

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1043

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1043

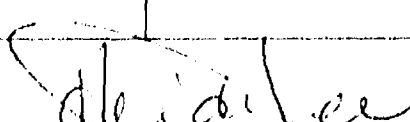
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Jan 29, 2000

Tape Number	Side A	Side B	Meter #
1		X	4.0-16.85
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep. Klinske: This bill is to try to keep young people in ND. We'd like to use this as an incentive to encourage young people to stay in school here in ND and then continue on to work in our industries that most need workers. If a person chose to stay in the state they would be eligible for \$2,000 per year reimbursement directly to their lending facility after their year of service. We'd like to change the bill to allow them to be applicable for five years instead of two years.

Jennifer Clark: *Legal Counsel for NDLC* We simply provide that this program is available to graduates of eligible post-secondary education institutions in this state. The student has to be employed in a target industry located in the state. The student has to apply annually with an affidavit to show that they qualify. Payment by the Bank of North Dakota is subject to availability by appropriation. Payments will max. out at \$2,000 a year or \$166.66 per month

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1043

Hearing Date Jan 23, 2001

maximum. ED & F is responsible for determining the target industry and they will do that annually. This will put the business industry in sync with higher ed. ED&F will report to each legislative assembly regarding the proponents target industry.

Rep Johnson: The appropriation is for 2 million dollars. How does this work?

Clark: It is by the biennium and most likely on a first come first serve basis.

Chairman Berg: We'll close the hearing on HB 1043.

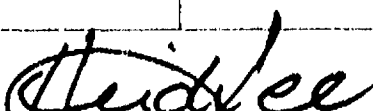
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043(B)

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Feb. 6 2001

Tape Number	Side A	Side B	Meter #
3		X	9.9-24.4
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Keiser: I move the amendments.

Rep Johnson: I second.

Rep Pietsch: I move a do pass as amended with rereferral to appropriations.

7 yea, 6 nay, 2 absent

Carrier Rep Johnson.

FISCAL NOTE

Requested by Legislative Council
02/22/2001

Bill/Resolution No.:

Amendment to: Engrossed
HB 1043

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,034,000			
Appropriations			\$1,000,000			

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$1 million for the biennium. Are we to assume that this is 1/2 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

If prorata, it would be possible that we would have payments that did not meet the individual amounts (the lesser of \$166.66 or the amount of their monthly payments) as established by the legislation.

If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided in this Act" but does not define "identified classifications". What are we to do with it?

If, at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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

Expenditures for the 2001-2003 biennium include: labor costs; lease of personal computer equipment; postage; telephone; etc.

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

The expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	02/28/2001

FISCAL NOTE
Requested by Legislative Council
01/11/2001

REVISION

Bill/Resolution No.: HB 1043

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$2,068,000			
Appropriations			\$2,000,000			

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

If prorata, it would be possible that we would have payments that did not meet the individual amounts (the lesser of \$166.66 or the amount of their monthly payments) as established by the legislation.

If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided in this Act" but does not define "identified classifications". What are we to do with it?

If, at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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

Expenditures for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc.

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

The expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	01/18/2001

FISCAL NOTE

Requested by Legislative Council

12/27/2000

REVISION

Bill/Resolution No.: HB 1043

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures		\$15,000	\$68,000			\$95,000
Appropriations			\$2,068,000		\$2,000,000	\$95,000

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

If prorata, it would be possible that we would have payments that did not meet the individual amounts (the lesser of \$166.66 or the amount of their monthly payments) as established by the legislation.

If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided in this Act" but does not define "identified classifications". What are we to do with it?

If, at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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

Expenditures for the Bank of North Dakota to implement this program in the remainder of the 1999-2001 biennium include salaries and wages for a portion of 2001 for planning and implementation of the program. These expenditures have not been included in any appropriation for the Bank of North Dakota.

Expenditures for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc.

Expenditures for the 2003-2005 biennium include: 1 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc. for a mild increase in volume from the previous biennium.

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

There is no appropriation of funds to provide for the initial planning and implementation of the program in the current biennium.

Neither the expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Expenditures for the 2003-2005 biennium have been moved from the general fund column to the other funds column based on the assumption that the Bank would request the funding needed to continue the program. Funding of the actual payments, at the same level as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	12/27/2000

FISCAL NOTE

Requested by Legislative Council

12/14/2000

Bill/Resolution No.: HB 1043

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures		\$15,000		\$68,000		\$95,000
Appropriations			\$2,068,000		\$2,000,000	\$95,000

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

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If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided this Act" but does not define "identified classifications". What are we to do with it?

at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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

Expenditures for the Bank of North Dakota to implement this program in the remainder of the 1999-2001 biennium include salaries and wages for a portion of 2001 for planning and implementation of the program. These expenditures have not been included in any appropriation for the Bank of North Dakota.

Expenditures for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc.

Expenditures for the 2003-2005 biennium include: 1 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc. for a mild increase in volume from the previous biennium.

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

There is no appropriation of funds to provide for the initial planning and implementation of the program in the current biennium.

Neither the expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Expenditures for the 2003-2005 biennium have been moved from the general fund column to the other funds column based on the assumption that the Bank would request the funding needed to continue the program.

Funding of the actual payments, at the same level as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	12/21/2000

Date: 2-6-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Click here to type Bill/Resolution No 1043

House Industry, Business and Labor Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Ruby Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser		✓	Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm		✓	Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		✓
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen		✓	Rep. Dan Ruby	✓	
Rep. Nancy Johnson		✓	Rep. Dale C. Severson		✓
			Rep. Elwood Thorpe		✓

Total (Yes) 7 No 7

Absent 1

Floor Assignment Rep Johnson

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

10120.0301
Title.

Prepared by the Legislative Council staff for
Representative Keiser
January 24, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1043

Page 1, line 7, remove "In this state"

Renumber accordingly

Date: 2-6-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. CH 1043

House Industry, Business and Labor Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number W/Amend.

