

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

2249

2007 SENATE EDUCATION

SB 2249

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2249

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: 1662, 1663

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on SB 2249, a bill to provide appropriations to the state board for career and technical education for a higher education curriculum design and development and a workplace training grant program. All members were present.

Senator Grindberg introduced the bill. This is the "here and now" bill. Next week, this committee will hear the "out of the box" bill. He has developed a niche in the area of workforce training and career development. He attended a meeting of the Workforce Development Council in Medora this summer and that led to this bill. The bill is intended to expand the outreach of the universities to support business. It provides \$2 million to each institution and he expects some tweaks from the committee. The number is in the ballpark. The bill attempts to raise the bar, to allow the two year universities to increase their effectiveness. The campuses can't respond without resources.

Senator Gary Lee asked how close to the ballpark is the number? How did he arrive at the number?

Senator Grindberg said in the last three bienniums, there has been \$1,350,000 for workforce training for the quadrant system. When he alerted the two year campuses that he was drafting legislation, he asked them to think about their needs to take it to the next level.

Senator Taylor asked what is included in curriculum development where 85% of the dollars will go.

Senator Grindberg said anything required to build or expand a curriculum including equipment, instructional needs.

Senator Taylor confirmed it would not include bricks and mortar.

Senator Grindberg said not bricks and mortar.

Senator Flakoll said it is more than just discussions and planning, it is actually putting the curriculum in place.

Senator Grindberg said he would look to the campuses for a specific answers. For example, there is a lot of discussion of truck driver training. More resources are needed for the program at Wahpeton, more resources to get the program qualified for student aid,

Senator Flakoll said he has concerns about where the money would be spent, are we creating more bureaucracy?

Senator Grindberg said he doesn't think so. He thinks the four quadrant system has worked very well but they have no ability to expand due to lack of funds.

Ron Ness, North Dakota Petroleum Council, testified in favor of the bill. It is a move in the right direction. The energy industry has a bright future but we need to attract and train workers.

Their industry has hired 2500 employees in the last 30 months. He will have a completed workforce skills and needs assessment the end of this month and will get a copy to the

committee. They will need to replace over 100% of their workforce in the next 4 years,

between retirees and new hires. They have seen this problem coming much before the new

surge in energy activity because their workforce is aging. In the energy industry, skills are

interchangeable among all the components of the industry. The jobs in their industry are

paying well above \$50,000 a year plus full benefits. 70% of the people they need to hire over

the next 4 – 5 years are entry level, basic skill jobs. If you can take someone off the street, train them for a period of weeks to months put them in a job with full benefits and making \$50,000 per year, that is a center of excellence. This bill could be an answer to the center of excellence debate that we had over the interim. Their members in Williston have been very involved in setting up the training program in Williston, they are donating equipment. It is an employer driven concept. But the college is short of resources, short of instructors. They do not enough people from an organizational standpoint to get all the work done. It is being set up to insure it has some long term stability. Major international service companies have committed to sending their new recruits to this training instead of Houston or Casper. When you train people in Williston, they stay there. North Dakota is somewhat ahead of the game. This is something that could hold back the energy industry in the state if it is not taken care of.

Senator Gary Lee asked with the \$2 million, will they be able to attract enough students to keep the program ongoing?

Mr. Ness said that is the next great challenge. They are going to be competing with every other industry and state. Thus far, they have very high paying jobs. We have to get the mechanism in place. There are also the issues of life style, housing and it will be a challenge. Between 60 – 70% of students in North Dakota don't end up with a 4 year degree and would be eligible to end up in jobs like these.

Senator Gary Lee said as the oil business ebbs and flows, are these skills transferable or will they need to leave the state or need to retrain?

Mr. Ness said the oil industry has had peaks and valleys. This is different because such a large part of their workforce wants to retire. The other energy sectors are growing. This is a longer vision for the state.

Senator Taylor asked with the new program at Williston, are trainees coming from other states? How do you measure the workers coming from the out of state programs vs. kids off the farm? Is there a way to measure success?

Mr. Ness said the oil industry employees have to have this training. Farm kids are the best but they aren't always available anymore. They started a truck driving program in Williston; they take 12 students every 6 weeks. Companies are lined up to hire them on the last day of school. They are fantastic jobs.

Tom Balzer, North Dakota Motor Carriers Association, testified in favor of the bill. This bill is very valuable for his industry. 10% of available North Dakota trucks sit empty because there are not enough drivers. Nationwide, half million drivers are needed. The average teamster driver is 57 years old. Every truck brings in \$220,000 of revenue, 90% of which goes back into the economy. The average driver makes \$34,500 in Fargo after 2 months of schooling, entry level. With three years of experience, an actual driver from Fargo made \$71,000 last year. It a growing industry and major player as far as high paying jobs. Great West Casualty, one of the largest insurance companies that insure the trucking industry, recently looked at the driving school in Fargo and decided it did not qualify under their insurance. We need a qualifying school in the state. The curriculum needs to be developed. Students in the program do not now qualify for federal aid so we need to accomplish that as well.

Curt Gunning, Alien Technology, Fargo, testified in favor of the bill. Meter 21:10 We need to keep North Dakota natives and students in the state and promote from within. He is part of a energy technology advisory board that develops the curriculum for nanoscience in Wahpeton. This needs to happen for people to grow within the company.

Wayne Kutzer, Director of the Department of Career and Technical Education, testified in favor of the bill. (Written testimony attached) To answer some questions that have already been

asked, technical education programs are expensive. They have had \$1.3 million since the system started. Are we going to be able to keep the people in the state that have this training. These skills are very transferable.

Senator Flakoll asked if a budget has been drafted specific to this bill?

Mr. Kutzer said no.

Senator Gary Lee asked in SB 2200, are there new career and tech dollars it? Does that come together with this request?

Mr. Kutzer said SB 2200 deals with career and tech at the secondary education level in the western part of the state. It will help build a base but it is not directed to this bill.

Dave Clark, Executive Vice President of Bismarck State College, testified in favor of the bill.

(Written testimony attached)

Senator Flakoll asked with the 2009 sunset, what about ongoing costs?

Mr. Clark said many programs have been developed with external funding sources, Those costs are significant. They choose the programs that they feel have adequate students to support the programs once they are developed. As they view these dollars, development costs include equipment, lab components. For ongoing expenses, they look to tuition and fees. Businesses are happy to pay for the training.

Senator Gary Lee asked if he is saying the \$2 million is enough to put the programs in place but they would partner with business for some equipment and their budget would sustain the teachers and instructors/

Mr. Clark said that is correct. The section 3 money is for a competitive grant process.

Workforce training is mostly non credit.

Senator Bakke asked what is the capacity of students that can be handled.

Mr. Clark said they typically work very closely with business and industry and they have major input into the length of the program and what their requirements are. It will vary by program.

Senator Bakke asked what numbers of students would go through the program.

Mr. Clark said the potential is huge, there is major opportunity.

Senator Taylor asked on the cost side, what is the cost of specialized instructors?

Mr. Clark said it is a challenge in career tech; there is a need to hire subject matter experts, especially when doing in house development work. They deal with it somewhat by hiring on 12 month contracts. It is becoming more and more of an issue.

Harvey Lind, North Dakota State College of Science, testified in favor of the bill. (Written testimony attached) He also submitted a letter from Ron Cizek, Imation Corporation.

Senator Gary Lee asked about the trends in enrollment at Wahpeton.

Mr. Link said it is about 2400 and stable, FTEs are dropping a little.

Senator Gary Lee asked the cause of the drop.

Mr. Link said it is a supply issue, there has been a decrease in high school graduates.

Senator Gary Lee asked how you get students for new programs?

Mr. Link said it is a new and emerging area, they are doing extensive recruiting. They are using distance education. The goal is new programming, new area and attracting new students.

Senator Gary Lee said if work force needs are shifting, how do you adjust your programs?

Mr. Link said they have curtailed some programs. They have added new sections of programs with waiting lists. They go through an annual program review. New programs have new equipment needs.

Senator Taylor asked the amount of the earmark in nanotechnology.

Mr. Link said \$198,200.



Senator Taylor asked about the diesel tech program, is it a waiting list program? A couple of young men from his community attended the program in Cheyenne, at Wyo Tech.

Mr. Link said it is a competitive situation. Their diesel tech program runs right up at the edge. They just shifted an instructor from the automotive program to the diesel program. Wyoming Tech is one of their competitors.

Chairman Freborg closed the hearing on SB 2249.

Chairman Freborg opened the discussion on SB 2249.

Chairman Freborg said we will get additional information after lunch from Senator Grindberg.

The \$2 million in section 3 was not his part of the bill so he is checking with the others who helping in drawing up the bill. The bill is for \$10 million, do we want to pass it out that way?

Senator Gary Lee said he does not know what the number should be. Conceptually he likes the idea, there is a significant need in the technical programs in the oil industry. If we can help them some way, this may be the vehicle. We certainly need to know what dollar figure is a priority for them.

Senator Bakke asked if he was talking about striking section 3?

Chairman Freborg said no, he is finding out where it came from.

Senator Gary Lee said they could run with the \$2 million if the \$8 million wasn't in there, Could they get by with the competitive grants?

Chairman Freborg asked if he thought the competitive grants were a better program?

Senator Gary Lee said some of these programs are fairly short term, truck driving would be shorter duration as compared to nanotech.

Chairman Freborg said they are. Once the power plant program at Bismarck graduates a few power plant operators, they will need to change the program for two or three years, it doesn't take that many operators.

Senator Taylor said one thing that is missing is the Department of Commerce did not testify this morning and he would be interested in knowing how we are going to prioritize the programs. This seems like a good place to leverage a match.

Senator Bakke said the \$8 million at the top, she sees it going to each institution, and she doesn't see how the \$2 million in section 3 would be distributed.

Chairman Freborg said it would be a supplemental grant that would have to be applied for and justified.

Senator Bakke asked if the \$2 million could be covered by the industry as Senator Taylor suggested.

Senator Flakoil said he likes the match concept. Some programs aren't as conducive to a match. Bismarck and Williston could be competing for the same dollars.

Chairman Freborg said the big employment area is with oil fields, they can't get enough help. Williston would be a logical place for that money.

Senator Gary Lee said maybe we should not include the names of the institutions.

Chairman Freborg asked how much money should we put in the bill, should it all go in section to go out in grants? We are over \$1 billion over budget, if we aren't careful, we won't have any bill, and it still has to get by appropriations.

Senator Taylor said different programs will have a different cost. A grant program would allow the schools to use the dollars that are needed. A 1:1 match, this becomes a \$4 million bill, and there is a lot of value to industry here.

Chairman Freborg said last session he was told the energy people furnished the simulator for the power plant school. Some priorities should be set and that could only happen if this goes out in grants.

Senator Flakoll said we may want to include some not to exceed language. We also should deal with "in kind" contributions which are very similar to cash. There should be a consideration for an accountability audit. He wishes there was a little more detail. He knows Senator Grindberg is sick today. We do not want duplication of services.

Senator Gary Lee asked if there is merit to targeting a sector or do we let the institutions decide?

Senator Flakoll said its hard to figure out what we want to target, not all needs were identified today. In a global perspective nanotech has phenomenal potential, 2 sessions ago we had never heard of it.

Senator Gary Lee asked if programs like nanoscience have a better chance of being included in the Centers of Excellence. Truck drivers and oil rig workers might not fit into the Centers of Excellence.

Senator Taylor said the Centers of Excellence prohibits use of funds for workforce training along with bricks and mortar. To react quickly, maybe we should have the programs approved by the Department of Commerce.

Chairman Freborg said if they are grants, should we do that in conjunction with section 3., involve Career and Technology too? He doesn't understand giving them each \$2 million.

Senator Bakke said she would like to remove section 1 and allow them to apply for a grant not to exceed \$1 million if they have a match.

Senator Taylor said we should specify the category of schools, trade or two years, so this is not available to the research universities.

Senator Gary Lee asked about the travel or business schools, is that the reason for naming the schools in the bill.

Chairman Freborg said we do not want to include areas that already exist.

Senator Gary Lee said he agrees, that is why Senator Taylor wants to involve the Commerce Department to help identify critical areas.

Senator Gary Lee said maybe we would include \$2 million, working with Commerce Department that might be salable.

Chairman Freborg asked if its reasonable to require a match including in kind?

Senator Flakoll said it could be scaled, it doesn't have to be \$1 million.

Chairman Freborg said if someone furnishes a simulator that is worth \$300,000, that would count as a match.

Senator Flakoll said still an overall goal of \$8 million but would require a 1:1 match, no campus gets more than ¼ of the dollars, include a list of eligible campuses, include the Commerce Department to point people in the right direction since they know the needs of industry.

Chairman Freborg asked if Commerce would be in charge rather than Career and Tech?

Senator Flakoll said he would like Commerce at the table.

Chairman Freborg said at \$10 million its going nowhere. His concern is we are \$1 billion over budget, maybe \$1.5 or \$1.7 billion, they will pick out the aggressive bills. If a bill is reasonable and sensible, there is more chance of survival. Its something we need, we have to justify it.

Senator Gary Lee asked if the bill were amended in appropriations and the money taken out, how would we support the bill,

Chairman Freborg said that is rare, we would have to kill it, without money its meaningless.

He reviewed carrying bills that have been rereferred to appropriations.

There was discussion among the committee of the dollar amount to include in the bill.

Senator Flakoll said he would prefer taking the portion out that refers to promotion.

Senator Taylor said the School of Science got what they called a modest earmark of \$198,000. They were still appreciative of it and it got the ball rolling. He thinks \$4 million from the state, if it were leveraged to \$8 million would be reasonable and significant.

Senator Flakoll said he would like to see all the campuses listed in the bill continue to be included by name and the rest of the committee agreed.

Senator Bakke said she likes the idea of \$4 million with a match.

Senator Taylor said the in kind language would give them some flexibility.

Senator Bakke said she likes the idea that 85% would go to curriculum development, they will need some money for promotion.

Chairman Freborg said he doesn't want to waste the money on promotion if they don't need it.

Senator Flakoll said the bill says up to 15% for promotion, its almost like we are encouraging them to use money for promotion and he doesn't like that. He doesn't think we should mention promotion.

Senator Gary Lee said he doesn't like section 2. There may be an old program that could be dusted off and all it needs is some equipment.

Senator Bakke said part of curriculum development is equipment.

Senator Flakoll said maybe we should specify that, at first he thought the money would be used to write a syllabus and we want to be sure to include equipment. The committee agreed.

Chairman Freborg pointed out no report is required in the bill.

Senator Flakoll reviewed the group consensus and will have amendments drafted to include all campuses named in the bill, provide \$4 million with a 1:1 match including in kind, up to \$1 million, 85% of expenditures to cover curriculum development including equipment and materials, emphasis on high need or emerging needs areas for workforce training, delete section 3 and add Career and Technology Education and the Department of Commerce to

section 1, plans and budgets to be submitted to the Department of Commerce and Career and Technology Education, report to the interim Economic Development Committee, maintain the sunset.

Chairman Freborg asked Senator Flakoll to talk to Senator Grindberg before drafting the amendments and the committee will review the proposed amendments.

Senator Flakoll said he would like to add to the amendment a clause that the grants should avoid adverse duplication. The committee concurred.

Chairman Freborg closed the discussion on SB 2249.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2249

Senate Education Committee

Check here for Conference Committee

Hearing Date: January 24, 2007

Recorder Job Number

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on SB 2249. All members were present.

Senator Flakoll reported Anita Thomas was not available but he has a call in to her. He has spoken to Senator Grindberg.

Chairman Freborg asked if Senator Flakoll has enough information so the committee could come to some sort of agreement on the amendment.

