriation. The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 7 and 8 of this Act. Interest earned by the fund must be credited to the fund.

SECTION 11. TRANSFER - APPROPRIATION. The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Board for Career and Technical Education						
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
Bill Total						
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808	\$34,770,808	\$0
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093	\$23,735,093	\$0

House Bill No. 1019 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to workforce enhancement fund			\$2,000,000	\$2,000,000		\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO WORKFORCE ENHANCEMENT FUND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to workforce enhancement fund	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income		
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

¹ This amendment transfers \$2,000,000 from the general fund to the workforce enhancement fund.

House Bill No. 1019 - Board for Career and Technical Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832	\$3,576,832	
Operating expenses	986,606	986,606		986,606	986,606	
Grants	23,500,116	24,300,116		24,300,116	25,300,116	(\$1,000,000)
Adult farm management	549,802	549,802		549,802	549,802	
Workforce training	1,350,000	1,350,000	\$1,650,000	3,000,000	4,000,000	(1,000,000)
Postsecondary education vocational grant	357,452	357,452		357,452	357,452	
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

Dept. 270 - Board for Career and Technical Education - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Adult farm management		
Workforce training	\$1,650,000	\$1,650,000
Postsecondary education vocational grant	_____	_____
Total all funds	\$1,650,000	\$1,650,000
Less estimated income	_____	_____
General fund	\$1,650,000	\$1,650,000
FTE	0.00	0.00

¹ This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added providing workforce training grants to institutions of higher education.

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A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

1

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number 1019 (, as (re)engrossed): Date: 4/20/07

Your Conference Committee House Appropriations

For the Senate: YES / NO For the House: YES / NO

P	Sen. Christmann	Y	Rep. Monson	Y	P
P	Sen. Grindberg	Y	Rep. Carlson	Y	P
P	Sen. Mathen	Y	Rep. Gulletson	Y	P

recommends that the SENATE/HOUSE) (ACCEDE to) RECEDE from)

the Senate House) amendments on (SJ/HJ) page(s) 1404 -- 1406

____, and place _____ on the Seventh order.

adopt (further) amendments as follows, and place HB 1019 on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)engrossed) HB 1019 was placed on the Seventh order of business on the calendar.

DATE: 4/20/07
CARRIER: Gulletson
adopt 0207 w/ add. of Director of Career & Tech Ed, Sect. 8.

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Carlson

SECONDED BY: Gulletson

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1019, as engrossed: Your conference committee (Sens. Christmann, Grindberg, Mathern and Reps. Monson, Carlson, Gulleason) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1404-1406, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1404-1406 of the House Journal and pages 976-978 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent"

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Page 1, after line 23, insert:
"Workforce training 1,650,000"

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SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council - Grants. The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 10. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement fund - Continuing appropriation. The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 7 and 8 of this Act. Interest earned by the fund must be credited to the fund.

SECTION 11. TRANSFER - APPROPRIATION. The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Board for Career and Technical Education						
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
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General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
Bill Total						
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808	\$34,770,808	\$0
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093	\$23,735,093	\$0

House Bill No. 1019 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to workforce enhancement fund			\$2,000,000	\$2,000,000		\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO WORKFORCE ENHANCEMENT FUND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to workforce enhancement fund	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income		
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

¹ This amendment transfers \$2,000,000 from the general fund to the workforce enhancement fund.

House Bill No. 1019 - Board for Career and Technical Education - Conference Committee Action

	BUDGET	VERSION	CHANGES	VERSION	VERSION	TO SENATE
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832	\$3,576,832	
Operating expenses	986,606	986,606		986,606	986,606	
Grants	23,500,116	24,300,116		24,300,116	25,300,116	(\$1,000,000)
Adult farm management	549,802	549,802		549,802	549,802	
Workforce training	1,350,000	1,350,000	\$1,650,000	3,000,000	4,000,000	(1,000,000)
Postsecondary education vocational grant	357,452	357,452		357,452	357,452	
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	<u>11,035,715</u>	<u>11,035,715</u>		<u>11,035,715</u>	<u>11,035,715</u>	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
FTE	27.50	27.50	0.00	27.50	27.50	0.00

Dept. 270 - Board for Career and Technical Education - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Adult farm management		
Workforce training	\$1,650,000	\$1,650,000
Postsecondary education vocational grant		
Total all funds	\$1,650,000	\$1,650,000
Less estimated income		
General fund	\$1,650,000	\$1,650,000
FTE	0.00	0.00

¹ This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added providing workforce training grants to institutions of higher education.

A section is added providing for an elementary student entrepreneurship program.

Sections are added to provide new sections to North Dakota Century Code Chapter 54-60 relating to the creation of a work enhancement council, grants provided by the council, and to create a workforce enhancement fund, from which the Department of Commerce will receive a continuing appropriation.

A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

Engrossed HB 1019 was placed on the Seventh order of business on the calendar.

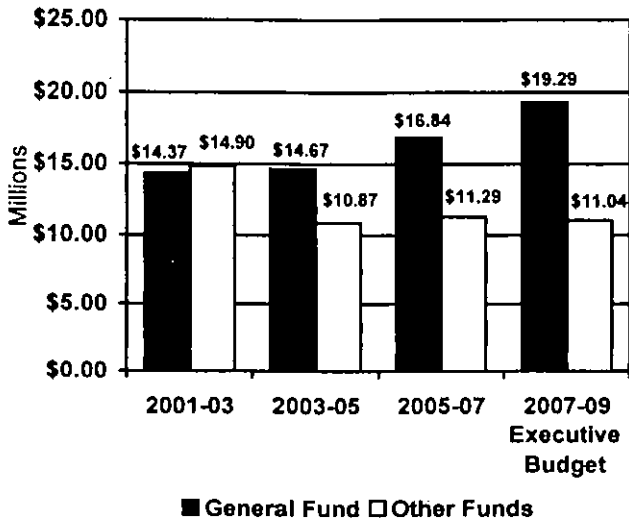
2007 TESTIMONY

HB 1019

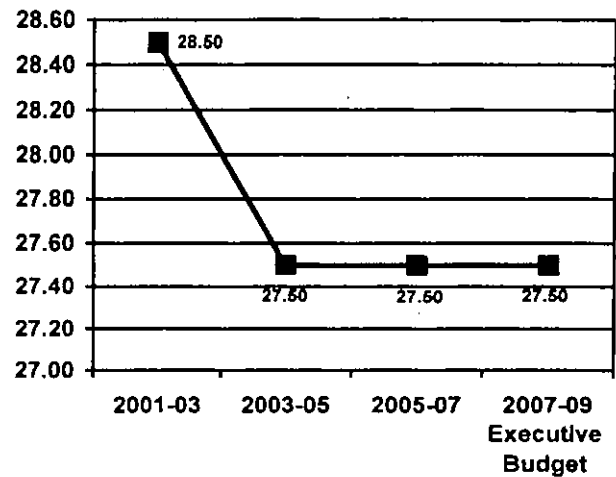
Department 270 - Department of Career and Technical Education
House Bill No. 1019

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	27.50	\$19,285,093	\$11,035,715	\$30,320,808
2005-07 Legislative Appropriations	27.50	16,840,786	11,291,197	28,131,983
Increase (Decrease)	0.00	\$2,444,307	(\$255,482)	\$2,188,825

Agency Funding



FTE Positions



Executive Budget Highlights

	General Fund	Other Funds	Total
1. Increases funding for incentives to schools for career and technical education training	\$2,000,000		\$2,000,000
2. Adds 2 FTE positions for the career course network previously funded with federal funds in Job Service North Dakota	\$218,425		\$218,425

Continuing Appropriations

No continuing appropriations for this agency.

Major Related Legislation

House Bill No. 1027 - Section 6 of this bill provides that the Department of Career and Technical Education design and implement a program to provide a dollar-for-dollar match to teachers or schools for the purpose of funding innovative science, technology, or innovation programs for students in kindergarten through grade 12.

House Bill No. 1027 - Section 44 of this bill provides an appropriation of \$45,000 to the Department of Career and Technical Education for the purpose of funding grants for innovation.

①

**House Appropriations
Education and Environmental Division
January 8, 2007
Testimony on HB 1019**

Department of Career and Technical Education

Mr. Chairman and members of the committee, my name is Wayne Kutzer, Director of the Department of Career and Technical Education. I hope that you will take the opportunity to visit some of the displays in the Great Hall that are showcasing both high school and college CTE programs from across the state.

You have heard me in the past tell you what a vital role Career and Technical Education plays in the education of students, the training of our workforce and the economy of our state. While that does hold true and even more so today, I believe that you understand that message.

CTE is effective and we need to provide more opportunities to all students. Our most recent data show that students who take two sequential CTE courses have a 97% graduation rate compared to a current state rate of 87%.

I was asked to focus on this current biennium appropriation and our estimated spending as well as our budget needs for the upcoming biennium. I want to tell you of our efforts to grow CTE opportunities for students across the state and how the funding you have given us in the past has enabled us to work on that. I will briefly tell you what we have been able to accomplish with the funding that we received last session. The yellow handout shows the number of CTE programs and number of students served.

We received \$900,000 to increase the reimbursement rates to schools by 1% and to help to meet the increased costs and demands from schools for CTE programming. We did increase our reimbursement rates to schools from 24% to 25%, which was very much needed, but you also need to know that 24% was the lowest they have ever been. Twenty years ago the rates were 40% and in 1995, just 12 years ago, they were at 32%. Our whole range of current reimbursement rates are on the yellow handout in your materials. The funding also enabled us to fund 26 new program requests from high schools as well as 18 program expansions to help schools meet the increasing demand for CTE programming. The funding also helped us expand the number of CTE interactive video courses being offered by nearly 15%. Currently there are 57 schools receiving 22 different program offerings in 90 sections across the state.

We also received \$100,000 to increase reimbursement rates for Farm Management programs which has enabled us to increase the rates from 59% to 64% and established a new program in Williston and expanded one in Napoleon, which brings the total number of Farm Business Management programs in the state to 14.

And finally last session, we received \$900,000 to enhance the Emerging Technology program which rotates modules of technical equipment between schools within a consortium. These modules range from robotics to CNC Mills and Bio-tech/DNA to laser and fiber optics. We have also expanded the number of participating schools from 67 to 77. This project introduces basic technological literacy standards and skills to students in the participating districts. We have also established a management team with representatives from school administrators, business, and workforce development to provide guidance for the program.

Our budget requests for the 07/09 biennium reflect the need for significant resources to grow student opportunities in career and technical education across the state. One of our biggest and most challenging needs is to expand student opportunities especially in occupational intent courses, courses such as welding, construction, information technology, advanced manufacturing, or electronics. These areas represent some of the career opportunities that are growing in our state.

If you look at the blue budget sheet, it will reflect where we have been and what we are asking your consideration for, in the 07/09 biennium. Attached to that is a short description for each request, in priority order, which was established by our board. The first column reflects where we are at right now. About \$21 million in state and federal funds go to grants to schools. Then there are three line items:

Adult Farm Management at \$725,760

Workforce Training at \$1,350,000

Postsecondary grants of \$357,452

After the budget line items there is a category showing our source of funding which is about a 60% state and 40% federal funding split. State funds go to schools based on the programs that they offer, while federal funding is allocated based on Title I census data.

The second column reflects our budget requests and the fourth column are the amounts contained in the Governor's recommended budget. At the bottom of the page there is some detail for the amounts in our budget. The left hand side titled "Additional Requests

Summary” corresponds to column two which is our requested budget with our board’s priority ranking in parentheses. The bottom right refers to column four the “Executive Recommendation”.

Let me walk through the line items with you:

In the salaries line item there is \$161,151, which if you look at the bottom left information, is made up of \$202,564 for the Career Resource Network and there is a negative \$41,413 which is a result of removing some excess appropriation due to grants ending. If you follow the salary line item over to the fourth column, the \$403,035 represents the \$202,564 funding for the Career Resource Network as well as the recommended state employee increase of 4% each year.

The Career Resource Network (CRN) is a program that provides counselors, teachers, students, and parents with career information and resources for the classroom. The CRN was funded with federal funds out of Sec. 118 of the Carl Perkins grant. While the new Carl Perkins law still contains the language for the CRN it did not provide any funding in the last budget cycle. In a time when we want to provide good career choice information to students it is so important that we maintain that program. You may be familiar with the tabloid “Career Outlook” which is produced by the CRN - 65,000 are made available to students across the state. If you ask any counselor, they know and value that resource. It is the single most commonly used career information document in the state. The CRN also provides training on tools and software for career development in the classroom and were instrumental in the process when the Bank of North Dakota purchased a statewide license for all schools for Test Gear and Choices, a set of online career planning tools. The CRN continues to provide statewide training for teachers and counselors on how to

use these tools; they held 54 workshops for teachers and counselors this past year. For more information there is a salmon handout in your packet showing a list of the CRN activities. If we were to lose the CRN, it's resources, and it's personnel it would devastate the training opportunities available for career development. I would hope that you approve the recommendation to fund that program.

Back to the blue budget sheet, if you look at the operating expense line, we did ask for \$50,000 for operating expenses for the CRN which was not in the budget recommendations, along with \$250,000 to help defray the cost of purchasing industry/nationally validated testing for students. We had asked for this funding last biennium but it was not funded. These industry based assessments would be given to students who have completed a CTE program of study, say in welding or computer programming. This exam, because it is an industry recognized test, would provide to the student, both motivation to do well and a certification that they could hand to an employer to document that they have the skills, or to a postsecondary institution to facilitate articulation of courses. The student becomes more marketable and the business knows they are getting a student with a set of skills. In addition to the benefits to the student and employer, the new federal Perkins legislation will be requiring us to use nationally recognized skills testing as one of our performance measures, that we as a department are evaluated on annually, much like NCLB. We traditionally have 3,000 to 3,500 completers in CTE every year and at an average cost of \$40 per assessment, including both a pre and post test, the \$250,000 will help us meet this need. Because of the relatively small number of students in many different program areas it will be much

cheaper to purchase existing testing than to develop nationally validated skills testing ourselves. We have done some limited pilot testing in welding and the reports back from teachers has been favorable, and students, knowing that this is an industry skills based test, both see the relevance of what they are learning and, on a whole, take the test more seriously.