Action Taken Do Pass/Referred to Appropriations

Motion Made By Pietsch Seconded By Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Jim Kasper		<input checked="" type="checkbox"/>
Vice-Chairman George Keiser			Rep. Matthew M. Klein		<input checked="" type="checkbox"/>
Rep. Mary Ekstrom	<input checked="" type="checkbox"/>		Rep. Myron Koppang		<input checked="" type="checkbox"/>
Rep. Rod Froelich			Rep. Doug Lemieux	<input checked="" type="checkbox"/>	
Rep. Glen Froseth		<input checked="" type="checkbox"/>	Rep. Bill Pietsch	<input checked="" type="checkbox"/>	
Rep. Roxanne Jensen	<input checked="" type="checkbox"/>		Rep. Dan Ruby		<input checked="" type="checkbox"/>
Rep. Nancy Johnson	<input checked="" type="checkbox"/>		Rep. Dale C. Severson	<input checked="" type="checkbox"/>	
			Rep. Elwood Thorpe	<input checked="" type="checkbox"/>	

Total (Yes) 7 No 6

Absent 2

Floor Assignment Rep Johnson

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

REPORT OF STANDING COMMITTEE (410)
February 8, 2001 8:38 a.m.

Module No: HR-23-2659
Carrier: N. Johnson
Insert LC: 10120.0302 Title: .0400

REPORT OF STANDING COMMITTEE

HB 1043: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (7 YEAS, 6 NAYS, 2 ABSENT AND NOT VOTING). HB 1043 was placed on the Sixth order on the calendar.

Page 1, line 7, remove "In this state"

Page 1, line 23, replace "twenty-four" with "sixty"

Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1043

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043

House Appropriations Committee

☐ Conference Committee

Hearing Date February 16, 2001

Tape Number	Side A	Side B	Meter #
02-16-01 tape #1	2937 - 5104		
Committee Clerk Signature <i>[Signature]</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1043.

Rep. Kliniski: This bill is a culmination of events that happened during the commerce and labor interim committee. One of the duties the committee was charged with was trying to stop the out migration of young people from the State of North Dakota and keep them here once we get them here. One of the ideas that surfaced and that I have been working on since June was the idea of a student loan reimbursement program. ED&F does a 5 year strategic plan, and in that strategic plan it outlines areas in the workforce where we happen to be short in labor. It could be teachers, nurses, technicians, and that would be identified in the strategic plan. For those people that fall into that targeted population, if they agreed to stay and work in the state, for every year that they stay here, the state would pay \$2000 of their student loan, up to five years. This means that conceivably, you could get \$10,000 of your student loan covered by the state if you agreed to stay and work here. In the research with the tax department and the IRS we

found that in order to avoid tax consequences for the individual we decided to make the payment go directly to the lending institution so that it buys down the principal and saves money on the interest and the money does not go to them to avoid tax consequences.

Realizes that the bill on this is \$2 million, and that number would cover up to 500 students in a biennium. We could amend that down and cut it in half and cover up to 250 students in a biennium to see how the program works. She is open to the committee to work on this to see how this works. It is really a tangible benefit to the students and can really be an incentive to staying in the state. Keep in mind that if the student stays here, and the program is working, they are paying income taxes and paying sales taxes, and hopefully buying houses and paying property taxes. These benefits are not included in the fiscal note.

Chairman Timm: The IBL committee made an amendment.

Rep. Kliniski: The original bill said that the student had to be a native of North Dakota, and the amendment says that any student who comes to work in North Dakota will be eligible. The second amendment is one she requested that changed the number of months from 24 to 60 months.

Rep. Delzer: When I look at this I don't see that the original said they had to be a native North Dakotan, it said that they had to graduate from a ND institution. Now if the intent is to keep North Dakotans here, shouldn't the bill say that they should be original North Dakotans but could graduate from anywhere? Or is your intent to give this to anybody.

Rep. Kliniski: The intent of the bill is as it is engrossed. We don't care from where they come, but if they come we want them to stay.

Rep. Huether: What about some employee in a high paying job, would that disqualify them?

Rep. Kliniski: Those are the people we are trying to keep. There is no income barrier. The targeted populations are what determines which individuals are eligible. It depends on which labor force is needed, and that depends on the ED&F strategic plan.

Rep. Wald: On page 1 of the bill it talks about \$166.66 which is \$2,000 per year. If someone graduates and their job offer is more that \$2000 per year greater outside of ND, they may forego the offer of this bill.

Rep. Kliniski: That's the situation that we are trying to eliminate. We are trying to offer some benefit to keep the individuals here. We can't cater to every individual, but we can try to do something. We made the \$166.66 per month to prorate the amount if they didn't work the full year. They only get the amount of their payment, no more, up to \$2000 per year.

Chairman Timmy: What if they work for a year, get the benefit for one year, and then move out of state?

Rep. Kliniski: That could happen, but the studies have shown that if we can get them here, and keep them here beyond the entry level position, and get them stepping up the ladder to the higher salaries, and to the age of raising families, we can keep them. We cannot hold onto those that come in at entry level salaries.

Rep. Warner: Could you expand on the mechanism you are using to avoid the tax consequence, and examples of other payments directly to the bank.

Rep. Kliniski: Cannot think of any other instance. The reason we chose to go with the payment directly to the lending institution is that because the tax department and the IRS said that you have to be in a targeted population and it has to go directly to the lending institution. The payment never touches the hand of the employee.

Jennifer Clark, Legislative Council: She was legal counsel for the interim committee.

Her testimony is neither in support or opposition of the bill.