Senator Flakoll said he believes so. In talking with Senator Grindberg, relative to the appropriation, there is currently in the budget \$1.35 million for those programs. The bill before us asks to increase that to \$2 million so an additional \$.65 million is all we need. He is comfortable leaving the \$2 million in the bill and letting appropriations wrestle with it.

Chairman Freborg asked what would be wrong with language that says we will add \$650,000 to the proposed budget, then we know what will happen instead of getting another \$2 million on top of \$1.35 million.

Senator Flakoll asked if we would reference the House bill?

Chairman Freborg said we would say we were adding \$650,000 to the proposed budget. He prefers it.

Senator Flakoll said it is more palatable.

Chairman Freborg said it is to him. That is what we want to do.

Senator Flakoll said the \$4 million in section 1 would require a 1:1 match, including in kind matches. All campuses listed in the bill would still be included. Any campus would be eligible for up to 25%. Change the payments language to grants, involve Career and Technology Education in the process. Emphasis on high need or emerging needs in workforce training. Plans and budgets approved by Department of Commerce and Career and Technology Education. Maintain the sunset, Consider adverse duplication.

The committee was comfortable with the proposed amendment.

Since Senator Flakoll could still not get in to see Anita Thomas, the committee decided to adopt the amendment and then get it drafted.. Senator Flakoll will locate each committee member on Thursday and have them sign off on the amendment draft.

Senator Flakoll moved the proposed amendment. Senator Gary Lee seconded the motion.

The motion passed 5-0-0 on a roll call vote.

Senator Flakoll moved a Do Pass As Amended and Rerefer to Appropriations. Senator Bakke seconded the motion. The motion passed 5-0-0. Senator Flakoll will carry the bill.



**FISCAL NOTE**  
**Requested by Legislative Council**  
03/12/2007

Amendment to: Reengrossed  
SB 2249

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,000,000		\$1,000,000	
Appropriations			\$1,000,000		\$1,000,000	

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Provides \$1.0 million appropriation to address workforce training needs from funding in HB1003.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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

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

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

Additional state appropriations noted in Section C below would be allocated and spent in support of program start-up costs.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Engrossed HB1003 does not include \$1,000,000 in uncommitted funding which can be allocated to this program. Without additional new funding added to Engrossed HB1003, the required grants cannot be provided as directed by SB2249 Second Engrossment with House Amendment. Funding in the NDUS Office (subsection 1 of HB1003) is specified for student financial aid programs, pass-through to the campuses for specific projects (e.g. technology, EPSCoR) and for State Board of Higher Education and Chancellor Office staffing and operating costs.

<b>Name:</b>	Laura Glatt	<b>Agency:</b>	NDUS
<b>Phone Number:</b>	328-4116	<b>Date Prepared:</b>	03/13/2007

*JB*  
1-26-07

PROPOSED AMENDMENTS TO SENATE BILL NO. 2249

Page 1, line 3, after "program" insert "; and to provide for a report"

Page 1, line 6, replace "\$8,000,000" with "\$4,000,000"

Page 1, line 8, replace "equal payments" with "a \$1,000,000 grant each"

Page 1, line 10, after "to" insert "critical"

Page 1, line 14, after "institution" insert ", the state board for career and technical education,"

Page 1, line 15, after "to" insert "critical" and after "needs" insert ", 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"

Page 1, line 16, remove the comma

Page 1, line 17, remove "up to ten percent for promotion," and after "and" insert "may use"

Page 1, line 19, replace "\$2,000,000" with "\$650,000"

Page 1, after line 23, insert:

**"SECTION 4. REPORT TO THE LEGISLATIVE COUNCIL.** The state board for career and technical education shall provide a report to a committee designated by the legislative council during the 2007-08 interim regarding the use of the funds appropriated in sections 1 and 3 of this Act."

Re-number accordingly





**REPORT OF STANDING COMMITTEE**

**SB 2249: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2249 was placed on the Sixth order on the calendar.**

Page 1, line 3, after "program" insert "; and to provide for a report"

Page 1, line 6, replace "\$8,000,000" with "\$4,000,000"

Page 1, line 8, replace "equal payments" with "a \$1,000,000 grant each"

Page 1, line 10, after "to" insert "critical"

Page 1, line 14, after "institution" insert ", the state board for career and technical education,"

Page 1, line 15, after "to" insert "critical" and after "needs" insert ", 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"

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Page 1, line 17, remove "up to ten percent for promotion," and after "and" insert "may use"

Page 1, line 19, replace "\$2,000,000" with "\$650,000"

Page 1, after line 23, insert:

**"SECTION 4. REPORT TO THE LEGISLATIVE COUNCIL.** The state board for career and technical education shall provide a report to a committee designated by the legislative council during the 2007-08 interim regarding the use of the funds appropriated in sections 1 and 3 of this Act."

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2249

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2249

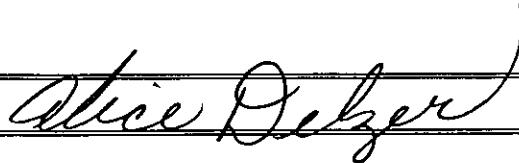
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02—05-07

Recorder Job Number: 2822

Committee Clerk Signature



Minutes:

**Vice Chairman Grindberg** opened the hearing on SB 2249 at 8:35 am on February 5, 2007 regarding Career and Tech Ed for Higher Education Curriculum design Work Force Training Grant. He immediately turned the hearing over to **Vice Chairman Bowman** as he gave testimony in support of SB 2249.

**Senator Grindberg, District 41, Fargo.** I am here today to testify in favor of SB 2249. It is direct appropriations into the Workforce Training System in the State of North Dakota.

**Senator Bowman** asked if this was in the governor's budget. He was informed it is not.

**Ron Ness, North Dakota Petroleum Council** presented written testimony (1) and gave oral testimony in support of SB 2249.

**Senator Robinson** had questions regarding the shortage we have in these job classifications and it is not just North Dakota, it is the entire Midwest and we are not making quantum gains, what is happening in the rest of the states?

**Senator Krauter** had questions directed to Legislative Council regarding current appropriations in the governor's budget.

**Tom Balzer, Representative of North Dakota Carriers Association** gave oral testimony in support of SB 2249. He also testified that they don't have enough people in North Dakota to drive their trucks.

**Chairman Holmberg** returned to the hearing and presided over the hearing.

**Colette Gross, JLG Industries Inc., Oakes, ND** gave written testimony (2) and oral testimony in support of SB 2249.

**Dave Clark, Executive Vice President Bismarck State College, representing the North Dakota University System** presented written testimony (3) and gave oral testimony in support of SB 2249.

**Senator Christmann** asked why we do a general University System Bill, but things like this, when we are in dire need of the workforce, we have to do a special bill on top of that yet.

**Senator Bowman** asked that when the Round Table was established wasn't it their intention to address these critical needs with the board to make sure that these programs are addressed and that should be their responsibility to come to us in their budget and say they increase that budget because this is where the needs are. We have to beg, borrow or steal to get money into these programs or even deficit spend over and above the budget. It doesn't seem right, someone is not doing their job dealing with this before these budgets come in.

**Senator Grindberg** stated he put this bill in after some employers contacted me, and I've been working with this program since 1997, and why this has been before us every biennium which is a decision Governor Schafer made to put it into the Vocational Training Budget verses Higher Ed's budget because of closer alignment with industry. It's been that way for 10 years now. But my interest in this is to make sure our employers are having their needs met. I firmly believe that the folks have done a fine job but the resources have been limited and the state has to help.



**Harvey Link, Vice President for Institutional Advancement and Government Relations at the North Dakota State College of Science (NDSCS)** presented written testimony (4) and gave oral testimony in support of SB 2249.

**Written Testimony (5) by Ron Cizek, Manufacturing Director Imation Corp, Wahpeton, ND** did not testify but presented written testimony in support of the bill handed out by Harvey Link.

**Chairman Holmberg** had questions regarding HB 1003.

**Leroy Volk, Injured worker and veteran** testified against the bill.

**Deanette Piesik, Director of the Northwest North Dakota Workforce Training , Williston State College** presented written testimony (6) and oral testimony in support of SB 2249.

**Dale Knutson, Director of North Dakota Workforce Training System, Southeast Region, NDSCS** presented written testimony (7) and gave oral testimony in support of SB 2249.

**Chairman Holmberg** asked for further testimony. Seeing none, he closed the hearing on SB 2249.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2249

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-12-07

Recorder Job Number: 3367

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the hearing on SB 2249.

**Senator Grindberg** distributed amendment .0301 indicating the bill to create more attention and support for the workforce training quadrant system in the state. The amendment aligns sections 1 and 3 with the four two year colleges. The original intent was to strengthen the capacity and the outreach of the individual campuses.

**Senator Grindberg** moved a **DO PASS** on the amendment, **Senator Krauter** seconded.

**Discussion followed. An oral vote was taken resulting in a DO PASS on .0301.**

**Senator Grindberg** moved a **DO PASS** on the bill as amended, **Senator Bowman** seconded, **Discussion followed. A roll call vote was taken resulting in 14 yes, 0 no, 0 absent. The motion passed and Senator Grindberg will carry the bill.**

**Chairman Holmberg** closed the hearing on SB 2249.

*JB*  
2-12-07

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2249

Page 1, line 6, replace "\$4,000,000" with "\$2,000,000"

Page 1, line 8, replace "\$1,000,000" with "\$500,000"

Page 1, line 23, replace "\$650,000" with "\$2,650,000"

Renumber accordingly

Date: 2/14/07  
Roll Call Vote #: 1

**2007 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2249**

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass Amend

Motion Made By Grindberg Seconded By Krauter Bowman

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) 14 No 0

Absent 0

Floor Assignment Grindberg

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

**REPORT OF STANDING COMMITTEE**

**SB 2249, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2249 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "\$4,000,000" with "\$2,000,000"

Page 1, line 8, replace "\$1,000,000" with "\$500,000"

Page 1, line 23, replace "\$650,000" with "\$2,650,000"

Renumber accordingly

2007 HOUSE EDUCATION

SB 2249

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2249**

### House Education Committee

Check here for Conference Committee

Hearing Date: **27 Feb 07**

Recorder Job Number: **3597**

Committee Clerk Signature
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Minutes:

**Chairman Kelsch opened the hearing of SB 2249.**

**Senator Tony Grindberg, District 41, introduced the bill.** This bill provides additional resources and funding for our workforce training system. There are a number of folks here that are delivering that system and train for businesses across the state. I will give a little history and the intent of why the bill was introduced. It was 1997 that there was taskforce created to create a world class workforce training system. There were about 30 of us that spent an interim working on how to deliver outreach and training to business and industry to grow the state's economy and retraining our state's workforce. We took two trips to Iowa and modeled our program after theirs. It is a regional outreach where the 2-year colleges are the primary points of contact for workforce training. We created that system and passed it. It designated Williston State, Lake Region, Bismarck State, and the State College in Bottineau to be the four points of contact for industry in the four quadrants that make up the state of ND. The funding to support such an enterprise comes from four areas: 1.) State, 2.) fees for services, 3.) partnerships with industry, 4.) in-kind services the campuses would provide. The state put \$1,350,000 in it. That hasn't changed since 1997. We need to increase the state's contribution so we can expand capacity and continue the outreach. I can tell you that sitting in

Appropriations, every agency, and every other bill that has been introduced has something tied to workforce. Human capital is primary to help our state to grow. This bill is part of that.

**Representative Pam Gulleson, District 26, also spoke in support of the bill.** I served on the interim economic development committee and we traveled around the state and held some forum type meetings. At the heart of every one of those meetings was a discussion of how we are going to meet the needs of industry through our workforce. Not only do we need the training in the traditional fields, but in the emerging bioscience, nanotechnology and the energy centers. As a state we need to do a bit more in this session.

**Ron Ness, ND Petroleum Council, testified in favor of the bill.** He distributed "*Projection of Workforce Needs in Western ND using secondary data from LMI*" It shows we need over 3000 new employees and I don't know how we are going to get that done. Seventy percent of these jobs are entry level basic skills. They can be trained up in relatively quick order. These jobs all require relatively the same skill sets. If you want industry to come, we must have workers. I think this is the biggest issue facing our state for the next 3 – 5 years. This bill is a step in the right direction.

**Vice Chairman Meier:** Can you speak to other plans you are working on currently?

**Ness:** We are participating in a Rocky Mountain workforce development to make sure we are not reinventing the wheel and replicating them where appropriate. We have a lot of national and international companies based in Williston and Dickinson. They committed to move the training of their employees to Williston. When you send those people to Casper and Houston, not only do you lose the training opportunity in Williston, companies there were hiring them. We are trying to provide some grants to provide some type of transition money to these employees while they are trained. This still have to pay mortgages, etc.



**Deanette Piesik, director of workforce training, Williston State College**, distributed and

read a letter of support from the four regional advisory board chairmen. It addresses HB 1019 but addresses SB 2249 as well. **(Attached.)**

**Dave Clark, executive vice president, Bismarck State College**, testified in favor of the bill. (Testimony Attached.)

**Chairman Kelsch:** The \$2.65 million is not included in any budget currently?

**Clark:** It was not included in the executive recommendation; but the state board of higher education is on record in support.

**Harvey Link, VP institutional advancement and government relations, ND State College of Science**, distributed a letter from **Ron Cizek, manufacturing director, Imation**. (That letter is attached.)

He then distributed his own testimony on behalf of the ND State College of Science.

**(Testimony Attached.)** Also attached is a report, "**Projected Nanoscience Initiative Funding Plan**" that he distributed.

**Representative Haas:** Is this enough money to get that program running?

**Link:** It helps, but we are pulling resources from a lot of different areas.

**Representative Haas:** Is there any place in the country where there is a complete and defined curriculum for this program.

**Link:** That's one of the challenging things about this particular curriculum--it's a new and emerging area. The industries themselves are learning what the competencies are as they are going along. They are finding that tasks that at one point were handled by engineers as they are refined now they are able to utilize technicians with different levels of skill development training to fill those particular positions. Estimates are for every engineer they may need 6 or 8 technicians to work with them in order to extend their reach. It is a developing and a new area and the competencies are not out there very clearly. We are finding that there seems to

be a common skill set that is developing within some of the nanosciences, bioprocesses, biotechnology and even the micro-manufacturing. About 75% could be core competencies and that's the way we are developing the curriculum—core sets that we can then begin to build off of in other areas.

**Representative Solberg:** What's the total enrollment at Science?

**Link:** We are about at 2359 with our fall headcount.

**Dale Knutson, director of the ND Workforce Training System, testified in favor of the bill.** He distributed and read a letter from **Collette Gross, director of operations, JLG Industries. (Attached.)** His own testimony is also attached.

**Representative Haas:** On the blue sheet that showed us regarding accountability, the unduplicated number of students is 3,103—976 placed. That's a little over 30%. Can you explain the differential there please?

**Knutson:** In this accountability report all programs are not identified equally. Some are funding programs and some are training programs. The pre-employment training is to place employees, and with workforce training or target audience is existing employees. We do not technically provide employment for those existing employees. The training we provide helps maintain their employment and our training is intended to provide skill upgrade training.

**Representative Mueller:** In your testimony you talk about industry is willing to pay for the direct cost investment in training. Can you explain that in detail and what percentage of dollars involved in this whole effort come from the industries' direct investment?

**Knutson:** In 1997 there was a study done and it showed that business and industry were willing to pay for training but they were not willing to pay overhead. The \$1.3 million that was invested at that time was intended to pay for overhead. That would be my job, Laurie's job, and so on. It allows for us go out to business and industry and help determine what their training needs are, do site analysis and do task analysis. We are the middle person and the

resource that pulls this all together to get that training to them. Percentage would be the \$1

invested by the state to the \$3.28 in training provided.