The next line is the Grants line item which reflects the funding that we send to schools to help cover the extra cost associated with CTE courses. The second column shows \$2.8 million and at the bottom left you see two amounts making up the \$2.8 million; the first is for \$300,000 to help maintain current reimbursement rates.

As programs expand and costs increase, we need approximately \$300,000 a biennium to maintain our reimbursement rates. This was not included in the Governor's recommendations, but it is needed to keep up with rising costs.

The other amount within the grants line item is for \$2.5 million and if you look over at the fourth column \$2 million of it is in the Governor's budget recommendations.

This recommendation comes from and is supported by the Education Improvement Commission and is part of the \$80 million the Governor has recommended for secondary education.

We are excited about the possibilities with this funding. We will be able to do something that we haven't been able to do since Area Career and Technology Centers came into being 30 years ago – that is to provide start-up funds for two new centers. \$1.2 million of those funds will be to establish two new Area Career and Technology Centers. There are currently five Area Career and Technology Centers in the state – North Valley at Grafton, Sheyenne Valley at Valley City, Lake Area at Devils Lake, James Valley at Jamestown,

and SE Regional in Wahpeton and Oakes. By their location you can tell that they are all in the eastern half of the state. This initiative will pilot two Area Centers in the western half of the state and our vision is that they will be "virtual area centers". While these Centers will still deliver some courses through a traditional delivery model, they will focus on a blended delivery system which may be video conferencing, online, alternative scheduling, or even mobile labs. Through the planning process, the cooperating districts can envision a Center that will work in their region, creating a learning environment taking into account such things as sparse population and long distances. They can design CTE courses around some of the industry or employment needs that they have in their area, and provide many of the same opportunities for their students that districts in higher populated areas enjoy. They will be able to reach out to rural districts with programming that is relevant and flexible in delivery. The growth in availability of computer based curriculum and even virtual reality software can make this possible. It creates an exciting opportunity.

The section of the Education Commission report and it's draft legislation which address CTE, is a green handout in your materials which I won't go over, but are included for you to look at later. They identify that JPAs would have preference in the selection process but Centers could also be formed by another group of districts. There is a buff handout which is a draft set of guidelines for Virtual Area Centers that explains some of the elements of how a Virtual Center could be formed, how it would look, and how it would be governed. These Centers would be reimbursed at 75% of cost initially and gradually reduce to the same level of funding that current area centers are at, which is 38%. Mr.

Chairman if you would like, I could go over some of these guidelines or wait to the end if there are any questions.

The other part of our request is \$1.3 million to provide increased incentive funding for schools to share and partner in the development of regional delivery methods for CTE courses and programs. The Governor's recommendation reduced that to \$800,000. This is separate from the Virtual Area Center development and will provide outreach to many schools that do not have much in the way of CTE course opportunities for their students. An excellent example in regional cooperation is the SE Regional Career and Technology Center in Wahpeton and Oakes. They are on the way to providing CTE courses in the entire southeast corner of the state and are using a number of delivery methods, from transporting students, moving teachers and career development counselors, using video conferencing, rotating expensive lab equipment between schools so each school doesn't have to try and purchase their own, and reducing administrative overhead.

Regional cooperative efforts can be cultivated between many schools. I mentioned before that we have increased the number of CTE courses delivered though cooperative arrangements, we did that by providing a 4% additional incentive above their current reimbursement base rate for each school that they deliver a CTE course to. So if a school sends a Health Careers class out to 5 area schools, that would be 4% times 5 schools for a 20% incentive that is then added to the 25% base rate for a total reimbursement rate of 45% for that program. In this example we have just provided more students from five schools an opportunity that they didn't have before. It isn't feasible for any of those outlying schools to hire a part time instructor, and the sending school is probably able to keep a fulltime contract for an instructor making it a more stable and attractive teaching

position. With this increased funding we will be able to help many more schools provide courses that they couldn't otherwise. For example, a new online electronics course that is originating from Bismarck goes to Williston, Ray, and Washburn. The incentives make it so that Bismarck Public Schools don't have any additional cost; the receiving districts didn't have to find an electronics instructor for one period a day, which would have been impossible, and best of all the students have an opportunity that wasn't there before.

While some courses such as Marketing can be delivered more readily over an interactive video system, others do not adapt very well. One of our biggest and most challenging needs is to expand student opportunities in occupational intent courses, courses such as welding, construction, information technology, advanced manufacturing, or electronics. Some of it is teacher training, some of it is curriculum, some of it is how to incorporate lab experiences, or may even be the limited availability of interactive video classroom equipment. The same opportunities that present themselves around the formation of a virtual center can also make CTE courses more available in every corner of the state. This \$800,000 in funding will help make more of this possible.

The last line item is workforce training. In our budget there is a request for \$2,650,000 in additional funding which when added to the current appropriation would bring the total to \$4 million. Our agency has been designated the fiscal agent since the inception of the current workforce training system back in 1999. Each of the training regions has an advisory board made up of business and industry from the area that they serve and they, in conjunction with the two year campuses and the University System provide the administration and oversight.

This funding will allow the Workforce Training Regions to go to the next level of service. The business advisory boards of the WFT System identified three major conclusions: 1) the WFT system has been very effective in responding to needs of business and industry, 2) the WFT system has reached its capacity with its current resource, 3) the number of businesses and employees served will remain constant unless or until additional resources are received.

Additional funds will allow the North Dakota Workforce Training System to significantly expand its operations and assist more businesses. The investment will support increased operating expenses enhancing training opportunities in rural communities and small businesses; develop additional partnerships with private sector relating to training and; obtain equipment and software necessary for providing up-to-date and effective training.

Increased funding was requested but not appropriated last session. There is a representative from the training regions here to provide more detail for the proposal.

I thank you for this opportunity to present our agency budget and with the many demands on the state budget I appreciate your consideration of these investments in the youth and future of our state. I would be glad to answer any questions that you may have.

Department of Career and Technical Education

(Number of Schools with CTE and Students Served)

Secondary Programs

<u>Programs</u>	<u># of Schools</u>	<u># of Students</u>
Agriculture Education	91	4,233
Business and Office Technology	113	8,615
Family and Consumer Sciences	123	8,623
Junior High (Grades 7-8)	99	8,132
Technology Education	67	4,265
Junior High (Grades 7-8)	65	8,251
Trade, Technical & Health Careers	118	3,672
Schools	Students	Schools
9 Auto Collision Technology	129	3 Facilities Maintenance
43 Automotive Technology	882	7 Graphic Arts/Communication
3 Aviation Technology	26	49 Health Careers
8 Commercial Art	116	8 Machining Technology
39 Construction Technology	649	0 Medical Records
5 Culinary Arts	19	7 Medical Terminology
12 Drafting Technology	107	6 Recreational Engines
5 Electronics Technology	64	31 Welding Technology
4 Emergency Medical Services	27	
(Total of 239 Programs in 118 Schools)		
Marketing Education	41	1,236
Diversified Occupations	14	188
Information Technology	60	1,129
Career Development (Grades 7-12)	99	18,947

Chapters (2004-2005 School Year)

16	DECA
57	FBLA
72	FCCLA
76	FFA
21	SkillsUSA
15	TSA

STATE BOARD FOR CAREER AND TECHNICAL EDUCATION

Policy For Reimbursement of State Funded Programs FY 2007

◆ Secondary Comprehensive Occupational Programs

25% Reimbursement on Instructional Salaries and Extended Contracts
30% Reimbursement on Approved Travel
38% of All Approved Costs at the Area Career and Technology Centers
No state Reimbursement on Equipment

◆ Exploratory Programs

Family & Consumer Sciences

10% Reimbursement on Instructional Salaries and Extended Contracts
30% Reimbursement on Approved Travel
No state Reimbursement on Equipment
Current Reimbursement is for grades 9-12 only

Technology Education

No reimbursement on Instructional Salaries
40% Reimbursement on Extended Contracts
30% Reimbursement for Approved Travel
40% Reimbursement on Equipment

◆ Career Development

35% Reimbursement on Salaries and Extended Contracts
30% Reimbursement on Travel

◆ Adult Level

Full-Time Instruction Programs (Farm Management Education) 64% of Approved Expenditures
Part-Time Adult: 50% of Instructors Salary only on an hourly basis not to exceed 50% of the \$25 hourly maximum

◆ Coops – Sharing Instructors, Transporting Students and ITV's

Schools holding contracts on instructors in programs that transport students or programs that share instructor's receive 2% additional reimbursement on approved costs
Schools holding contracts on ITV's receive 4% additional reimbursement on approved costs
Participating schools receive 25% of assessed fees

Department of Career and Technical Education

Narrative for 2007-2009 Budget Request Increases

Maintain Funding of Current Programs - \$300,000 – This will maintain the current level of funding for existing programs. CTE funds schools on a reimbursement basis so as program costs increase due to inflation and other costs, this will maintain current reimbursement rates. This is based on a historical average of a 3% increase per year.

Incentive Funding to expand CTE Programming - \$2,500,000 – The demand for CTE courses and career development services continues to grow both from school districts and also from business and industry that are looking for a skilled workforce. This funding will provide for incentives to promote sharing, expanding, and establishing new CTE programming. It will provide funding to pilot two Virtual Area Centers in the western part of the state and other cooperative arrangements throughout the state. The goal will be to provide a more uniform availability of CTE courses and career development activities statewide.

The virtual area centers could be developed through JPA's or other regional efforts and would account for \$1.2 million. These new area centers would be initially reimbursed at 75% (versus 38% for current centers) to help with startup and to encourage districts to form a regional effort. The virtual center concept will utilize technology to deliver CTE programming over distances in addition to more traditional delivery methods. New curriculum is becoming available to deliver a wider assortment of CTE courses in ways that were not available even a few years ago, this includes online and ITV. The challenge will be to integrate hands on experiences for students through more flexible scheduling.

The balance of the incentive funding, \$1.3 million will be used to increase reimbursement to schools who offer additional regional programming and start new shared CTE courses. Career development and career promotion will also be targeted to encourage schools to increase the level of career information and services to students.

Career Resource Network (CRN) - \$250,000 – Incorporate the personnel, work and educational resources from the Career Resource Network into CTE and support it with state funds. The new 2006 Carl Perkins Act, in Section 118, strengthens the role of CRN but the federal funding within the Carl Perkins Act that has supported NDCRN in the past has been eliminated. The Career Resource Network will cease to exist on June 30, 2007, which will also end any federal coordination that has been available.

CRN has been a very strong resource for ND counselors and teachers and its program of work complements CTE. For both of those reasons the CRN management team has recommended that CRN be incorporated into the Department of Career and Technical Education and that CTE request funding for it in the 2007-09 biennium. The current budget for CRN is \$280,000; however, due to savings by incorporating CRN into the Dept of CTE our request would be \$250,000.

National and Industry Based Skill Assessments - \$250,000 – The new Carl Perkins Act raises the bar in terms of industry skill assessments and specifically references their use in measuring skill attainment as part of the CTE accountability measures. These assessments would be used to measure the knowledge and skill of CTE program completers. It would include nationally recognized certification testing and industry validated skill assessments. Funding will allow for approximately 3,000 completers to test at an average cost of \$40 per test. The assessments will enable students to show prospective employers how they did on a nationally recognized test.

Workforce Training Regions \$2,650,000 – (A total budget of \$4 million.) This funding will allow the Workforce Training Regions to go to the next level of service. The business advisory boards of the WFT made three major recommendations: 1) the WFT system has been very effective in responding to needs of business and industry, 2) the WFT system has reached its capacity with its current resource, 3) the number of businesses and employees served will remain constant unless or until additional resources are received.

The funds would be used for additional outreach personnel to work with individual businesses; extend training to rural communities and small businesses; develop additional partnerships with private sector relating to training and; obtain equipment and software necessary for providing up-to-date and effective training. Increased funding was requested but not appropriated last session.

1b

State Board for Career and Technical Education 2007-2009 Biennium Budget

LINE ITEMS	2005-2007 Budget	Additional Requests ¹	2007-2009 Total Request	Executive Recommendation ²	Total with Executive Recommendation
Salaries and Wages	3,173,797	161,151	3,334,948	403,035	3,576,832
Operating Expenses	1,024,858	261,748	1,286,606	(38,252)	986,606
Grants	21,500,116	2,800,000	24,300,116	2,000,000	23,500,116
Adult Farm Management	725,760	(175,958)	549,802	(175,958)	549,802
Workforce Training	1,350,000	2,650,000	4,000,000	0	1,350,000
Postsecondary Grants	357,452	0	357,452	0	357,452
Total Line Items	28,131,983	5,696,941	33,828,924	2,188,825	30,320,808
FUNDING SOURCE					
General Fund	16,840,786	5,970,071	22,810,857	2,444,307	19,285,093
Special Funds	380,932	(175,958)	204,974	(175,958)	204,974
Federal Funds	10,910,265	(97,172)	10,813,093	(79,524)	10,830,741
Total Funding Source	28,131,983	5,696,941	33,828,924	2,188,825	30,320,808
FTE	27.5		27.5		27.5

¹Additional Requests Summary

Salaries - \$161,151

- (3) \$202,564 - Career Resource Network personnel
- (\$41,413) Budget changes in salary

Operating - \$261,748

- (3) \$50,000 - Career Resource Network Operating
- (4) \$250,000 - Industry/nationally validated student assessments
- (\$38,252) - Budget changes in operating

Grants - \$2,800,000

- (1) \$300,000 - Maintain current funding rates to compensate for inflation
- (2) \$2,500,000 - Virtual Area Centers/expansion/incentive funding

Farm Management

(\$175,958) - Reduce excess special funds appropriation

Workforce Training

- (5) \$2,650,000 - Expand outreach for each region

²Executive Recommendation Summary

Salaries - includes a 4% increase each year plus funding for the Career Resource Network

Operating - is less \$38,252 to reflect completion of federal grants

Grants - \$2 million for expansion of programs including virtual centers and regional cooperation

Farm Mgmt - Removed surplus appropriation for non-operating program - (Farming for Profit)

**Senate Appropriations
February 21, 2007
Testimony on HB 1019**

Department of Career and Technical Education

Mr. Chairman and members of the committee, my name is Wayne Kutzer,
Director of the Department of Career and Technical Education.