Mike Schnell, ND Student Association: They support the bill and had various discussions in previous meetings. We think this is an important first step to try to keep students in the state of ND. The student members of the organization talk about that many students would like to stay in ND but there aren't opportunities or there are better paying jobs elsewhere. Having the \$2000 per year offer may be an opportunity for students to stay and may be willing to use that as a reason to stay in the state.

Chairman Timm: Do you know what the average student loan would be?

Mike Schnell: I am going to graduate this year, and his loans will be about \$20,000. Not sure of the average.

Rep. Kliniski: \$20,000 is a pretty good average. Her loan was \$26,000.

Richard Nelson: Just visiting Bismarek, and was not anticipating testifying. He has two sons graduating and leaving ND. One just left for Denver, and the other is going to go to Denver. This bill seems to be a good start. He has a question of whether the bill has a provision to bring them back to the state if they leave.

Rep. Kliniski: The bill does not state that they have to be immediate graduates. If they have a student loan, they would qualify.

Jennifer Clark: Would agree with Rep. Kliniski. There are no limits on when the person was to graduate. The maximum is \$2000 per year for 60 months.

Rep. Warner: Are there any banks other than the Bank of ND that issue student loans?
Can you identify a student loan from another kind of loan at a bank?

Rep. Kliniski: Yes. They are not under the guaranteed student loan program, but other banks will issue student loans. The loans are identified.

Rep. Svedjan: It occurs to me that there appears to be no distinction for loans for undergraduate, graduate school, or professional school. Would this apply to graduate or professional degree students possibly?

Rep. Kliniski: Yes, it could.

Rep. Delzer: Has there been any study done on this that would tell us how many people would actually stay because of this rather than those that are already here and take advantage of this?

Rep. Kliniski: We talked about that in committee, but the problem was how that would be quantified. We want to attract new students, but also keep those here.

Rep. Huether: Earlier he was concerned about the high income earners, but it does target certain industries, and he's not so concerned now.

Rep. Gulleason: Makes a comment about attracting engineers, and keeping them. This may be helpful to attract some graduates to stay in the state.

The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043

House Appropriations Committee

☐ Conference Committee

Hearing Date February 20, 2001

Tape Number	Side A	Side B	Meter #
02-20-01 tape #1	4825 - 6235		
Committee Clerk Signature <i>Kathleen Hall</i>			

Minutes:

The committee was called to order, and opened committee work on HB 1043.

Chairman Timm: This is a bill for an appropriation to buy out student loans, asking for a sum of \$2 million. We heard this bill a while ago.

Rep. Wald: Moves to amend in Section 2, page 2, the amount to \$500,000. Seconded by Rep. Kempenich.

Rep. Carlisle: Makes a substitute motion of the \$500,000 to \$1 million. Seconded by Thoreson.

Rep. Wald: Understands that this may attract a few people or keep them in the state. He doesn't think this is really going to make much of a difference.

Rep. Kliniski: Agrees that this is not all by itself keep people in the state, but it is a piece of the puzzle, and a move to show the people of the state that we value them, and do want them

to stay in the state. It is a step in the right direction. Please support the bill. Will support the amendment to \$1 million.

Rep. Byerly: Would like to point out that on the fiscal note the Bank of North Dakota says it will need additional assistance to do this. There will need to be adjustments in their budget.

Voice vote on motion to amend passes.

Rep. Warner: Moves to further amend, page 1, line 7, wants to delete the words " in the state". Motion withdrawn.

Rep. Kliniski: Moves for DO PASS AS AMENDED. Seconded by Rep. Glassheim.

Rep. Delzer: Is going to oppose this bill. Once, we have lots of places that are needing money and spending money, but thinks this is not a high priority. These people are coming out of college and doing so with good degrees and jobs. Also, there are a lot of people paying taxes to the general fund, and don't have this opportunity.

Rep. Warner: It struck me this morning that some areas have critical need, like dentistry. We have no school of dentistry in this state. This might just be the incentive they need.

Rep. Delzer: Currently we have a student nurses fund, and teachers fund. Are these all combined, and are people limited to just one, or could they apply to more than one fund.

Response, LC: Not sure, it would depend on how the laws are written.

Rep. Kliniski: Rep. Delzer brings up a good point. Remember that the nurses loan fund is only available if you are a nurse in a long term industry in a rural area, and with the teacher loan fund you can only qualify if you graduated from a ND school, and you have your loan through the Bank of ND. Those are very limited in scope, and this bill is more broad.

Vote on Do Pass as Amended: 14 yes, 7 no. Motion passes.

Page 3

House Appropriations Committee

Bill/Resolution Number HB 1043

Hearing Date February 20, 2001

Rep. Kliniski is assigned to carry the bill to the floor.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1043

Page 2, line 9, replace "\$2,000,000" with "\$1,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

HOUSE - This amendment reduces the general fund appropriation to the Bank of North Dakota for implementing a student loan payment program by \$1 million, from \$2 million to \$1 million.

Date: 2-20-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1043

House APPROPRIATIONS

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number

10130.0401

Action Taken

substitute to adopt amendment 10401

Motion Made By

Rep. Carlisle

Seconded

By

Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman					
Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson		
Rep - Carlisle			Rep - Skarphol		
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
Rep - Gulleeson			Rep - Warner		
Rep - Huether			Rep - Wentz		
Rep - Kempenich					
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Passes

Date: 2-20-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1043

House APPROPRIATIONS

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number

10/20.0401

Action Taken

~~To further~~ DO PASS AS AMENDED.