**Wayne Kutzer, director, Department of Career and Technical Education, testified in favor of the bill. (Testimony Attached.)**

**There was no testimony in opposition to the bill.**

**Chairman Kelsch closed the hearing of SB 2249.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2249**

## House Education Committee

Check here for Conference Committee

Hearing Date: **27 February 2007**

Recorder Job Number: **4011**

Committee Clerk Signature

*Jan Prindle*

### Minutes:

**Chairman Kelsch:** Let's talk about 2249. I asked the clarification question because I wanted to see if this money was contained in any other budget and it wasn't. Why is that? I want to see what is actually happening with this. We will hang on to this one and I'll get more clarification. I also want to see where these dollars go. They talked about it but they weren't clear. I am wondering if this increase is coming from higher education, so I need to talk to some people about this.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2249**

### House Education Committee

Check here for Conference Committee

Hearing Date: **6 March 2007**

Recorder Job Number: **4441**

Committee Clerk Signature

*Jan Prindle*

Minutes:

**Chairman Kelsch opened discussion of SB 2249.** I'll tell you my thoughts on this. This is the bill that gives the grant money for workforce training to Career and Technical Education. There is currently money in the CTE budget: \$1.35 million dollars. This bill adds an additional \$4.65 million. What I'd like to do is reduce the appropriation to \$1.0 million and have that come out of the higher education budget. This is higher education. If I could find a couple of extra million dollars I would prefer to put them in K-12. I think this is a good program. One of the concerns that I have is Williston and I understand there is money in the higher ed budget for their new building. I'm not sure if we should give them the money for curriculum design which is what section 1 is; or if we give them the money in section 3, which is the supplemental training grant to the institutions of higher Ed. That's my dilemma. I have talked to a couple of the people that came in support of this—some of the private companies. It seems that the biggest need right now is Williston and BSC because of what is happening in the oil fields. When I told them about taking the appropriation down, they said they would take anything and couldn't tell me what was most important whether it be just a grant to the school for workforce training or if it should be for curriculum design.

**Vice Chairman Meier:** If we put the money into section 3 that would be a matched grant?

**Chairman Kelsch:** I do like that part. In the curriculum design part they talk about a dollar for dollar match from higher education institutions. They would have to use a minimum of 85% of the funding received for the curriculum development and 5% for administration.

**Vice Chairman Meier:** With that, they would actually receive more funding because of the dollar for dollar match.

**Chairman Kelsch:** Yes, a lot of who is using workforce training is private industry. I think that having a vested interest is good. This is where I go back and forth. The curriculum design is the key because you have to have a program in place so that those students can come in and learn. So is it better to put the money there?

**Representative Haas:** The curriculum has to come first.

**Chairman Kelsch:** So would we be better off just reducing the dollar amount on line 6 from \$2.0 million to \$1.0 million? Then you would have to change to a \$250.0 to each of the colleges and leave section 2 in place and delete section 3. Section 4 would stay in because I think it would be good to have the report. The only thing is what the higher ed budget number was.

**Representative Herbel:** On line 16 it says including a dollar for dollar match from higher education. Are we giving them a dollar to match another dollar?

**Chairman Kelsch:** Probably.

**Representative Solberg:** In regards to Williston State College and you had not received an answer as to whether they were going to use the funding for curriculum design or for building.

**Chairman Kelsch:** I didn't talk to Williston directly. What I was told by Ron Nash and some of the other people that came in testify that these grants are key to Williston and to BSC because they are the ones that have the biggest workload and demand for training.

**Representative Solberg:** Your concern was that whether it is used for curriculum design or for the facility.

**Chairman Kelsch:** What I was I told they put money in the higher education budget for the Williston building under construction.

**Representative Sukut:** That \$900.0 was put in the higher education budget. That's \$700.0 for the building and \$140.0 for an FTE and \$60.0 for furnishings. I have visited with Dr. McCann and I know his concerns have to do with curriculum design. I have watched this workforce training grow from its inception. I was involved with the college from the time this started through the SBC program. I would say that initially I wasn't sold on workforce training but I've surely watched it grow over the years and I do know it definitely serves an important part of our growth. It's very crucial to what's taking place. I sure hope that we can provide some funding through this avenue to help that program continue to grow and to help the workforce needs. It's not only providing education, it's a different area of education we're talking about educating people currently in the workforce which is extremely important. In Williston a little over \$100.0 of the state funds go in to that program. There's \$58.0 of the salary that is provided by the institution itself. Then there's about \$352.0 this last year that program generated in funding through charging for their services. It's kind of a self supporting program in a lot of respects. Workforce training as I see it is really an important thing in our state not just in western ND. Hopefully we can figure out a way to put a few dollars back in to this program to keep it growing and find at least \$1.0 million.

**Representative Wall:** Basically, I second the remarks of Representative Sukut. I know at the science school one of the arguments they often hear is that they respond too slowly to industry's needs. I think curriculum design is definitely money needed there. At that campus it is nano sciences, via training technicians for the emerging ethanol industry and so on.

Private enterprise industry is crying for workforce training and I think we see that in a lot of bills and the new chancellor said that was going to be one of the areas he was going to focus on. I think all of the money that we can put to them is going to be put to good use.

**Representative Herbel:** I respect the opinions of my colleagues with regard to what the programs are doing but I look at it a little bit differently. I think we give higher education a budget of \$88.0 million or somewhere in that neighborhood and then we find a half of dozen of other programs related to higher education in which they are requesting additional funding and that's the same situation we had yesterday with the nursing program. If it's going to be a part of the school program, I think they need to find money within that \$84.0 million to run those programs. With the kind of increases we are giving and to be responsible with it, if there is that need and the college recognizes it, I think that's the direction that they need to go with the money they have got. I can't support the additional funding because I think it is adding another level on top of the ones that we have that could be used out of that budget that we already are supplying to them.

**Representative Haas:** A different approach to that—traditionally when it comes to funding whether it's K-12 or higher education whether it's postsecondary vocational ed or whatever it is, we normally think of funding those programs for salary, fringe benefits, for operation and maintenance and for those types of things. We need to start thinking particularly of those four institutions that are named in here: Williston, Bismarck, Wahpeton, and Lake Region as serving a different function. If they serve a different function, then they have to have what is the equivalent in private sector to an R & D budget. If they are going to have that budget, that's the money that they have available in order to develop new curricula to meet the emerging needs of industry and business and provide those training programs. That's how I view this type of money. It's an R & D budget for an institution that has a function other than



education for education's sake. It would be nice if we could leave it at \$2.0 million but I understand if we have to take it down to \$1.0 million.

**Representative Herbel:** I respect your position as well but why wouldn't these university systems when they recognize that this is the direction they're going that they wouldn't set that into their budget to begin with. Maybe they didn't do that and they need that because they have used it for something else. I see that as being shortsighted instead of futuristic. Somewhere along the line they haven't done their job right.

**Representative Sukut:** It is my understanding that there hasn't been an increase in the workforce training amount allowance that we have offered from the state over the last couple of sessions. Another side of that is there are involved with the workforce efforts and the curriculum developments efforts a substantial amount of in kind that are being put into that program. There has been rig donated by one of the oil field companies and that's worth about \$750.0 or close to a \$1.0 million worth of in kind donations that have put into those programs. There a lot of other efforts put in to this and I think adding a few more dollars on the part of the state is called for.

**Representative Mueller:** I agree with Rep Sukut on that. If we are going to divert money from one to another someone is going to suffer. Some of those programs are being reviewed but we are looking at a critical need all across our state. We have a critical workforce shortage in our state. I certainly support some money going into it.

**Representative Solberg:** In regard to workforce training for oilfield workers, it's very critical. When I was kid I went to work in the oil patch and we didn't have any training and there were a lot of tragedies that occurred. We are going to avoid a lot of tragedies and I saw a lot of them occur because of a lack of training. I'm sure in favor of helping out as far as some funding for this program.

**Representative Hanson:** Representative Haas are you familiar with the budget for Dickinson state? Do they still offer the truck drivers course.

**Representative Haas:** No, they do not.

**Representative Herbel:** I'm not opposed to the workforce training program. I'm opposed to funding programs outside of budgets. I think it needs to be a part of their budget so we don't go through all these additional things. I think the workforce training program is a necessity. If I were running a business like that, I would see budget for that and make sure that this was part of the program that I was running.

**Chairman Kelsch:** My guess is if we do this It's not going to be the last time we see this bill. There will be some further look/sees at it.

**Representative Karls:** Is this part of workforce 2020?

**Chairman Kelsch:** That's a different bill. This is called workforce training. The CTE budget is actually where it's at. In the executive budget it's in the CTE budget at \$1.350 million. If you would like to think about this. . .

**Representative Herbel:** I move the amendment on page 1, line 6: change \$2.0 million to \$1.0 million; page 1, line 8: change \$500.0 to \$250.0; delete section 3; and the funds come from the university budget in HB 1003.

**Representative Sukat:** I second.

**Representative Mueller:** Testimony was presented that companies involved with this are fairly okay with paying the part in section 3 of the bill or at least adding to that kitty; but the thing that is critical for them is the first section.

**Chairman Kelsch:** The curriculum design is key to these companies. There is a need for all four colleges to get curriculum design done.

**Representative Johnson:** There is energy in the west but they are also talking quite a bit about alternative energy systems. There is a need for workforce training for 750 employees in the Grand Forks area. Workforce development would certainly help in that area.

**Representative Herbel:** Just so I understand this correctly, this \$1.0 will come out of the higher education budget and not an additional appropriation.

**Chairman Kelsch:** That's correct.

**A roll call vote was taken on the amendment: Yes: 11, No: 1, Absent 1 (Meier)**

**The amendment was accepted.**

**Representative Karls:** I move a Do Pass as amended and Rerefer to Appropriations.

**Representative Sukat:** I second.

**A roll call vote was taken: Yes: 1, No: 1, Absent: 2 (Meier and Mueller)**

**Representative Karls will carry the bill.**

Date: 6 Mar 07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2249

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Amend as below

Motion Made By Haas Seconded By Sukat

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier			Rep Hunskor	✓	
Rep Haas	✓		Rep Mueller	✓	
Rep Herbel	✓		Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg		✓
Rep Karls	✓				
Rep Sukut	✓				
Rep Wall	✓				

Total Yes 11 No 1

Absent 1 (Meier)

Floor Assignment \_\_\_\_\_

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

pg 1 line 6 chg 2,000,000 to 1,000,000

pg 1 line 8 chg 500,000 to 250,000

delete section 3 section 4 becomes 3

*\* come from University System budget  
AB 1003*

Date: 6 Mar 07  
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2249

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do Pass as amended + refer to Appropri

Motion Made By Karls Seconded By Sukut

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier			Rep Hunskor	✓	
Rep Haas	✓		Rep Mueller		
Rep Herbel	✓		Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg		✓
Rep Karls	✓				
Rep Sukut	✓				
Rep Wall	✓				

Total Yes 10 No 1

Absent 2 (Mueller + Mueller)

Floor Assignment Karls

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

Amendment intent for attacked.

**REPORT OF STANDING COMMITTEE**

SB 2249, as reengrossed: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Reengrossed SB 2249 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "appropriations to the state board" with "grants" and remove "career and technical education"

Page 1, line 2, remove "for a higher education"

Page 1, line 3, remove "program" and after "report" insert "to the legislative council"

Page 1, line 5, replace "**APPROPRIATION**. There is appropriated out of any moneys in the" with "**GRANTS - SOURCE**. The state board for career and technical education shall use \$1,000,000, or so"

Page 1, remove line 6

Page 1, line 7, replace "to" with "from" and replace "state board for career and technical education" with "general fund appropriation in subsection 1 of section 3 of House Bill No. 1003, as approved by the sixtieth legislative assembly,"

Page 1, line 8, replace "a \$500,000 grant each" with "\$250,000 grants"

Page 1, line 12, replace "**FUNDS**" with "**GRANTS**" and replace "funding appropriated" with "grants provided"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 3

Page 2, line 5, remove "a committee designed by"

Page 2, line 6, replace "the funds appropriated" with "grants for curriculum design and development as provided" and remove "sections 1"

Page 2, line 7, remove "and 3 of"

Renumber accordingly

2007 HOUSE APPROPRIATIONS

SB 2249

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2249

House Appropriations Committee  
Education and Environment Division

Check here for Conference Committee

Hearing Date: March 13, 2007

Recorder Job Number: 2249

Committee Clerk Signature

*Shirley Branning*

Minutes:

**Chairman Wald:** Called the meeting to order to consider SB 2249 a bill to support funding for workforce training grants by introducing Senator Tony Grindberg, District 41.

**Senator Grindberg:** The bill was introduced to raise the level of support for the 4 two-year colleges. You can do one of two things, wait for conference committee or kill this bill. The House has made changes that stray away from the intent of the quadrant system.

**Chairman Wald:** You're suggesting we kill the bill.

**Senator Grindberg:** It is perfectly fine, because we'll be back. Directing it to come out of 1003 is not the right thing.

**Chairman Wald:** How would you have envisioned this study or training grant?

**Senator Grindberg:** Matching funds, say, from oil field training.

**Representative Hawken:** Are you saying that this particular portion would go away? How does this tie in to workforce training.

**Senator Grindberg:** It matches up 100%. It needs to stay out of the higher ed budget.

**Representative Aarsvoid:** The curricular design, are we lacking since you are proposing a grant to those quadrants to carry out that function?



**Senator Grindberg:** We have the system that is operating to deliver workforce training but there many cases where a campus can't even have a serious discussion because they don't have funds to develop a curriculum, so the industry's needs aren't being met.

**Representative Aarsvold:** Are you suggesting modules of curriculum that would be applicable across the four quadrants?

**Senator Grindberg:** They seek flexibility and to have a pool of funds. If you choose to adopt the Senate version of this bill, we will do nothing.

**Representative Raeann Kelsch,** District 34, Chairman of the House Education Committee:

Offered an explanation to the changes that were made to Senate 2249, introduced with an appropriation of \$2m, with \$500,000 going in grant money to each of the 4 colleges.

Curriculum design was the most important part of this bill.

**Representative Hawken:** What were you thinking that the million you were taking out of the higher budget would be doing?

**Representative Kelsch:** It goes for curriculum design. This was a suggestion in our committee and these four institutions are a part of the higher ed system.

**Dave Clark,** Executive Vice President at Bismarck State College: (See Handouts # 1 and 2, SB 2249) offered testimony in support of SB 2249 as it was originally introduced by the Senate.

**Representative Aarsvold:** If you get the funds in August, what happens?

**Clark:** We will look at sustainable projects. Probably in the energy area.

**Representative Aarsvold:** Would it be credit bearing?

**Clark:** It could be credit or non credit.

North Dakota State School of Science was not able to be here. See handout # 3.

**Chairman Wald:** Legislative Council gave us a report on all of the Workforce Training dollars this session and the total comes to \$27.3m. This is a big increase from last biennium.

**Clark:** Job Service general appropriation is an ongoing activity. But that is not an increase in funding.

**Chairman Wald:** Do you agree this bill should be killed?

**Clark:** We want to make a case for what we are doing and support workforce training.

**Chairman Wald:** What other funds would be channeled through the colleges?

**Clark:** HB 1019 is the funding source

**Representative Klein:** In the original bill it was \$8m.

**Allan Braaten,** representing the Richland County Jobs Development Board and the State School of Science: Supports SB 2249 and expand the diesel mechanic program.

**Representative Gulleson:** Allan served 7 years on the Higher Ed Board

**Vice Chairman Monson:** Addressing **Laura Glatt,** Vice Chancellor for the North Dakota State University System, Are there funds available in HB 1003?