In the past I have told you what a vital role Career and Technical Education plays in the education of students, the training of our workforce and the economy of our state. While that does hold true and even more so today, I believe that you understand that message. CTE is effective and we need to provide more CTE opportunities to students. Our most recent data shows that students who take two sequential CTE courses have a 97% graduation rate compared to a current state rate of 87%.

First I want to briefly inform you of how we are spending the increases that you provided us last session and our efforts to grow CTE opportunities for students across the state. To give you a perspective on CTE, the yellow handout shows the number of programs and number of students served.

We received \$900,000 to increase the reimbursement rates to schools by 1% and to help meet the increased costs and demands from schools for CTE programming. We did increase our reimbursement rates to schools from 24% to 25%, which was very much needed, but you also need to know that 24% was the lowest they have ever been. Twenty years ago the rates were 40% and in 1995, just 12 years ago, they were at 32%. Our whole range of current reimbursement rates are on the yellow handout in your materials.

The funding also enabled us to fund 26 new program requests from high schools as well as 18 program expansions to help schools meet the increasing demand for CTE

programming. The funding also helped us expand the number of CTE interactive video courses being offered by nearly 15%. Currently there are 57 schools receiving 22 different program offerings in 90 sections across the state.

We also received \$100,000 to increase reimbursement rates for Farm Management programs which has enabled us to increase the rates from 59% to 64% and establish a new program in Williston and expand one in Napoleon, which brings the total number of Farm Business Management programs in the state to 14.

And finally last session, we received \$900,000 to enhance the Emerging Technology program which rotates modules of technical equipment between schools within a consortium. These modules range from robotics to CNC Mills and Bio-tech/DNA to lasers and robotics. We have also expanded the number of participating schools from 66 to 78. This project introduces basic technological literacy standards and skills to students in the participating districts. We have also established a management team with representatives from school administrators, business, and workforce development to provide guidance for the program.

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③ If you look at the budget sheet, it reflects where we have been and what we are asking your consideration for, in the 2007-09 biennium. Attached to that is a short

description for each request, in priority order, which was established by our board. The first column reflects where we are at. About \$21.5 million in state and federal funds go to grants to schools. Then there are three line items:

Adult Farm Management at \$725,760 and if you look in column 2 you will see a negative \$175,958 – that is a result of special funds that we received about 15 years ago to conduct a program called Farming for Profit. Those funds have been used up and the program has been incorporated into the existing Farm Management programs. This negative \$175,958 is to remove excess appropriation from our budget. It does not take away any funding from Farm Management programs.

Continuing on in the first column, there is Workforce Training at \$1,350,000 followed by Postsecondary Grants of \$357,452.

After the line items, there is a category showing our source of funding which is about a 60% state and 40% federal funding split. State funds go to schools based on the programs that they offer, while federal funding is allocated based on Title I census data.

The second column reflects our budget requests, the third column has the amounts contained in the Governor's recommended budget and the fourth column has the budget recommendations that the House approved. Column five is the total budget as approved by the House. At the bottom of the page there is some detail for the amounts in our budget. The left hand side titled "Agency Requests" corresponds to column two which is our requested budget with our board's priority ranking in parentheses. On the bottom right is the reference to the action that the House took, and below that are our Unfunded Agency requests.

Let me walk through the line items with you:

In column two the salaries line item is \$161,151, which, if you look at the bottom left information is made up of \$202,564 for the Career Resource Network and there is a negative \$41,413 which is a result of removing some excess appropriation due to grants ending. If you follow the salary line item over to the third and fourth column, the \$403,035 represents the addition of \$242,154 which is the state employee increase of 4% each year.

The Career Resource Network (CRN) is a program that provides counselors, teachers, students, and parents with career information and resources for the classroom. The CRN was funded with federal funds in Sec. 118 of the Carl Perkins grant. While the new Carl Perkins law still contains the language for the CRN it did not provide any funding in the last budget cycle. In a time when we want to provide good career choice information to students it is so important that we maintain that program. You may be familiar with the tabloid "Career Outlook" which is produced by the CRN - 65,000 are made available to students across the state. If you ask any counselor, they know and value that resource. It is the single most commonly used career information document in the state. The CRN also provides training on tools and software for career development in the classroom and was instrumental in the process when the Bank of North Dakota purchased a statewide license for all schools for Test Gear and Choices, a set of online career planning tools. The CRN continues to provide statewide training for teachers and counselors on how to use these tools; they held 54 workshops for teachers and counselors this past year. For more information please refer to the salmon handout showing a list of the CRN activities. If we were to lose the CRN, its resources, and its personnel it would

devastate the training opportunities available for career development. I would hope that you would also approve the recommendation to fund that program.

Back to the budget sheet, if you look at the operating expense line item under the second column it is \$261,748 and if you look at the bottom right information it breaks that amount down. We did ask for \$50,000 for operating expenses for the CRN and \$250,000 to help defray the cost of purchasing industry and/or nationally validated testing for students, neither one was included in the budget recommendations. As you can see if you look at the last column, these two items remain unfunded and we are still requesting \$300,000 to cover those requests. The industry based assessments would be given to students who have completed a CTE program of study, say in welding or computer programming. This exam, because it is an industry recognized test, would help motivate students to do well and provide a student a certification that they could hand to an employer to document that they have the skills, or to a postsecondary institution to facilitate articulation of courses. The student becomes more marketable and the business knows they are getting a student with a set of skills. In addition to the benefits to the student and employer, our new federal Perkins legislation will be requiring us to use nationally recognized skills testing as one of our performance measures, that we as a department are evaluated on annually, much like NCLB. We traditionally have 3,000 to 3,500 completers in CTE every year and at an average cost of \$40 per assessment, including both a pre and post test, the \$250,000 will help us meet this need. Because we have many different program areas it will be much cheaper to purchase existing testing then to develop nationally validated skills testing ourselves or turn that burden of development over to the schools. We have done some limited pilot testing in welding

and the reports back from teachers has been favorable, and students, knowing that this is an industry skills based test, both see the relevance of what they are learning and, on a whole, take the test more seriously.

The next line is the Grants line item which reflects the funding that we provide to schools to help cover the extra cost associated with CTE courses. The second column shows \$2.8 million and at the bottom left you see two amounts making up the \$2.8 million; the first is for \$300,000 to help maintain current reimbursement rates and the other amount is \$2.5 million to pilot two new CTE Centers and provide incentive funding for schools to share CTE programming.

If you look at the fourth column, the House recommendation is to fund that request. The \$300,000 to maintain reimbursement rates are due to increased costs each year. The other amount is the \$2.5 million which comes from and is supported by the Education Improvement Commission and is part of the \$80 million the Governor has recommended for secondary education.

We are excited about the possibilities with this funding. We will be able to do something that we haven't been able to do since Area Career and Technology Centers came into being 30 years ago – that is to provide start-up funds for two new centers. Of the \$2.5 million, \$1.2 million of those funds will be to establish two new Area Career and Technology Centers. There are currently five Area Career and Technology Centers in the state – North Valley at Grafton, Sheyenne Valley at Valley City, Lake Area at Devils Lake, James Valley at Jamestown, and SE Regional in Wahpeton and Oakes. By their location you can tell that they are all in the eastern half of the state. This initiative will pilot two Area Centers in the western half of the state and our vision is that they will be

“virtual area centers”. While these Centers will still deliver some courses through a traditional delivery model, they will focus on a blended delivery system which may be video conferencing, online, alternative scheduling, or even mobile labs. Through the planning process, the cooperating districts can envision a Center that will work in their region, creating a learning environment taking into account such things as sparse population and long distances. They can design CTE courses around some of the industry or employment needs that they have in their area, and provide many of the same opportunities for their students that districts in higher populated areas enjoy. They will be able to reach out to rural districts with programming that is relevant and flexible in delivery. The growth in availability of computer based curriculum and even virtual reality software can make this possible. It creates an exciting opportunity.

⑥ The section of the Education Commission report and its draft legislation, which addresses CTE, is the green handout which I won't go over, but is included for you to look at later. They identify that JPAs would have preference in the selection process but Centers could also be formed by another group of districts. ③ There is a buff handout which is a draft set of guidelines for Virtual Area Centers that explains some of the elements of how a Virtual Center could be formed, how it would look, and how it would be governed. These Centers would be reimbursed at 75% of cost initially and gradually reduce to the same level of funding that current area centers are at, which is 38%. Mr. Chairman if you would like, I could go over some of these guidelines or wait to the end if there are any questions.

The other part of the \$2.5 million is \$1.3 million to provide increased incentive funding for schools to share and partner in the development of regional delivery methods

for CTE courses and programs. This is separate from the Virtual Area Center development and will provide outreach to many schools that do not have much in the way of CTE course opportunities for their students. An excellent example in regional cooperation is the SE Regional Career and Technology Center in Wahpeton and Oakes. They are on the way to providing CTE courses in the entire southeast corner of the state and are using a number of delivery methods, from transporting students, moving teachers and career development counselors, using video conferencing, rotating expensive lab equipment between schools so each school doesn't have to try and purchase their own, and reducing administrative overhead.

Regional cooperative efforts can be cultivated between many schools. I mentioned before that we have increased the number of CTE courses delivered through cooperative arrangements, we did that by providing a 4% additional incentive above their current reimbursement base rate for each school that they deliver a CTE course to. So if a school sends a Health Careers class out to five area schools, the incentive would be 4% times five schools for a 20% incentive that is then added to the 25% base rate for a total reimbursement rate of 45% for that program. In this example we have just provided more students from five schools an opportunity that they didn't have before. It isn't feasible for any of those outlying schools to hire a part time instructor and at the same time the sending school is probably able to keep a fulltime contract for an instructor making it a more stable and attractive teaching position. With this increased funding we will be able to help many more schools provide courses that they couldn't otherwise. For example, a new online electronics course that is originating from Bismarck goes to Williston, Ray, and Washburn. The incentives make it so that Bismarck Public Schools doesn't have any

additional cost; the receiving districts didn't have to find an electronics instructor for one period a day, which would have been impossible and best of all, the students have an opportunity that wasn't there before.

While some courses such as Marketing can be delivered more readily over an interactive video system, others do not adapt very well. One of our biggest and most challenging needs is to expand student opportunities in occupational intent courses, courses such as welding, construction, information technology, advanced manufacturing, or electronics.

Some of it is teacher training, some of it is curriculum, some of it is how to incorporate lab experiences, or may even be the limited availability of interactive video classroom equipment. The same opportunities that present themselves around the formation of a virtual center can also make CTE courses more available in every corner of the state. This \$1.3 million in funding will help make more of this possible.

I would ask that you consider an amendment to the language in Section 4 of the bill as it came from the House. In #2 of Section 4 starting on line 28 it states that the funding for incentives, a total of \$1.3 million, goes to area career and technology centers, I would like to see this funding be available to all schools as long as they find ways to share CTE programming with other schools. This amendment is in keeping with the language that is in Section 52 of SB 2200, which is the last page of the green handout.

The last line item is workforce training. In our budget there is a request for an additional \$2,650,000 in funding which is in column two and when added to the current appropriation would bring the total to \$4 million. Your committee recommended and the full Senate approved SB 2249 which did address this funding. Because you have heard

this information already I will not repeat it again for you but I have included it in my testimony for you to reference. I would ask that both of these bills be watched so that this important funding does end up in one of these bills.

Our agency has been designated the fiscal agent since the inception of the current workforce training system back in 1999. Each of the training regions has an advisory board made up of business and industry from the area that they serve and they, in conjunction with the two year campuses and the University System provide the administration and oversight.

This funding will allow the Workforce Training Regions to go to the next level of service. The business advisory boards of the WFT System identified three major conclusions: 1) the WFT system has been very effective in responding to needs of business and industry, 2) the WFT system has reached its capacity with its current resource, 3) the number of businesses and employees served will remain constant unless or until additional resources are received.

Additional funds will allow the North Dakota Workforce Training System to significantly expand its operations and assist more businesses. The investment will support increased operating expenses enhancing training opportunities in rural communities and small businesses; develop additional partnerships with private sector relating to training and; obtain equipment and software necessary for providing up-to-date and effective training. Increased funding was requested but not appropriated last session. There is a representative from the training regions here to provide more detail for the proposal.