Motion Made By

Rep. Kliniske

Seconded
By

Rep. Glassheim

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman		✓			
Rep - Aarsvold	✓		Rep - Koppelman	✓	
Rep - Boehm		✓	Rep - Martinson	✓	
Rep - Byerly		✓	Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol		✓
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleason	✓		Rep - Warner	✓	
Rep - Huether		✓	Rep - Wentz	✓	
Rep - Kempenich		✓			
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 14 No 7

Absent 0

Floor Assignment Rep. Kliniske

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

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1043

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 07, 2001.

Tape Number	Side A	Side B	Meter #
1		x	24 to end.
2	x		0 to 3.9
2	x		43.7 to 46.5
(March 14/01) 2	x		20.2 to 29.9
Committee Clerk Signature <i>Cous & Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1043 to provide for payment of certain student loans for students in specified industries and to provide an appropriation.

Representative Amy Kliniske, District 42. In favor. In trying to find ways to stop out migration of young people from ND. This is one of the ideas we came up with: a two thousand dollars a year payment for five years. The payment would be at the end of the year and to bring down the principal tax ramification it would be made directly to the financial institution. The industries in mind are teaching, nursing and technology and areas where the state is short in labor.

Appropriation of one million dollars will cover 250 students in the first biennium.

Senator Mutch: How do you define "specified industries" ?

Rep. Kliniske: It will be defined by ED&F through their workforce development council.

Senator Mutch: Will this cover any type of student loan?

Rep Kliniske: Yes but if the loan is for less than two thousand per year they will get the lesser amount.

Jennifer Clark, Legislative Council. To inform and answer questions.

Theresa Simmons, on her own behalf. In favor, urges do pass. Written testimony attached.

Heather Lee, NDSA, testifying for Mike Schnell. In support of this bill. Written testimony attached.

Jason Earnhart, student at UND. Students on campus do support this bill. Concerns expressed: bill structured in a way that you are chosen by coincidence, by being in a targeted industry. By doing this the state may lose good employees like accountants and lawyers. We propose an amendment to choose students on merit, outside activities and community involvement. Another concern would be the tax ramifications of opening it to for everybody, whether the money will be considered income.

Rep Kliniske: We discussed these concerns with the interim committee. It would be better if it were tax free and it won't be affordable to open the program. The specific intent is to provide labor for targeted industries that have a labor shortage and to provide an incentive for young people to stay in the state.

Senator Klein: Is there a penalty provision?

Rep Kliniske: Not necessary, it will by a year by year payment made at the end of the year.

Senator Mutch: Will there be any consideration of the parents financial status?

Rep Kliniske: They wouldn't be eligible for loans if parents have income.

Senator Klein: Which are the targeted industries?

Rep Kliniske: That determination is an ongoing process, it fluctuates according to industry

Page 3

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1043

Hearing Date March 07, 2001.

needs, right now it needs to be broader and technology based.

Senator Mathern: You are assuming the appropriation will continue?

Rep Kliniske: Hopefully, the initial appropriation will be enough for two years.

No opposing testimony. Hearing closed.

March 14/01. Tape 2-A-20.1 to 29.9

Committee reconvened. All members present. Discussion held regarding target industries and amount of money involved.

Senator Espegard: The problem with this bill is that the target industries have not been identified.

Senator Klein: Do pass. **Senator Every:** Second. Roll call vote: 3 yes; 4 no.

Motion failed.

Senator Krebsbach: Motion: do not pass. **Senator Tollefson:** Second.

Roll call vote: 4 yes; 3 no. Motion carried. Floor assignment: **Senator Tollefson**

Date: 3/14/01

Roll Call Vote #: /

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 104.3

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or _____

☐ Conference Committee

Legislative Council Amendment Number

Action Taken *Do Pass*

Motion Made By Sen Klein Seconded By Sen Enery

[illegible]

Total (Yes) 3 No 4

Absent

Floor Assignment

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

Date: 3/14/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1043

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do not pass

Motion Made By Sen Krebsbach Seconded By Sen Tollefson

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

Total (Yes) 4 No 3

Absent _____

Floor Assignment Senator Tollefson

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

REPORT OF STANDING COMMITTEE (410)
March 21, 2001 2:58 p.m.

Module No: SR-49-6319
Carrier: Tollefson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1043, as reengrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1043 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1043

Mr. Chairman, respected members of the Industry, Business and Labor Committee, thank you for allowing me to testify.

My name is Mike Schnell and I am the lobbyist for the North Dakota Student Association. NDSA is a group made up of student leaders from across the state of North Dakota and represents the students of all eleven statewide institutions.

The recent Higher Education Roundtable Report focuses on forming a partnership between higher education, the state and key industries. If we do this, the report concludes, we will expand our economy and stabilize North Dakota's population. In our November meeting NDSA unanimously supported the Roundtable Report because of this focus, as well its focus on the entrepreneurial spirit, flexibility with accountability and its new approach to the challenges North Dakota will face in the 21st century.

Mr. Chairman, the North Dakota Student Association stands in support of House Bill 1043. We support the general vision of the bill as a positive one. Providing partial payment of a students' financial aid after graduation if they work in key North Dakota industry is a positive and important step for this state to make. We hope this is a first step in providing this type of partial payment to many more students if they make the commitment to stay in the State of North Dakota no matter what their job preference. We also support HB 1043 in its flexible year-by-year approach towards North Dakota's targeted industries. This year-by-year approach will keep North Dakota competitive in the industries it needs, while not handcuffing the state to a specific job type.

While we would like to see this bill pass, NDSA does feel we need a longer commitment from the individuals receiving these tuition payments for this program to truly be effective. We also feel this legislation needs a repayment clause so if these individuals do leave the state or a key industry early, North Dakota can receive at least a portion of its investment back from these individuals.

Moreover, the North Dakota Student Association feels members of the North Dakota University System, such as students, college presidents and members of the university systems office should work with economic development and finance to pick these target industries. These industries should also be requested to pay a competitive wage to help retain these workers even after their commitment to the state has concluded.

