

2011 HOUSE APPROPRIATIONS

HB 1019

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

HB 1019

1/12/11

12796

☐ Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

To provide an appropriation for defraying the expenses of the State Board for Career and Technical Education.

Minutes:

Attachment: # 1, with appendices; #s A, B, C and
Attachment # 2

(15:31)

Chairman Skarphol: All committee members are present. The meeting on HB 1019 was called to order. **Wayne Kutzer, Director of the Department of Career and Technical Education (CTE)** was introduced.

Kutzer: Testimony was presented from printed copy (See Attachment # 1 pp. 1-11). He referred to Appendix A, p.6 to show a breakdown of North Dakota requirements for occupations. 18% of occupations require a Bachelors degree or more and we have 80% of North Dakota students attending a four year college. There are needs for training.

Discussing the audit, there were no findings. In terms of accountability, we were at target range in all of our federal performance outcomes. In discussing the budget he referred to the yellow handout, Appendix C.

In discussing the State Board for Career and Technical Education he referred to Appendix B,

Policy for Reimbursement of State Funded Programs, he emphasized the five programs.

Chairman Skarphol: Is that being widely utilized?

Kutzer: Yes, We've got 79 schools now that are involved in some type either sending and/or receiving. There are 710 students and over 27 different course offerings.

Rep.Hawken: Are most of those on line?

Kutzer: No, most of them are ITV. They are starting to be online.

Rep. Monson: Have your reimbursement rates changed?

Kutzer: They are stable, they increased 2% last year. They had been at 25% and now are at 27%. It was as high as 35% but that was 20-30 years ago.

Rep. Monson: Who decides if you are going to be increasing those percentages?

Kutzer: Our board on a biennial bases.

Chairman Skarphol: Looking at the back side of Appendix B, you have a listing of the various centers, as 27% for Lake Area Career & Tech center.

Kutzer: It is 40% because they are an area center

Chairman Skarphol: Does that add 4% to each of the other areas?

Kutzer: No, The area centers are 40% no matter how many schools they have involved with it. We call it cooperative arrangements as listed on the bottom of that sheet.

Chairman Skarphol: The additional schools would not be listed. They would be in addition to.

Kutzer: That is correct. Each of these schools has a school board member that runs that center. They are at the higher level of funding because of that cooperation effort.

Chairman Skarphol: What type of utilization are you seeing from this 4% additional revenue?

Kutzer: This last biennium it was about \$400,000 worth. We are looking to try to expand that. Every year our board looks at requests.

Chairman Skarphol: Do you have a list of what they offer on a spread sheet so we could see if they all offer one course? I'm trying to envision what that might look like as to what the course offerings are at the various centers.

Kutzer: I can get that to you, it is not in the packet.

Rep. Williams: On the yellow sheet, I'm looking at the request for the executive budget recommendation #4. You requested \$22.4M for two new area centers. Where will these two new centers will be and what impact will this cut have on your plan?

Kutzer: I will be getting into that further in my testimony. Continues with testimony Attachment, 1, P. 5

Chairman Skarphol: The career advisor discussion, schools aren't quite living up to what we have expected. Is that your assessment? The current counseling system is not quite what we are thinking in terms of career advisors. What level of expertise do these people have if they are just shifted?

Kutzer: I agree there isn't as much emphasis on career planning in schools as we should have. On that salmon sheet, Appendix B, it shows that we fund 35% of career development counselors. We have approximately 80 career development counselors out there that serve 110+ schools. They are mainly class A size schools. The small class B

schools typically have counselor time so they can bring in someone else. It gets to be a local decision as to how they use their time.

Chairman Skarphol: We wouldn't have envisioned that we would have to move...at least there would be some training that would take place. I don't get a sense that it is happening.

Kutzer: You're not alone; the reassignment of time is really what we are looking at.

Rep. Monson: Along the same line, we thought the retraining would happen faster. You said you have only 20? I was envisioning that we would have more counselors jumping on board.

Chairman Skarphol: If we are to evaluate this objectively, it actually has to be meaningful. We will talk to Rep. Kelsch and get some answers.

Kutzer: They get more training. We have been getting requests to change counselors to career development counselors. This last year we approved four different programs. A career development counselor is still a school counselor, except that they get money from us and they also get more intensive training in terms of working with career planning.

Chairman Skarphol: We want patience and we want it now. Laughter

Kutzer: Continuing with his testimony on the Budget Request. P. 6, he refers to Appendix B, second column, comparing the budget request with that of the Governor. I would ask you to increase it up to the Governor's recommendation from \$75,000 up to \$250,000.

Chairman Skarphol: What is it that you are not going to be able to do that you had intended to do?

Kutzer: Learning the math concept, it is really....

Chairman Skarphol: What does that translate into, is that time spent together?

Kutzer: Yes, we have the summer training when we pay them a stipend about \$100 a day for three days; we bring them in during the school year. They are getting the math content but they relate it to the math teacher's stand point so that when a student takes a standardized test he knows the concept.

Rep.Hawken: If I had that kind of money, which is a lot of money, what about on-line?

Kutzer: They work up lesson plans for that course.

Rep.Hawken: I am not opposing this, I think the idea is fabulous. Are there any potential abilities to work together with other set ups for professional development so they can coordinate their facilities. There are too many groups that are doing the same thing.

Kutzer: We continually look at ways of doing it. This is part of a national study. We have

used somewhere in the neighborhood of \$75,000 Federal dollars. We have tried to work with math teachers.

Rep. Monson: Is this like a team teaching type of thing? Or can a school go on their own and work from there?

Kutzer: It is not team teaching but designed as a group activity. Math teachers are taking this back into their classroom and incorporating it with their lessons.

Rep. Monson: Couldn't you cut your costs in half by not having the CTE teacher there if you have people from the CTE department with math background working the math and science teachers and say this is what they work with in their department? If you gave the lesson plans to the math teacher you wouldn't have to train the CTE teacher, to cut expenses.

Kutzer: It is about elevating more what they are doing not adding more to the curriculum. I would be interested in talking with you more about that. On to the next priority on the yellow sheet, Appendix B, I would ask that you fully fund that. The \$750,000 would help us expand the new CTE centers. The Executive recommendation was \$400,000.

Chairman Skarphol: For the development of programs?

Kutzer: To start new programs. It is an industry based program, like auto and welding.

Chairman Skarphol: You said you have 200+ sections. 27 different courses.

Kutzer: They are delivered through Career Tech Ed, actually we have about 170-180 courses that are available to be offered. 26 of those are being delivered through the high schools.

Chairman Skarphol: You have 160 or 180; I assume some would become antiquated.

Kutzer: Yes, they do but we also look at the standards process where we keep updated.

Chairman Skarphol: And the cost of doing this is typically through outside contractors hired to develop the course. Does a school develop the course?

Kutzer: We don't go out to outside contractors. We go through the teachers or from the curriculum out there. It is easy to do if they are industry based.

Chairman Skarphol: If a course is developed in a center or for a center, you go ahead and fund it and they develop it, I am assuming that same course is available at one of the other centers without additional development costs.

Kutzer: We don't pay a school to develop a course. When they are actually teaching the course is when we start funding.

Continuing with Attachment # 1. P 7 on Appendix B. The funding would cover 75% of the cost for the first 2 years then go down to 40% at all centers.

Chairman Skarphol: Are the career and technical centers that you have listed located in the high school?

Kutzer: They all have their separate facility. The first five were all developed back in the '70s.

Chairman Skarphol: But in conjunction with the high school.

Kutzer: The last three on the list, they have no facilities, they are virtual. They use the facilities of their member schools.

Rep. Monson: Is it possible to have a map of these centers?

Kutzer: I will get one for you. He named the towns with centers as listed on Appendix B, p. 2.

Rep. Monson: If we were to fund these and start these up, with that \$1.6M what is the on going cost to your budget? How much money will we be looking at two years from now to keep them all going?

Kutzer: I would look at this as continuing appropriation. There wouldn't be any additional funding on top of this.

Rep. Monson: If we fund this at 1.6 you are going to be asking for 2.4.

Kutzer: You are correct. There would be an additional \$600,000 that would be needed because the one located in the east has a budget request for only one year in the biennium. I would need an additional \$600,000 next biennium.

Rep. Dosch: I am trying to place these Career and Technical Education centers. What is at Bismarck State? Is it a virtual center?

Kutzer: It is not an area center, it is a Career Tech Center for Bismarck Schools that they are receiving funding. Actually the area center was applied for by the Missouri River Educational Consortium (REA). There are about 130 schools involved with that. It is actually based out of the Missouri REA.

Rep. Dosch: Your department of Career and Technical Education, you have higher ed, you have K-12. You are somewhere between there.

Kutzer: Yes, but separate.

Rep. Dosch: So, that is a separate entity, like Bismarck is a separate entity kind of doing the same stuff, though, isn't it?

Kutzer: The Bismarck Career and Tech Center is part of the funding, of the \$27M that we receive in a biennium. They receive funding for all of those programs at the 27% level. They don't receive it at the area center level. The area center level would be the Missouri REA.

Rep. Dosch: If you're looking at your curriculum, you indicate that some of the classes that they can get through your program are Intro to Business, Accounting. Don't they get those classes at the universities now?

Kutzer: Those are all at the high school level. We don't work at the college level but those would be preparatory courses that you would have taken in high school.

Rep. Dosch: Isn't that what we are paying K-12? Don't they teach these courses? So, we are paying them to teach these courses, we're paying you to teach these courses.

Kutzer: Our agency doesn't provide the course. It provides incentives to help cover costs because the cost of career tech programs is higher and it is also an elective. We encourage schools to offer those courses by providing the incentives of 27% of an instructor's salary.

Rep. Dosch: Since these are elective classes, is there a charge to the student to take these higher cost classes?

Kutzer: No, it is part of their daily curriculum.

Rep. Dosch: What is the state's responsibility, we are expanding to cover all areas of education. How does it dove-tail into the classes BSC is offering?

Kutzer: It can articulate into what they are offering in the high school program. Not all students go on to post secondary. The state really needs to try to encourage students to explore to get some type of skill level while they are in high school so they can make the decision that maybe they should go on to a two-year campus or go on to the world of work instead of spending \$8,000 and dropping out after the first semester.

Rep. Monson: If we were to fund this at the \$1.2M for the Western Star and \$600,000 for the biennium for the one in the east, this is more than just startup cost. This will be ongoing from....for the next biennium, we would be looking at \$2.4M just because we approve it this time. We started them up and now and now you will probably give them grants to continue these programs. Now, your number on the yellow sheet (referring to Appendix B) instead of it being the Grants line item of \$27.2M you are asking for \$31.575M two years from now. You have to continue those new grants. If you start those two, the schools will expect you to fund them with grants in a similar fashion. You would be looking at \$2.4M biannually extra for years to come.

Kutzer: Our base budget, if you would approve funding of those two centers it would go from that \$27.2M and we add the \$1.8M, so we can figure \$29M. That would be the base budget that we would come into next legislative session. We wouldn't ask for any additional dollars.

Rep. Monson: If we approve those two new ones. Your base budget goes down and you will be asking \$600,000 or more, going on. So your base budget from that time on the line item down the road will always be \$ 2.4M.

Kutzer: Yes.

Rep. Williams: You talked about Bismarck being basically a standalone career tech center, aren't Minot, Fargo and Grand Forks in the same boat?