**State Board for Career and Technical Education
2007-2009 Biennium Budget**

	2005-2007 Budget	Agency Requests ¹	Executive Recommendation	House Recommendation ²	Total Proposed Budget	Unfunded Requests ³
LINE ITEMS						
Salaries and Wages	3,173,797	161,151	403,035	403,035	3,576,832	0
Operating Expenses	1,024,858	261,748	(38,252)	(38,252)	986,606	300,000
Grants	21,500,116	2,800,000	2,000,000	2,800,000	24,300,116	0
Adult Farm Management	725,760	(175,958)	(175,958)	(175,958)	549,802	0
Workforce Training	1,350,000	2,650,000	0	0	1,350,000	2,650,000
Postsecondary Grants	357,452	0	0	0	357,452	0
Total Line Items	28,131,983	5,696,941	2,188,825	2,988,825	31,120,808	2,950,000
FUNDING SOURCE						
General Fund	16,840,786	5,970,071	2,444,307	3,244,307	20,085,093	2,950,000
Special Funds	380,932	(175,958)	(175,958)	(175,958)	204,974	0
Federal Funds	10,910,265	(97,172)	(79,524)	(79,524)	10,830,741	0
Total Funding Source	28,131,983	5,696,941	2,188,825	2,988,825	31,120,808	2,950,000
FTE	27.5		27.5		27.5	

¹Agency Requests

Salaries - \$161,151

- (3) \$202,564 - Career Resource Network personnel
(\$41,413) Budget changes in salary

Operating - \$261,748

- (3) \$50,000 - Career Resource Network operating
- (4) \$250,000 - Industry/nationally validated student skill assessments
(\$38,252) - Budget changes in operating

Grants - \$2,800,000

- (1) \$300,000 - Maintain current funding rates to compensate for inflation
- (2) \$2,500,000 - Virtual Area Centers/expansion/incentive funding

Farm Management

(\$175,958) - Remove excess special funds appropriation for non-operating program - (Farming for Profit)

Workforce Training

- (5) \$2,650,000 - Expand outreach for each region

²House Recommendations

Grants - \$2,800,000

- (1) \$300,000 - Maintain current funding rates to compensate for inflation
- (2) \$2,500,000 - \$1.2 million for New Area Centers
-\$1.3 million for cooperative sharing incentives

³Unfunded Agency Requests

Operating - \$300,000

- (3) \$50,000 - Career Resource operating
- (4) \$250,000 - Industry/nationally validated student skill assessments

Workforce Training

- (5) \$2,650,000 - Expand outreach and capabilities for the workforce training regions

(1d)

Excerpt from the full report of the Education Improvement Commission

CAREER AND TECHNICAL EDUCATION

I. Background

The State Board for Career and Technical Education receives approximately \$10,000,000 each biennium to support various programs around the state. These dollars are augmented with \$9,500,000 from federal sources and are used as a cost share incentive to encourage the establishment and delivery of career and technical education programs by school districts.

Cost share percentages vary by program. Area Career and Technology Education Centers receive 38 percent of all approved costs for comprehensive occupational programs in regional cooperative high schools. By contrast, instructional salaries and extended contracts at individual high schools receive only a 25 percent cost share.

Other programs operated through the State Board include Family and Consumer Science, Technology Education, Career Development, Cooperative Cost Sharing, and Adult Farm Management.

II. Principles for Change

- 1) Career and technical education (CTE) funding is not disbursed uniformly across the state. School districts must provide a majority of the funds for career and technical education programs. School districts with greater financial resources tend to have more opportunities to offer career and technical education programs

and districts with sufficient numbers of participating students tend to be better able to achieve the efficiencies necessary to run these programs. However, it appears that the presence or absence of career and technical education programs is directly related to the level of appreciation that exists for such programs in a given school district or group of districts.

- 2) Attempts to establish Area Career and Technology Centers have met with only partial success. There appear to be two major reasons for this fact: the cost share incentive for area centers has not been strong enough; and there has been no financial assistance to address the upfront cost of establishing a new Area Career and Technology Center.
- 3) Once a statewide program is established for career and technical education that has the capability of offering opportunities to 90 percent of all high school students through various means, then legislators can begin to discuss the overall level of state funding that should be in place to support such a program.
- 4) All Area Career and Technology Centers should coordinate their programs with regional economic development and workforce training programs.
- 5) To the extent possible, new and existing Area Career and Technology Centers should join with educational associations governed by JPAs to deliver career and technical education programs. There should be cooperation with respect to both administration and governance.

III. Recommendations

- 1) The Legislative Assembly should improve the uniformity of career and technical education across the state by promoting the development of more Area Career and Technology Centers and by seeking greater cooperation among school districts.
- 2) The Legislative Assembly should dramatically increase the funding incentives for Area Career and Technology Centers and for the cooperative delivery of career and technical education programs. The Legislative Assembly should add new funding (\$800,000) and ask the State Board for Career and Technical Education to reprioritize funding from other existing programs (\$500,000).
- 3) In addition, the Legislative Assembly should provide pilot program funding to the State Board for Career and Technical Education to defray the start-up costs of two new Area Career and Technology Centers. These funds (\$1,200,000) should be awarded on a competitive basis according to the number of new programs and the number of new students participating in the programs. State funds for the pilot projects should reimburse 75 percent of the approved costs and 25 percent should be provided by the participating school districts or educational associations governed by JPAs. Priority should be given to an educational association that proposes an area center capable of serving most of the association's members. In such a case, the cost of an administrator may be

included. It is envisioned that the first year of the biennium will be dedicated to awarding the pilot project grants and to completing the initial planning stage.

- 4) The majority of the new and rededicated dollars that are provided for Area Career and Technology Centers and for other cooperative delivery strategies (\$1,300,000) should be used as cost share incentives for centers that improve such things as transportation to central facilities having equipment that is shared, outreach delivery through online education and interactive video, and outreach through mobile labs.
- 5) All Area Career and Technology Centers should be organized to participate with city, county and regional economic development programs.
- 6) All Area Career and Technology Centers should be organized to participate with all local and regional workforce training initiatives.

IV. Legislation Required

- 1) The budget bill for the State Board of Career and Technical Education should include a line item for new pilot area centers. The bill should include cooperation incentives, and guidelines regarding the use of the pilot project funds.

HB 1019
1-17-07
Handout 1b

North Dakota Career Resource Network Impact on Loss of Federal Funding

Due to the elimination of federal funding for Section 118 of the Carl Perkins legislation, the North Dakota Career Resource Network (NDCRN) will lose all federal funding as of July 1, 2006. Current plans include using the small carryover and with a short term funding commitment from the Dept of Career and Technical Education and the Bank of North Dakota, operate the NDCRN until June 30, 2007. This extension of time will permit the affected agencies to seek legislative funding to keep the NDCRN operating on a permanent basis.

If the ND Career Resource Network were allowed to cease operations ND teachers, counselors, and students would lose a resource they have come to rely on for over 25 years. NDCRN has been the major source for career development focused professional development activities for counselors and teachers across the state. In the 2005 calendar year, 54 professional development workshops were held involving 557 instructors and counselors. While some of the resources would still exist, without professional development workshops and classes the resources would fall into disuse.

The NDCRN member agencies⁽¹⁾ are not able to pick up these products and services within their own agencies. The members are united, however, in the commitment that NDCRN is extremely important to the career development process in our state's schools. The strength of the NDCRN is that these resources are conducted and made available to schools in a coordinated and comprehensive manner.

Specific examples of lost or seriously impacted career planning products and services include:

- **Career Outlook** - 65,000 copies annually -Pg. 2
- **Choices Planner** - all public and private high school students -Pg. 2
- **Choices Explorer** - all public and private middle/high school students -Pg. 2
- **TestGEAR** (ACT test prep) - all public and private high school students -Pg. 3
- **Career planning portfolio** - all public and private middle/high school students -Pg. 3
- **NDCRN website** - 150,000 hits per year -Pg. 3
- **Career Development Tool Kits** (curriculum) - all schools -Pg. 3
- **Real Game Series** - all schools -Pg. 4
- **Smart Options** - all middle schools -Pg. 4
- **Skills for a Lifetime posters** - all schools and agencies -Pg. 4
- **Parent brochures** - all parents -Pg. 4
- **ICDM workshop** - all career counselors -Pg. 5
- **Career development in the classroom** - all schools -Pg. 5
- **FINDET** - state & local agency workforce policymakers & planners -Pg. 7

Details of these products and services are shown in the tables on the pages that follow.

BACKGROUND

The North Dakota Career Resource Network (NDCRN) has been providing career planning products and professional development in career development since 1978. To ensure these products and services are coordinated and in concert with other state initiatives, the NDCRN operates through an Interagency Memorandum of Agreement. That agreement specifies the parties responsible for: fiscal matters; program activities development and implementation; as well as personnel selection, supervision, appraisals, and merit salary adjustments. The fiscal agent for NDCRN is Job Service North Dakota.

The source of revenue, over the years for NDCRN, has been mainly federal funds from the US Department of Education and the US Department of Labor, supplemented with grants and some state appropriations (appropriations are through the Department of Career and Technical Education for the publishing of the Career Outlook). Every effort is made to leverage the funds with activities of other agencies to obtain the greatest impact possible. The annual budget for NDCRN has been between \$140,000 and \$150,000, with approximately \$115,000 coming from federal funds and the balance from grants and the state appropriation.

Since 2000, the NDCRN has been funded through Section 118 of the Perkins Vocational and Technical Education Act. However, the current appropriations for Section 118, which will affect NDCRN starting July 1, 2006, have been zeroed out, so there will be no federal funds for NDCRN starting at that time. Consequently, the NDCRN Board⁽¹⁾ made the decision at their October 26, 2005 meeting to pursue various state resources to keep the NDCRN office operational, as there are too many products and services that would be lost if the office closed. Those products and services are outlined on the following pages, including the impact the loss of these would have on North Dakota.

10

North Dakota Career Resource Network Impact on Loss of Federal Funding

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- > **Career planning portfolio** - all public and private middle/high school students
- > **NDCRN website** - 150,000 hits per year
- > **Career Development Tool Kits (curriculum)** – classroom instructors in all schools
- > **Real Game Series** - all schools
- > **Smart Options** - all middle schools
- > **Skills for a Lifetime posters** - all schools and agencies
- > **Parent brochures** - all parents
- > **ICDM workshop (Improved Career Decision Making)** - all career counselors
- > **Career development in the classroom** – focus on SCANS skills for all schools
- > **FINDET** - state & local agency workforce policymakers & planners

BACKGROUND

The North Dakota Career Resource Network (NDCRN) has been providing career planning products and professional development in career development since 1978. To ensure these products and services are coordinated and in concert with other state initiatives, the NDCRN operates through an Interagency Memorandum of Agreement. That agreement specifies the parties responsible for: fiscal matters; program activities development and implementation; as well as personnel selection, supervision, appraisals, and merit salary adjustments. The fiscal agent for NDCRN is Job Service North Dakota.

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Since 2000, the NDCRN has been funded through Section 118 of the Perkins Vocational and Technical Education Act. However, the current appropriations for Section 118 have been zeroed out, so NDCRN cannot continue without state funding.

(e)

Pilot Projects for CTE Centers "Virtual Centers"

Purpose: To provide funding for a "Virtual" Area CTE Center Pilot Project as an incentive for school districts to provide more Career and Technical Education opportunities to students across the JPA.

This draft is intended to outline some of the elements and foster a discussion on how to align CTE Centers with JPAs or other cooperative groups in cooperative arrangements or a "Virtual" Area Center to increase CTE opportunities for students throughout the state. A major element is to have CTE leadership (CTE Director) to serve as a planner and advocate for delivery of CTE programs across the JPA. Individual elements within this draft may be changed or modified before a final RFP is put together.

Important Note: throughout this document the term JPA is used - it may also mean other school based groups that cooperate to provide services.

Background:

- Funding for the pilot project grant will reimburse 75% of all approved CTE costs including salaries and supplies and may include curriculum, equipment or lease of facilities (\$1.05 per ft) that would facilitate the delivery of CTE programs. At the end of the pilot project the reimbursement rate will be reduced to 60% in year four and to current Center funding which is 38% in year five. (Funding past year two will be dependent on continued state funding.)
- \$1.2 million proposed in the Education Improvement Commission report
- Based on approved costs, the grant award could be up to \$600,000 over the 2007/09 biennium.
- First year of biennium would be used for planning with funding used mainly in second year when programs are up and running.
- Applications for virtual Area Center Pilot Project will be made available by the State Board for Career and Technical Education.
- Plans will be approved by the State Board for Career and Technical Education.
- There are five western JPAs without an Area CTE Center
- JPA Governing Board will assume governance responsibility and hire a full-time CTE director.
- North Dakota Department of Career and Technical Education will consider requests to reimburse any JPA 50% of the cost of a CTE Director that has JPA wide CTE responsibilities, regardless if they have a successful pilot project.

- JPAs should agree on a common calendar and clock for this initiative to be successful, with consideration given for the regional Community College class schedule for dual enrollment purposes.
- JPAs will need to designate locations and facilities that will be the delivery points for CTE programming. There may be multiple facilities and points of delivery in a single JPA.

Eligibility Guidelines

1. Only JPAs without an Area CTE Center within their boundaries may apply.
2. Proposal must encompass an entire JPA, but can include more than one JPA.
3. Successful grantee must fund 25% of the proposal. This local funding must be based on a formula which is determined by the percent of high school enrollment of each school in the JPA to the total high school enrollment in the JPA.

Proposal Guidelines

1. Total grant money available: \$1,200,000 over the 2007/09 biennium. The level of funding will depend on proposed programs to be offered, staffing, etc.
2. First year is for development of the proposal; second year is for implementation.
3. Proposal must show sustainability after grant period expires. (Year five funding and beyond will be at current Center funding levels.)
4. Proposal must have the approval of and be submitted by the JPA governing board.
5. The successful proposal must be managed by the JPA Governing Board.
6. Proposal must include a timeline for development, implementation, and sustaining.
7. After the grant is approved, a strategic plan must be submitted that includes a timeline for the first and second year.
8. Must budget for at least one full-time CTE Director.
9. Must incorporate a minimum of five occupational CTE programs.
10. Must show how there will be a local assessment of costs for the operation of the Center.