**Glatt:** There is no funding in 1003 that specifically goes toward Workforce Training at those four two-year campuses.

**Vice Chairman Monson:** do you have money in the higher ed budget, maybe not specific to those four?

**Glatt:** We did complete a fiscal note that says, as the bill sits right now it directs that the \$1m in 2249 come out of 1003. We show that there is not a million in 1003 that you have not already dedicated to another purpose so if left the way it is in 2249 those campuses would not get \$1m because the bill directs that \$1m come out of subdivision 1 of Section 3 of the University System appropriation bill. The board's discretionary fund is depleted.

**Chairman Wald:** I will appoint three people to study this bill, **Representatives Martinson, Hawken, Monson, and Gulleson**, will make up the committee.

**Representative Hawken:** It is really, really important that we study this because Human Resources across the state are looking for trained people. As it is now, there is zero money to do that.

**Chairman Wald:** Meeting adjourned.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2249

House Appropriations Committee  
Education and Environment Division

Check here for Conference Committee

Hearing Date: March 15, 2007

Recorder Job Number: 5113

Committee Clerk Signature

*Shirley Branning*

Minutes:

**Chairman Wald:** Called the meeting to order to consider Reengrossed SB 2249 Workforce Training Grant by asking for a motion.

**Representative Martinson:** I make a motion **Do Not Pass** to SB 2249.

**Representative Hawken:** Second

**Chairman Wald:** We have a motion **Do Not Pass** on SB2249. Is there further discussion, hearing none, the clerk will call the roll.

**Vote: 7 Yes, 0 No, 0 Absent**

**Carrier: Representative Hawken**

# 2007 HOUSE STANDING COMMITTEE MINUTES

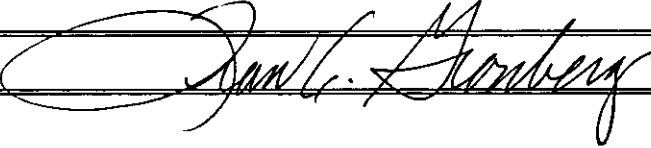
Bill/Resolution No. SB 2249

House Appropriations Committee

Check here for Conference Committee

Hearing Date: 3-16-07

Recorder Job Number: 5228

Committee Clerk Signature 

Minutes:

**Chairman Svedjan** opened the hearing on SB 2249.

**Rep Hawken:** There are no amendments to SB 2249. This bill came from the Senate with \$2.65 for workforce training. The house education committee took out that money as well as \$1M for curriculum development. As the bill stand before you there would be \$1M for grants of \$250,000 to Bismarck State College, Lake Region Science and Williston to do this curriculum development. There is a concern here with the workforce development however where the house education committee put the money was in the higher education budget and as we passed out the higher education budget all the money is already accounted for so there isn't \$1M in there with which to do these grants. As a result, we feel at this time it is probably the best thing to defeat 2249 and that is what our committee did and I would make that motion.

**Rep Hawken moved a Do Not Pass**

**Seconded by Rep Wald**

**Chairman Svedjan:** This is one area where we had duplication in the budget? No we did not.

Page 2

House Appropriations Committee

Bill/Resolution No. SB 2249

Hearing Date: 3-16-07

**Rep Kempenich:** We stuck in money in the centers of excellence, plus there's \$900,000 going in that direction, so it is being covered in different ways.

**Rep Monson:** Take note - we may not see the end of this because Senator Grindberg indicated that he will probably be sticking this back in in conference committee in some other budget or some other amount or some other way.

**On the motion for a Do Not Pass on SB 2249**

**(yes) 22 (no) 1 (absent) 1**

**Carrier: Rep Hawken**



Date: 3/16/07  
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2249

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken No Not Pass

Motion Made By Hawken Seconded By Wald

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) 22 No 1

Absent 1

Floor Assignment Hawken

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



**REPORT OF STANDING COMMITTEE (410)**  
March 17, 2007 4:19 p.m.

Module No: HR-50-5615  
Carrier: Hawken  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2249, as reengrossed and amended: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO NOT PASS (22 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Reengrossed SB 2249, as amended, was placed on the Fourteenth order on the calendar.**

2007 TESTIMONY

SB 2249

SB 2249  
17 Feb 07

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.

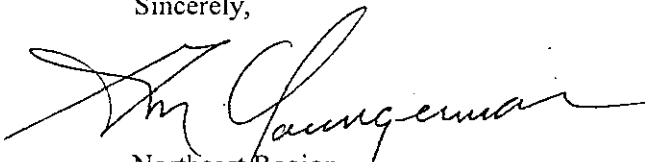
\* The bill supports the efforts of the North Dakota Workforce Training System by appropriating an additional investment of \$2,650,000 per biennium. The System, with no increase in its appropriation since the 2001-2003 biennium, has admirably managed to increase the number of businesses served from 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 a segment 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.

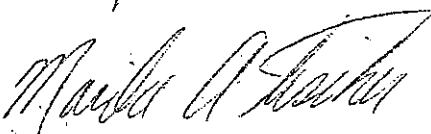
The Workforce Training System is vital to the state's economic stability and development. It is an essential resource North Dakota businesses need to give them a competitive advantage in global markets. By appropriating the additional \$2,650,000 per biennium, the System will be able to continue its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

Senate Education Committee  
Testimony on SB 2249  
January 23, 2007

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

Workforce training continues to be a major need in our state. A central component to that is the development of the curriculum and programming that is necessary to do the training. We have a workforce training system in our state that has proven to be very responsive to business, but they are limited in how quickly they can develop a new program or redesign a current program. Funding is needed to address that development issue.

Once a workforce need is identified the two-year campus must be able to quickly respond by designing a training program from the ground up, taking an existing program in another direction or expanding a current program that is not able to meet all of the needs. In either case they need this funding to make it a reality and to be responsive. New industries and new processes are being developed constantly and we need to make sure that North Dakota stands ready to meet the challenge of those new skill requirements if we want that business to grow and thrive in our state.

The State Board for Career and Technical Education is named as the fiscal agent for these funds which is in keeping with how the current workforce training funds are disbursed to the two-year campuses in charge of the workforce training quadrants.

I ask for a Do Pass on SB 2249

**Senate Bill 2249**  
**Senate Education Committee**  
**Layton W. Freborg, Chairman**

**Testimony by**  
**Dave Clark, Executive Vice President**  
**Bismarck State College**  
**January 23, 2007**

---

Mr. Chairman and members of the Committee, I am Dave Clark, Executive Vice President at Bismarck State College. I am here today representing the North Dakota University System in support of Senate Bill 2249.

In my position at Bismarck State College I am responsible for workforce training through our Corporate and Continuing Education operation for the Southwest Workforce Training Region.

Before I get into the specifics of this bill, I should note that changes requested in HB 1003 (NDUS Appropriations Bill) and HB 1019 (Career and Technical Education Appropriations Bill) are the first priority of the State Board of Higher Education, North Dakota University System and Bismarck State College.

Mr. Chairman and members of the committee the most important thing North Dakota can do is to make an investment in human capital. This bill does just that by expanding the capabilities of North Dakota's two year colleges to develop and expand curriculum to meet the increasing workforce needs of the state.

Section 1 provides an \$8 million appropriation for curriculum design and development relating to workforce needs as determined in collaboration with the Department of Commerce. I can tell you at Bismarck State College this sort of investment would provide for considerable additional partnering opportunities with business and industry. At Bismarck State College, we are aware that changes in technology and the emergence of new occupations demand that higher education respond quickly to industry needs. We know in Bismarck State College's case that we need to develop some of our career and technical education programs for delivery online. We have had specific requests for our electronics, allied health and welding programs. This capability will provide educational opportunities to rural communities and place bound students. We know that the oil fields have a significant need for trained service workers. This investment can help address these needs. The economic expansion and the demographic situation of the workforce in the energy industry has created the need for well educated, highly skilled workforce in some highly specialized program areas. These include:

- Instrumentation and Control
- Mechanical Maintenance

- Mobile Technical Training Labs
- Ethanol & Alternative Fuel Technology
- Coal Conversion & Wind Power Technology
- Combined Cycle Generation

These specialization and program needs are high cost due to laboratory requirements, limited class size, specialized faculty and the greater need for equipment and space.

Section 3 provides \$2 million for the purpose of providing supplemental workforce training grants. There has been no change in workforce training funds over the past six years. The current funding level of \$1,350,000 for the biennium will only support the resources and infrastructure necessary to reach and teach a limited capacity. The North Dakota Workforce Training System has enjoyed very high employer satisfaction marks and is maintaining a high level of accountability.

The supplemental training grant initiative will provide a funding mechanism in support of compelling economic development opportunities that require a significant development or training component. An example that Bismarck State College could use this funding for is the need to have heavy equipment operator simulation training for the oil fields, construction and coal industries of North Dakota. The simulators are very costly but provide the complex training environment required for highly skilled operators.

It is my feeling, that these funds will provide businesses greater access to needed time sensitive training and extend training opportunities to rural communities and small businesses depending on the funding criteria that is adopted.

**Senate Bill 2249**  
**Senate Education Committee**  
**Layton W. Freborg, Chairman**

Testimony by  
**Harvey Link, Vice President**  
**Institutional Advancement and Government Relations**  
**North Dakota State College of Science**  
**January 23, 2007**

*Same given to Senate Approves and to House Education*

Mr. Chairman and members of the Committee, I am Harvey Link, Vice President for Institutional Advancement and Government Relations at the North Dakota State College of Science. NDSCS is pleased to support Senate Bill 2249. We believe this is an innovative approach to workforce development and training that will enhance the capability of North Dakota's two-year colleges to respond to the changing and increased workforce needs of the state.

In recent years, job creation has been at the center of many economic development discussions in North Dakota. Efforts such as the Centers of Excellence and the Red River Valley Research Corridor are prime examples of creative approaches to utilize North Dakota's higher education system to help grow the state's economy. Central to these efforts is a well-educated, highly-skilled technical workforce. SB 2249 will effectively compliment these initiatives by investing much needed resources in the design and development of curriculums relevant to the technical workforce needs of the state. In fact, the North Dakota Career Resource Network estimates that **50 percent of the state's employment needs will require a one- or two-year post-secondary degree or an apprenticeship.**

In a letter supporting a recent NDSCS initiative, Brian Walters, President of the Greater Fargo-Moorhead Economic Development Corporation, captured the critical role of a technologically skilled labor force as it relates to job growth and business sustainability. Mr. Walters stated, "*An integral component to job creation is having a highly skilled workforce in place. As new industries emerge, new skill sets must be gained by those that will fill positions critical to the success of these new businesses. This vital step of the job creation cycle will only happen if programs are specifically designed to serve these emerging markets.*"

If NDSCS is to respond to this need in an effective and responsive manner, additional resources are required. A recent review of program costs at NDSCS clearly showed that in comparison to the college's Liberal Arts and transfer programs, career and technical education programming requires a significantly greater investment for the following reasons:

- Specialized equipment and on-going operating costs are typically **nine to 10 times higher**
- High faculty to student ratios are **six times more costly**
- Large and/or dedicated instructional facilities require **seven times more physical space.**

Clearly, high-quality career and technical education programs that support workforce development require a significant investment of human and financial resources – especially as it relates to emerging technology-based industries.

I would like to provide a very real example of an unmet need that NDSCS is currently working to address. At the urging of various industry and state leaders, NDSCS recently embarked upon a nanoscience technology training initiative to serve the developing nanotechnology/micro-manufacturing industry in the state and region. Attached to this testimony are documents describing various aspects of this project. As the projected funding plan shows, NDSCS will need to invest – at a minimum – \$3.5 million to fund the basic needs of this project over a four-year start-up timeframe. Specialized equipment, facilities renovation, technical support, and curriculum research/development make up the majority of these needs. **The equipment needs alone could consume over two years of the college's entire instructional equipment budget.**

While the above figures are large, they should not surprise us. Consider what it would cost today for NDSCS to begin a Diesel Technology, Dental Hygiene or Manufacturing Technology program from scratch – the cost could easily run into the tens of millions. North Dakota is extremely fortunate to have many high-quality and established technical programs – but the resources do not exist within the current funding structure of Higher Education to effectively create comparable programs in new areas. As a result, the nanoscience technician program is experiencing a much slower “start-up” than is desired. If it had not been for a modest federal earmark through the efforts of the congressional delegation, this program could not have been started at all. While colleges in other states move forward aggressively in this emerging field, NDSCS continues to search for additional alternative funding sources to support the most basic needs of the program.

SB 2249 is ideally suited to support the workforce development programming just described. Creating jobs without having an educational infrastructure that develops and supports the technologically-skilled workforce to fill the resulting positions is counter productive. When jobs are left open or filled with an under-qualified workforce, job growth and economic development cannot help but be hindered. Worse yet, it is an open invitation for companies to leave the state, or not locate here in the first place. Victoria Chambers, Director of Business Development for Aldevron, a Fargo-based biotechnology start-up company, made this point in the December 2005 North Dakota Business Report. While firmly committed to staying in North Dakota, she is quoted as saying, “*Aldevron could locate anywhere in the world that FedEx and UPS services are available*” (p. 17).

North Dakota is now challenged to develop a workforce that will support an expanding technology and information based economy, while continuing to meet the changing needs of existing industries. For over 100 years NDSCS has served North Dakota as a premier career and technical college as is evidenced by the fact that NDSCS enrolls over 80% of all CTE students in certificate, diploma and associate degree programs in the state. A central component of the NDSCS mission is that the college “... *anticipates and responds to statewide and regional needs by providing access to occupational/technical programs,*



*transfer programs, and workforce training.*” NDSCS takes this responsibility very seriously. As a result, one of the college’s current strategic priorities is to *“respond effectively and quickly to the needs of emerging and changing industries.”* SB 2249 will greatly assist NDSCS in doing so.

Therefore, in addition to supporting the full funding of the existing NDUS appropriations request, the North Dakota State College of Science supports SB 2249. **We believe SB 2249 is a very positive and creative approach by which North Dakota can effectively invest in the future technical workforce of the state.**

Thank you.

Subject: SB 2249

Sensitivity:

To: tgrindberg@nd.gov, harvey.Link@ndscs.nodak.edu

X-Mailer: Lotus Notes Release 6.5.2 June 01, 2004

From: "Ron E. Cizek" <recizek@imation.com>

Date: Fri, 2 Feb 2007 16:45:27 -0600

X-MIMETrack: Serialize by Router on Admin01/Imation(Release 7.0.2FP1|January 10, 2007) at

02/02/2007 04:45:34 PM

X-NDUS-MailScanner-Information: Please contact the ISP for more information

X-NDUS-MailScanner: Found to be clean

X-NDUS-MailScanner-SpamCheck: not spam, SpamAssassin (score=-0.001, required 5, autolearn=disabled, SPF\_PASS -0.00)

X-NDUS-MailScanner-From: recizek@imation.com

X-Spam-Status: No

Senate Bill 2249

Senate Appropriation Committee

Testimony by

Ron Cizek, Manufacturing Director

Imation Corp, Wahpeton, ND

February 2, 2007

*Same given to House Education and to Senate Education*

I am writing on behalf of SB2249.

As industry moves forward, it is extremely critical that we take the necessary steps to provide optimum training for the North Dakota industrial workforce. This not only includes hiring individuals with the appropriate skill sets to maintain high level technological equipment, but retraining employees to assume responsibilities that have typically required significant engineering support.

Courses such as the Nano-Science program at NDSCS and outreach programs that deal with enhancing skill levels in electronics, robotics, tooling, etc. are essential manufacturing technology programs for factories to maintain a competitive edge in the current global economy. Approval of SB2249 will complement existing and future business needs to support current and emerging technologies.