Kutzer: Yes. Fargo and the rest are in the same boat in terms that they have buildings owned by the school district. Area centers have their own governens and they are funded by the school district.

Rep. Williams: They have enough numbers so they get 27%

Kutzer: They are given a lower reimbursement. If they would cooperate with neighboring schools like these schools have done, by law they have to have 3 member schools. Qualifying them requires at least 5 career tech ed programs. In the large class A schools like Dickinson they aren't shared with neighboring schools. If you go to the center here, they may have schools coming in from Wilton, they are just commissioned in. It is a cooperative of those member schools. Each school pays a member share, we'll pay our 40%, and the other schools have to come up with the 60% based on enrollment.

Rep. Hawken: Clarification, you said there is 75% and drops back to 40%. So the start up money is what you are asking us for. If it is going to be dropped back to 40% why does it stay at \$1.8M?

Kutzer: For expansion because there are more and more programs developed and the costs go up Maintenance costs

Rep. Hawken: You are future planning. But it could technically go back to 40% if they didn't put any more programs in.

Kutzer: Yes. All are up and running as in putting equipment in place.

Rep. Hawken: Do you have an example of expenses so we could see how costs break down?.

Kutzer: All of the centers, none are brick and mortar. It is only for programming not for development.

Chairman Skarphol: Let's do a little 101 on Career and Tech. Why do you exist?

Kutzer: The impetus for starting this was there was a need expose them to career tech ed and to build skills.

Chairman Skarphol: So it was to give them a limited amount of exposure to a career instead of a four degree?

Kutzer: Yes, it is about providing those experiences for students.

Chairman Skarphol: It has evolved into an intermediary from High School to college. There are dual credit courses that can be applied to their degree. Is this correct?

Kutzer: Yes. We are sending too many students to 4 year campuses. Continuing with testimony and referring to Attachment 1, p. 8, priorities 5,6, and 8, the tech centers. The business ed courses are itemized. Continuing with Attachment # 1, p. 8, and emphasizing funding priority #7. (79:00)

Executive budget recommendation is itemized on pp. 9 and 10.

Mr. Kutzer Referred to Appendix E, the excerpt outlining CTE involvement.

Deanette Piesik, Chair of the four TrainND Regions and Executive Director of the Northwest region based at Williston State College: Provided testimony, see Attachment # 2.

Rep. Dosch: Is this part of HB1019, is this the Line 17, Workforce, the \$3M?

Chairman Skarphol: Yes

Piesik: Continuing with testimony requesting the same dollar amount as last time

Rep. Dosch: How does it dove-tail into what Job Service is doing in Workforce training?

Piesik: We work closely, they sit on our boards, and we work well with Job Service.

Rep. Dosch: You provide the job training for job service North Dakota?

Piesik: No, we are a training provider. If employers qualify for that training we are an approved training provider.

Rep. Dosch: Does Job Service contract with you for the training?

Piesik: No, we are not a direct contractor; we have to go through the similar approval process as colleges and other contract providers.

Chairman Skarphol: Addressing Legislative Council Analyst, Brady Larson, Provide us with an explanation of the Workforce Training dollars. We need to know about the coordination between Regions. The \$3M is split between four regions. Do they get it equally?

Piesik: It is based on the number of employers and employees in each region.

Chairman Skarphol: I understand that the Train North Dakota program is given a large percentage of what is done in the state.

Piesik: Our program has provided about 50% of training in our region.

Chairman Skarphol: 50% of training is done in North Dakota and you get 50% of the money. How do we address that? What capabilities can we provide to enhance your ability?

Piesik: I think the current funding model is the way it should be, It balances out. We are trying to develop petroleum programs that could be "for credit" and to provide "for credit opportunities.

Rep. Monson: Are you funded on this 15.8%.

Chairman Skarphol: You are funded at 15.8% and you are required to match that.

Piesik: No, but we are required to charged fees. It is fee money. The business community wants this training. Because of the lack of housing, I do not do training for those who have to go out of state and that hurts my business.

Rep. Dosch: How do you determine what you charge for these classes? Why is the state of North Dakota funding/subsidizing almost one-half the cost of this program?

Piesik: I think, in the funding model it is about 28%. We need seed money, they are not getting it any cheaper from me, all of our prices are the same. The cost is being covered by TrainND.

Rep. Dosch: Are you a subsidiary of Williston State College?

Piesik: Williston State College gives me the space we have. I have taken over almost an entire building.

Rep. Dosch: Are you private a private or government entity?

Piesik: We are under the University system, funded by Career and Tech Ed.

Chairman Skarphol: Williston State has limited bathroom facilities. Laughter

Rep. Monson: You are a blend, is higher ed giving any credit for the training or toward any kind of degree so there isn't any duplication?

Piesik: It is a separate arm of the community colleges. We work for the business community. We are here because there was no training. We are an arm of the University system. There is an office in Minot and in numerous locations.

Rep. Monson: Do you use some of the instructors from Williston to provide your training?

Piesik: Yes, not paid by the college but by us.

Chairman Skarphol: It originated as a private – public partnership.

Marcia Krotseng, Vice Chancellor for Strategic Planning/Exec Director of CTEC, North Dakota University System: Provided printed testimony Attachment #3. She gave examples of how TrainND has helped. P. 2 has the "numbers".

Rep. Dosch: It is a valuable program, problem I have, is why aren't you charging a fee? We are criticized for creating greater and greater budgets. Why doesn't the University system charge a higher fee to become self sufficient. Who does the long term strategic planning? Who sets the tuition?

Dr. Krotseng: The College does set the fees. State funding does allow for the expansion of the program and extend to other areas.

Chairman Skarphol: There are 4 centers \$3M that is \$350,000 per center. Is it possible to change the costs in some areas because the business needs are different?

Dr. Krotseng: There are different economies in each of the regions.

Chairman Skarphol: It should become self sustaining. Has it been suggested to the business community that they become self sustaining?

Dr. Krotseng: I believe at one time, fund raising was expected in each region.

Piesik: Speaking to self sustaining fund raising, the amount of time to raise funds inhibited the effectiveness of the program. We asked that that component be removed. Some businesses still give cash and equipment donations. This has to be taken into account. Staff salary and benefits take up a lot of the time to do fund raising. I have training revenue that is donated. We have to be competitive, without state dollars I would have to cut back.

Rep. Monson: Whenever the state puts money into a fund, we get a list of costs and income. Is there accounting for where the money is coming from and where it is going? At some point, we as legislators have to be accountable.

Piesik: As part of the University system, we are audited. I bought a CDL trainer for \$200,000. We try to determine what will enhance the program, more hands on training.

Rep. Monson: You report to the University system, another black hole. How many other programs are there in the University System?

Piesik: Excess revenue goes into the program. We have many accountability measures through Commerce, through the University system. We do track all of that stuff.

Rep. Williams: He thanked Ms. Piesik for her work.

Rep. Dosch: If a firm from Colorado, was a private company, private companies are competition from the state. If you want to provide these services you should charge for these services and not expect the taxpayers of North Dakota to continue to subsidize the operation.

Piesik: In the past, we found that employees were sent out of state for training and 40% were not returning but staying where they were getting the training. How do we draw in new business? TrainND will help us do that.

Chairman Skarphol: Now there is a greater likelihood that the Colorado company would not be in competition.

Piesik: If we train the employees here, they stay here.

Deanna Wiese: Provides testimony for Doug Rembolt, National Information Solutions Cooperative, see attachment # 4. CTE is the only entity offering IT courses at the high school level.

Rep. Monson: On Wayne's yellow sheet, what numbers are you asking us to fund?

Wiese: Items # 1-5.

Rep. Dosch: What is the function of ITE

Wiese: It is made up of private businesses.

Chairman Skarphol: Calling on Mr. Kutzer, the \$3M for training for work force training has that number been consistent?

Kutzer: It has been \$1.3M since 1999.

Chairman Skarphol: Was it because of a need to have a larger staffing at each center?

Kutzer: The need was growing.

Chairman Skarphol: Prior to the need, is that when the individual entities were soliciting funds?

Kutzer: The need was there.

Rep. Dosch: I would like to see a copy of the last biennium budget for the last year as well as Workforce Training.

Chairman Skarphol: He requested Council to provide the information and asked for further questions.

Hearing none the meeting is adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

HB 1019

2/3/11

13977

☐ Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

Minutes:

You may make reference to "attached testimony."

Chairman Skarphol: Brought the Committee together to take action on HB 1019.

Rep. Dosch: Move that out of the budget, the grants line, line 14 be reduced by \$10,000 for the one time funding of the Stop Violence Program, reduce by \$400,000 funding for the career and tech education course offerings. Also, \$75,000 that was transferred in for the CTE teacher training. That is a Total reduction of \$485,000.

Chairman Skarphol: Addressing Brady Larson, Legislative Council Analyst. Do you have that? Addressing Joe Morrisette, OMB Analyst, That is doable in a reasonable fashion?

Rep. Dosch: If we then subtract out this dollar amount....according to the bill, the total general fund appropriation originally was \$2.27M, Line 20. If you take that figure and subtract out our proposed changes, the \$485,000, what percentage increase would that be over the base level? That would be my motion.

Larson: 7%

Rep. Williams: Second

Rep. Hawken: I could vote for that if he gave them the money back to do the other on line stuff, \$75,000.

Chairman Skarphol: When you say the other on line stuff.

Rep. Hawken: What it says is the \$75,000 was put in there to help pay for the transition and doing it in house.

Morrisette: That is not quite right. The \$101,800 that is on the Green Sheet was what they had originally requested for it. We reduced that by \$75,000 and so the balance of \$45,000 would still be in there with Rep. Dosch's motion. The \$75,000 he would be taking

out would be \$75,000 that we took out of that \$101,800 and put it in the grants line for profession development programs.

Chairman Skarphol: There computer program for \$101,800 they would still be able to do.

Morrisette: That would be unchanged and the amount is not \$101,800 in the Executive Budget but it would be unchanged by this motion

Chairman Skarphol: Discussion, We will take this on a voice vote. **Motion Carries.** Does anyone have any further changes? What are the Committee's wishes?

Rep. Monson: Requests more explain on this adult Farm management. This is the 3rd budget I've seen this in and it is a fair chunk of money.

Chairman Skarphol: Addressing Larson, how is this Farm Management Program at Lake Region, how is that different than this farm management program?

Larson: The Lake Region State Farm Management Program, it is stated that it currently serves existing farmers. The difference is unclear. It does not appear to be a separate degree program or certificate.

Rep. Monson: It does require fees and tuition as if it were a class for credit or to lead to a degree. In our county, the extension agent does teach this course. I assumed it was an ag extension program but it may be funded by this program here.

Chairman Skarphol: We can move the budget through today and gather more information and address it in full committee later. Any other discussion?

Rep. Dosch: Move a Do Pass as amended.

Rep. Monson: Second

Chairman Skarphol: Take the roll

Motion carried: 6-0-0

Carrier: Rep. Dosch

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1019
2/18/11
14736

☐ Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education

Minutes:

You may make reference to "attached testimony."

Representative Dosch: Move to adopt Amendment 01001 to HB 1019.

Representative Skarphol: Second

Representative Dosch: We made some changes to this bill and they were all in the grants line, See Amendment 01001. It is a total change of \$485,000 to take out funds related to expansion and duplication.