11. Must identify and define CTE programs offered. The department will work with JPAs to assure that alternatively delivered programs meet CTE program standards.
12. Proposal must be supported by a needs assessment, which incorporates input from participating schools districts, labor market information, businesses and industry, local economic development, and others to determine the types of programs to offer and where and how the program can be best delivered.
13. Proposal will indicate plans to implement an outreach to surrounding school districts including alternative delivery systems of CTE programming through online, ITV, rotating labs, etc, including postsecondary CTE programming arrangements such as dual credit.
14. Include an estimate of the number of students who will be involved and which school districts they reside.
15. Applicants will be held to accomplishing elements of their proposal and are encouraged to be visionary in scope.

SECTION 50. APPROPRIATION - AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,200,000, or so much of the sum as may be necessary, to the state board for career and technical education for the purpose of providing grants to assist with the establishment of two area career and technology centers, for the biennium beginning July 1, 2007, and ending June 30, 2009.

1. The state board for career and technical education shall award the grants based on a competitive application process and shall give consideration to the number of students that will be served and the number of career and technology education programs that will be made available to students.
2. The state board for career and technical education shall give preference to the application of an educational association governed by a joint powers agreement that has been reviewed by the superintendent of public instruction and verified as meeting the requirements of section 15.1-07-28.
3. The state board for career and technical education shall require that the recipient of any grant awarded under this section provide matching funds in an amount at least equal to twenty-five percent of the grant.

SECTION 51. APPROPRIATION - CAREER AND TECHNICAL EDUCATION PROGRAMS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of the sum as may be necessary, to the state board for career and technical education for the purpose of funding the cooperative delivery of career and technical education programs, for the biennium beginning July 1, 2007, and ending June 30, 2009.

HB 1019

Amendment to

SECTION 4. GRANTS – AREA CAREER AND TECHNOLOGY CENTERS.

2. The board shall use \$800,000 of the grants line item in section 3 of this Act, to increase cost-share incentives for cooperative delivery efforts of area career and technology centers technical education programs. ~~The board shall also reallocate \$500,000 of the grants line item available for cost share programs to support additional cost share incentives for area career and technology centers.~~

(This amendment would use current language and make cooperative delivery funding open to all schools that cooperate, not just area centers)

1, f

House Bill 1019
Testimony to House Appropriations – Education and Environment
Division
by Dale Knutson, Director of The North Dakota Workforce
Training System, Southeast Region
North Dakota State College of Science
January 8, 2007

Mr. Chairman and members of the Committee, I am Dale Knutson, the Director of The North Dakota Workforce Training System, Southeast Region and current Chair of the Directors of the four Workforce Training Regions.

Wayne Kutzer asked me to report on the Workforce Training System's status and request for additional support, which is funded through Career and Technical Education. I am pleased to do so representing all four regions.

The primary responsibility of The North Dakota Workforce Training System is to address employee training. This is accomplished by visiting with businesses and industries, identifying their specific training needs, customizing or tailoring training to meet those needs, facilitating the training and providing follow through to determine the training effectiveness and future needs.

Please allow me to introduce Workforce Training Directors or representatives in the audience.

Mr. Chairman and members of the committee, the most important thing North Dakota can do is invest in human capital. An exemplary way to invest in human capital is to invest in The North Dakota Workforce Training System.

With no change in legislative funding since the 2001-2003 biennium, The North Dakota Workforce Training System has increased the number of different businesses served from 518 in FY 2000 to 1,287 in FY 2006. There was a fast climb the first few years followed by a leveling off. This is not because all those that need training are being trained. Our current funding level will only support the resources and infrastructure necessary to reach and teach to a limited capacity. The biennium funding for the entire state since 2001 has been \$1,350,000 or \$675,000 per year. In FY 2006, The North Dakota Workforce Training System served 9,049 individual participants. Employer satisfaction for the past 4 years has been above 99%.

Given the resources provided, along with the geographical and demographic challenges, we believe The North Dakota Workforce Training System is second to none! Through our collaborative and cooperative efforts, as well as partnerships, we operate as efficiently as possible.

We want to expand... We want to serve more... We need increased state investments to enhance our capabilities.

The original study regarding workforce training indicated business and industry is willing to pay for the direct costs (investment) of training, but is not interested in paying for related overhead.

- The true value of the state's investment of \$1,350,000 has declined over the past six years while the cost to deliver training, especially to the rural reaches only increases.
- In addition to serving the heavily populated cities of the state, we serve significant numbers of small businesses in more geographically remote communities such as Oakes, Killdeer, Pembina, Hettinger, New Town, and Cooperstown.
- We travel to promote awareness; we travel to develop and gain approval of training agreements; we travel to arrange and set up events; the trainers travel to deliver the training.
- We own, rent, or lease expensive training equipment such as computers, multi-media equipment, and portable welding training labs.
- We rent facilities to deliver training; we pay technicians to facilitate IVN labs.
- We pay for course development or preparation fees and resource materials.
- We pay for 'subject matter expert' visits.
- We pay to compile the vast amount of information required by our accountability measures.
- The North Dakota Workforce Training System requires a team consisting of outreach and support staff.

To date, we believe the return on the state's investment has been monumental. For FY 2006, every \$1 invested in The North Dakota Workforce Training System generated \$3.28 in training to businesses and industries. This \$1 investment generating \$3.28 directly enhanced the well being of almost 1,300 businesses and over 9,000 employees. As attributed to various speakers and authors including Kathy Guy and Dr. Alan Zimmerman, "The only thing worse than training your staff and having them leave, is not training them and having them stay."

Attached to my testimony is a report 'Accountability Measures Under Senate Bill 2018' (2005 Legislative Session) provided by the Department of Commerce. Not all of the programs listed are of the same type nor do they have the same directives, however they do reflect valuable information regarding North Dakota's return on investment. As indicated, the North Dakota Workforce Training System provides large volumes of activity for low investment.

Workforce Training exists to ensure that the businesses of the state can access the training their employees need. Employee training results include: employee retention, increased productivity, increased competitiveness, quality workmanship, improved customer service, and improved workplace culture. While we maintain excellent accountability report results, we propose North Dakota increase their investment in human capital. Through increased utilization of The North Dakota Workforce Training System, business and industry will further 'close the skill gaps' and increase their profitability.

As indicated in an attachment to my testimony, nearly 30 key stakeholders met and submitted the report 'Moving the Workforce Training System in North Dakota to the Next Level'. Stakeholders included the Steering Committee for Task Force for Improving Workforce Development and Training, Private Sector Workforce Training Advisory Board Chairs, Community College Presidents assigned primary responsibility for Workforce Training, and Workforce Training Directors. Based on current activities, needs, and trends, along with the observations and recommendations of the stakeholders, we respectfully submit the following proposal:

An additional \$2,650,000 per biennium investment in The North Dakota Workforce Training System will:

- Allow The North Dakota Workforce Training System to significantly expand its operations and assist more businesses.
- Allow for additional resources and operating expenses.
- Support further efforts to cultivate additional partnerships, providing increased capacity.
- Marketing efforts will enhance business awareness, while support for product/project development including course design and delivery methods will maintain more cost effective proposals to businesses.

This investment in North Dakota's human capital through The North Dakota Workforce Training System also addresses the six cornerstones of the Higher Education Roundtable. Along with the economic development connection, this investment will truly increase the flexibility and responsiveness of the system as well as significantly improve accessibility.

Addressing House Bill 1003, the following excerpts were taken from Thomas Shorma's testimony representing all of the private sector members of the Higher Education Roundtable.

"Workforce training, which is under the guidance of the SBHE has increased the number of companies it helps to train by 250% over the past 5 years with \$0 increase in funding from the state. Workforce training provided training to 518 different businesses in 2000 and this past year they helped 1818 companies. The more trained our workforce is, the more income they can command from their employers".

"I know, what some of you are thinking...if we have done so well with no increase in funding for so long, why put more money into it? Well eventually every engine runs dry if you stop putting gas in it and every businessman knows that once you stop investing back into a business, that business will ultimately fall behind the competition and close".

For your review, I have also included as an attachment to my testimony, a one page document dated August 7, 2006. This document includes a proposed biennium budget reflecting the additional \$2,650,000 request.

If the current level of state funding is maintained, we will do our best as we continue to provide quality programming, generating great results on accountability reports. However...

We want to expand... We want to serve more... We need help.

Vaclav Havel, former Czech President, Poet, and Dramatist said "Vision is not enough; it must be combined with venture. It is not enough to stare up the steps; we must step up the stairs".

That completes my testimony. Thank you for your time. I would be pleased to attempt to answer any questions the committee might have.

H 1014
1g

Department of Commerce
 Accountability Measures Under Senate Bill 2005 (2005 Legislative Session)
 Summary Table by Program
 Report Period: July 1, 2005 - March 31, 2006
 Report Date: 06/01/06

Program	Program Activity					Post-training		12 Months after Completion of Training			
	Total Program Participants	Total Unduplicated Participants	Federal Investment	State Investment	Average Cost Per Participant	Participants Employed	Average Annual Salary Part. Empl.	Participant Count	Participants Employed	Average Annual Pre-training Salary Part. Empl.	Average Annual Salary Increase Part. Empl.
Basic Employment Skills Training	363	362	92,056	5,640	269	57	9,700				
Job Opportunities & Basic Skills	932	755	1,202,802	0	1,291	81	9,388				
ND New Jobs Training	44	44	0	132,496	3,011	39	24,188				
Senior Community Service Employment	56	12	294,068	0	5,251	2	328				
The ND Workforce Training System	9,264	3,103	0	506,250	55	976	38,017				
Trade Adjustment Assistance	17	7	109,037	0	6,414	3	14,264				
Workforce 20/20	450	450	0	241,829	537	56	43,284				
Workforce Investment Act - Adult	690	296	1,179,993	0	1,710	118	15,396				
Workforce Investment Act - Dislocated Worker	251	116	469,612	0	1,871	54	17,700				
Workforce Investment Act - Youth	648	237	1,147,001	0	1,770	97	7,052				
Total	12,715	5,382	4,494,569	886,215	423	1,483	30,536	0	0		

Program Activity:

Total Program Participants: The cumulative number to date of individuals provided workforce development services or workforce training by program (July 1, 2005 through March 31, 2006).

This count includes individuals who may have participated in more than one service or training event.

Total Unduplicated Participants: Programs provide multiple service and training opportunities for individuals. This column unduplicates Total Program Participants by Social Security Number (SSN).

Additionally, this count is reduced by those participants with invalid/missing SSN, those whose training began outside the range of available data sets (prior to the timespan for which the needed data has been captured and is available), and those whose training has not yet ended. Within The ND Workforce Training System, the providing of SSN's by participants is voluntary.

Federal Investment: Total cumulative federal funds to date (July 1, 2005 through March 31, 2006) expended to deliver the service or training to the Total Program Participants.

State Investment: Total cumulative state funds to date (July 1, 2005 through March 31, 2006) expended to deliver the service or training to the Total Program Participants.

Average Cost Per Participant = (Sum of cumulative Federal and State Investments) divided by Total Program Participants.

Post-Training:

Participants Employed: The number of individuals (based on Total Unduplicated Participants) employed the first quarter after the completion of service or training as indicated by

Unemployment Insurance (UI) wage-record files. The lower number of Participants Employed in relation to Total Unduplicated Participant count is a result of several factors, including:

- 1) Due to wage-reporting time lags, the Participants Employed count is based on UI wage-record data through the fourth quarter of 2005 (three quarters of data are not yet available);
- 2) the UI database does not include all of the employment in ND; i.e., individuals who are self-employed or in jobs not covered by unemployment insurance; and 3) some individuals may have withdrawn from the labor market to return to education or training.

Average Annual Salary of Participants Employed: The quarterly earnings of those Participants Employed the first quarter after completion of service or training as indicated by UI wage-record files, multiplied by four (to annualize the salary).

12 Months After Completion of Training:

Participant Count: The number of individuals (based on Total Unduplicated Participants) who have completed service or training at least twelve months earlier.

Participants Employed: The number of the Participant Count who were employed twelve months after completion of service or training as indicated by UI wage-record files.

(See the explanation above under the Post-Training section for Participants Employed.)

Average Annual Pre-Training Salary of the Participants Employed: The average quarterly earnings of the Participants Employed for the quarter immediately prior to the start of service or training as indicated by UI wage-record files, multiplied by four (to annualize the salary).

Average Annual Salary Increase of the Participants Employed = (Average quarterly earnings of the Participants Employed for the quarter 12 months after completion of service or training as indicated by UI wage-record files, multiplied by four (to annualize the salary)) minus the Average Annual Pre-Training Salary of the Participants Employed.

January 10, 2007

House Appropriations – Education and Environment Division
c/o Legislative Council
State Capitol
600 East Boulevard
Bismarck, ND 58505-0360

RE: House Bill 1019

Dear Chairman Wald and Committee:

On behalf of the North Dakota Workforce Training System's four regional Advisory Boards, we are writing in support of House Bill 1019.

The bill supports the efforts of the North Dakota Workforce Training System by appropriating an additional investment of \$2,650,000 per biennium. The System, with no increase in its appropriation since the 2001-2003 biennium, has admirably managed to increase the number of businesses served from 518 in 2000 to 1,818 in 2005. This can be attributed to efficient resource management, innovative partnership development, and collaborative and cooperative efforts by a dedicated staff. However, without additional support from the state, the System's growth will plateau, leaving segments of North Dakota's business and industry unable to obtain the expertise and effective training the North Dakota Workforce Training System has provided over the past eight years.

Having witnessed the North Dakota Workforce Training System succeed and flourish first-hand in our state, in our respective regions, and in our local business and industry – large and small – the System is exceeding expectations regarding employee training. We know the System works.

The Workforce Training System is vital to the state's economic stability and development. It is an essential resource North Dakota businesses need to give them a competitive advantage in global markets. By appropriating the additional \$2,650,000 per biennium, the System will be able to continue its exemplary work in employee training – and to extend its reach further to allow more North Dakota businesses the opportunity to benefit.