The students of North Dakota look forward to working with you to face our current challenges, as well as conquering the challenges that we will face in the future. The direction taken this legislative session will decide the future of higher education for years to come. Your hard work is improving North Dakota. If you have any questions please feel free to contact me.

Mike Schnell
Email: mikeschnell@hotmail.com
Phone: 701.451.0552

the national total. The 1997 TPI reflected a decrease of 0.7 percent from 1996. The 1996-97 national change was 5.6 percent.

COMPONENTS OF TOTAL PERSONAL INCOME

Total personal income (TPI) includes the earnings (wage and salary disbursements, other labor income, and proprietors' income); dividends, interest, and rent and transfer payments received by the residents of North Dakota. In 1997, earnings were 62.9 percent of TPI; dividends, interest, and rent were 17.9 percent; and transfer payments were 19.2 percent. From 1996 to 1997, earnings decreased 3.3 percent; dividends, interest, and rent increased 2.6 percent; and transfer payments increased 5.2 percent.

EARNINGS BY INDUSTRY

Earnings of persons employed in North Dakota decreased from \$9,393,839* in 1996 to \$9,166,197* in 1997, a decrease of 2.4 percent. The largest industries in 1997 were services, 26.2 percent of earnings; state and local government, 12.4 percent; and retail trade, 10.5 percent. Of the industries that accounted for at least 5 percent of earnings in 1997, the slowest growing from 1996 to 1997 was construction (6.9 percent of earnings in 1997) which increased 1.9 percent; the fastest was durable goods manufacturing (5.1 percent of earnings in 1997), which increased 11.9 percent.

* All income estimates with the exception of PCPI are in thousands of dollars.

Regional Economic Information System

Bureau of Economic Analysis

September 1998

<http://www.sdc.ag.ndsu.nodak.edu/proj9715.html>

This website gives projected statistics broken down by age and gender for the years 1997 to 2015. Providing the economy remains strong the population for North Dakota will remain stable and should sustain a modest growth pattern for the next 15 years. It also assumes that the state's economy will remain relatively healthy bolstered by the manufacturing, construction, and service sectors.

**North Dakota Job Statistics for Information Technology Related Jobs
Related Positions**

-----Original Message-----

From: Boyd, Warren M.

Sent: Tuesday, March 06, 2001 2:22 PM

Subject: Unfilled Job Openings

B96 Report

**Applicants and Nonagricultural job openings by occupation Cumulative data
for 7/01/00 to 12/31/00.**

Unfilled Job Openings for 30 days or more:

1. Software Engineers	25
2. Computer Programmers	5
3. Programmer Analysts	126
4. Systems Analysts	11
5. Supervisors, Network Control Operators	8
6. Data Communication Analysts	1
7. Network Control Operators	33
8. User Support Analysts	12
9. Technical Support Specialists	178
10. Computer Systems Hardware Analyst	1
11. Microcomputer Support Specialist	6
12. Computer Operator	8

BEARFACTS

<http://www.sdc.ag.ndsu.nodak.edu/bearfacts.htm>

North Dakota

1996-97

North Dakota is one of the 51 states in the United States. (The District of Columbia is included for ranking purposes.) Its 1997 population of 640,883 ranked 47th in the nation.

PER CAPITA PERSONAL INCOME

In 1997, North Dakota had a per capita personal income (PCPI) of \$20,213.

This PCPI ranked 46th in the United States and was 80 percent of the national average, \$25,298. The 1997 PCPI reflected a decrease of 0.5 percent from 1996. The 1996-97 national change was 4.7 percent.

TOTAL PERSONAL INCOME

In 1997, North Dakota had a total personal income (TPI) of \$12,954,277*. This TPI ranked 50th in the United States and accounted for 0.2 percent of

Job Openings versus Job Applicants March -
April, 2000

DOT Code	DOT Title	Job Openings	Job Applicants	Ratio
30162010	Computer Programmer (Profess. & Kin.)	3	0	0
39264010	Microcomputer Support Specialist (Profes	3	1	0.3
169167082	Manager Computer Operations (Profess. &	10	4	0.4
213132010	Supervisor Computer Operations (Clerical	1	0	0
213362010	Computer Operator (Clerical)	5	6	1.2
	Grand Total	22	11	0.5