Chairman Delzer: Discussion

Representative Glassheim: Wouldn't there have to be some need for new courses for them to offer them?

Representative Dosch: You take a look at the course offerings, additional things like algebra classes and economic classes that really is a duplication of what they can get in the high school. CT and E, we have K-12 offering classes, now CT and E getting into offering classes....why the duplication? It is unnecessary.

Chairman Delzer: Further discussion? **Voice vote carries.**

Representative Dosch: I would also like to offer a verbal amendment. Under the grants line is \$1M for new CT and E center in Williston. In our testimony, it was that this \$1M is kind of what they needed to get a new center started. We agreed that there would be a need in that area for one of these centers but after the committee hearing, I asked for a detailed budget. After going through the budget there were duplicate items, such as these are the costs of the program and they just multiplied that figure by two to come up with the biannual request of \$1M. What was duplicated was an extra \$5,000 in their travel budget, \$35,000 for travel for the center itself, substantially more than they needed. It came from an unapproved budget. \$116,00 for two high school counselors. It's about \$150,000 reduction out of their budget.

Chairman Delzer: You want to further amend to remove \$150,000 out of line 14 on HB 1019. Are you ready to make a motion?

Representative Dosch: So Move.

Representative Kempenich: Second

Voice Vote: Chair is in doubt, a roll call vote will be conducted.

Roll Call Vote: 10-11-0 Motion Fails.

Representative Dosch: Move Do Pass on HB 1019 as originally amended.

Representative Skarphol: Second

Roll Call Vote: 16-5-0 Motion carries

Carrier: Representative Dosch

Date: 2/3/11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1019

House Appropriations – Education and Environment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number "Click here to type Amendment Number"

Action Taken: ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☒ Reconsider

Motion Made By Rep. Dosch

Seconded By Rep. Williams:

Representatives	Yes	No	Representatives	Yes	No
Bob Skarphol	X		Clark Williams	X	
Kathy Hawken	X				
Mark Dosch	X				
Rep. Martinson:	X				
David Monson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Rep. Dosch

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

VK
2/21/11
102

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, replace line 14 with:

"Grants 27,200,000 1,400,000 28,600,000"

Page 1, replace line 18 with:

"Total all funds \$36,703,890 \$1,726,801 \$38,430,691"

Page 1, replace line 20 with:

"Total general fund appropriation \$25,941,008 \$1,722,795 \$27,663,803"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 7

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$4,504,091		\$4,504,091
Operating expenses	1,219,346		1,219,346
Grants	29,085,000	(485,000)	28,600,000
Grants - Postsecondary	357,452		357,452
Adult farm management	749,802		749,802
Workforce training	3,000,000		3,000,000
Total all funds	\$38,915,691	(\$485,000)	\$38,430,691
Less estimated income	10,766,888	0	10,766,888
General fund	\$28,148,803	(\$485,000)	\$27,663,803
FTE	28.50	0.00	28.50

Department No. 270 - Dept. of Career and Technical Education - Detail of House Changes

	Reduces Funding for Grants ¹	Total House Changes
Salaries and wages		
Operating expenses		
Grants	(485,000)	(485,000)
Grants - Postsecondary		
Adult farm management		
Workforce training		
Total all funds	(\$485,000)	(\$485,000)
Less estimated income	0	0
General fund	(\$485,000)	(\$485,000)
FTE	0.00	0.00

¹ Funding for the following general fund grants is removed:

- One-time funding for Stop the Violence (\$10,000).
- Expansion of career and technical education course offerings (\$400,000).
- Expanding professional development opportunities for career and technical education teachers in the areas of mathematics and science (\$75,000).

Date: 2/18
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Committee

Legislative Council Amendment Number 0 / 001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Date: 2/18
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson		X
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		X
Representative Dosch	X		Representative Williams		X
Representative Hawken		X			
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson		X			
Representative Monson		X			

Total (Yes) 10 No 11

Absent _____

Floor Assignment _____

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

Further amend remove \$150,000 from line 14

Voice vote uncertain - roll call
motion fails

Date: 2/18
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1019

House Appropriations Committee

Legislative Council Amendment Number 01001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew		X	Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein		X			
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 16 No 5

Absent 0

Floor Assignment Rep. Dosch

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

REPORT OF STANDING COMMITTEE

HB 1019: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1019 was placed on the Sixth order on the calendar.

Page 1, replace line 14 with:

"Grants 27,200,000 1,400,000 28,600,000"

Page 1, replace line 18 with:

"Total all funds \$36,703,890 \$1,726,801 \$38,430,691"

Page 1, replace line 20 with:

"Total general fund appropriation \$25,941,008 \$1,722,795 \$27,663,803"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 7

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$4,504,091		\$4,504,091
Operating expenses	1,219,346		1,219,346
Grants	29,085,000	(485,000)	28,600,000
Grants - Postsecondary	357,452		357,452
Adult farm management	749,802		749,802
Workforce training	3,000,000		3,000,000
	\$38,915,691	(\$485,000)	\$38,430,691
Total all funds			
Less estimated income	10,766,888	0	10,766,888
	\$28,148,803	(\$485,000)	\$27,663,803
General fund			
	28.50	0.00	28.50
FTE			

**Department No. 270 - Dept. of Career and Technical Education - Detail of House
Changes**

	Reduces Funding for Grants¹	Total House Changes
Salaries and wages		
Operating expenses		
Grants	(485,000)	(485,000)
Grants - Postsecondary		
Adult farm management		
Workforce training	(\$485,000)	(\$485,000)
Total all funds		
Less estimated income	0	0
	(\$485,000)	(\$485,000)
General fund		
	0.00	0.00
FTE		

¹ Funding for the following general fund grants is removed:

- One-time funding for Stop the Violence (\$10,000).
- Expansion of career and technical education course offerings (\$400,000).
- Expanding professional development opportunities for career and technical education teachers in the areas of mathematics and science (\$75,000).

2011 SENATE APPROPRIATIONS

HB 1019

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019
March 7, 2011
Job # 15006

☐ Conference Committee

Committee Clerk Signature

for Rose Loring

Explanation or reason for introduction of bill/resolution:

A bill to provide an appropriation for defraying the expenses of the state board for career and technical education.

Minutes:

See attached testimony # 1-3.

Chairman Holmberg called the committee hearing to order on HB 1019.
Becky J. Keller - Legislative Council; Joe Morrisette - OMB.

Wayne Kutzer, Director, Department of Career and Technical Education
Testified in support of HB 1019
Testimony attached - # 1

Senator Bowman asks if investing this much money in Career and Tech Ed, are we taking students out of 4 years colleges and putting them into tech ed., or is it giving students awareness?

Wayne Kutzer states what we are looking at doing, is trying to provide career awareness, career opportunities for students, so they can look and make decisions themselves. It's not about us placing students into these programs; it's making sure these programs available for the students, who want to get into them. Yes, we do need more students going into these areas, more 2 year types of skills. 27% of the students that have some type of a certificate or a license, earn what the average student does, with a baccalaureate degree. We need to have students have availability to those types of courses.

Senator Wardner asks about Option 7. Are we putting enough money in there? Tell me more, is this like high tech coops that we have out there now?

Wayne Kutzer states, yes, it's like that, but this would be geared towards adults. We would beef up the curriculum, so it would have a little more content in it. If you are familiar with high school versions, they integrate into existing classes and they teach theories and concepts. This type of program would provide more skill level. We are looking at it, as a pilot. We could use more money but from our standpoint, we are looking at trying to get something started, to see how effective it would actually be out there.

Senator Wardner asks about getting the equipment? Are you using high school equipment? In order to get the equipment and make sure it is supported, it seems like you would need double that amount? This is not really a lot of money. One half million dollars is not a lot of money, when you look at developing a workforce, that comes right from this state and it will go right to work in the state and we need all those skills.

Wayne Kutzer states, yes we were looking at dove-tailing it in. We were talking about some additional equipment because we would need more equipment. Some high schools have one or two high tech operations. This amount of money would get it out there at a larger scale.

Senator Christmann states that by looking at centers on back of salmon sheet, western centers are virtual and eastern are not. Where would two new centers be, if established?

Wayne Kutzer states it has all to do with distance. They were generally in a 30 mile radius. In the west, it doesn't allow for students to get on a bus and go a short distance. It's all a lot of mileage. It's still a challenge for auto and diesel. The original centers were established in 1975, and now the new one in western area is called Western Star. The Canadian border, such towns as Parshall, New Town, Tioga and others have all signed letters of intent that they will participate in it. The east one, Grand Forks, Larimore, Hillsboro, and Langdon have been working on it and haven't gotten their package together. It is difficult to get 6-8-10 school districts to cooperate. The whole point of the center is that it is full cooperation. We asked the centers to set up a separate board. So they are operating on a board, and then in that sense, local school districts do give up some of their authority, their responsibility for career and technical education programming but we found it is a good mix to use.

By looking at your handout, both of them, in the blue, will be virtual, even the ones in the east, will be virtual.

Larry Skogen, President, Bismarck State College, representing the 4 community colleges responsible for administering Train North Dakota.

Testified in support of HB 1019. No written testimony.

There are 3 very specific reasons why I believe you made the right decision, in creating what has evolved now, into TRAIN ND. First, workforce training fits very well into the overall mission of your community colleges, which is to provide ND with a well educated and well trained workforce. On one level we are providing workforce development needs, by educating North Dakotans, to their chosen career fields. On another level, and the one tied to TRAIN ND, are the community colleges are well positioned to provide workforce training to those individuals, already in the workforce but needing enhanced or upgrade training to meet changes within and around their industries. Secondly, it was recognition to the fact, that ND must be competitive in a global economy. A trained workforce is the most important ingredient in competition. ND has increased its footprint in the global economy and it has a growing need for a better trained workforce. TRAIN ND works with business and industry, to provide needed training. Third, in a rapidly challenging technologically-driven global economy, just keeping up with new technologies, requires a concerted effort. As you know, technologically, things are changing so rapidly, that these advanced technologies have permeated so deeply into every industry, that what one learned to start with a career is rapidly superseded by these new technologies. TRAIN ND works with business and industry, to ensure that their workforce is staying abreast,

of these rapidly changing technologies. Without those training enhancements, an industry will fall behind. TRAIN ND is here to ensure that does not happen.

Carla Hickson, Assoc. VP for Continuing Education Training and Innovation @BSC., Train ND,

Testified in support of HB 1021

No written testimony. Handed out a **TRAIN ND brochure** – see attached #2.

She states TRAIN ND, has served the business of ND, by providing ongoing educational opportunities for their employees to establish a world class workforce and stay competitive in that global economy. We have seen a consistent increase in the businesses we serve and the number of employees that attend our training events. Some highlights of our continued success include: a new brand and logo, that represents all 4 regions. We now have one joint consolidated business plan and a biennial performance measurement report. We are seeing strong business support, with over 1500 businesses, sending over 19,000 employees to TRAIN ND, this last fiscal year. Of those businesses, 50% of them came back and requested additional training, within our TRAIN ND system. As we have built trust with companies and have proven ourselves within the system, we have not only served the entry level positions but have begun to serve the upper management positions, with training as well. We have seen continued growth in our TRAIN ND regional collaborations. We share curriculum, training and certification for our trainers. We also share in professional development for our TRAIN ND staff. Some of the more recent partnerships, the Northeast and Southeast TRAIN ND, share manufacturing and commercial truck driver license training and in NE and SE TRAIN ND share, commercial drivers license and welding training. In addition, the NW and SW will be traveling together across the western half of the state this spring, talking with the oil and gas companies, to learn how we can better meet their training needs. TRAIN ND collaborates with other agencies and it is represented in many statewide meetings and collaborative efforts with state agencies, such as the Dept. of Commerce, ND Job Service, ND Chamber and our area economic developers. The current training model for TRAIN ND is working, and we are able to meet the needs of businesses, with state funding support, and businesses paying for the training as the two primary funding sources. The four funding sources can be seen with the handout.