Regards,  
Ron Cizek

**North Dakota State College of Science**  
**Projected Nanoscience Initiative Funding Plan**

*Programmatic Areas Include:*  
*Nanoscience, Bio-fuels, Microelectronics/Micromanufacturing & Biotechnology*

**Center for Nanoscience Technology Training**

	Year 1	Year 2	Year 3	Year 4	Total
Program Director 0.75 FTE / Support Instructor 0.25 FTE	\$ 100,000	\$ 105,000	\$ 110,000	\$ 115,000	\$ 430,000
Administrative Assistant 0.5 FTE	\$ -	\$ 16,000	\$ 16,650	\$ 17,316	\$ 49,966
Program and Curriculum Research/Development	\$ 100,000	\$ 45,000	\$ 40,000	\$ 35,000	\$ 220,000
Instructional Technology	\$ 40,000	\$ 5,000	\$ 5,000	\$ 2,000	\$ 52,000
Facilities Renovation (STTC)	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Facilities Usage (STTC)	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 70,000
<b>TOTAL:</b>	<b>\$ 650,000</b>	<b>\$ 191,000</b>	<b>\$ 191,650</b>	<b>\$ 189,316</b>	<b>\$ 1,221,966</b>

**Nanotechnology Applied Science Teaching Laboratory**

	Year 1	Year 2	Year 3	Year 4	Total
Laboratory Director 0.25 FTE/ Lead Instructor 0.75 FTE	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000	\$ 330,000
Scientific Instrumentation and Specialized Equipment	\$ 825,325	\$ 544,732	\$ 280,593	\$ -	\$ 1,650,650
Equipment Maintenance and Repair	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
Technical Support/Lab Assistant 0.5 FTE	\$ 21,500	\$ 22,500	\$ 23,500	\$ 24,500	\$ 92,000
Supplies/ Consumables	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 55,000
<b>TOTAL:</b>	<b>\$ 931,825</b>	<b>\$ 712,232</b>	<b>\$ 454,093</b>	<b>\$ 179,500</b>	<b>\$ 2,277,650</b>

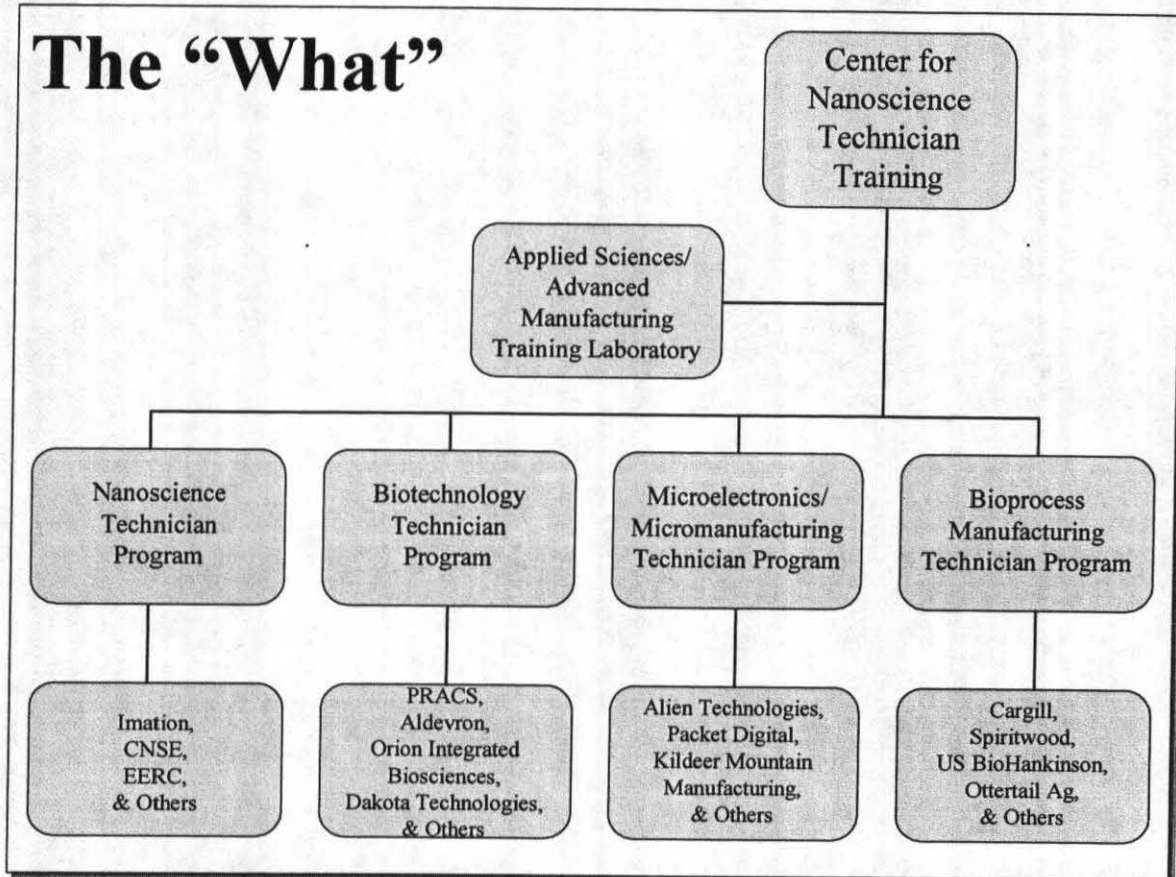
**TOTAL FUNDING NEED: \$ 1,581,825   \$ 903,232   \$ 645,743   \$ 368,816   \$ 3,499,616**  
**PROJECTED GRADUATES:        N/A                    15                    25                    25**

Nanotechnology Applied Science Laboratory- Equipment Needs					Program Usage				
Quantity	Item	New or Used	Item Cost \$	Total \$	Nano	Bio-fuels	Microelec/micromfg	Biotech	Purpose
1	Modular Cleanroom 12 x 24; P10,000	N	\$100,000	\$100,000	X		X	X	Clean room procedures, will also be utilized for Cell Culture training, Molecular Biology, Biotechnology training. Cost ~ \$65/sq. ft, modular soft sided
1	Atomic Force Microscope/Scanning Tunneling Microscope	N	\$60,000	\$60,000	X		X	X	Measurement of thin film thickness, imaging & surface topography-atomic scale
4	High Performance Liquid Chromatography System	U	\$22,500	\$90,000		X		X	Chromatographic separations of biomolecules, utilizes molecular interactions for separation-
2	Gas Chromatograph	U	\$16,500	\$33,000		X		X	Chromatographic separations of biomolecules, utilizes molecular interactions for separation-
4	Chemical Fume Hoods (6 foot)	N	\$13,000	\$52,000	X	X	X	X	Safety
1	UV-VIS Diode Array Spectrophotometer	U	\$7,500	\$7,500	X	X		X	Spectrophotometric analysis of chemicals on surfaces & in solution
1	Refrig Centrifuge (tabletop) plus rotors (2)	U	\$14,000	\$14,000		X		X	Temperature controlled large sample centrifuge
1	Refrig Microfuge	U	\$1,500	\$1,500		X		X	Temperature controlled small sample centrifuge
1	Fourrier Transformed Infrared Spectrophotometer	U	\$24,500	\$24,500	X	X	X	X	Spectrophotometric analysis of chemicals on surfaces & in solution
1	FTIR Grazing Angle accessory	N	\$6,000	\$6,000	X		X		Chemical analysis of thin films & solids
1	FTIR ATR accessory	N	\$6,000	\$6,000	X		X		Chemical analysis of opaque films
1	CO2 Incubator	U	\$3,250	\$3,250	X	X		X	Cell culture of mammalian cells
1	Inverted Microscope	U	\$3,500	\$3,500	X	X		X	Cell culture of mammalian cells

Nanotechnology Applied Science Laboratory- Equipment Needs					Program Usage				
Quantity	Item	New or Used	Item Cost \$	Total \$	Nano	Bio-fuels	Microelec/micromfg	Biotech	Purpose
1	MEMS Inspection Station (Model 9072)	N	\$40,000	\$40,000	X		X	X	Electrical control system for drive & analysis of MEMS devices
2	Sterile Laminar Flow Hood (2 person hoods)	N	\$4,500	\$9,000	X	X		X	Cell culture of mammalian cells / IC Testing
4	Analytical Balances	U	\$2,000	\$8,000	X	X	X	X	General Lab Use
1	Steam Autoclave/ Environmental Test Chamber	U	\$29,000	\$29,000	X	X		X	Cell culture of mammalian cells
2	Thermocycler-PCR	N	\$5,500	\$11,000		X		X	Molecular Biology/ Biotechnology
6	Pipets (set of 4 sizes)	N	\$1,200	\$7,200	X	X		X	General Lab Use
1	LI-COR DNA Sequencer	N	\$35,000	\$35,000		X		X	Molecular Biology/ Biotechnology
1	Vacuum Deposition Chamber - DC sputter	N	\$50,000	\$50,000	X		X		Deposit metal films, vacuum training -
1	Vacuum Deposition Chamber - evaporation	N	\$40,000	\$40,000	X		X		Deposit metal films, vacuum training -
2	RFID Kit	N	\$3,500	\$7,000			X		Programable RFIDs and detector for demonstrations & analysis
1	Scanning Electron Microscope (SEM) w EDX capability	N	\$150,000	\$150,000	X	X	X	X	High resolution (up to 90,000X) imaging in a vacuum & identify and quantitate elemental composition in sample.
1	Laboratory Tables, Benches, etc	N	\$40,000	\$40,000	X	X	X	X	General Use
2	Benchtop Fermentators (1L)	N	\$40,000	\$80,000		X		X	Ethanol Fermentation

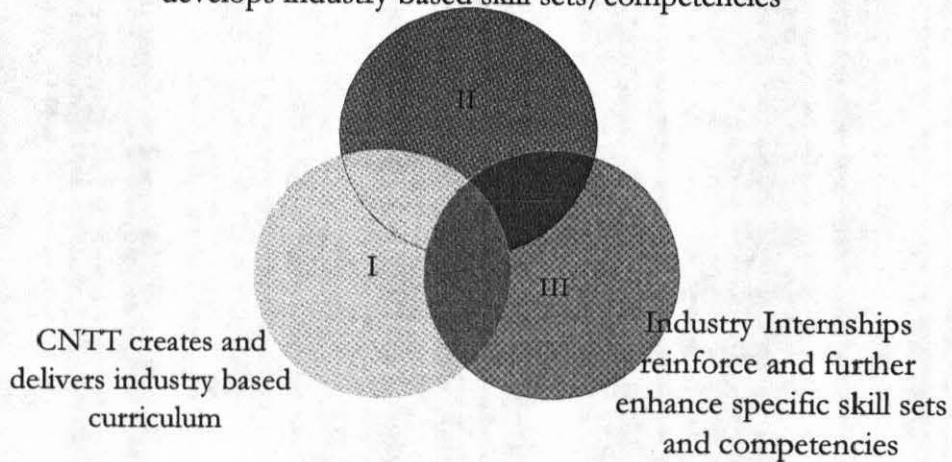
Nanotechnology Applied Science Laboratory- Equipment Needs					Program Usage				
Quantity	Item	New or Used	Item Cost \$	Total \$	Nano	Bio-fuels	Microelec/micromfg	Biotech	Purpose
1	Large Scale Fermentation Plant - PLC Controlled (500L)	N	\$200,000	\$200,000		X		X	Ethanol Fermentation
6	Pipets (set of 4 sizes)	N	\$1,200	\$7,200	X	X	X	X	General Use
1	Spin coater	U	\$42,000	\$42,000	X		X		Photolithography
1	Aligner	U	\$42,000	\$42,000	X		X		Photolithography
2	Wet Chemistry Bench /Hood for Photolithography	U	\$20,000	\$40,000	X		X		Photolithography
1	X-Ray Photoelectron Spectroscopy (XPS)	U	\$200,000	\$200,000	X		X		Surface Analysis
1	Profilometer	U	\$50,000	\$50,000	X		X		Surface Analysis
1	3-D Printer	U	\$30,000	\$30,000	X		X		Rapid Prototyping
1	WYKO 3-D imaging	U	\$50,000	\$50,000	X		X		Surface Analysis
1	Plasma Enhanced Chemical Vapor Deposition (PECVD)	U	\$42,000	\$42,000	X		X		Deposit metal films, vacuum training -
1	Four Point Probe Station	N	\$40,000	\$40,000	X		X		MEMS & IC analysis
				\$1,650,650					

# The "What"

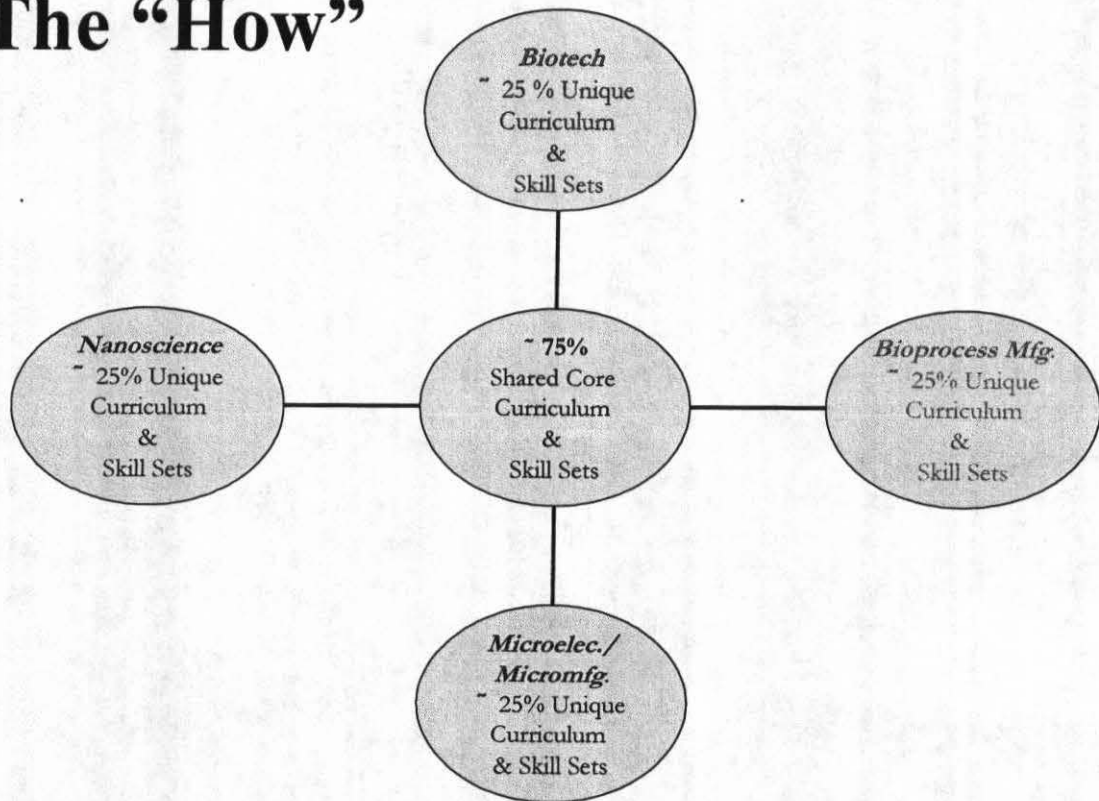


# The "How"

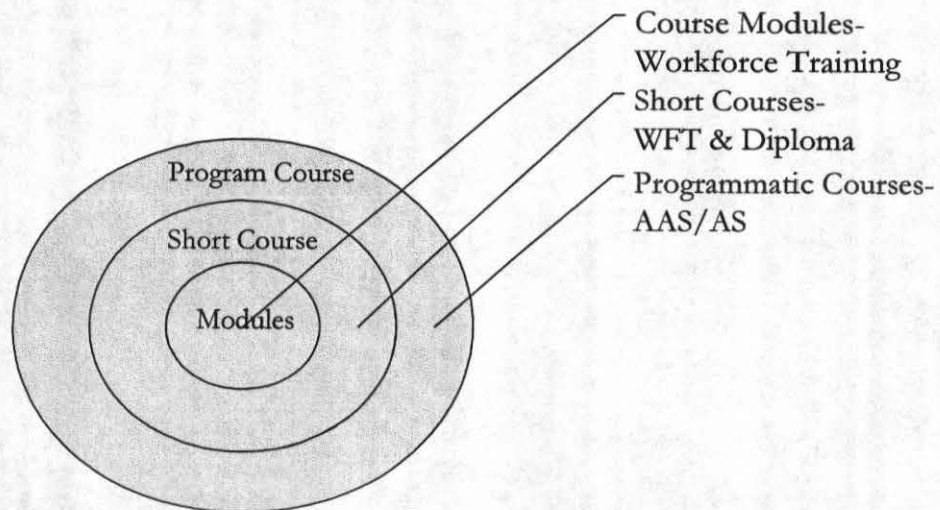
Applied Sciences & Advanced Manufacturing Lab develops industry based skill sets/competencies



# The "How"



# The Curriculum Model





## Join the excitement, study nanoscience

Technology opportunity emerging  
in the Red River Valley

North Dakota State College of Science and Minnesota State Community and Technical College in Moorhead will enter the emerging nanoscience technology arena beginning fall semester 2006.