Thank you for your support.

Sincerely,

Northeast Region

Northwest Region

Southeast Region

Southwest Region

HB1019

Attachment C



TESTIMONY OF DAVE MACIVER
President, North Dakota Chamber of Commerce
In Support of HB 1019
January 12, 2007

The North Dakota Chamber of Commerce would like to voice its support for the proposed increase in funding for the North Dakota Workforce Training System from \$1.3 million, which has stayed the same since the 2001-2003 biennium, to \$4 million (an increase of \$2,650,000). This increase was also requested last session, but not appropriated.

The North Dakota Chamber of Commerce was a driving force in the creation of the Workforce Training System because of our recognition of the importance of a trained workforce for business growth. Our support has continued to the present with our 2007 legislative policy supporting continued improvement to the Workforce Training System due to the system's significance in providing skilled workers that are essential for the growth, maintenance and success of every North Dakota business.

The increase in funds would provide the following to individual businesses:

- greater access to additional outreach personnel leading to increased responsiveness;
- additional training opportunities to rural communities and small businesses; and
- additional partnerships with the private sector relating to training.

The increase in funds would allow the Workforce Training System to obtain materials and personnel necessary for providing increased training opportunities for North Dakota businesses and employees.

The statistics speak for themselves on the effectiveness of this system. Over the past five years workforce training has increased the number of companies it trains by 250 percent with no increase in funding from the state. The question is how long can this level of training be maintained, let alone increased, without an increase in funding.

The North Dakota Chamber of Commerce appreciates your investment in workforce training in the past and encourages the Education and Environment Division of the House Appropriations Committee to increase the funding for the North Dakota Workforce Training System to \$4 million.



**The following chambers are members of a coalition that support our 2007
Legislative Policy Statements:**

- Beulah Chamber of Commerce - 107**
- Bismarck - Mandan Chamber of Commerce - 1080**
- Cando Area Chamber of Commerce - 51**
- Chamber of Commerce Fargo Moorhead - 1800**
- Crosby Area Chamber of Commerce - 50**
- Devils Lake Area Chamber of Commerce - 276**
- Dickinson Chamber of Commerce - 527**
- Greater Bottineau Area Chamber of Commerce - 153**
- Hettinger Area Chamber of Commerce - 144**
- Langdon Chamber of Commerce - 112**
- Minot Chamber of Commerce - 700**
- North Dakota Chamber of Commerce - 1058**
- Wahpeton Breckenridge Area Chamber of Commerce - 293**
- Watford City Area Chamber of Commerce - 84**
- Williston Chamber of Commerce - 401**
- West Fargo Chamber of Commerce - 400**

Total Businesses Represented = 7236 members

SUMMARY OF WORKFORCE DEVELOPMENT AND WORKFORCE TRAINING FUNDS

Workforce development is the education and training of individuals provided by kindergarten through grade 12, higher education, and state and federal government. Workforce training is training oriented toward serving the training needs of business and industry. The major state agencies partnering to provide workforce development and workforce training throughout the state include the North Dakota University System, Job Service North Dakota, State

Board for Career and Technical Education, Department of Human Services, and Department of Commerce. The following is a summary of the funding included in the 2007-09 executive budget for workforce development and workforce training, excluding any educational training provided as general coursework by the North Dakota University System and any educational training below the higher education level:

Agency	General Fund	Special Funds	Federal Funds	Total
House Bill No. 1016 - Job Service North Dakota				
Workforce 20/20 - This is a state-funded job training program designed to assist North Dakota business and industry in retraining and upgrading workers' skills to meet demands brought about by the introduction of new technologies and work methods into the workplace.	\$1,489,882			\$1,489,882
Trade adjustment assistance - This program provides special job training, job search assistance, relocation, and related services to workers who become unemployed as a result of increased imports or the North American Free Trade Act. The program provides for reemployment services and funds to assist workers in returning to suitable employment.			\$557,875	557,875
Job opportunities and basic skills (JOBS) training program - This program is designed to assist individuals receiving temporary assistance for needy families (TANF) to transition from welfare to work and self-sufficiency. This program is provided under contract for the Department of Human Services. The funding reflected is also included in the amount reported for the JOBS training program under the Department of Human Services.			6,929,702	6,929,702
Workforce Investment Act - The Workforce Investment Act is to increase occupational skill attainment, employment, retention, and earnings of participants through program activities resulting in improved quality of the workforce, reduced welfare dependency, and enhanced productivity and competitiveness of the nation.			12,820,339	12,820,339
New jobs training program - This program is designed to provide incentives to businesses and industries that are expanding employment opportunities or locating employment opportunities within the state.		\$350,000		350,000
Subtotal - Job Service North Dakota	\$1,489,882	\$350,000	\$20,307,716	\$22,147,598
House Bill No. 1018 - Department of Commerce				
Workforce Development Division - This is funding for support of the Workforce Development Division of the Department of Commerce. The division is responsible for identifying current and emerging workforce issues in the state, developing a coordinated response to issues raised by North Dakota workforce delivery system partners, and identifying and recommending responses relating to gaps in the workforce delivery system. A portion of the funding--\$213,137 of the \$1,712,381--is passthrough funds from Job Service North Dakota. These funds are also reflected in the amount reported for the Workforce Investment Act under Job Service North Dakota.	\$1,961,778	\$100,000	\$1,712,381	\$3,774,159

Agency	General Fund	Special Funds	Federal Funds	Total
House Bill No. 1019 - State Board for Career and Technical Education				
Workforce training contracts - This is funding provided to the state's two-year higher education institutions assigned primary responsibility for workforce training in their respective quadrant to develop the delivery system for needed training.	\$1,350,000			\$1,350,000
Senate Bill No. 2012 - Department of Human Services				
JOBS training program - This program is designed to assist individuals receiving TANF to transition from welfare to work and self-sufficiency. This program is provided under contract with Job Service North Dakota.			\$6,949,200	\$6,949,200
Basic employment skills training (BEST) program - This program is intended to expose individuals participating in the food stamp program to job seeking and retention skills. The program is operating in Cass and Burleigh Counties.		\$8,040	216,710	224,750
Subtotal - Department of Human Services		\$8,040	\$7,165,910	\$7,173,950
Total funding for workforce development and workforce training	\$4,801,660	\$458,040	\$29,188,007	\$34,445,707
Less duplicated federal passthrough funding			(7,142,839)	(7,142,839)
Net funding for workforce development and workforce training	\$4,801,660	\$458,040	\$22,043,168	\$27,302,868

Workforce Enhancement Grant Program

SECTION 1. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council. The workforce enhancement council consists of the private sector members of the workforce development council and the director of the division of workforce development who shall serve as chairman of the workforce enhancement council.

SECTION 2. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council - Grants. The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. Grants made pursuant to this section may be used for curriculum development, equipment, recruitment of participants, or training and certification for instructors. Grants made pursuant to this section may not be used to supplant funding for current operations. The department may not distribute funds awarded under this section until:

- a. The division of workforce development certifies that the proposed training program will meet a critical workforce shortage in a target industry or other high demand occupation and will lead to employment in North Dakota; and
- b. The institution receiving the grant provides the department with detailed documentation of private sector participation and the availability of one dollar of matching funds for each dollar of state funds.

SECTION 3. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement fund - Continuing appropriation. The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of carrying out and effectuating sections 1 and 2 of this Act. Interest earned by the fund must be credited to the fund.

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of _____ or so much of the sum as may be necessary to the workforce enhancement fund for the purpose of carrying out the workforce enhancement functions under sections 2 and 3 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

House Bill 1019
Testimony to Senate Appropriations Committee
Ray Holmberg, Chairman

**by Dale Knutson, Director of The North Dakota Workforce Training System,
Southeast Region, North Dakota State College of Science**
February 21, 2007

Mr. Chairman and members of the Committee, I am Dale Knutson, the Director of The North Dakota Workforce Training System, Southeast Region and current Chair of the Directors of the four Workforce Training Regions.

On behalf of the four regions of The North Dakota Workforce Training System, I am pleased to support House Bill 1019 and specifically, the line item of \$1.35M for Workforce Training. My remarks today will be brief, as you have previously heard testimony supporting Senate Bill 2249. Senate Bill 2249 might be considered a companion to House Bill 1019. Through your overwhelming support of Senate Bill 2249, training capacity will be increased, meeting the desperate needs of more businesses and their employees, enhancing the economic well being of communities, regions, and the entire state. We sincerely appreciate that support and vow to be good stewards of the resources provided by the state.

House Bill 1019 contains the base funding for The North Dakota Workforce Training System. Without this base, the impact of Senate Bill 2249 will be seriously diminished. For your review, I am providing copies of testimony and other support material previously provided to the House. Please allow me to highlight areas of that testimony.

Referring to my testimony to the House Appropriations Committee regarding this bill ...

With no change in legislative funding since the 2001-2003 biennium, The North Dakota Workforce Training System has increased the number of different businesses served from 518 in FY 2000 to 1,287 in FY 2006.

In FY 2006, The North Dakota Workforce Training System served 9,049 individual participants. Employer satisfaction for the past 4 years has been above 99%.

Through our collaborative and cooperative efforts, as well as partnerships, we operate as efficiently as possible.

To date, we believe the return on the state's investment has been monumental. For FY 2006, every \$1 invested by the state in The North Dakota Workforce Training System generated \$3.28 in training to businesses and industries. This \$1 investment generating \$3.28 directly enhanced the well being of almost 1,300 businesses and over 9,000 employees.

Attached to my testimony is a report 'Accountability Measures Under Senate Bill 2018' (2005 Legislative Session) provided by the Department of Commerce. As indicated, the North Dakota Workforce Training System provides large volumes of activity for low (state) investment.

Mr. Chairman and members of the committee, we have been and will continue to be good stewards of the state's investment. The only thing further we could hope for would be to increase the base funding of \$1.35M by the \$2.65M included in Senate Bill 2249. An increased base would allow us the ability to facilitate an even more effective long term strategy.

Your support to date has been immense, and we sincerely appreciate it. The state's businesses, industries, communities, and individual citizens are truly enhanced by your actions

That completes my testimony. Thank you for your time. I would be pleased to attempt to answer any questions the committee might have.

TESTIMONY OF DAVE MACIVER
North Dakota Chamber of Commerce President
In Support of HB 1019
February 21, 2007



Mr. Chairman and members of the committee, my name is Dave MacIver and I represent the ND Chamber of Commerce, in addition to 16 chambers of commerce representing 7,236 members.

The North Dakota Chamber of Commerce would like to voice its support for the proposed increase in funding for the North Dakota Workforce Training System from \$1.3 million, which has stayed the same since the 2001-2003 biennium, to \$4 million (an increase of \$2.65 million). This increase was also requested last session, but not appropriated.

The North Dakota Chamber of Commerce was a driving force in the creation of the Workforce Training System because of our recognition of the importance of a trained workforce for business growth. Our support has continued to the present with our 2007 legislative policy supporting continued improvement to the Workforce Training System due to the system's significance in providing skilled workers that are essential for the growth, maintenance and success of every North Dakota business.

The increase in funds would provide the following to individual businesses:

- greater access to additional outreach personnel leading to increased responsiveness;
- additional training opportunities to rural communities and small businesses; and
- additional partnerships with the private sector relating to training.

The increase in funds would allow the Workforce Training System to obtain materials, equipment, and software necessary for providing up-to-date and effective training.

The statistics speak for themselves on the effectiveness of this system. Over the past five years workforce training has increased the number of companies it trains by 250 percent with no increase in funding from the state. The question is how long can this level of training be maintained, let alone increased, without an increase in funding.

The North Dakota Chamber of Commerce appreciates your investment in workforce training in the past and encourages you to increase the funding for the North Dakota Workforce Training System to \$4 million.