These are: Training revenue, State Legislature Funds, Business Contributions and College Contributions. TRAIN ND is requesting the same dollar amount as the last biennium, which was \$3 million in the Career and Tech Ed. budget. These dollars are split amongst the four regions, based on the number of employees in each region and offset our administrative awareness building efforts and high cost of new program start ups in each region. Additional funding sources consist of businesses providing equipment, cash and other services, in addition to the training dollars that they pay, to assist us in specific types of training efforts. Each community college provides space on their campus and provides us with business and technical support services. This year, several of the TRAIN ND regions, have been awarded grants to assist in the start up of additional programs.

Senator Wardner states you were talking about going and talking to the oil companies. Are you aware, there was a study done by Workforce Development and the Commerce Department, identifying the skills that are needed out there?

Carla, Hickson states, yes, when we meet with the business it is on a more personal note, so we meet with each company individually and learned how they would like that delivered and

what would be the best time frame, how many individual employees that they might have within their organization. When we are going to the more rural areas, it wouldn't necessarily be one company that could provide or afford the training on their own. So we have tried to find commonalities among business, among businesses, within a certain area or region and provide it to them. We have provided most of the training in Williston and Minot, Dickinson and Bismarck. So if we can find some other companies, that want more centralized or localized training within their community and we can find that mass to deliver it there.

Senator Wardner asks about Item #7, the Career and Tech Ed pilot project, are you involved at all in that? It would be helpful on what you're trying to accomplish.

Carla Hickson, states, yes, it would be very helpful.

Marsha Krotseng, Vice Chancellor for Strategic Planning for the ND University System, Exec. Director of CTEC, NDUS

Testified in support of HB 1019

Testimony attached - # 3.

Deana Wiese, Exec. Director, Information Technology Council of ND (ITCND)

Testified in support of HB 1019

Testimony attached - # 4

Senator Holmberg closed the committee hearing on HB 1019.

Chairman Holmberg announced the subcommittee: **Senator Grindberg, Senator Erbele, and Senator O'Connell.**

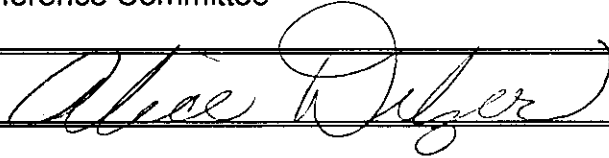
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019 subcommittee
03-22-11
Job # 15821

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A SUBCOMMITTEE HEARING ON THE STATE BOARD FOR CAREER AND TECHNICAL EDUCATION

Minutes:

Attachments #1-2

Chairman Grindberg called the subcommittee to order at 2:30 pm on Tuesday, March 22, 2011. Let the record show that all conferees were present. Senator O'Connell and Senator Erbele. Joe Morrisette, OMB and Sara Chamberlin, Legislative Council were also present. Wayne Kutzer, Director of the Department of Career and Technical Education, was present. Wayne walk us through the yellow sheet.

Wayne Kutzer, Director of the Department of Career & Technical Education talked about the yellow sheet. See Attachment #1. That includes all the area centers, comprehensive schools, every career and tech ed program that's out there. The funding is provided for that reason. The 4.9 M in the second column was our original request to the governor's office. If you go to the executive budget you can see that the governor's office recommended 1.8 M. What that 4.9 consists of is listed on the bottom of that page on the first column under requests. They are listed in our priority order. See yellow sheet from his testimony submitted on March 7, 2011. Testimony attached #1. This past biennium we've approved about \$5000 for program requests. The two new Area Centers we are talking about are those in the Northwest and the area around Hillsboro (Northwood), the executive action put \$1M in it, which would give us reduced funding for one. We originally asked for \$1.2 to start one although two years ago when we started some we did receive \$1 M/ center so \$500,000 per year. In terms of starting one center it's an adequate amount. That doesn't do anything for the other center that they are talking about. The other center they are talking about was considered for the Northwood area. It includes Grand Forks, Hillsboro, and Larimore.

Chairman Grindberg: So the million dollars the House left is for the Northwest?

Wayne: Yes. It is not fully approved yet. The other center, they gave us a letter of intent, they plan to start it the second year of the biennium. I would request half of that to start the other center. I don't know if it's approvable. If we get those dollars, we would only spend it on that area center and only if it was approved. The green sheet summarizes the meeting of a group of people who got together and talked about funding for career tech ed in different areas that

we look to funding yet. #5 on the bottom of the yellow sheet we want to expand the number of courses that we recognize as career tech ed courses. They are already operating out there and the schools are already funding them through foundation aid. What we wanted to be able to do was include them as career tech ed programs to help schools to afford to put more of those types of programs in. #6 is considered an introductory program, funded at 17%. We want to start moving that up so it's funded at the same level as everyone else. The Emerging Technology Adult Training Pilot #7 is a pilot program. We worked through the Workforce Development Council. This came out of the oil fields, working with unemployed or underemployed to get them the skills to get employed in that field. They did a couple of employment surveys in the oil field to find out which kinds of job skills were needed. #8 was just to get more equipment for career tech ed programs. Equipment is expensive and right now we don't supply any state dollars for equipment. They can use some of their federal dollars they get allocated. The last line was put in by the governor's office, Stop the Violence Project. It is to stop bullying. The last 3 line items at the top of the yellow page, we didn't ask for any increases in those.

Chairman Grindberg: Could you describe the Workforce Training?

Wayne: Each of the 4 community colleges work with the Workforce Training Regions. This funding provides the infrastructure to upgrade their employees. It is divided amongst the 4 regions of the state, based on the number of businesses in that particular area. Wahpeton gets the largest share of it, Bismarck is second and Williston is growing fast. We are the holder for those dollars. They provide that workforce training to area businesses. They cross lines, we do work together on it, providing training for the work that they need to do. The dollar amount has been consistent, in 2007 it went up to \$3M.

Chairman Grindberg: How certain are you on the federal funds? 10.5?

Wayne: That is a good question. Right now in the continuing resolution that's out there they are considering getting rid of Tech Prep which is about \$650,000 of that. In the present continuing resolution, our basic grant and the tech ed grant hasn't been touched. I think we will lose the tech prep dollars which is about \$640,000. In the following year the administration's budget is also talking about getting rid of tech prep which is \$330,000. If it's not gone this year, it will be gone by the following year. 85% of our federal funds go out to schools based on Title 1 census, so we don't have control of who gets them.

Senator O'Connell: Does that go out on the same title 1 formula?

Wayne: It's a title 1 formula but 70% of it is based on strictly census data. 30% is based on free and reduced hot lunch. So we use the title 1 census; but as those numbers move, schools either gain or lose those dollars. 65% stay at the high school level; 35% goes to the post secondary, the 10 two-year campuses both tribal and public based on Pell grants at the secondary level. If you are interested in what the dollars would be, I have that. 2.1 M goes out to schools annually and about 1.2 M goes out to the post secondary annually. That is how the Carl Perkins dollars are divided up. So what will happen is a 7-9% decrease, a small decrease if those tech prep dollars go away.

Chairman Grindberg: When did Carl Perkins leave?

Wayne: He passed away 10 years ago, the name's hung on a long time, came out in the early 80s. He was from Tennessee. It's been around a long time. The Carl Perkins Act is the largest funding going out to high schools in ND; nationally it's \$1 M that gets divided up.

Chairman Grindberg: If we go back to the executive budget at \$1.885 M does that provide you the Northwest and Hillsboro?

Wayne: No, the \$1.8M in the governor's budget was the money for the Northwest. But \$400,000 of that was for our cost to continue dollars and also \$400,000 for new programs in Bismarck or Beulah.

Chairman Grindberg: Is it wise to start a new center as opposed to new programs?

Wayne: The thing about the Area Centers is that they provide a lot more opportunities to students. We get a lot more bang for the buck. There are 75 schools involved in the centers; those small centers are better than any program out there. You bring multiple schools into it. The new virtual centers have been a challenge from the standpoint that most everything is offered on line. There is very little student transportation, although we are trying to work on how do you deliver welding for example. We are working on that because we have coordinated plans with agriculture so instead of doing a little bit of ag welding we have brought in the US standards so now when they do it they can get certified out of the ag program. Health careers is something that we deliver all the time over ITV and online. A lot of electronics, so there is a lot of opportunity there. The Northwest center would be a virtual, basically online although they are talking about doing some satellites and moving some students around; one satellite would be in Tioga and one in New Town. In Grand Forks they haven't decided how to do it; there are 6 or 8 schools that signed a letter of intent. To me that's the best way to deliver career tech ed, because if you were Northwood, you couldn't hire a welding instructor or an auto tech instructor. You wouldn't have enough for them to do. But in an area center they could because you have 6 or 8 schools using it.

Chairman Grindberg: Do they cost share?

Wayne: We pay 40% and they pay 60%. That includes salaries. In the traditional area centers we pay 40% of the heat and lights. At a virtual center there is no facility, so no costs like that. If there is an office we share the expenses on that. At an area center, we start them off with 75% funding for the first two years, the next three years they drop down to 60%. Then they go down to 40%. It's a way to get them started and get them used to the system. That's the same process we used when we started those other three centers.

Senator O'Connell: You feel you need about \$1.5 M more than what the House gave you?

Wayne: Actually it would be about \$1 M to \$1.5 M in addition to what the House did. That would give us the potential to start that other center, plus it would provide some extra dollars for that line 3 which would be starting new programs. We've expanded so much in terms of the types of programs that are out there. ITV, online, we incentivize it so that if you are a school and you have a great teacher that teaches information technology and you can do it on line, we'll give you a 4% bump on your reimbursement rate for every school that you send it to. The

schools out there would have no opportunity to get that program other than it coming from you. For 4% we can have 2 schools offering that program. If there are 3 schools you would get 12% on top of your regular reimbursement rate. It's not a lot of dollars but it provides those course opportunities to students.

Senator O'Connell: If these young people are getting training in the energy field during their high school years, it's extremely important now.

Wayne: When I first got involved with career tech ed it was about being job ready when you got out of high school. That has changed because the skills have changed but they still need to have the same type of skills when they get out of high school.

Senator O'Connell: Some of the experience I had being in the oil field this last summer, there were some pretty hard feelings among bankers. These kids are coming out of high school and basically making more money than they are, there are some pretty hard feelings out there.

Wayne: They put in a lot of time. The map I had of the area centers, the blue ones would be the new ones we established. We are filling in the state so there are more opportunities for ND students. There is the traditional model of driving in and going home. We always used to think of the green ones as a 30 mile radius, Bismarck gets to Ashley, Zeeland, a lot of on line and ITV type of courses. They are courses they wouldn't have had access to as an independent school out there.