The proper nanoscience training allows individuals working in the field to apply basic sciences, chemistry, physics and biology to the nanotechnology industry.

### What is nanoscience?

Nanoscience is a field of scientific study involving the areas of chemistry, biology, engineering and physics. It studies the composition, structure, properties and behavior of material at the molecular and atomic level. Research, observation, measurement and manipulation occur at the nanometer range — a nanometer is one billionth of a meter. Visualize approximately 80,000 nanometers being the diameter of a human hair.

### What is nanotechnology?

Nanotechnology is the purposeful design, manufacture and production of a product at the nanoscale, which has useful applications in our world. Nanostructures can fit together into larger structures to produce things such as microelectronics, microsensors and micromachines.

### What do nanotechnicians do?

Depending on the stage of development within a company involved in nanotechnology, a nanotechnician may be employed in a variety of roles. As a research or lab assistant, this individual may assist a scientist or engineer in the early phases of product development by performing experiments, operating and maintaining equipment and helping analyze specific aspects of the product. Once a prototype has been developed and a commercial application for the product has been established, a nanoscience technician may be involved in many phases of product production. This may include operating and maintaining various instruments, monitoring production processes and performing quality assurance activities.

Other career opportunities may include market analysis, competitive assessment, product marketing and business development.

### Who employs nanotechnicians?

Nanotechnicians work in a wide variety of industries including biomedicine/biotech, microelectronics/microfabrication (RFID), materials/coatings/polymers, agriculture production, food processing/value added agriculture, environmental analysis/bio-remediation and energy (hydrogen fuel cells/biomass/solar/wind).

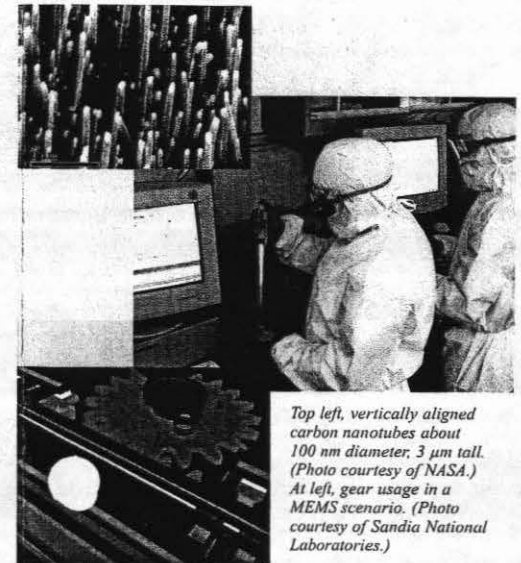
### What products do nanotechnicians create?

A wide range of products may use nanotechnology in their production. Some examples include: microspheres in cosmetics, stain-resistant coatings for clothing, microelectronic circuits in cellular phones, biosensors and much more.

### What's a nanotechnician's salary?

The National Science Foundation predicts the starting salary ranges for nanotechnicians are expected to range from \$35,000 to \$65,000 depending on location and specific companies.

## Nanoscience Nanoscience Technician Program



Top left, vertically aligned carbon nanotubes about 100 nm diameter, 3  $\mu$ m tall. (Photo courtesy of NASA.)  
At left, gear usage in a MEMS scenario. (Photo courtesy of Sandia National Laboratories.)



North Dakota  
State College of Science



Minnesota State  
Community and Technical College



## What makes NDSCS unique?

Unique. The word is used so easily today.

In the case of NDSCS, it applies. The dictionary defines "unique" as "being the only one of its kind; unlike anything else."

NDSCS is unlike any other two-year college in the Upper Midwest — from its academic mix and breadth, facilities, history and residential life, to the extracurricular activities and the placement rate. The characteristics that separate NDSCS from other colleges include:

- An academic mix with approximately 70 percent of students enrolled in career and technical education programs and 30 percent enrolled in transfer options.
- The need for **specialized equipment** and subsequent higher operating costs that run **nine to 10 times higher** than the same costs at a typical community college.
- Programs that demand specific **student-to-teacher ratios**, driving **instructional costs six times higher** than the costs in a typical transfer option.
- Dedicated **instructional facilities** for academic programs that require **seven times more physical space**.
- NDSCS connects more out-of-state students to jobs in North Dakota than any other North Dakota University System campus.
- Six out of every seven NDSCS alumni live in North Dakota, Minnesota and South Dakota.
- NDSCS students account for nearly 50 percent of all North Dakota career and technical graduates each year.
- NDSCS students live in a true college environment — residence halls, activities, clubs and organizations, musical groups, theatrical productions, athletics, intramural sports and wireless Internet services.

## Priority Needs

As part of the strategic planning process, NDSCS leaders have identified five priority needs for the next biennium. In order to continue serving North Dakota, NDSCS needs:

- 1** Resources that allow NDSCS to respond quickly and effectively to the needs of emerging and changing industries. Examples include:
  - Developing new academic options;
  - Modifying existing academic programs; and
  - Expanding Workforce Training services and activities.
- 2** Resources that allow NDSCS to effectively meet the ever-increasing costs of an academic mix focused predominantly on career and technical education. Examples include:
  - Maintaining and operating dedicated instructional facilities;
  - Procuring modern instructional equipment; and
  - Maintaining appropriate faculty-to-student ratios in order meet quality instructional standards and selected accreditation requirements.
- 3** Resources that allow NDSCS to more effectively respond to the needs of an ever-changing, more diverse student body. Examples include:
  - Academic preparation;
  - Social adaptation; and
  - Continued student support.



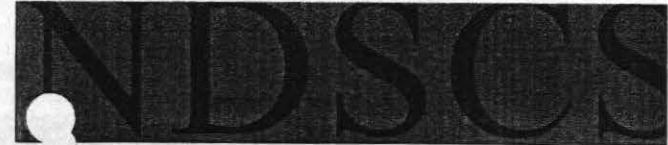
- 4** Resources that allow NDSCS to develop and implement a college-wide comprehensive technology plan that integrates the needs of several areas, including:

- Classroom and laboratory equipment;
- Instructional delivery;
- Marketing and student recruitment; and
- Technology infrastructure.

- 5** Resources that allow NDSCS to attract, develop and retain highly skilled and technically proficient faculty and employees.



Contact us toll-free  
1-800-342-4325  
www.ndscs.edu



## Did you know?

NDSCS has a rich tradition of serving North Dakota and the Upper Midwest since 1903.

- The NDSCS campus includes 38 buildings on 130 acres, making it the third-largest physical facility among North Dakota's public colleges and universities.
- NDSCS offers 35 career and technical education programs, 17 of which are not available anywhere else in North Dakota!

Business and industry partners contribute approximately \$4.5 million to NDSCS each year. These partners include well-known national and international corporations such as Caterpillar, John Deere, Miller Electric and Haas Automation.

- NDSCS almost always enrolls students from each of North Dakota's 53 counties each fall. And almost every year NDSCS sends at least one graduate back to every county!
- The North Dakota Career Resource Network estimates that 50 percent of the state's employment needs will require a one- or two-year post-secondary degree or an apprenticeship. These are NDSCS alumni, and nearly 17,000 live in North Dakota.
- Year after year, NDSCS boasts of a placement rate at 95 percent or higher.

## Come and visit NDSCS

The people of NDSCS enjoy having visitors. If you will be in the Wahpeton area, please let us know. We'd love to take you around campus!

**Dr. John Richman**  
Interim President  
1-800-342-4325, ext. 3-2222  
John.Richman@ndscs.nodak.edu

**Harvey Link**  
Vice President for Institutional Advancement  
and Government Relations  
1-800-342-4325, ext. 3-2353  
Harvey.Link@ndscs.nodak.edu

**Woody Caspers**  
Executive Director, NDSCS Alumni/Foundation  
1-800-342-4325, ext. 3-2131  
Woody.Caspers@ndscs.nodak.edu



**North Dakota  
State College of Science**  
800 Sixth Street North • Wahpeton, ND 58076



**NDSCS  
Home of Tomorrow's  
Workforce**

Today's NDSCS students are  
tomorrow's North Dakota  
workforce.



**ORTH DAKOTA STATE COLLEGE OF SCIENCE**

### When does the program start?

The program will begin fall semester 2006. A student will initially enroll in a General Liberal Arts curriculum with the intention of applying for acceptance into the Nanoscience Technician program during the spring semester of his/her first year. Acceptance into the Nanoscience Technician program for the following summer, fall and spring semesters will be on a competitive basis.

### How long does it take to complete the program?

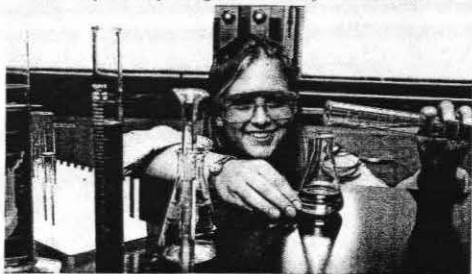
The nanotechnician program takes two years plus one summer to complete, a total of five full-time semesters. It can be taken over a longer period of time if a student spreads out the course work. Courses cannot be taken out of sequence as specified in the program curriculum.

### Where are the classes offered?

The Nanoscience Technician program is a collaborative effort between North Dakota State College of Science and Minnesota State Community and Technical College-Moorhead. Students may enroll and earn a degree through either college.

The first two semesters may be taken at the NDSCS campus in Wahpeton or at the MSCTC campus Moorhead. Many of the classes are also available online. The following summer, fall and spring semesters primarily consist of nanoscience classes taught at the Skills and Technology Training Center in Fargo.

*Chemistry is a required general course for nanoscience.*



### Where are the internships?

Internships are an integral part of the program. They are intended to allow students the opportunity to gain hands-on experience working in the various industry areas involved in nanotechnology. Internships will be conducted at companies in the Red River Valley and surrounding area. Temporary relocation and/or travel to an internship site may be required in certain circumstances. Students must demonstrate subject matter competency and meet established academic standards prior to participating in internships.

### What other options does the program offer?

A Nanoscience Technician Associate in Applied Science (A.A.S.) degree is currently being offered. This is a broad-based degree designed to cover all aspects of nanoscience and nanotechnology. It will allow students to work in a variety of industries. NDSCS and MSCTC expect to develop programs with a microelectronics/micromanufacturing focus and a nanobiotechnology/nanobiomedicine focus. A Liberal Arts transfer degree is also planned.

### How do I enroll?

Students can enroll in the Nanoscience program at any participating college. Tuition information and application procedures are available from the following offices:

- NDSCS  
Enrollment Services  
800 Sixth Street North  
Wahpeton, ND 58076  
1.800.342.4325, ext. 3-2202  
ndscs.admissions@ndscs.edu
- MSCTC-Moorhead  
Student Services  
1900 28th Avenue South  
Moorhead, MN 56560  
1.800.426.5603, ext. 6512  
mhd-studentservices@minnesota.edu

### Nanoscience Technician Program

#### *Nano-facts*

- Program taught at NDSCS and MSCTC-Moorhead for the first two semesters. Subsequent semesters will be at the Skills and Technology Training Center in Fargo.
- Associate in Applied Science degree program.
- Program designed for completion over five semesters of full-time study or two years.
- Education provided through traditional classroom and distance education format.
- Extensive internship component.
- Coursework involves basic sciences, math and nanoscience theory and application courses.
- Inaugural semester in fall 2006.

### Web sites

[www.ndscs.edu/nanoscience](http://www.ndscs.edu/nanoscience)  
[www.minnesota.edu](http://www.minnesota.edu)

### Program Contact info

Michael Burke, Ph.D., Director  
Center for Nanoscience Technology Training  
North Dakota State College of Science  
Haverty Hall 136  
701.671.CNTT (2688)  
or 1.800.342.4325, ext. 3-2688  
Michael.Burke@ndscs.edu

H. Dean Johnson  
Minnesota State Community and Technical College  
218.299.6520  
or 1.800.426.5603  
h.dean.johnson@minnesota.edu

### Nanoscience Courses

Nanoscience Technician curriculum:  
Associate in Applied Science — 72 credits  
Five-semester sequence of study (tentative)

First semester (fall)	
General Biology and lab	4
Introduction to Chemistry and lab	4
College Composition	3
College Algebra	3
Fundamentals of Nanoscience I	3
Second semester (spring)	
Organic and Biochemistry and lab	4
Introduction to Computers	3
Technical Writing	3
Introductory College Physics and lab	4
Fundamentals of Nanoscience II	3
Internship Experience	1
• Early experience — 64 hours per semester	
Third semester (summer — eight weeks)	
Statistics	3
Laboratory Instrumentation	6
Fourth semester (fall)	
Wellness elective*	2
Nanobiotech — Agriculture	3
Nanomaterials — Coatings	3
Thin Film Technology	3
Semiconductor Fabrication	3
Internship Experience	2
• Industry experience — 128 hours per semester	
Fifth semester (spring)	
Manufacturing Quality Assurance	3
Science and Thin Film Analysis Techniques	3
Societal and Ethical Implications of Technology*	1
Internship Experience	5
• Capstone experience — 320 hours per semester	

General Education credits 34  
Nanoscience credits 30  
Internship credits 8

Total credits 72

\*MSCTC will substitute Technology in the Humanities (3 credits) in place of these courses.

The North Dakota State College of Science is a member of the North Dakota University System.  
Minnesota State Community and Technical College is a member of the Minnesota State Colleges and Universities.  
NDSCS and MSCTC are equal-opportunity educators.

Note: 100 percent of the initial support for this project is being provided by a U.S. Department of Education congressional-directed grant.

✓ (3)

**Senate Bill 2249**  
**Senate Appropriations Committee**  
**Senator Holmberg, Chairman**

**Testimony by**  
**Dave Clark, Executive Vice President**  
**Bismarck State College**  
**February 5, 2007**

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Mr. Chairman and members of the Committee, I am Dave Clark, Executive Vice President at Bismarck State College. I am here today representing the North Dakota University System in support of Senate Bill 2249.

In my position at Bismarck State College I am responsible for workforce training through our Corporate and Continuing Education operation for the Southwest Workforce Training Region.