This information can be found at:
<http://www.state.nd.us/isnd/Bin/esdata.pl>

Industry - projections 1996 - 2006

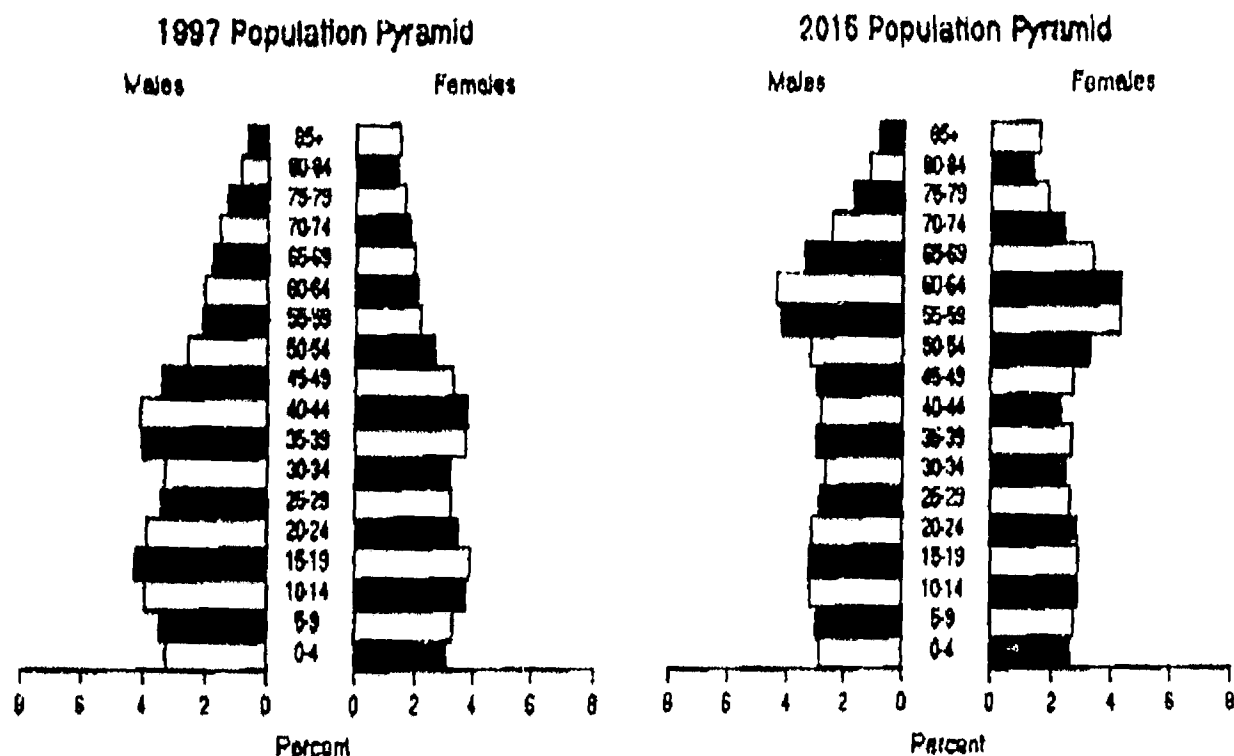
SIC	Industry	1996	2006	Total	Total
Code	Title	Emp	Proj	% Growth	Growth
01-07	Agriculture Forestry Fish	37,531	33,124	-4,407	-11.70%
48-49	Communications Utilities	7,672	7,501	-171	-2.20%
14-10	Mining	4,072	4,135	63	1.50%
90	Government	26,783	27,679	896	3.30%
20-23 & 26-31	Nondurable Goods Manufact	9,537	10,586	1,049	11.00%
50-51	Wholesale Trade	21,212	22,547	1,335	6.30%
40-47	Transportation	10,699	12,366	1,667	15.60%
15-17	Construction	15,001	16,821	1,820	12.10%
60-67	Finance Insurance Real Es	14,626	16,973	2,347	16.00%
24-25 & 32-39	Durable Goods Manufactur	12,356	15,528	3,172	25.70%
52-59	Retail Trade	58,975	67,694	8,719	14.80%
70-89	Services	138,410	164,592	26,182	18.90%
	TOTAL ALL INDUSTRIES	356,874	399,546	42,672	12.00%

This information can be found at: <http://www.state.nd.us/jsnd/Bin/proj.pl/Industry>

Occupational - projections 1996 - 2006

OES	OES	1996	2006	Total	%	Annual
Code	Title	Emp	Proj	Growth	Growth	Growth
25103	Database Administrators	85	146	61	71.80%	6
25104	Computer Support Speciall	987	1,719	732	74.20%	73
25105	Computer Programmers	642	751	109	17.00%	11
25108	Computer Programmer Altes	160	180	20	12.50%	2
25199	Computer Scientists NEC	68	208	140	205.90%	14

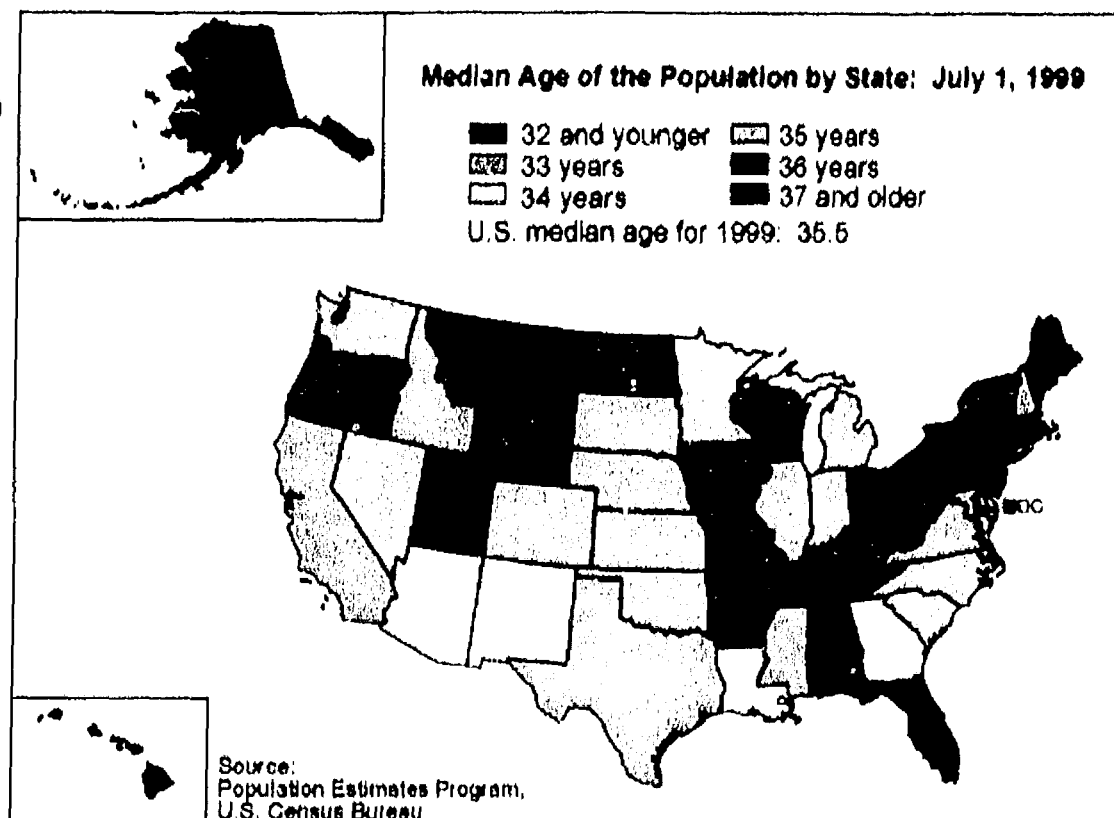
This information can be found at:
<http://www.state.nd.us/jsnd/Bin/proj.pl/Occupati>
on