Senator O'Connell: They want their people to have some kind of education. It is a good program. The reason I said 1.5 was basically, you can almost count on this federal money can't you?

Wayne: I really expect that federal money to be gone not next school year but the next year. I just had my board meeting and discussed what to do when the federal money goes away.

Chairman Grindberg: Could you put a memo together what it would take for two new centers?

Wayne: I will do that. The second one will be the last half of the biennium. They would be up and running in the second half of the biennium.

Chairman Grindberg: Could we get a quick summary of the detail of your grant line and your operating line?

Wayne: Can I give it to you now? This is just to give you an idea, this is annual and you would have to multiply it. On the bottom half of the sheet is the \$2 M for operating. These are all secondary programs so we put in about \$1.3 M in ag programs across the state. If you are a school that has an ag and FFA program we provide funding for that. You can see how much goes into each of those program areas. On the next page is adult farm management. That is part of a different line item. Ag marketing and elementary entrepreneurship are in there. The virtual ag centers have their funds separate because it was allocated to us differently so we are tracking it separately. Then you can see the emergency technology grants; there are 90 schools involved and they rotate equipment around to the schools.

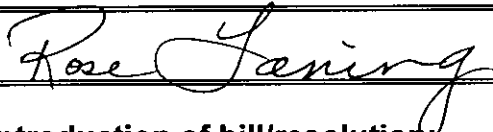
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1019
April 5, 2011
Job # 16360

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A committee vote on HB 1019 – the State Board for Career and Technical Education.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order on HB 1019.
Sara Chamberlin – Legislative Council; **Joe Morrisette** - OMB

Senator Grindberg (handed out amendment 11.8132.02001) - In our discussion with Mr. Kutcher, he shared that there is an open position right now that is IT related and that he was going to take up the offer from ITD that ITD would perform IT functions for the department and so he offered that we could remove the FTE. We took the funding for the position and moved it into the grants line. By removal of the FTE, it's a reduction of \$141,117. \$33,993 is federal funding which is re-classified to operating expenses because of the federal nature of the funding.

We restored \$350,000 to the expanding availability of the CTE programs. The request was \$750,000 in the Executive Budget. The House reduced that to \$400,000 by shift of the FTE and \$250,000. That gets it back to the \$750,000 as requested. Then we added \$75,000 for expanding professional development opportunities in career and technical education, teachers, and areas of math and science.

The total general fund is \$27,981,000. The Executive budget is \$28,148,000.

Senator Grindberg moved Do Pass on amendment .02001
Senator O'Connell seconded.

Senator Christmann: How does the work get done that this IT supervisor used to do? We used to have this supervisor. It just wasn't necessary, or did we contract for it?

Senator Grindberg: Our understanding from Mr. Kutcher is that the position is open and that ITD has begun discussing how they could perform the services for the agency. We didn't get into details of exactly what that person does on a daily basis if it was filled. We took his advice that ITD could handle his needs and remove the position.

Senator Christmann: If ITD does it, they're going to charge for it, so won't Career and Technical need the money to pay them.

Senator Grindberg: I'm pretty certain he said that he could handle that out of his operating.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

**Senator Grindberg moved Do Pass as Amended on HB 1019.
Senator Erbele seconded.**

**A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0
Senator Erbele will carry the bill.**

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019

Page 1, replace lines 12 through 14 with:

"Salaries and wages	\$4,170,030	\$192,944	\$4,362,974
Operating expenses	1,226,606	26,733	1,253,339
Grants	27,200,000	1,825,000	29,025,000"

Page 1, replace line 18 with:

"Total all funds	\$36,703,890	\$2,044,677	\$38,748,567"
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Page 1, replace lines 20 and 21 with:

"Total general fund appropriation	\$25,941,008	\$2,040,671	\$27,981,679
Full-time equivalent positions	28.50	(1.00)	27.50"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,504,091	\$4,504,091	(\$141,117)	\$4,362,974
Operating expenses	1,219,346	1,219,346	33,993	1,253,339
Grants	29,085,000	28,600,000	425,000	29,025,000
Grants - Postsecondary	357,452	357,452		357,452
Adult farm management	749,802	749,802		749,802
Workforce training	3,000,000	3,000,000		3,000,000
Total all funds	\$38,915,691	\$38,430,691	\$317,876	\$38,748,567
Less estimated income	10,766,888	10,766,888	0	10,766,888
General fund	\$28,148,803	\$27,663,803	\$317,876	\$27,981,679
FTE	28.50	28.50	(1.00)	27.50

Department No. 270 - Dept. of Career and Technical Education - Detail of Senate Changes

	Removes IT Supervisor Position ¹	Reclassifies Federal Funding ²	Restores Funding for Grants ³	Total Senate Changes
Salaries and wages	(\$141,117)			(\$141,117)
Operating expenses		33,993		33,993
Grants			425,000	425,000
Grants - Postsecondary				
Adult farm management				
Workforce training				
Total all funds	(\$141,117)	\$33,993	\$425,000	\$317,876
Less estimated income	(33,993)	33,993	0	0
General fund	(\$107,124)	\$0	\$425,000	\$317,876
FTE	(1.00)	0.00	0.00	(1.00)

¹ This amendment removes 1 FTE information technology supervisor position and related funding.

² Federal funding available to the agency related to the FTE position that is removed is reclassified to operating expenses.

³ Funding for the following general fund grants is restored:

- Expansion of career and technical education course offerings (\$350,000).
- Expansion of professional development opportunities for career and technical education teachers in the areas of mathematics and science (\$75,000).

Date: 4-5-11Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1019Senate APPROPRIATIONS Committee☐ Check here for Conference CommitteeLegislative Council Amendment Number 11.8132.02001Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment☐ Rerefer to Appropriations ☐ ReconsiderMotion Made By Grindberg Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0Absent 0

Floor Assignment _____

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

Date: 4-5-11Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1019Senate APPROPRIATIONS Committee☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment☐ Rerefer to Appropriations ☐ ReconsiderMotion Made By Grindberg Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0Absent 0Floor Assignment Erbele

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

REPORT OF STANDING COMMITTEE

HB 1019, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1019 was placed on the Sixth order on the calendar.

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Operating expenses	1,226,606	26,733	1,253,339
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General fund	(\$107,124)	\$0	\$425,000	\$317,876
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2011 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1019

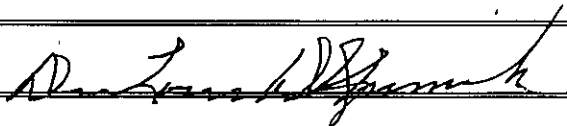
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

HB 1019
4/14/11
16597

☒ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

Minutes:

Chairman Skarphol: Called the Conference Committee to order on HB 1019 with all members present. Asked Senator Grindberg to walk through the changes made in the Senate.

Senator Grindberg: Began with a review of the Proposed Amendments. We learned that a position that is vacant in the agency. Rather than filling that position he is working out a deal with ITD to provide those services. Since we removed general and federal funding salary and wages for that position for the biennium of that amount which is federal was applied to the operating expense line as federal money and then we added the general fund money to the grants line to provide for the career and tech education course offerings. We also added back the \$75,000 for the teachers in areas of math and science.

Chairman Skarphol: With regard to the \$141,000; that must be general funds, correct? Addressing Sara Chamberlin, Legislative Council Representative.

Chamberlin: The total amount was \$141,117. Of that amount \$107,124 is general fund and then the remainder of \$33,993 is federal funds. The federal funds as Senator Grindberg said was moved into the operating line from the salary line.

Chairman Skarphol: When they made their original budget request they had envisioned the new center in Williston opening for two years and a potential opening of the center in East Central Grand Forks for one year so they had made a request for \$1.8 million. It got funded at \$1 million. There is a sense on the Grand Forks center that there is not enough dollars in there for the operation of the two new centers moving on line. What is your response to that, Senator Grindberg?

Senator Grindberg: We chose not to add any significant dollars to the budget. We didn't have any official testimony outside of the over view of the centers and some are still under development so our action was based on that very same basis.

Chairman Skarphol: Does the Senate feel that it is more important to do the additional money for course offerings and the professional development or would there be a willingness to move that into the grants line item to progress the needs of those two centers? Could they fund CT&E to make whatever adjustments they deem appropriate? If they could fund the CT&E at the Williston center for less than what was anticipated they would have the option of utilizing those dollars for increased course options. Is there any sense in the Senate there might be a willingness to do that or are you pretty firm on where you want the money?

Grindberg: the Senate actions are pretty firm. We spent some time on this and it lines with the priorities outlined and we used our best judgement.

Rep. Dosch: We took out the \$350,000 for additional course offerings because there is duplication of services and courses. CT&E use - referring to the green sheet. We should not lose focus on what CT&E was created for and we keep expanding all of these services and classes and everything else. We are already committing general fund dollars over \$28 million, to CT&E. The message people are sending us is to stop expanding government. We have to put the brakes on things. The Senate information, \$1M for the new CT&E in Williston is additional money and expansion through course offerings. \$400,000 was there to maintain these programs so we are expanding it plus we are allowing additional money to maintain what we have out there and that is why we really need to think twice if we want to yet again expand through the course offerings.

Rep. Williams: Grand Forks has spent some time and effort in looking and studying this over the course of the past year or so. If it is not out of line I would ask the superintendent to comment on this.

Chairman Skarphol: Mr. Kutzer could you come and address it.

Wayne Kutzer: The point that Rep. Dosch made, the \$400,000 for career tech ed was not for the expansion of business ed or adult ed classes. That was a separate priority that we had lower down on the level that never was funded either by the Governor's office or by either one of the committees. Originally we had asked for \$750,000, but the \$400,000 that came out with the Governor's budget was for expansion in terms of distance learning. Trying to encourage schools to put their courses they currently have making them available for other schools. It is for the expansion of regular CT programs; whether it is auto tech or welding, marketing or family consumer sciences, but expanding those types of programs. Not funding any additional new types of programs, funding the types of programs we currently fund. In our proposal we did ask for one of our categories. We did ask for funding business law and business ed.

Chairman Skarphol: If there was a school that wasn't offering business law that they would get the opportunity to and if there wasn't a school that wasn't offering auto body they would get the opportunity to or are you saying you would expand the auto body program itself and make it more elaborate?

Kutzer: We would expand the access to it so there would be more programs; not improving the program itself, necessarily, but making it more accessible to students out

there. For business law we don't fund it now, it wasn't part of the Governor's budget. It was part of the discussion we had, but there are a few courses we are asking to help fund.

Chairman Skarphol: To refresh my memory, how many centers are there? How many courses?

Kutzer: Currently there are 8 centers. We have about 50 programs.

Chairman Skarphol: Not all centers offer all 50 of those; they offer some combination and what you are suggesting with the money that we are talking about is that a center may add one of the other programs that they are not currently offering.

Kutzer: Yes, not only a center but a school that doesn't belong to us. For example, Beulah or Bismarck.

Rep. Williams: I am very familiar with Wahpeton; schools could not offer themselves. In the Grand Forks system how many outlying schools is the Grand Forks REA going to service?

Kutzer: Right now 8 schools have signed on with a Letter of Understanding.

Rep. Williams: In the Wapeton area how many schools does it service?