SUMMARY OF WORKFORCE DEVELOPMENT AND WORKFORCE TRAINING FUNDS FOR THE 2007-09 BIENNIUM (REFLECTING SECOND HOUSE LEGISLATIVE ACTION)

Workforce development is the education and training of individuals provided by kindergarten through grade 12, higher education, and state and federal government. Workforce training is training oriented toward serving the training needs of business and industry. The major state agencies partnering to provide workforce development and workforce training throughout the state include the North Dakota University System, Job Service North Dakota, State

Board for Career and Technical Education, Department of Human Services, and Department of Commerce. The following is a summary of the funding included in the 2007-09 legislative budget as of crossover for workforce development and workforce training, excluding any educational training provided as general coursework by the North Dakota University System and any educational training below the higher education level:

Agency	General Fund	Special Funds	Federal Funds	Total
House Bill No. 1016 - Job Service North Dakota				
Workforce 20/20 - This is a state-funded job training program designed to assist North Dakota business and industry in retraining and upgrading workers' skills to meet demands brought about by the introduction of new technologies and work methods into the workplace.	\$1,489,882			\$1,489,882
Trade adjustment assistance - This program provides special job training, job search assistance, relocation, and related services to workers who become unemployed as a result of increased imports or the North American Free Trade Act. The program provides for reemployment services and funds to assist workers in returning to suitable employment.			\$557,675	557,675
Job opportunities and basic skills (JOBS) training program - This program is designed to assist individuals receiving temporary assistance for needy families (TANF) to transition from welfare to work and self-sufficiency. This program is provided under contract for the Department of Human Services. The funding reflected is also included in the amount reported for the JOBS training program under the Department of Human Services.			6,929,702	6,929,702
Workforce Investment Act - The Workforce Investment Act is to increase occupational skill attainment, employment, retention, and earnings of participants through program activities resulting in improved quality of the workforce, reduced welfare dependency, and enhanced productivity and competitiveness of the nation.			12,820,339	12,820,339
New jobs training program - This program is designed to provide incentives to businesses and industries that are expanding employment opportunities or locating employment opportunities within the state.		\$350,000		350,000
Subtotal - House Bill No. 1016 - Job Service North Dakota	\$1,489,882	\$350,000	\$20,307,716	\$22,147,598
House Bill No. 1018 - Department of Commerce				
Workforce Development Division - This is funding for support of the Workforce Development Division of the Department of Commerce. The division is responsible for identifying current and emerging workforce issues in the state, developing a coordinated response to issues raised by North Dakota workforce delivery system partners, and identifying and recommending responses relating to gaps in the workforce delivery system. A portion of the funding--\$213,137 of the \$1,712,381--is passthrough funds from Job Service North Dakota. These funds are also reflected in the amount reported for the Workforce Investment Act under Job Service North Dakota.	\$1,559,534	\$100,000	\$1,712,381	\$3,371,915

Agency	General Fund	Special Funds	Federal Funds	Total
House Bill No. 1019 - State Board for Career and Technical Education				
Workforce training contracts - This is funding provided to the state's two-year higher education institutions assigned primary responsibility for workforce training in their respective quadrant to develop the delivery system for needed training.	\$4,000,000			\$4,000,000
Curriculum design and development - This is funding to be allocated to Bismarck State College, Lake Region State College, State College of Science, and Williston State College for curriculum design and development relating to critical workforce needs as determined in collaboration with the Department of Commerce.	1,000,000			1,000,000
Subtotal - House Bill No. 1019 - State Board for Career and Technical Education	\$5,000,000			\$5,000,000
Senate Bill No. 2012 - Department of Human Services				
JOBS training program - This program is designed to assist individuals receiving TANF to transition from welfare to work and self-sufficiency. This program is provided under contract with Job Service North Dakota.			\$6,949,200	\$6,949,200
Basic employment skills training (BEST) program - This program is intended to expose individuals participating in the food stamp program to job seeking and retention skills. The program is operating in Cass and Burleigh Counties.		\$8,040	216,710	224,750
Subtotal - Senate Bill No. 2012 - Department of Human Services		\$8,040	\$7,165,910	\$7,173,950
Total funding for workforce development and workforce training	\$8,049,416	\$458,040	\$29,186,007	\$37,693,463
Less duplicated federal passthrough funding			(7,142,839)	(7,142,839)
Net funding for workforce development and workforce training	\$8,049,416	\$458,040	\$22,043,168	\$30,550,624

Moving the Workforce Training System In North Dakota to the Next Level

Report of:

- **Steering Committee for Task Force for Improving Workforce Development and Training**
- **Private Sector Workforce Training Advisory Board Chairs**
- **Community College Presidents Assigned Primary Responsibility for Workforce Training**
- **Workforce Training Directors**

April 17, 2004

Moving the Workforce Training System In North Dakota to the Next Level

April 17, 2004

IV. Background and Situation:

During the late 1980's and early 1990's, there was a growing demand from business and industry in North Dakota and nationally for workforce training. The workforce training system in North Dakota was not able to meet that growing demand in the state.

For clarification purposes, "workforce training" (WFT) is defined as training which is oriented toward serving the training needs of business and industry. It is business and industry-driven and often involves customized or contracted training. In contrast, "workforce development" refers to education or training oriented toward meeting the education and training needs of individuals including K-12, higher education, continuing education and life-long learning. (See the report prepared by the "Task Force for Improving Workforce Development and Training," November 23, 1998, for more detailed descriptions).

In 1993, the College Technical Education Council (CTEC) and the State Board for Vocational Technical Education collaborated with several other state agencies to form the Customized Training Network (CTN). The CTN was a communication network and professional development organization designed for individuals and agencies involved in workforce training. The network was supported by a website and a database which were used to match requests for training with training instructors anywhere in the state.

Although a major effort was made to fully implement the CTN, the system was not able to meet the increasing needs and expectations of business and industry. As a result dissatisfaction, particularly with regard to the University System, became increasingly apparent. (See the executive summary of the task force report for details).

To address the growing concern for a more effective and responsive workforce training system CTEC, in cooperation with the State Board for Vocational Technical Education, conducted a study in the first quarter of 1998 to identify successful WFT systems in other states.

The various training systems were analyzed and a list of "common success factors" was developed. (See pages 6-7 of the task force report for a summary of the common success factors). The study also identified states and/or colleges which were broadly recognized within higher education and the training profession as being premier

training systems. One of those colleges is Kirkwood Community College in Cedar Rapids, Iowa.

Arrangements were made for a delegation of 19 individuals from North Dakota to do a site visit to Cedar Rapids, Iowa, on May 13, 1998. The consensus of those who participated in the site visit was that the workforce training system in Iowa provided an ideal and tested model that could be used in developing a workforce training system in North Dakota.

II. Task Force Formed:

A statewide task force (Task Force for Improving Workforce Development and Training) was formed in June of 1998 to develop a workforce training plan for North Dakota. The task force consisted of 31 individuals including the 19 who participated in the Cedar Rapids site visit.

The Greater North Dakota Association (GNDA) was asked to coordinate the efforts of the task force and to sponsor legislation needed to implement the resulting recommendations.

GNDA made arrangements with the University System to have Eddie Dunn, Executive Director of the College Technical Education Council, become the loaned executive to the task force and for Steve Ovel to serve as consultant. (Steve Ovel is the Executive Director of Governmental Relations at Kirkwood Community College and is also the individual who provided the leadership in designing and implementing the workforce training system at Kirkwood Community College and throughout Iowa).

The task force developed a plan for creating a workforce training system in North Dakota patterned after the Kirkwood/Iowa model. (See report titled, "A Plan for Developing a World-Class Workforce Training System in North Dakota," November 23, 1998. The plan is available on the NDUS website at www.ndus.nodak.edu)

GNDA worked with the North Dakota legislature in drafting legislation to implement the recommendations in the WFT plan. GNDA also formed a steering committee, with representatives from the task force, to assist in implementing the recommendations outlined in the plan and to serve as a state-wide advisory committee once the training system was operational.

The State Board of Higher Education enacted the recommendations in the plan which required board action including: converting two of the branch campuses to community colleges, assigning the presidents of the four community colleges in the state primary responsibility for workforce training in their respective regions, and establishing workforce training divisions on the four community college campuses.

The 1999 legislative assembly enacted the recommendations of the task force and provided \$875,000 for the 1999-2001 biennium to begin implementation of phase-one

of the plan. Funding was increased to \$1.35 million for the 2001-03 biennium to implement phase-two.

Research of other states showed that the most successful training programs have a combination of funding involving the state (or a local taxing authority) providing from 20% to 30% of the funding. The remaining 70-80% comes from business and industry (in the form of fees for service for training received) and from other sources including development organizations and college campus in-kind contributions.

The workforce training system has exceeded all of the accountability measures established by the task force to monitor the performance of the system. The number of businesses served and the number of employees trained increased dramatically from 1999 through 2001. Satisfaction levels have consistently been above 95% . (See North Dakota University System 3rd Annual Accountability Measures Report, December 2003," for details). The success of the North Dakota training system was recognized through receiving the Bellwether Award from the Futures Assembly in 2000. The Futures Assembly is a national organization formed by the League for Innovation to recognize innovative and best practices by community colleges.

During the 2003 North Dakota legislative session, the Senate Appropriations Committee suggested the WFT system be reviewed during the interim session to determine: (1) what the next level is for the WFT system, and (2) what changes are needed to achieve that level.

A series of meetings were held following the 2003 legislative session including a joint meeting involving: the five community college presidents; Eddie Dunn, Vice Chancellor of the NDUS and Executive Director of CTEC; Dr. Jay Leach, Chairman of the Board for GNDA; Roger Reiersen, Chairman of the New Economy Initiative and former Chairman of the Task Force for Improving Workforce Development and Training (representing current chairman Guy Moos); and Senator Tony Grindberg, member of Senate Appropriations Committee. The purpose of the meeting was to begin to vision what the next level of WFT would look like and to obtain suggestions on how to proceed in meeting the expectations expressed during the 2003 legislative session.

III. Review of Progress:

The workforce training system in North Dakota has been operational for five years. There was agreement by the task force steering committee and the private sector workforce training advisory committee chairs that it would be useful, as suggested by the Senate Appropriations Committee, to review progress and determine what, if any, changes are needed to achieve the goal established by the task force in 1998. That goal is:

"To provide business and industry in North Dakota with the most competitive workforce in the nation."

A review of literature and another national survey was conducted by CTEC in the fourth quarter of 2003 to identify common success factors among WFT systems in other states. This analysis revealed that the demand for workforce training throughout the nation is continuing to increase and, in many areas, is out-pacing the capacity of educational institutions to deliver. The research also revealed that the workforce training systems vary significantly in regard to the range of services provided. In general, the newer systems (those in the early stages of development) tend to provide "open-enrollment" non-customized training. As the training systems become more developed, they tend to become more focused on providing customized training for business and industry.

On the other end of the scale are the more fully developed training systems which provide a full array of workforce training and workforce development services. Among the most advanced is Kirkwood Community College, the college after which the workforce training system in North Dakota has been patterned. (See Attachment-A, "Stages/Levels in the Development of Workforce Training Systems," for additional information on levels of training provided and a summary of what other states are doing to meet the increasing demand for training);

IV. Moving to the Next Level:

A joint meeting of the task force steering committee and the private sector workforce training advisory committees was held in Bismarck on January 21, 2004. In attendance were: members of the task force steering committee; the chairs and vice chairs (or their representatives) from the four private sector workforce training advisory boards; the college presidents assigned primary responsibility for workforce training, and; the workforce training directors from the four workforce training regions.

The purposes of the meeting were to:

- a. Review the progress in implementing the workforce training system;
- b. Define the next level of workforce training, and;
- c. Determine what needs to be done to move to the next level;

See Attachment-B and Attachment-C for a listing of the priority suggestions resulting from the meeting and the meeting participants.

V. Observations and Conclusions:

Following are the observations and conclusions resulting from the survey of other states, a review of the University System 2003 Annual Accountability Measures Report and the discussions during the January 21, 2004, meeting:

1. The premier workforce training systems throughout the nation have one thing in common: They are predominately connected to and part of well-developed comprehensive community colleges. Workforce training has now become a core function of community colleges nationwide;

2. The workforce training system in North Dakota has met and/or exceeded the original accountability criteria established by the WFT task force for measuring the performance of the training system;
3. The system is currently functioning at full capacity as presently staffed and funded. As a result, the increase in the number of businesses being served and the number of employees being trained, as of FY-2002, has begun to taper off;
4. The most limiting factor preventing increases in the training provided to business and industry is the availability of workforce training directors or specialists to work with individual companies in designing and arranging training for the companies;
5. The availability of instructors with the knowledge and skills needed to provide training is also becoming a limiting factor in responding to requests for training in specialized areas;
6. North Dakota's training system is viewed as being in the early stages of development with a primary focus on providing customized training for business and industry. The more advanced workforce training systems in other states provide a full array of both workforce training and workforce development services in comprehensive "one-stop centers" accessible throughout the service regions;
7. Strategic partnerships are essential for moving to higher levels of services being provided to business and industry;
8. There is a need to develop and implement a marketing plan to increase awareness, understanding and utilization of the workforce training system. Increased awareness would allow the system to move from being labor-intensive and sales-driven to more demand-driven; i.e., the creation of an environment where business and industry are more aware of the training available and how to access it and, therefore, less dependent upon the workforce training directors contacting and helping design and arrange for training.

VI. Recommendations:

The following recommendations are designed to move the workforce training system in North Dakota to "level-four." Level-four is characterized by: (1) extensive strategic partnerships which are mutually beneficial, (2) customized training that is demand-driven, and (3) comprehensive one-stop workforce development and training centers which are recognized as the "go-to" places for training. The specific recommendations are:

1. Continue implementing the WFT system as originally structured and administered and as outlined in the task force plan including the following key components (see WFT plan for details):
 - a. Defined service regions
 - b. Administrative structure
 - c. Funding sources
 - d. Collaboration and cooperation
2. Add at least one, and preferably two, WFT specialist to each of the quadrants to increase the capacity of the system to focus on developing and expanding the partnership component of WFT;
3. Develop a common/similar name, brand and logo (and a "promise statement") for WFT throughout all four WFT quadrants. The first step, a statewide workforce training website, has been launched (www.trainND.com);
4. Develop and implement a marketing plan aimed at increasing awareness regarding the importance of training to business, industry and development organizations along with information on how to access the training services;
5. Review the level of cooperation and collaboration among the colleges, universities and state agencies regarding the delivery of workforce training services. Then, if needed and as appropriate, develop action steps aimed at increasing cooperation and collaboration;
6. Develop plans and begin the process of developing comprehensive one-stop workforce development and workforce training centers at each of the community colleges and outreach centers throughout the respective service regions/quadrants where needed and feasible;
7. Develop position statements (collectively by the private sector workforce training boards) regarding emerging issues including current and anticipated accountability measures relating to workforce training.