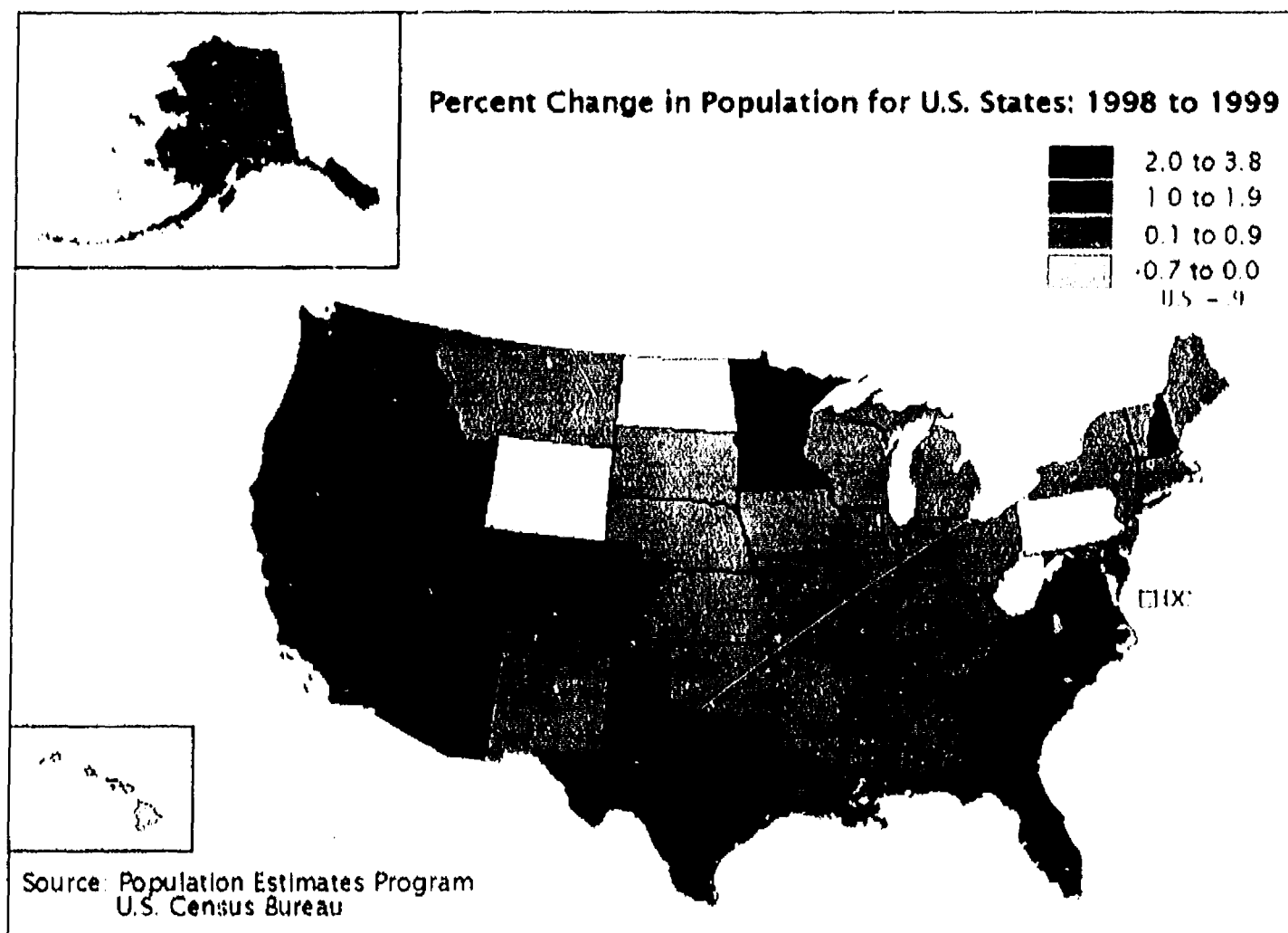


North Dakota
Projection Series 2

3/4 1990 - 1997 Migration Rates
Age-Gender Distribution

Age	1997		2000		2005		2010		2015	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0 - 4	20821	19884	20260	18910	20605	18783	20483	18745	19077	17683
5 - 9	22358	21219	20526	19525	19960	18564	20294	18495	20167	18448
10 - 14	25411	23891	23164	21777	21291	20079	20704	19123	21023	19034
15 - 19	27440	24958	24919	23193	22810	21111	21071	19559	20622	18709
20 - 24	24970	22308	26898	24370	23714	21928	21758	19993	20199	18600
25 - 29	21917	20966	21992	19703	23759	21810	20549	19408	19077	17746
30 - 34	21160	20659	20174	18943	20276	17841	21833	19971	18876	17513
35 - 39	25941	24016	20032	18831	19347	17527	19476	16540	20934	18670
40 - 44	26191	24387	26177	24040	20344	18868	19612	17566	19674	16519
45 - 49	21738	21210	26251	25102	26271	24934	20482	19812	19736	18339
50 - 54	16545	16966	21521	21872	25993	25949	26127	25992	20494	20906
55 - 59	13260	14029	16778	17309	21799	22298	26408	26514	26729	26712
60 - 64	12959	13297	13874	14083	17394	17352	22575	22361	27394	26641
65 - 69	11112	12744	12432	12572	13281	13332	16754	16490	21784	21292
70 - 74	10004	11500	10417	11988	11662	11811	12482	12555	15777	15581
75 - 79	8113	10559	8822	10968	9172	11433	10269	11319	10996	12063
80 - 84	5573	9035	5885	8492	6382	8853	6644	9241	7465	9133
85+	4208	9582	4340	10092	4552	9920	4895	10125	5129	10470
Subtotal	319721	321210	324462	321770	328612	322393	332416	323809	335153	324059
Total	640931		646232		651005		656225		659212	