Kutzer: 9 districts.

Rep. Williams: I bring that up for a very good reason. This is not duplication of services, it is providing an access to students for school districts that can't afford for limited number of students to provide that service for themselves. On line education whether college or high school level is becoming more imperative because of cost effectiveness.

Chairman Skarphol: Grand Forks, do you envision them being ready for the second half of the biennium?

Kutzer: Yes I do. They said they would be. I have met with a group of superintendents three or four times. They have given the Letter of Intent and they have done surveys and things that we request they do.

Chairman Skarphol: Typically what are the start-up costs for a new center and ongoing costs are by comparison?

Kutzer: The startup costs are about \$500,000 is what we have budgeted for them. This is only on a reimbursement basis so if they don't spend it all. Initially they start out at \$750,000; they start at 75% reimbursement so we will reimburse them their costs up to a maximum of \$600,000. Typically an area center runs about \$300,000. The first two years they are at 75%. The following years they drop down to 60% for the last three years and then they drop down to the same level as everybody else. When they have operated fully after the initial 5 years it would be about \$300,000 if we take all the area centers there are right now and average them out. It is 40% reimbursement.

Senator Bowman: What flexibility do you have to move money around if there is not a need of one but there is an increase need at another, do you have any flexibility in the movement of dollars?

Kutzer: Yes we have a lot of flexibility. Money held separately is that with legislative intent. I know that next year those schools will fall to the 60% level that there should be some savings within that. I don't know what that will be because we also expect those Centers have to start with at least 5 tech programs. Maybe there will be 6 programs too so there should be some expansion also in terms of more students getting more excess to career tech ed so there is flexibility.

Chairman Skarphol: Can you elaborate on the legislative Intent in 2007?

Kutzer: The legislative intent at that time; we put out an RFP(Western ND REAs) to establish two new virtual area centers. We had five applications; we were able to fund centers and we were actually able to fund three. One that came in from the North Central area came in about half the budget, \$235,000, and so at that point we were able to bring on the next in line so actually we were able to start three. The one that we brought on toward the end did not get full funding. They received about \$400,000 instead the \$500,000 but we have since been able to make that up.

Chairman Skarphol: So what is the legislative intent you are still following?

Kutzer: We are assuming the money we receive specially for area centers stays with those virtual area centers.

Chairman Skarphol: Was there a committed dollar to the two centers you are still following?

Kutzer: From the legislature, no.

Chairman Skarphol: We what was passed in 07 no longer has any bearing.

Doctor Larry Nybladh, Superintendent of Grand Forks Public Schools: Historically Grand Forks did not want to play with its neighbors to participate in the area centers of excellence so they were not one of the first going on line with this project. I have been in Grand Forks now my third year. It takes a lot of work to get this diverse group of people together to talk about the advantages for students. Even though Grand Forks has had a very comprehensive CT for many years now we have two things occurring that cause us to want to reach out to our neighbors to try and develop a critical mass so we can more efficiently and effectively offer CT courses that are in high demand not only from students, but from the workforce. We have crafted this and thought we were following the rules of what you call legislative intent and put our proposal in and for the life of me I cannot understand why anyone executive or would support funding one of these proposals in Williston but not in Grand Forks. I have not had anyone able to tell me except it wasn't in the executive budget. The need is there and how we know that is not just antidotal. We worked with Northeast ND Job Service and we worked with the Grand Forks regional economic development authority and those groups came in and were partnering with us in meetings. We did a Comprehensive Needs Assessment of two things. One we surveyed

all high schools students in the whole REA area and found high interest in CT areas but there is not access. It is in their best interest to cooperate with a bigger fish because we already have programs and services. We are interested because we have a 16 year history of declining enrollment in our district and the day or reckoning is catching up to us. Our students are literally standing in line to get into these courses. There are waiting lists to get into these classes and employers are waiting, too. The employers were surveyed and there was a need shown in health, welding, auto mechanics, and diesel mechanics. The employers said they would take anybody we could send to them. They don't have enough people to work for them. This is in the Grand Forks region. We surveyed NE ND and NW Minnesota because we are part of a 14 county consortium that is working together to try and grow the economy in the part of the county. They want our graduates so we have partnership agreements that are drafted and ready to be signed for places like the Northwood Hospital, All True Health Systems in Grand Forks. We would have satellite sites; courses offered in Grand Forks, on line or through ITD so we have already developed partnerships with the local automobile dealership. Grand Forks instructors would go to Northwood and provide access to those students. We are not sure why we were left out of the Executive Budget. It makes no sense. We have our support of the business community as well as the area community.

Chairman Skarphol: How long was your request in?

Dr. Nybladh: Last November, I believe was when we sent the Letter of Intent signed by all interested parties.

Chairman Skarphol: Since Grand Forks has an existing program and they are going to go out and expand it with other schools, why is the start up costs relatively the same as any other?

Kutzer: I haven't seen their plan in terms of how they were going to be delivering.

Chairman Skarphol: Would you envision their costs should be less since they have an existing program that they are expanding to these other schools?

Kutzer: That has been the typical costs. That \$500,000 figure.

Chairman Skarphol: Is it typical that you have a large center just expanding their program into an area? Or is it entirely a startup?

Kutzer: A good example would be the one in Bismarck. They started up and they used virtually all of their budge in startup. Although they have about 25 schools that are involved with it. What they found when you are delivering on line or doing high breed, because career tech ed can't be delivered on line; it has to be high breed courses so the equipment and the ITD labs and those types of things for startup costs were more because they actually put in additional labs to help facilitate classes.

Chairman Skarphol: It is my impression if we are going to do anything with this budget we are going to have to find some money that can be moved around. So for now we are done.

Adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

HB 1019
4/15/11
16640

☒ Conference Committee

Committee Clerk Signature

Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

Minutes:

Chairman Skarphol: Called the Conference Committee to order on HB 1019 and noting that all members are present. Senator Grindberg, it would seem reasonable to let Mr. Kutzer to have some flexibility with the grant money for the new centers opening and the new courses, the \$400,000. This allows him to utilize the funds in a way that he deem most appropriate. If he thinks it should be allotted to course work or if he sees it more appropriate to have these two centers with the dollars available and have one-half of the money available to for course work. That would be his decision as the executive in charge of this. I suggest that we put some flexibility language allowing the dollars to be utilized as he sees appropriate.

Senator Grindberg: Addressing Wayne Kutzer, he has a grant line now, why can't he do it without language?

Wayne Kutzer, Director of the Department of Career and Technical Education: The language just talks about expansion of career and technical education course offerings. We do have the flexibility that we could do that. I've always looked in terms of the legislature to put a stamp of approval on area centers because they are a big investment. If this second center were to come to be in the second year of the biennium, it would mean that in the following session we would be asking for additional dollars for operating a center for two years instead of just one.

Chairman Skarphol: The Senator is suggesting that you have the flexibility to do that if you wish. Having heard the conversation here you should feel like it isn't required to do course offerings. Is that correct?

Kutzer: That is correct.

Senator Grindberg: I can live with that.

Rep. Dosch: The concern is increasing it by that level. I think you need two positive votes on this side.

Chairman Skarphol: If we accede to the Senate amendments we are still at \$160,000 plus under the Executive recommendation to. That would settle the issue if we were to do that. Is there a motion?

Rep. Williams: Motion that House accedes to the Senate on HB 1019.

Senator Grindberg: Second

Chairman Skarphol: Any discussion? If not, a roll call vote will be taken.

Roll Call Vote: Motion Carried 6-0-0.

House Carrier: Rep. Dosch, **Senate Carrier:** Senator Grindberg

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Appropriations – Education and Environment

Bill/Resolution No. HB 1019 as (re) engrossed

Date: 4/15/11

Roll Call Vote #: 1

- Action Taken**
- ☒ HOUSE accede to Senate amendments
 - ☐ HOUSE accede to Senate amendments and further amend
 - ☐ SENATE recede from Senate amendments
 - ☐ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) HJ 1417 -- 1418

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

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

Motion Made by: Rep. Williams Seconded by: Senator Grindberg

Representatives				Yes	No		Senators				Yes	No
Chairman Skarphol:				X			Senator Grindberg				X	
Rep. Dosch				X			Senator Erbele				X	
Rep. Williams				X			Senator Bowman				X	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Rep. Dosch Senate Carrier Senator Grindberg

LC Number _____ of amendment

LC Number 11.8132. .0300 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1019, as engrossed: Your conference committee (Sens. Grindberg, Erbele, Bowman and Reps. Skarphol, Dosch, Williams) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1417-1418 and place HB 1019 on the Seventh order.

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

2011 TESTIMONY

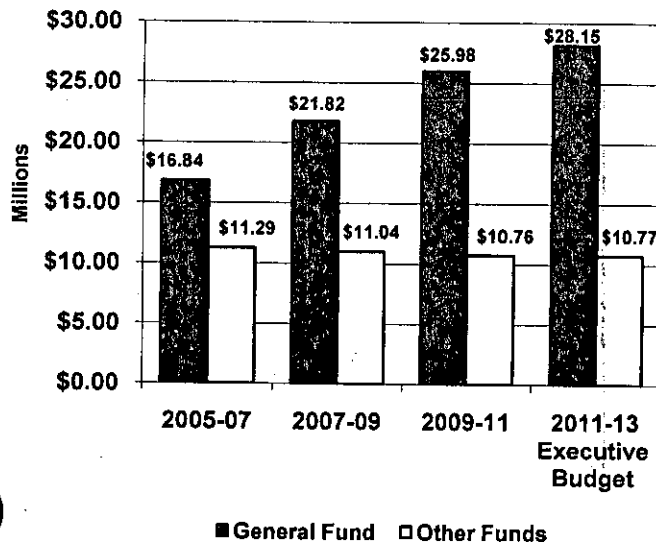
HB 1019

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

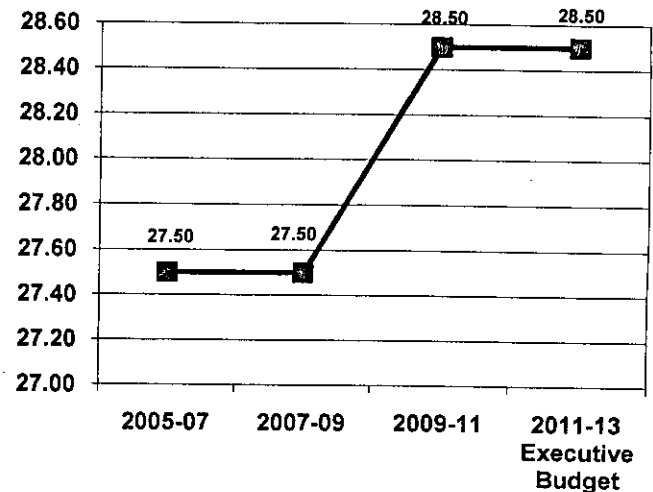
	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	28.50	\$28,148,803	\$10,766,888	\$38,915,691
2009-11 Legislative Appropriations	28.50	25,981,008	10,762,882	36,743,890 ¹
Increase (Decrease)	0.00	\$2,167,795	\$4,006	\$2,171,801

¹The 2009-11 appropriation amounts include \$40,000 from the general fund, for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustment for executive branch employees.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$28,138,803	\$10,000	\$28,148,803
2009-11 Legislative Appropriations	25,981,008	0	25,981,008
Increase (Decrease)	\$2,157,795	\$10,000	\$2,167,795

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides one-time funding for the Stop the Violence program	\$10,000		\$10,000
2. Provides funding to maintain the reimbursement percentage paid to support career and technical education programs	\$400,000		\$400,000
3. Provides funding for expansion of career and technical education course offerings	\$400,000		\$400,000
4. Provides funding for a new virtual career and technical education center	\$1,000,000		\$1,000,000
5. Provides funding increases for an information technology contract for the development of an online annual plan and reimbursement claim process for fiscal affairs	\$118,623		\$118,623
6. Decreases funding for professional services for career advisor training and certification to provide a total of \$190,245	(\$92,256)		(\$92,256)
7. Increases funding for changes in operating expenses	\$41,373		\$41,373

Continuing Appropriations

No continuing appropriations for this agency.