Before I get into the specifics of this bill, I should note that changes requested in HB 1003 (NDUS Appropriations Bill) and HB 1019 (Career and Technical Education Appropriations Bill) are the first priority of the State Board of Higher Education, North Dakota University System and Bismarck State College. Due to the amendments requested to HB 1019, related to workforce training that failed, we will be asking that Section 3 of this bill be increased by \$2 million for workforce training. That would bring the total increased funding for workforce training to \$2.65 million which was the additional amount requested in HB 1019.

Mr. Chairman and members of the committee the most important thing North Dakota can do is to make an investment in human capital. This bill does just that by expanding the capabilities of North Dakota's two year colleges to develop and expand curriculum to meet the increasing workforce needs of the state.

Section 1 provides a \$4 million appropriation for curriculum design and development relating to critical workforce needs as determined in collaboration with the Department of Commerce. I can tell you at Bismarck State College this sort of investment would provide for considerable additional partnering opportunities with business and industry. The critical workforce needs may be in credit or non-credit producing program areas. It has been our experience at Bismarck State College that our industry partners understand their workforce needs and will work closely with the two-year schools to develop the curriculum. The curriculum may vary from unique or specific competency based training to something more comprehensive that may address core skill sets, fundamentals, and general education components. This may result in training contracts or programs that lead to certificates or associate degrees. It is because of this close working relationship and involvement of our business and industry partners that I do not consider the match requirement in Section 2 to be problematic. It would be

better not to deal with it but if it's needed to provide for the appropriation we can live with it.

At Bismarck State College, we are aware that changes in technology and the emergence of new occupations demand that higher education respond quickly to industry needs. We know in Bismarck State College's case that we need to develop some of our career and technical education programs for delivery online. We have had specific requests for our electronics, allied health and welding programs. This capability will provide educational opportunities to rural communities and place bound students. We know that Williston State College is addressing significant industry needs for oil service workers in the western part of the state. It is critical for the expanding oil and gas development to provide for a technologically and competency skilled labor force. This investment can help address these needs. At Lake Region State College they have worked closely with LM Glasfiber, a wind turbine blade manufacturer in Grand Forks on their internal training needs. As they increase their workforce to address our growing wind generation market, these funds can help to sustain the economic development.

For Bismarck State College the economic expansion and the demographic situation of the workforce in the energy industry has created the need for a well educated, highly skilled workforce in some specialized program areas. These include:

- Instrumentation and Control
- Mechanical Maintenance
- Mobile Technical Training Labs
- Ethanol & Alternative Fuel Technology
- Coal Conversion & Wind Power Technology
- Combined Cycle Generation

These specialization and program needs are high cost due to laboratory requirements, limited class size, specialized faculty and the greater need for equipment and space.

Section 3 provides \$650,000 for the purpose of providing supplemental workforce training grants. As mentioned before we are requesting an addition of \$2 million to this section so that a total of \$2.65 million of additional workforce training funds would be available in this bill. There has been no change in workforce training funds over the past six years. The current funding level of \$1,350,000 in HB 1019 for the 2007-09 biennium will only support the resources and infrastructure necessary to reach and teach a limited capacity. The North Dakota Workforce Training System has enjoyed very high employer satisfaction marks and is maintaining a high level of accountability.

The supplemental training grant initiative will provide a funding mechanism in support of compelling economic development opportunities that require a significant curriculum development or training component. An example that Bismarck State College could use this funding for is the need to have heavy equipment operator simulation training for the oil fields, construction and coal industries of North Dakota. The simulators are very costly but provide the complex training environment required for highly skilled operators.

It is my feeling, that these funds will provide businesses greater access to needed time sensitive training and extend training opportunities to rural communities and small businesses depending on the funding criteria that is adopted.

7

*Some testimony given to House Appropriations and to House Education*

**Senate Bill 2249**

**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 5, 2007**

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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 Senate Bill 2249 as well as report on the successes allowed by the current on-going legislated funding. Through the additional 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.

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 initially, 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 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. 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 state 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.

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

"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.

# SOUTHWEST WORKFORCE TRAINING REGION

# WORKPLACE PARTNER

ACCOMPLISHMENTS  
FOR 2005-2006 FISCAL YEAR

## mission statement

We are committed to being the premier provider of innovative, results-oriented workplace training for the businesses and industries included in the Planning Regions I and VIII. By being fully responsive to workforce training needs, we help to provide businesses and industries in North Dakota with the most competitive workforce in the nation. (North Dakota's Workforce Training Initiative is a result of action by the 1999 Legislative Assembly.)



BISMARCK STATE COLLEGE

**BSC**

## successful training solutions

As the Southwest Workforce Training Region completes its seventh year, we are pleased to present the 2005-2006 Annual Report of training activities.

Please take a few minutes to review the results of this past year. As you do, I believe you will find that the Southwest Workforce Training Region has reached a level of positive maturity. Although the number of businesses served is down slightly from 266 to 231, the number of businesses coming back for additional training assistance continues to grow, representing a 36% repeat business for 2006.

Further examination of the numbers for 2005-2006 would suggest the training being offered is becoming more technical in nature, which supports the kind of positive economic growth being experienced in the Southwest Workforce Training Region. It would also suggest that the technical nature of skills being called for is increasing as the economy continues to grow. The collective numbers presented in this Annual Report would also suggest that the collective business community that has been served reported a 99% satisfaction with the training services provided. This is truly a measurement of the quality of the efforts provided by the staff of the Southwest Workforce Training Region. We all need to thank the full staff for an outstanding job.

And finally, the total revenue generated was \$672,510 based on the FY budget of \$483,575. This was accomplished within the present staff and is again a credit to them and their commitment to the Southwest Workforce Training Region. This positive revenue picture allows the SW Workforce Training to move forward into the next year with a budget that will allow them continue to support the current businesses in meeting their training needs and to remain competitive in a strong regional economy.

My personal thanks to the staff and Advisory Board of the SWTR for all of your support this past year.

Best regards,

**Russell Staiger, AICP**  
Chair '05-'06

**Southwest Workforce Training Region**

## year end report

- Direct training revenue generated was \$672,510 based on a FY budget of \$483,575.
- Served 231 businesses representing 3.3% of the region's 6,900 businesses.
- Additional training was requested by 85 of the businesses served, resulting in 36% repeat business for the '06 fiscal year.
- Training events consisted of 4,969 attendees, with several attending multiple events, for a total of 2,830 individual people who received training, which is 3.2% of the region's 87,985 employees, exceeding the goal of serving 2,000 employees.
- Across the region, 553 training events were held.
- Of the clients served, 99% were satisfied with training and the responsiveness of BSC in meeting their needs.
- 99% of training participants were satisfied with the training provided, exceeding the goal of maintaining the satisfaction rate at or above 98%.
- Contacted a total of 393 businesses in the region, with a goal of 400.

## referrals

Referrals were made for the following training/consulting requests:

- SW region referred Crystal Reports training, Java Script training, and three ACT classes to the SE region.
- SW region held Welding Training at WedgCor in Jamestown, the SE region.
- SW region referred both the Department of Commerce and Economic Development Association of North Dakota to the National Development Council for their Economic Development Finance Professional Certification.

## fy comparisons

	<u>2005</u>	<u>2006</u>
number of businesses	266	231
people (unduplicated)	2,513	2,830
people (duplicated)	4,479	4,969
companies served with < 50 employees	59%	48%
total revenue	\$722,833	\$886,377
direct training revenue	\$511,620	\$672,510
events	566	553
contact hours	48,552	74,090



## training delivered

<b>Computer Training</b>	<b>229</b>	<b>Technical Training</b>	<b>49</b>
Misc.	53	Welding	14
Excel	31	Misc.	10
Internet	28	Asbestos	9
Desktop Publishing	24	Electronics	6
Word	21	Simulator	5
PowerPoint	19	Emergency Ops	3
Access	15	Heating/Refrigeration	2
Quickbooks	10		
Computer Concepts	9	<b>Employee Development</b>	<b>210</b>
CISCO	7	Attitude/Motivation	53
Outlook	5	Healthcare	32
Visual Basics	4	Misc.	32
SQL	2	Financial Education	30
MOUS Testing	1	Customer Service	25
		Workplace Communication	18
<b>Organizational Development</b>	<b>22</b>	Supervisory/Managerial	11
Strategic Planning	10	Online	7
Mentorship/Leadership	10	Sexual Harassment	2
Misc.	2		
		<b>Apprenticeships</b>	<b>43</b>
		<b>Total Events</b>	<b>553</b>

## clients trained

### Companies Served by North American Industry Classification System Code

NAICS	Description	# of Companies
22	Utilities.....	46
23	Construction.....	8
31	Manufacturing.....	10
42	Wholesale Trade.....	3
44	Retail Trade.....	7
48	Transportation.....	1
51	Information.....	7
52	Finance and Insurance.....	6
53	Real Estate Rental & Leasing.....	2
54	Professional, Scientific & Technical.....	10
55	Management.....	2
56	Administration Support.....	5
	Educational Services.....	24
	Healthcare & Social Assistance.....	46
	Arts, Entertainment, Gaming & Recreation.....	3
	Accommodation & Food Services.....	1
	Other Services.....	4
	Government Public Administration.....	46
	<b>TOTAL</b>	<b>231</b>

## advisory board

### Phil Baird

United Labor Technical College

### Robert Colton

Carpenters Local 1971

### Bonnie Dahl

A&M

### Gerald Galloway

American State Bank

### Clayton Hoffman

Merica Economic Development

### Kelvin Hullet

Chamber of Commerce

### Linda Knodel

St. Alexius Medical Center

### Guy Moos

Baker Boy

### Bryan Personne

Consolidated

### Greg Redekopp

Basin Electric

### Russ Staiger

Bismarck/Mandan Dev. Assoc.

### Becky Thiem

Zuger Kirmls & Smith Attorneys

### Darcy Volk

Unsys Corporation

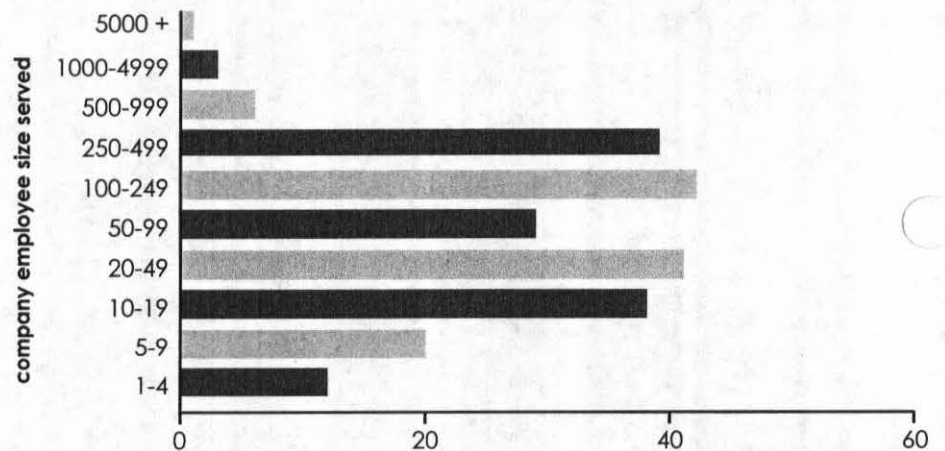
### John Weeda

Great River Energy

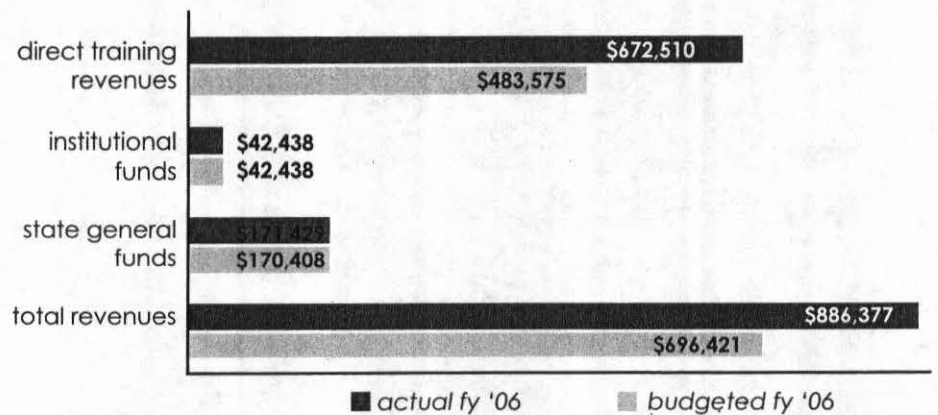




## our customers



## budget July 2005 through June 2006



total investment included: direct training 76%; state funding 19%; institution funding 5%



### CORPORATE AND CONTINUING EDUCATION

1815 Schafer Street  
 P.O. Box 5587  
 Bismarck, ND 58506  
 701.224.5600  
 1.800.852.5685  
[www.bismarckstate.edu/cce](http://www.bismarckstate.edu/cce)

dickinson  
 701.483.2139  
 1.877.669.5013



JLG Industries, Inc.  
1400 N 14th Street  
Oakes, ND 58474  
(701) 742-3284  
Fax: (701) 742-2971

**SENATE BILL 2249**  
**TESTIMONY TO SENATE APPROPRIATIONS COMMITTEE**  
**BY COLETTE GROSS**  
**DIRECTOR OF OPERATIONS**  
**JLG INDUSTRIES, INC.**  
**OAKES, ND 58474**  
**FEBRUARY 5, 2007**

*Same given to House Education*

Mr. Chairman and members of the Committee, I am Colette Gross, Director of Operations for JLG Industries, Inc./Oakes, North Dakota Division. I am here this morning to testify to you on the importance of the North Dakota Workforce Training Programs, as these programs have had a great, positive impact on our Company and other Companies we currently do business with.

JLG in Oakes is a feeder plant to it's sister companies located mainly on the East Coast. Our core competencies are machining and weld, but we also utilize assembly and paint. We employ 170 team members and offer jobs with good wages and benefits.

We have been fortunate enough to experience steady growth in the last several years – and during some periods, rapid growth. Currently we are in the process of installing close to \$3,000,000 in new equipment for production of cylinders. This, again, gives us a wonderful opportunity for future growth and we are extremely excited to be taking on this new business.

The demand for skilled labor has been a significant factor in our business. Attempting to hire skilled machinists and welders has been a constant challenge in our region. The use of such programs as The North Dakota Workforce Training System and support of Workforce 20/20 has allowed us to train unskilled workers and enhance the abilities of skilled workers for these higher labor grade positions. Without this training, we would be forced to outsource some production and, worse yet, would not be able to take on new work or products due to our inability to meet the production demands.



*JLG Industries, Inc.*  
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I would like to recap what WFT has already done for our Company:

- Development of training programs that fit our specific needs – they have been able to “bring the trainer to the customer.”
- We have received Workforce 20/20 funding support of \$40,000 for training for the past two years
- 200 participants have completed the training through various WFT programs. This includes training for machining, blue print reading, and measuring tool training, along with weld training. These programs were facilitated by the Workforce Training Department of the North Dakota State College of Science.
- 80 participants have taken a 40-hour class in welding, held at our plant on consecutive Saturdays and again were facilitated by the Workforce Training Department of the North Dakota State College of Science. Of these 80, 40 were offered positions at JLG. Once employed, they were trained further by working with one of our skilled welders and under the supervision of our in-house trainer.
- In most cases, the new team members have not only acquired a new skill, but are now more gainfully employed in a primary sector job, earning \$30,000 plus (before OT and bonus programs). They also now have excellent health, life, dental and optical insurance, 401K programs and bonus opportunities. Payroll at JLG alone has generated a minimum of \$1.2 million a year for these 40 jobs. That is a big boost to a rural community. Total annual payroll is \$6.0 million plus
- Two local companies (Harris Machine and Kustom Machine) have also experienced growth due to our ability to create new jobs. They estimate increased employment of 18 – 20 due to their business with JLG.