Click on the map area to see data

In the information I've handed out, please take a few minutes to look at some of the charts and maps. The maps are descriptive of population changes from 1998 to 1999 and the median age of the state's population. *As you will note we are becoming an older state.* I have also included spread sheets on industry and occupational projections for North Dakota.

This bill will not only benefit the age 18-25 age group but will also benefit those students who are older than average and it will help those who have families and are living on a low salary but want to increase their earning potential by obtaining training and more education. I would like to think of it as a Thank You from the state for choosing to stay and work in North Dakota.

This will not only benefit those who have student loans to pay back, but it will also create a circle effect for the economy. It will allow for more of a spending base for those by freeing up money that would have gone towards a student loan payment and allow that person to invest in other items such as a home which produces property tax which in turn may allow for more economic development.

I will be honest, this bill will also help me. I too borrowed student loan money to pay for my tuition and books. I would like to stay in the state and this bill will help me to accomplish that.

North Dakota does need talented, educated workers in fields such as information technology, food processing, electronics, and high tech manufacturing

Thank you for listening to me.

Theresa Semmer

THERESA SEMMENS

2930 Ontario Lane #3, Bismarck, ND 58501
(701) 323-9024 Email: theresas@btigate.com

March 7, 2001

Committee hearing on Bill 1043, Student Loan Payments in Certain Industries

Good morning Chairman Mutch, members of the Industry, Business and Labor Committee.

My name is Theresa Semmens, I have recently graduated from the University of Mary with a degree in computer Information Systems and currently work as an information systems auditor. I am representing myself this morning and want to express my support for Bill 1043, STUDENT LOAN PAYMENTS IN CERTAIN INDUSTRIES.

North Dakota is desperately in need of talented, educated workers in fields such as information technology, food processing, electronics, high tech manufacturing geared towards medical devices and companies who require the use of large amounts of electricity.

We are very good at educating and training a talented pool of people only to have them exported from our state into other states because the job offers are more lucrative or there is more of a choice in the job market for their particular field. In order to stop this loss of talent we as a state have to be willing to entice and encourage our talent pool to stay and work within our boundaries.

I am choosing to focus on Information Technology this morning and would like to present a few statistics that may encourage you as committee members to fight for the passage of this bill.

In the "*Follow-up Report on 1999 Placement of 1998 North Dakota University Systems Graduates*" produced by the North Dakota University System, the total number of graduates for 1998 by Area of Study was 7,008. Of this total, 151 (2.2%) were graduates in the fields of Mathematics and Computer Science. Of this number, 57 (37.8%) were retained in North Dakota, 43 (28.5%) were employed in North Dakota, 5 (3.3%) re-enrolled in the ND University Systems and 9 (6.0%) were employed and re-enrolled in the University systems. **Ninety-four (62.2%) of the 151 1998 graduates accepted positions in their field out of state.** Those trained and skilled in computers science are a valuable commodity. A commodity which is hard to replace when lost. Passage of this bill is one form of encouraging more computer science graduates to stay within North Dakota's borders.

A visit the Job Service of North Dakota web site, <http://www.state.nd.us/jsnd/lmi.htm>, or any one of the private job services such as <http://www.careerlinknorth.com> shows there is a high demand for workers trained in information technology related jobs. At present we don't have enough workers to fill these jobs. Currently, there are 414 jobs in the Information Technology sector which have been posted with Job Service of North Dakota. These positions have been open and not filled for 30 days or more. A copy of this report which was forwarded to me by email is included in the handout I have given you.

Mr. Chairman, respected members of the Industry, Business and Labor Committee, thank you for allowing me to testify.

My name is Mike Schnell and I am the lobbyist for the North Dakota Student Association. NDSA is a group made up of student leaders from across the state of North Dakota and represents the students of all eleven statewide institutions.

The recent Higher Education Roundtable Report focuses on forming a partnership between higher education, the state and key industries. If we do this, the report concludes, we will expand our economy and stabilize North Dakota's population. In our November meeting NDSA unanimously supported the Roundtable Report because of this focus, as well its focus on the entrepreneurial spirit, flexibility with accountability and its new approach to the challenges North Dakota will face in the 21st century.

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While we would like to see this bill pass, NDSA does feel we need a longer commitment from the individuals receiving these tuition payments for this program to truly be effective. We also feel this legislation needs a repayment clause so if these individuals do leave the state or a key industry early, North Dakota can receive at least a portion of its investment back from these individuals.

Moreover, the North Dakota Student Association feels members of the North Dakota University System, such as students, college presidents and members of the university systems office should work with economic development and finance to pick these target industries. These industries should also be requested to pay a competitive wage to help retain these workers even after their commitment to the state has concluded.

The students of North Dakota look forward to working with you to face our current challenges, as well as conquering the challenges that we will face in the future. The direction taken this legislative session will decide the future of higher education for years to come. Your hard work is improving North Dakota. If you have any questions please feel free to contact me.

Mike Schnell
Email: mikeschnell@hotmail.com
Phone: 701.451.0552