Significant Audit Findings

None.

Major Related Legislation

At this time, no major legislation has been introduced affecting this agency.

**House Appropriations
Education & Environment Division
January 12, 2011
Testimony on HB 1019
Department of Career and Technical Education**

*HB 1019
January 12, 2011
Career and Tech Ed
Attachment #1*

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

The mission of the State Board for Career and Technical Education is "to work with others to provide all North Dakota citizens with the technical skills, knowledge, and attitudes necessary for successful performance in a globally competitive workplace".

CTE is more important now than it has ever been; although two years ago I said the same thing, the fact is, it is even more true today. We constantly hear of labor and skill shortages to match our workforce demands. We need to, and we can, provide the opportunity for every citizen to be a productive contributor to society and especially to the economy of North Dakota. Career and Technical Education provides students with a connection to the types of careers and skills needed in our workforce. For these reasons CTE needs to be expanded, promoted, enhanced, and properly funded.

CTE is not just welding or nursing, it is a method of teaching that brings the real world experiences and examples into the classroom and labs. Students learn better when they are interested and involved in their education. According to a Gates Foundation study, 81% of dropouts said "more real world learning" may have influenced them to stay. It stands to reason if you can interest a student in what and how they are learning they will be engaged. CTE has an impact, the graduation rate of students in North Dakota who take two or more sequential credits in CTE is 94% compared to the

statewide average of 86%; for Native American students the difference is even more pronounced, 91% graduate if they concentrate in CTE compared to 65% statewide. One of the strategies to keep students in school and have them graduate is to have more relevant courses available, that means CTE programming.

To be clear, we are doing a good job in providing many students with CTE programming. There are 21,300 students in grades 9 – 12 enrolled in CTE; and about 12,500 in middle school. We have 740 approved CTE programs being offered in high schools across the state, but when we consider the distribution of those programs we find areas of the state that do not have the same access to many of the CTE programs that build the skills this state needs to fill its workforce.

Taking into account the total employment in this state, nearly 82% of the occupations require education up to an associate's degree. The colorful handout in your materials, "Careers in North Dakota 2010 Edition" published by Job Service ND, shows the breakdown of the skill and education requirements of North Dakota occupations. Even with the higher skill levels needed by our entire workforce, this leaves 18% requiring a bachelor's degree or more. ...and we have 80% of our students attending four year colleges/universities. That is not the mix that this state needs.

We need to provide students better access to more quality CTE programming along with career awareness and planning. The low class sizes and high cost equipment needs of CTE courses are a distinct fiscal barrier for high schools to offer additional CTE courses.

Before I get into our budget requests, we were asked to provide information on our audit and this current biennium funding.

I am very pleased to report to you that we had no “Findings” in our latest audit, which we take pride in and work diligently to keep it that way.

In terms of accountability, we just submitted our federal report on December 31st and we were in our targeted range for all of our federal performance measures. We measure CTE concentrators on eight different secondary Levels of Performance – Reading, Math, Skill Attainment, School Completion, Graduation Rate, Placement, Nontraditional Participation and Nontraditional Completion. At the postsecondary we have six Levels of Performance – Skill Attainment, Credential or Degree Attainment, Retention or Transfer, Placement, Nontraditional Placement, and Nontraditional Completion.

Current Biennium Funding

Our 2009-2011 appropriation is the first column on the yellow handout. It lists our salaries, operating and grants to schools along with specific line item grants for Adult Farm Management, Workforce Training, and Postsecondary Grants. We are on track and will expend our entire budget, with any unexpended funds at the end of the biennium being allocated out to school districts and Area Centers.

Our total Grants line item is at \$27,200,000, which all goes out to schools and Area Career and Technical Centers based on a percentage of their cost to operate approved CTE programs. The cost of operating a CTE program is higher than a traditional academic course and this funding helps to cover some of that extra cost – it acts as an incentive to schools to offer CTE programming.

We received a \$3 million increase in our grants to schools this biennium. One million dollars to complete funding started in the 2007-2009 biennium for the three

"virtual" area CTE centers. Those centers are Roughrider Area Career and Technology Center, North Central Area Career and Technology Center and the Missouri River Area Career and Technology Center. The other \$2 million went to increase our reimbursement rates to schools. It enabled us to increase our base rate to schools from 25% to 27% and our rate for Area Centers from 38% to 40%. It additionally enabled us to fund \$385,000 in new program requests from schools and \$150,000 in additional Cooperative Arrangement requests where schools share CTE programming with other schools chiefly through ITV and online. We continue to provide incentives to schools who offer those CTE opportunities to students who did not have access before. Through these incentives the numbers of CTE courses have expanded which are being delivered via ITV or online. There are currently 710 students, taking one of 206 sections, from 27 different course offerings at 79 schools. This is in large part due to the incentives that we provide to schools through these dollars. While these are good numbers we still have access or availability problems in offering a variety of CTE programs, where students can take two or more credits in a given area. There is a salmon colored handout in your materials that list our reimbursement rates to schools.

We also received funding to train and credential Career Advisors. As of July 1, 2010, school districts needed to reduce their student to counselor ratio down to 300 to 1; it was at 450 to 1. Career Advisors are able to help fill that gap by accounting for up to one-third of a school's counseling program. We have trained and provisionally certified 20 Career Advisors, which is less than the 50 anticipated, but we continue to work with schools so that they can meet that need. In many cases schools were able to meet the 300

to 1 ratio by reassigning current counselor time, but the demand for Career Advisors will continue to grow.

We also received an additional \$50,000 through HB1475, for Innovation Grants which brought the total for those grants to \$120,000 for the biennium. These grants are targeted to helping schools fund robotics programs at multiple grade levels and provide funding to UND and NDSU to sponsor regional events where students can compete. We have expended about \$45,000 of the budget the first year of the biennium.

We also received \$749,802 for Farm Management. We have 14 programs across the state that work with farmers and ranchers to provide them the education they need to run better operations.

We continue to provide the \$3 million in funding for the Workforce Training regions. It is allocated out to each region based on the number of businesses in the region. There is a representative from the Workforce Training Regions here to update you on their activities.

The final line item in that first column is Postsecondary Grants; these are funds that are equally split between each of the five community colleges for help in starting new CTE programs and providing training and mentoring to new CTE teachers direct out of industry.

This brings us to our budget request for the 2011–2013 biennium. This budget request reflects both the Governor's recommended increases and our additional requests we feel are needed to expand and enhance CTE to meet the needs of students, schools, businesses, and communities across the state.

Funding Request

As you look at the yellow budget sheet, the second column is our budget increase request of \$4,975,000. It is broken out on the bottom of the page and also on the back side with short descriptions for each request, in priority order, which was established by our Board.

The fourth column is the Governor's recommendations. The Salaries and Wages line reflect the executive recommendations. The Operating line reflects a negative \$7,260 which was a number of pluses and minuses throughout our operating line. On the Grants line the executive recommendation included an increase of \$1,885,000 which is also broken out below by category, beside our initial budget request.

We did not request any increases for Adult Farm Management which is at \$749,802, for the Workforce Training Regions at \$3,000,000, or for the Postsecondary Grants of \$357,452.

To complete the column, under "Funding Source" it shows our source of funding which is about a 70% state and 30% federal funding split. State funds go to schools based on the costs of programs that they offer, while federal funding is allocated based on Title I census data.

To explain and compare our budget request of \$4,975,000 and the Governor's recommendation of \$1,885,000, please look at the bottom of the page where the breakdown is listed, again in our Board's priority order.

Our top priority is \$400,000 for our "Cost to Continue". This will enable us to maintain our level of reimbursement to schools and that amount was part of the Governor's recommendation.

The next is for professional development, we asked for \$250,000 and the Executive budget recommended \$75,000. We want to expand our Math-in-CTE project which paired math teachers and CTE teachers in a professional development program. Our intent is to increase the math scores of students in CTE courses, which we have been able to do by 5% to 10 %, on standardized math tests, over the course of one semester using the embedded math concepts in the CTE course. This funding will also help us develop CTE Administrative courses that are no longer being offered by our state's colleges and universities. I ask your consideration to increase it to the \$250,000.

The next priority is for \$750,000 to be used for new and expanding CTE programs in local schools and Area Centers. The Executive recommendation was for \$400,000. I would ask that you fully fund this request to the \$750,000 level. CTE is a high cost program – more equipment, larger facilities, and smaller teacher to student ratios. This funding will also go towards new and expanding CTE programming in schools. It will help to reduce the cost to schools of providing new CTE programming, creating more access to students.

The next on the list is \$2.4 million to fund two new virtual Area Career and Technology Centers. The executive budget recommended \$1 million. This would only provide funding for one new center and at a reduced amount. I would request that you consider funding \$1.8 million. We currently have a proposal in our agency for one Area Center from the northwest part of the state, which involves eight school districts with a high level of cooperation from Williston State College. Our Board has conditionally approved the proposal pending some clarifications on the application and pending the

receipt of funds for this proposal. We have also received a letter of "Intent to Apply" for an Area Center in the eastern part of the state signed by eight schools. This request would be for the second year of the biennium; therefore, we would need \$600,000 for that request, bringing the total request to \$1.8 million - \$1.2 for the western Area Center and \$600,000 for the potential Area Center to be developed in the east. Funding for Area Centers are not for bricks and mortar, it is for CTE programming, for instructional delivery equipment, and operating. This funding would cover 75% of the cost for the first two years, 60% of the cost for the next three, and by year five it would go down to 40% which is the current level of funding for Area Centers. On the back of the salmon colored sheet is a list of the Area Centers and their member schools.

Priorities 5, 6, and 8 were not included in the Executive Budget recommendation, but I would ask for your consideration to fully fund these requests. Beginning last January, a committee took a look at some CTE funding policies, and Priorities 5, 6, and 8 came out of that work. The final recommendation of the CTE Funding Committee that our Board considered in this budgeting process is the green handout. If you would look at the report I will briefly review it with you.

Funding Priority #7- Emerging Technology Adult Training program is an outgrowth of the two labor and skills availability studies done on the oil patch. One completed in 2007 and the other just this month. Both studies indicated that 80% of the jobs need an educational and skill base that includes hydraulics, pneumatics, mechanical, electrical and computer competencies – exactly what the Emerging Technology project has incorporated into its content. We have been funding a version of this at high schools. This funding would ramp up the curriculum to meet the demands for oil industry

workers. It would be targeted at unemployed or under employed and would work with JSND, Veterans Services, and other agencies to find and recommend participants.