-DRAFT-

Stages/Levels in the Development of Workforce Training Systems

January 21, 2004

I. Levels of Training Systems

An analysis of other states, including a review of the book titled "Building a Workforce Training System Through Partnering" (published by the League for Innovation in the Community College with support from the Microsoft Corporation, 2003) reveals that workforce training systems generally follow a pattern in moving toward higher levels of performance within a community/region or state. Those levels are:

Level-One: Assessment and Self-Analysis (took place in 1998 in North Dakota)

The assessment of North Dakota's workforce training system (WFT), which was conducted by a 31-member Task Force for Improving Workforce Development and Training in 1998, revealed:

- North Dakota's workforce training system was fragmented, underdeveloped, duplicative and incapable of meeting the current and rapidly changing workforce training needs of businesses in the state;
- 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;
- Steps needed to be taken to define and build a more responsive and cohesive WFT system in North Dakota;

Level-Two: Development of a Customized Training System (Took place from 1999-2004 in North Dakota)

- It is broadly understood that customized training is the first stage and foundation piece of an effective workforce training system – Effectiveness in providing customized training is essential for building upon and moving to the next level. The capacity to provide customized training was one of the fundamental needs identified by the Task Force for Improving Workforce Development and Training;
- Customized training within level-two tends to be sales-driven more-so than customer-demand-driven. As a result, the quantity of training provided is directly related to the number/size of sales staff available to call on businesses and to arrange training. In turn, continued growth is directly related to resources available; i.e., the staffing resources determine the quantity of training that can be provided.

Level-Three: Forming Key Partnerships (North Dakota is currently in the Early Development Stages of Partnering)

- Partnerships are all about relationships which are built on trust and positive experiences – typically starting with the customized training as the platform;
- Effective partnerships need to be mutually beneficial to the partners – they need to represent win-win relationships for business and the training provider;
- Forward-thinking and strategic partnerships address the companies current training needs but are also directly linked to the companies vision and strategic plan – they are usually customer-driven, future-focused and in the form of a consulting relationship;
- Partnerships directed at economic development are not only focused on the training needs of companies but are also focused on, and directly connected to, the economic development goals of the community or region (are targeted industry or business cluster-focused) and strategically linked to the retention, attraction, expansion and start-up goals of the development organizations;

Level-Four: One-Stop (within each service region) Comprehensive Workforce Development and Training System. (A one-stop workforce development and training system currently does not exist in North Dakota)

- Well developed workforce training systems have a full array of WFT services located, in at least one site, within each service region to serve the workforce training needs of business and industry (workforce training) as well as individuals who are pursuing a degree, unemployed, underemployed, displaced or desiring to upgrade their education and/or change careers (workforce development);
- One-stop systems are jointly located with other relevant service providers including job service, small business development centers, Manufacturing Extension Partnerships, regional planning councils, human service centers, etc.;
- Providing workforce development and training which is easily accessible and in one location is precisely what fully developed community colleges do to serve traditional students, non-traditional students, business and industry and the community. It is part of the mission and an expectation of modern comprehensive community colleges;
- Kirkwood Community College in Cedar Rapids, Iowa, is a nationally recognized model for a comprehensive one-stop workforce training system. It is the model after which the North Dakota workforce training system was designed and is being implemented.

II. What Other States Are Doing – Other States That Are Operating at a Higher Level

The three most common characteristics among those workforce training systems in other states which are functioning at a higher level than North Dakota are: (1) the partnerships are more extensive, (2) the customized training provided is largely demand-driven, and (3) the workforce training systems serve as comprehensive one-stop service centers.

There are four distinct areas where partnerships can be formed and which allow a system to function at a higher level. The workforce training operations in each of the four quadrants in North Dakota function (at varying degrees among businesses and among communities) within each of these levels:

1. Nature and Types of Partnerships at the Company Level

- Partnership formations. Partnerships tend to start small with individual training projects. Growth and expansion is dependent upon building relationships based on performance/results and trust – and then moving to larger joint ventures;
- Partnerships relative to training facilities, equipment and instructors. Joint ventures/partnerships are often formed with companies to provide facilities, equipment and instructors for training;
- Partnerships relative to needs identification and pooled training. The WFT system in the community/ region identifies WFT needs which are common to a number of businesses and industries and arranges for training – identifying priority needs and making training more affordable for companies, particularly smaller companies;
- Partnerships relating to open enrollment training. “Canned” or standardized programs and open enrollment training are provided for individuals – not just for companies;
- Partnerships relating to serving as the WFT director/consultant for companies. The WFT director, or division of the community college, serves as the WFT director for companies. The companies under this arrangement no longer have an in-house training staff but contract with and rely upon the WFT division to serve the bulk of that function (similar to out-sourcing research and development to research institutions). Providing this service requires a high level of competency coupled with a strong trusting relationship.

2. Nature and Types of Partnerships at the Community/Region Level

- The WFT system becomes a valued partner with local chambers and local development organizations focused on the targeted industries for the community or region. It becomes an essential tool for enhancing the economy. The WFT system is responsible for meeting the training

needs of the those industries targeted for start-up, expansion or attraction in the community or region.

- The WFT system assists in needs-identification for the community – focused on the future.
- The WFT system has a distance delivery system capable of serving outlying areas of the service region or the state.

3. Nature and Types of Partnerships at the Increasing Awareness Level

- Investments are made in marketing – increasing awareness, identifying opportunities and providing return-on-investment information which begin the transition away from a system which is largely or entirely sales-driven to being more demand-driven;
- The WFT system is engaged with chambers of commerce – to increase awareness, understanding and networking
- The WFT system is engaged with local development corporations – to increase awareness and to effectively connect with the larger goals of the community/region

4. Nature and Types of Partnerships at the One-Stop Service Level

- Well developed workforce training systems have a full array of WFT services, located in at least one site, within a service region to serve the workforce training needs of business and industry (workforce training) as well as individuals who are pursuing a degree, unemployed, underemployed, displaced or desiring to upgrade their education and/or change careers (workforce development);
- A well developed system also provides all of the functions and services listed in the above three partnership categories (company level, community/ region level and increased awareness level).

**Priority Suggestions/Best Ideas
Workforce Training Meeting
January 21, 2004**

Each participant at the meeting was asked to select the priority suggestion or best idea resulting from the material presented and/or the discussions that took place. Following is a listing of those priority suggestions grouped by major category.

I. Marketing and Education:

- Launch a standard “brand” for workforce training across the state
- Expand marketing to let businesses know all about the Workforce Training Program
- Increase awareness and understanding
- “Branding” of Workforce Training Program
- Statewide marketing/branding effort that begins on the state level and builds to the local level
- Building a strategy – a marketing plan for the state, one that is cohesive
- The State of North Dakota needs to understand the “business of training” or get out of it. DO IT!
- Arrange a statewide summit to bring all key players together. Doing this can be the beginning in helping accomplish the other objectives

II. Expand Partnerships and Become Consultants to Business:

- Expand existing relationships & partnerships
- Build strong partnerships with business and industry and with state agencies
- Move from vendor/client to partner/partner relationship
- Instead of only sales driven, be a business consultant – empower your boards
- Change focus to include consulting
- Build the consulting role for WFT including all that entails – new benchmark, staffing, budgeting, etc.

III. Develop Comprehensive One-Stop:

- Consolidation of all the different governmental agencies
- Move the North Dakota workforce training system to Level-4
- Establish a common vision based on criteria needed to become a level-4 workforce training system
- Identifying steps to move toward our vision. Need action steps

IV. Rural Outreach:

- Expand the coverage of WFT to all areas of the state. To build that trust level across the state

-PARTICIPANT LIST-
Workforce Training Meeting
Bismarck State College
January 21, 2004

Steering Committee for Workforce Training System:

- Guy Moos, Baker Boy, Dickinson, Chair
- Eddie Dunn, North Dakota University System
- Wayne Kutzer, Career and Technical Education
- Dave MacIver, Greater North Dakota Association
- Don Morton, Microsoft Great Plains
- Roger Reiersen, Flint Communications
- Russ Staiger, Bismarck-Mandan Area Development Corp.
- Donna Thigpen, Bismarck State College

Workforce Training Board Representatives:

- Rita Wilhelmi, NW Quadrant Board Chair, Stanley
- Sherry Kondos, NW Quadrant, Minot
- Dennis Hansel, NE Quadrant Board Chair, Langdon
- Jim Dahlen, NE Quadrant, Devils Lake
- Becky Thiem, SW Quadrant Board Chair, Bismarck
- Guy Moos, SW Quadrant, Dickinson
- Jim Roers, SE Quadrant Board Chair, Fargo
- Don Pratt, SE Quadrant, Fargo

Workforce Training Directors:

- Deanette Piesik, NW Quadrant, WFT Director
- Holly Mawby, NE Quadrant, WFT Director
- Galen Cariveau, NE Quadrant, WFT Director
- Carla Hixson, SW Quadrant, WFT Director
- Lori Heinsohn, SW Quadrant, WFT Director
- Dale Knutson, SE Quadrant, WFT Director
- Mel Olson, SE Quadrant, WFT Director

College Presidents Assigned Primary Responsibility for WFT:

- Sharon Etemad, President, Lake Region State College
- Sharon Hart, President, North Dakota State College of Science
- Joe McCann, President, Williston State College
- Donna Thigpen, President, Bismarck State College

The North Dakota WORKFORCE TRAINING SYSTEM



August 7, 2006

The North Dakota Workforce Training System requests an additional \$2,650,000. A total statewide biennium budget of \$4 million will allow the Workforce Training System to go to the next level of service while maintaining it's high level of accountability. The business advisory boards of the four Workforce Training Regions identified three major conclusions: 1) the WFT system has been very effective in responding to needs of business and industry, 2) the WFT system has reached its capacity with its current resources, 3) the number of businesses and employees served will remain relatively constant unless or until additional resources are received.

Proposed Biennium Budget

Salary	\$2,136,000.00	53.4%
Awareness/Relationship Building	\$675,000.00	16.88%
Operating	\$815,000.00	20.37%
New Initiatives	\$374,000.00	9.35%

The funds will provide individual businesses greater access to work with additional outreach personnel providing increased responsiveness; extend additional training opportunities to rural communities and small businesses; develop additional partnerships with the private sector relating to training and; obtain materials, equipment, and software necessary for providing up-to-date and effective training. Increased funding was requested but not appropriated last session.

"The North Dakota Workforce Training System provides responsive, accessible, and flexible delivery of innovative world-class employee training"

North Dakota Farmers Union

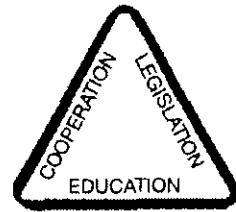
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*Same
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HB 1019

Appropriations Committee, Education and Environment Section

Chairman Wald and Members of the Appropriation Committee, Education and Environment Section,

My name is Woody Barth; I am here representing over 35,000 members of North Dakota Farmers Union. I am here to testify in support of House Bill 1019, specifically in support of Adult Farm Management.

North Dakota Farmers Union supports the effort to maintain the Adult Farm Business Management education program in North Dakota. Continued support is necessary to allow local school districts to provide this valuable and necessary program of adult education.

These programs are beneficial in helping beginning farmers and ranchers understand their financial picture. Both management and marketing expertise are gained, and are vital for the success of North Dakota family farmers and ranchers.

NDFU believes the data that is generated through the Adult Farm Business Management program is extremely important to gauge the economic climate of North Dakota agriculture. These statistics are used by both by state and federal agencies to assess the overall condition of the agricultural environment in our state.

We urge your continued support of this important program.

Thank you Chairman Wald and members of the committee. I will answer any questions at this time.



Importance of Entrepreneurship Education

Entrepreneurship is a key driver of our economy. Wealth and a high majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses. People exposed to entrepreneurship frequently express that they have more opportunity to exercise creative freedoms, higher self esteem, and an overall greater sense of control over their own lives. As a result, many experienced business people, political leaders, economists, and educators believe that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale. It is with this in mind that the National Standards for Entrepreneurship Education were developed; to prepare youth and adults to succeed in an entrepreneurial economy.

Entrepreneurship education is a lifelong learning process, starting as early as elementary school and progressing through all levels of education, including adult education. The Standards and their supporting Performance Indicators are a framework for teachers to use in building appropriate objectives, learning activities, and assessments for their target audience.

Benefits of Entrepreneurship Education to Elementary Students

- Increased attendance
- Higher academic achievement
 - Standardized Tests
 - Pre & Post Tests
 - Portfolio
- Fewer discipline referrals
- Increased sense of "locus of control"
- Awareness of career and entrepreneurial options
- Acquire basic economic understanding
- Acquire basic financial concepts
- Define entrepreneurs' contribution to society
- Use opportunity recognition/ problem solving skills
- Explore ethics issues
- Consider steps in business startup

Marketplace of Ideas/Marketplace for Kids, Inc. is active in the Consortium for Entrepreneurship Education. During the research process (validation) of the National Content Standards for Entrepreneurship Education, Marketplace for Kids reviewed the standards during the developmental phase and provided feedback to the Consortium to validate and/or improve the content and organization of the final standards.

The Standards represent a framework for all organizations to work together to "Accelerate Entrepreneurship in America."

Marketplace for Kids is a unique educational program for encouraging, developing and growing young entrepreneurs. The program focuses primarily on students in grades four through middle school. The program is designed to encourage youth to explore entrepreneurship and self-employment through the recognition and development of their inventive, critical thinking and problem-solving skills. This enables them to be life-long partners in building and supporting the environment of entrepreneurship in their community.



2007 Education Day Dates and Locations

Region 1 – Williston State College ~
Tuesday, April 24, 2007

Region 2-Minot – Minot State University ~
Tuesday, April 3, 2007

Region 2-Bottineau – MSU Bottineau ~
Tuesday, March 13, 2007

Region 3 – Lake Region
State College, Devils Lake, ND ~
Monday, March 12, 2007

Region 4 – Alerus Center, Grand Forks ~
Thursday, April 26, 2007

Region 5 – Concordia College, Moorhead, MN ~
Friday, May 4, 2007

Region 6 – Jamestown Civic Center ~
Friday, April 13, 2007

Region 7 – University of Mary, Bismarek, ND ~
Monday, April 30, 2007

Region 8 – Dickinson State University ~
Wednesday, March 14, 2007

Summer Education Day – Griggs
County Central School, Cooperstown, ND ~
Wednesday, July 11, 2007

**2006 Marketplace for Kids
Statewide Total Attendance – 17,582**