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- Other ND companies have increased their business due to growth at JLG (just to name a few):
  - Innova Industries, Wahpeton, ND
  - Weisgram Industries, Fargo, ND
  - Economy Propane, Oakes, ND
  - Local restaurants, grocery stores, gas stations, etc.
  - K & L Sandblasting, Forman, ND
  - Northern Plains Steel, Fargo, ND
  - Briton Industries, Lisbon, ND
  - Ray-Mac Industries, Forman, ND

With a global economy, it is always a challenge to continually manufacture products cheaper, faster and better than the competition. Without developing viable talent pools that will help businesses be competitive and with the ability to retain enough employees to grow their business, our ND companies will lose this battle. I can say, without any doubt, that without our ability to utilize WFT, we would not have been able to meet employment requirements and would not have experienced the growth we have. These jobs would have gone somewhere else – and not only would our Company and community have been affected by this loss, but also the State of North Dakota.

I cannot stress enough how critical the availability of WFT has been and is to the success of our business. We would greatly appreciate and encourage your support of this bill, in it's entirety.

Thank you very much for your time.

**Senate Bill 2249**  
**House Education Committee**  
**Representative Kelsch, Chairman**

**Testimony by**  
**Dave Clark, Executive Vice President**  
**Bismarck State College**  
**February 27, 2007**

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Madam Chairman and members of the Committee, I am Dave Clark, Executive Vice President at Bismarck State College. I am here today representing the North Dakota University System in support of Senate Bill 2249.

In my position at Bismarck State College I am responsible for workforce training through our Corporate and Continuing Education operation for the Southwest Workforce Training Region.

Before I get into the specifics of this bill, I should note that the first priority of the State Board of Higher Education, North Dakota University System and Bismarck State College is support of the HB 1003 budget request.

Madam Chairman and members of the committee the most important thing North Dakota can do is to make an investment in human capital. This bill does just that by expanding the capabilities of North Dakota's two year colleges to develop and expand curriculum to meet the increasing workforce needs of the state. We all understand that this economic expansion occurring in North Dakota is largely dependent on maintaining a technologically skilled labor force which is the educational product of our two-year schools.

Section 1 provides a \$2 million appropriation for curriculum design and development relating to workforce needs as determined in collaboration with the Department of Commerce. I can tell you at Bismarck State College this sort of investment would provide for considerable additional partnering opportunities with business and industry. The critical workforce needs may be in credit or non-credit producing program areas. It has been our experience at Bismarck State College that our industry partners understand their workforce needs and will work closely with the two-year schools to develop the curriculum. The curriculum may vary from unique or specific competency based training to something more comprehensive that may address core skill sets, fundamentals, and general education components. This may result in training contracts or programs that lead to certificates or associate degrees. It is because of this close working relationship and involvement of our business and industry partners that I do not consider the match requirement in Section 2 to be problematic. It would be better not to deal with it but if it's needed to provide for the appropriation we can live with it.

At Bismarck State College, we are aware that changes in technology and the emergence of new occupations demand that higher education respond quickly to industry needs. We know in Bismarck State College's case that we need to develop some of our career and technical education programs for delivery online. We have had specific requests for our electronics, allied health and welding programs. This capability will provide educational opportunities to rural communities and place bound students. We know that Williston State College is addressing significant industry needs for oil service workers in the western part of the state. It is critical for the expanding oil and gas development to provide for a technologically and competency skilled labor force. This investment can help address these needs. At Lake Region State College they have worked closely with LM Glasfiber, a wind turbine blade manufacturer in Grand Forks on their internal training needs. As they increase their workforce to address our growing wind generation market, these funds can help to sustain the economic development.

For Bismarck State College the economic expansion and the demographic situation of the workforce in the energy industry has created the need for a well educated, highly skilled workforce in some specialized program areas. These include:

- Instrumentation and Control
- Mechanical Maintenance
- Mobile Technical Training Labs
- Ethanol & Alternative Fuel Technology
- Coal Conversion & Wind Power Technology
- Combined Cycle Generation

These specialization program needs are high cost due to laboratory requirements, limited class size, specialized faculty and the greater need for equipment and space.

Section 3 provides \$2.65 million for the purpose of providing workforce training grants. There has been no change in workforce training funds over the past six years. The current funding level of \$1.35 million in HB 1019 for the 2007-09 biennium will only support the resources and infrastructure necessary to reach and teach a limited capacity. The North Dakota Workforce Training System has enjoyed very high employer satisfaction marks and is maintaining a high level of accountability.

The workforce training grant initiative will provide a funding mechanism in support of compelling economic development opportunities that require a significant development or training component. An example that Bismarck State College could use this funding for is the need to have heavy equipment operator simulation training for the oil fields, construction and coal industries of North

Dakota. The simulators are very costly but provide the complex training environment required for highly skilled operators.

These funds when coupled with the \$1.35 million for workforce training in HB1019 will provide a statewide biennial budget of \$4 million which will allow the Workforce Training System to go to the next level of service. The business advisory boards of the four workforce training regions have identified three major conclusions:

1. The Workforce Training System is very effective in responding to the needs of business and industry.
2. The Workforce Training System has reached its capacity with its current resources.
3. The number of businesses and employees served will remain relatively constant until additional resources are received.

It is my feeling, that these funds will provide businesses greater access to needed time sensitive training and extend additional training opportunities to rural communities and small businesses.

# Projection of workforce needs in Western ND using secondary data from LMI

	2007	2008	2009	2010
Expected Employment From Survey Respondents	2327	2383	2554	2400
Projection of employment across all firms in Western North Dakota	6224 Represents a 13% Expected employment growth from 2006	7282 Represents a 7% expected employment growth from 2007	7646 Represents a 5% expected employment growth from 2008	7722 Represents a 1% expected employment growth from 2009
Total projected employment increase for firms in Western ND	739	436	364	76
Imminent Replacement Needs for firms in Western ND	2552 41% = Expected imminent replacement worker rate for 2007	2913 40% =Expected Imminent replacement worker rate for 2008	2905 38% = Expected Imminent replacement worker rate for 2009	2934 38% =Expected Imminent replacement worker rate for 2010
Total Employment Needs Western ND	<b>3291</b>	<b>3349</b>	<b>3569</b>	<b>3010</b>

Department of \_\_\_\_\_ ce  
 Accountability Measures Under Senate Bill 118 (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				
<b>Total</b>	<b>12,715</b>	<b>5,382</b>	<b>4,494,569</b>	<b>886,215</b>	<b>423</b>	<b>1,483</b>	<b>30,536</b>	<b>0</b>	<b>0</b>		

**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.

# 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](http://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 3<sup>rd</sup> 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](http://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.

**ATTACHMENTS**

**-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

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"*

SB 2249  
27-Feb-07

House Education Committee  
Testimony on SB 2249  
February 27, 2007

Madam Chair and members of the Education Committee, my name is Wayne Kutzer, Director of the Department of Career and Technical Education.

Workforce training continues to be a major need in our state. We have a workforce training system in our state that has proven to be very responsive to business, but they are limited in how quickly they can develop a new program, a training program, or redesign a current program. Funding is needed to address that development and responsiveness issue.

Once a workforce need is identified the two-year campus must be able to quickly respond by designing a training program from the ground up, taking an existing program in another direction or expanding a current program that is not able to meet all of the needs. In either case this funding is needed to make it a reality. New industries and new processes are being developed constantly and we need to make sure that North Dakota stands ready to meet the challenge of those new skill requirements if we want that business to grow and thrive in our state.

Since the inception of the Workforce Training System, the State Board for Career and Technical Education has been the fiscal agent for these funds which is in keeping with how the current workforce training funds are disbursed to the two-year campuses in charge of the workforce training quadrants.

I ask for a Do Pass on SB 2249



*JLG Industries, Inc.*  
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**SENATE BILL 2249  
TESTIMONY TO HOUSE APPROPRIATIONS COMMITTEE  
BY COLETTE GROSS  
DIRECTOR OF OPERATIONS  
JLG INDUSTRIES, INC.  
OAKES, ND 58474  
March 13, 2007**

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Mr. Chairman and members of the Committee, I am Colette Gross, Director of Operations for JLG Industries, Inc./Oakes, North Dakota Division. I am here this morning to testify to you on the importance of the North Dakota Workforce Training Programs, as these programs have had a great, positive impact on our Company and other Companies we currently do business with.

JLG in Oakes is a feeder plant to its sister companies located mainly on the East Coast. Our core competencies are machining and weld, but we also utilize assembly and paint. We employ 170 team members and offer jobs with good wages and benefits.

We have been fortunate enough to experience steady growth in the last several years – and during some periods, rapid growth. Currently we are in the process of installing close to \$3,000,000 in new equipment for production of cylinders. This, again, gives us a wonderful opportunity for future growth and we are extremely excited to be taking on this new business.

The demand for skilled labor has been a significant factor in our business. Attempting to hire skilled machinists and welders has been a constant challenge in our region. The use of such programs as The North Dakota Workforce Training System and support of Workforce 20/20 has allowed us to train unskilled workers and enhance the abilities of skilled workers for these higher labor grade positions. Without this training, we would be forced to outsource some production and, worse yet, would not be able to take on new work or products due to our inability to meet the production demands.



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I would like to recap what WFT has already done for our Company:

- Development of training programs that fit our specific needs – they have been able to “bring the trainer to the customer.”
- We have received Workforce 20/20 funding support of \$40,000 for training for the past two years
- 200 participants have completed the training through various WFT programs. This includes training for machining, blue print reading, and measuring tool training, along with weld training. These programs were facilitated by the Workforce Training Department of North Dakota State College of Science.
- 80 participants have taken a 40-hour class in welding, held at our plant on consecutive Saturdays and again were facilitated by the Workforce Training Department of North Dakota State College of Science. Of these 80, 40 were offered positions at JLG. Once employed, they were trained further by working with one of our skilled welders and under the supervision of our in-house trainer.
- In most cases, the new team members have not only acquired a new skill, but are now more gainfully employed in a primary sector job, earning \$30,000 plus (before OT and bonus programs). They also now have excellent health, life, dental and optical insurance, 401K programs and bonus opportunities. Payroll at JLG alone has generated a minimum of \$1.2 million a year for these 40 jobs. That is a big boost to a rural community. Total annual payroll is \$6.0 million plus
- Two local companies (Harris Machine and Kustom Machine) have also experienced growth due to our ability to create new jobs. They estimate increased employment of 18 – 20 due to their business with JLG.





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- Other ND companies have increased their business due to growth at JLG (just to name a few):
  - Innova Industries
  - Weisgram Industries, Fargo, ND
  - Economy Propane, Oakes, ND
  - Local restaurants, grocery stores, gas stations, etc.
  - K & L Sandblasting, Forman, ND
  - Northern Plains Steel, Fargo, ND
  - Briton Industries, Lisbon, ND
  - Ray-Mac Industries, Forman, ND

With a global economy, it is always a challenge to continually manufacture products cheaper, faster and better than the competition. Without developing viable talent pools that will help businesses be competitive and with the ability to retain enough employees to grow their business, our ND companies will lose this battle. I can say, without any doubt, that without our ability to utilize WFT, we would not have been able to meet employment requirements and would not have experienced the growth we have. These jobs would have gone somewhere else – and not only would our Company and community have been affected by this loss, but also the State of North Dakota.

I cannot stress enough how critical the availability of WFT has been and is to the success of our business. We would greatly appreciate and encourage you to amend and pass SB 2249, as passed by the Senate.

Thank you very much for your time.

*Handout #1*

**Senate Bill 2249  
House Education and Environmental Division  
House Appropriations Committee  
Representative Wald, Chairman**

**Testimony by  
Dave Clark, Executive Vice President  
Bismarck State College  
March 13, 2007**

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Chairman Wald and members of the Committee, I am Dave Clark, Executive Vice President at Bismarck State College. I am here today representing the North Dakota University System in support of Senate Bill 2249.

In my position at Bismarck State College I am responsible for workforce training through our Corporate and Continuing Education operation for the Southwest Workforce Training Region.

Before I get into the specifics of this bill, I should note that the first priority of the State Board of Higher Education, North Dakota University System and Bismarck State College is support of the HB 1003 budget request.

Chairman Wald and members of the committee the most important thing North Dakota can do is to make an investment in human capital. This bill does just that by expanding the capabilities of North Dakota's two year colleges to develop and expand curriculum to meet the increasing workforce needs of the state. We all understand that this economic expansion occurring in North Dakota is largely dependent on maintaining a technologically skilled labor force which is the educational product of our two-year schools.

Section 1 provides a \$1 million appropriation for curriculum design and development relating to workforce needs as determined in collaboration with the Department of Commerce. I can tell you at Bismarck State College this sort of investment would provide for considerable additional partnering opportunities with business and industry. The critical workforce needs may be in credit or non-credit producing program areas. It has been our experience at Bismarck State College that our industry partners understand their workforce needs and will work closely with the two-year schools to develop the curriculum. The curriculum may vary from unique or specific competency based training to something more comprehensive that may address core skill sets, fundamentals, and general education components. This may result in training contracts or programs that lead to certificates or associate degrees. It is because of this close working relationship and involvement of our business and industry partners that I do not consider the match requirement in Section 2 to be problematic. It would be

better not to deal with it but if it's needed to provide for the appropriation we can live with it.

At Bismarck State College, we are aware that changes in technology and the emergence of new occupations demand that higher education respond quickly to industry needs. We know in Bismarck State College's case that we need to develop some of our career and technical education programs for delivery online. We have had specific requests for our electronics, allied health and welding programs. This capability will provide educational opportunities to rural communities and place bound students. We know that Williston State College is addressing significant industry needs for oil service workers in the western part of the state. It is critical for the expanding oil and gas development to provide for a technologically and competency skilled labor force. This investment can help address these needs. At Lake Region State College they have worked closely with LM Glasfiber, a wind turbine blade manufacturer in Grand Forks on their internal training needs. As they increase their workforce to address our growing wind generation market, these funds can help to sustain the economic development.

For Bismarck State College the economic expansion and the demographic situation of the workforce in the energy industry has created the need for a well educated, highly skilled workforce in some specialized program areas. These include:

- Instrumentation and Control
- Mechanical Maintenance
- Mobile Technical Training Labs
- Ethanol & Alternative Fuel Technology
- Coal Conversion & Wind Power Technology
- Combined Cycle Generation

These specialization program needs are high cost due to laboratory requirements, limited class size, specialized faculty and the greater need for equipment and space.

Section 3 funding was removed from the bill, but did provide \$2.65 million as past out of the Senate for the purpose of providing workforce training grants. There has been no change in workforce training funds over the past six years. The current funding level of \$1.35 million in HB 1019 for the 2007-09 biennium will only support the resources and infrastructure necessary to reach and teach a limited capacity. The North Dakota Workforce Training System has enjoyed very high employer satisfaction marks and is maintaining a high level of accountability.

The workforce training grant initiative will provide a funding mechanism in support of compelling economic development opportunities that require a significant development or training component. An example that Bismarck State

College could use this funding for is the need to have heavy equipment operator simulation training for the oil fields, construction and coal industries of North Dakota. The simulators are very costly but provide the complex training environment required for highly skilled operators.

These funds when coupled with the \$1.35 million for workforce training in HB1019 will provide a statewide biennial budget of \$4 million which will allow the Workforce Training System to go to the next level of service. The business advisory boards of the four workforce training regions have identified three major conclusions:

1. The Workforce Training System is very effective in responding to the needs of business and industry.
2. The Workforce Training System has reached its capacity with its current resources.
3. The number of businesses and employees served will remain relatively constant until additional resources are received.

It is my feeling, that these funds will provide businesses greater access to needed time sensitive training and extend additional training opportunities to rural communities and small businesses.