The executive budget recommendations also included \$10,000 to assist in updating materials and training student peers in a program called “Stop the Violence”. This program was conducted in the early 2000’s through the Family, Career, and Community Leaders of America – a student organization affiliated with the Family and Consumer Science Program. We will build the focus of the program around bullying and work with the national organization to broaden and strengthen the message. Originally it operated with a grant from the national organization and that funding is no longer available. We plan to involve all of our CTE student organizations so that we can impact as many schools as possible. As you can see this was not a request that we made but came out of the Governor’s Office. We are ready and willing to take this project on.

I hope you can agree of our need to promote and enhance CTE. Others that are supporting CTE:

ND Youth Council recommended on page 10 of their report under the title of “Job Opportunities”, the full report is at:

<http://ndyouthforward.files.wordpress.com/2010/08/final-youth-council-report.pdf>

“Increase the number of available Career and Technical Courses for high school students”.

ND Chambers' Legislative Policy Statements and Guidelines:

"Support Legislation which recognizes the role distance learning will play in the future of education and makes ND a leader in the development of distance learning programs for academics as well as Career and Technical Education".

ND Workforce Development & Training Strategic Plan 2011 – 2013, an excerpt of the strategic plan is on the blue handout in your materials. The full plan is at:

[www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-\(2\).pdf](http://www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-(2).pdf). The plan contains four specific "Action Plans" that support requests in this budget:

"Through the Department of Career & Technical Education will develop and submit an optional budget for consideration in the Governor's Budget secure funding for a pilot program ("Emerging Technology Competency Certification Training Program"), targeting the under and unemployed in rural communities."

"Secure support and funding to expand access to Career and Technical Education programs by secondary students which are not served by a Career and Technical Education Center."

"Secure support and funding to expand access to Career and Technical Education programming, through cooperative agreements between schools, to increase access for secondary students who do not have access at their local school."

"Secure State support and funding to provide more CTE programming, which has demonstrated it increases graduation rates and workforce readiness."

This support from students, from business, and from government and workforce professionals demonstrates the wide acceptance that Career and Technical Education can meet the needs of our students and workforce.

The funding request in this budget will move us in the right direction and make more funding available, for more CTE courses, to more students, and create awareness that CTE does provide career opportunities. More students enrolled in CTE programs at the secondary level will lead to more students in CTE programs at the postsecondary level and more students entering technical careers.

Mr. Chairman and members of the committee, we know we are asking for a substantial increase in our funding, even above and beyond the Governor's recommendations and we take the responsibility very seriously. We, our Board and entire staff, believe in Career and Technical Education and what it can do for students. Through the efforts of our staff and our Board, ND schools and Area Career and Technology Centers offer some of the best quality CTE programming in the country. We pride ourselves in the assistance and leadership our agency provides to schools and Area Centers in this state, which in turn, again translates into quality programming for students. We involve business and industry and tie our programs to industry standards. This could not be accomplished without a staff of dedicated people in the Department of Career and Technical Education who operate with a deep sense of passion for what they do.

We must make CTE more accessible to students all across the state. We need to help students, parents, administrators, counselors, and teachers understand that CTE offers career opportunities. I believe that the budget request before you will help us get there.

Mr. Chairman, thank you for the opportunity to talk about CTE and I would be glad to answer any questions that you may have.

SKILL CLUSTERS

Occupations fall within one of five skill cluster categories outlined below. Each occupation's experience, education, and job training requirements, as outlined by O*NET job zones, are the primary determinants of a skill cluster assignment. Additionally, an internal review by labor market analysts resulted in the modification of skill cluster assignments for select occupations to better represent the local labor market. Therefore, this publication may not match the O*NET source material.

LOW SKILL

Low Skill occupations need little or no previous work-related skill, knowledge, or experience. Some of these occupations may require a high school diploma or GED certificate. Employees in these occupations need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job. Based on O*NET job zone category 1.

SOME SKILL

Some Skill occupations usually need some previous work-related skill, knowledge, or experience. These occupations usually require a high school diploma. Employees in these occupations need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations. Based on O*NET job zone category 2.

MEDIUM SKILL

Medium Skill occupations require previous work-related skill, knowledge, or experience. Most occupations in this cluster require training in vocational schools, related on-the-job experience, or an associate's degree. Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations. Based on O*NET job zone category 3.

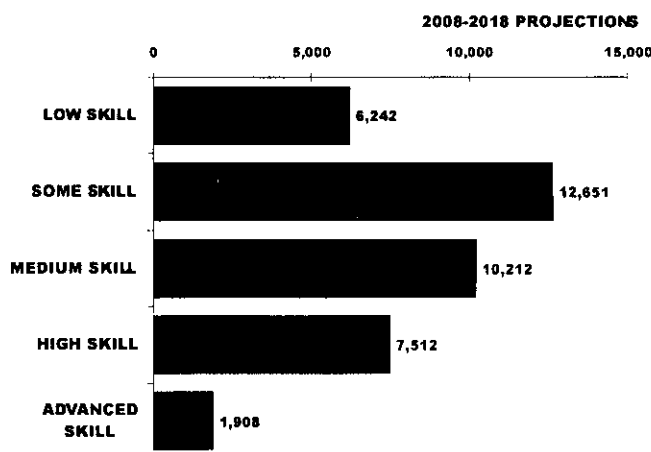
HIGH SKILL

High Skill occupations need a considerable amount of work-related skill, knowledge, or experience. Most of these occupations require a four-year bachelor's degree, but some do not. Employees in these occupations usually need several years of work-related experience, on-the-job training, and/or vocational training. Based on O*NET job zone category 4.

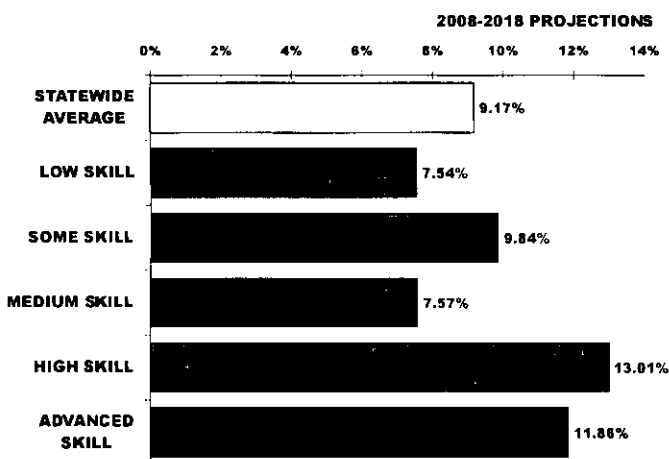
ADVANCED SKILL

Advanced Skill occupations need extensive skill, knowledge, and experience. Many require more than five years of experience. Most of these occupations require graduate school. Employees may need some on-the-job training, but most of these occupations assume that the person will already have the required skills, knowledge, work-related experience, and/or training. Based on O*NET job zone category 5.

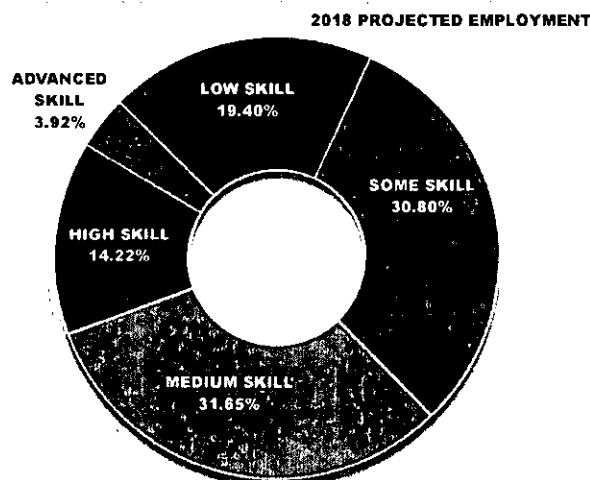
SKILL CLUSTER OPENINGS BY NUMERIC GROWTH



SKILL CLUSTER OPENINGS BY PERCENT GROWTH



SKILL CLUSTERS AS A SHARE OF TOTAL EMPLOYMENT



May not add up to 100% due to rounding.

STATE BOARD FOR CAREER AND TECHNICAL EDUCATION

Policy For Reimbursement of State Funded Programs FY 2011

◆ Secondary Comprehensive Occupational Programs

- 27% Reimbursement on Instructional Salaries and Extended Contracts
- 30% Reimbursement on Approved Travel
- 40% of All Approved Costs at the Area Career and Technology Centers
- No state Reimbursement on Equipment

◆ Exploratory Programs

Family & Consumer Sciences

- 15% Reimbursement on Instructional Salaries and Extended Contracts
- 30% Reimbursement on Approved Travel
- No state Reimbursement on Equipment
- Current Reimbursement is for grades 9-12 only

Technology Education

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

◆ Career Development

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

◆ Adult Level

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

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

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

**Area Career and Technology Centers
Member Schools (74)
2010 - 2011**

North Valley Area Career & Tech Center- Grafton

Grafton, Valley/Edinburg, Inkster (Midway), Park River, St. Thomas, Drayton,

James Valley Area Career & Tech Center - Jamestown

Jamestown, Medina, Montpelier, Pingree-Buchanan

Lake Area Career & Technology Center -Devils Lake

Devils Lake Central, Minnewaukan, School for the Deaf

Sheyenne Valley Area Career and Technology Center – Valley City

Maple Valley-Tower City, Barnes County North at Rogers & Wimbledon, Valley City

Southeast Region Career & Technology Center - Wahpeton and Oakes

Fairmount, Hankinson, Richland/Collfax, Wahpeton, Wyndmere, Oakes, Sargent Central, Lisbon, Lidgerwood, Cambell/Tintah

Roughrider Area Career and Technology Center (Virtual)

Beach, Belfield, Dickinson, Glen Ullin, Hebron, Hettinger, Killdeer, New England, Richardton/Taylor, South Heart, Scranton, Mott-Regent

North Central Area CTC (Virtual)

Bottineau, Dunseith, MLS – (Mohall, Lansford, Sherwood), Rugby, St John
TGU – (Towner-Granville-Upham), Westhope

Missouri River Area CTC (virtual)

Ashley, Beulah, Bismarck, Center-Stanton, Elgin-New Leipzig, Flasher, Gackle-Streeter, Garrison, Goodrich, Hazen, HMB (Hazelton, Moffit, Braddock), Kidder County, Linton, Mandan, McClusky, Napoleon, New Salem, Selfridge, Solen-Cannonball, Standing Rock, Strasburg, Turtle Lake-Mercer, Underwood, Washburn, White Shield, Wilton, Wing, Wishek, Zeeland

CTE Funding Committee
Report to
State Board for Career and Technical Education
May 17, 2010

Final Funding Recommendations

Funding committee members are: Dan Rood – CTE Director of the SE Regional Area CTC, Mike Ness – Superintendent at Hazen, Pam Stroklund – CTE Director Minot Public School, Kevin Nelson – CTE Director Roughrider Area CTC, Darrel Remington – Superintendent at Belfield and CTE Board Chairman, Sen. Rich Wardner, Rep. Joe Kroeber, and Wayne Kutzer – State CTE Director.

Purposes of Review

- 1) Review of current practices
- 2) Build a foundation for next legislative session

Current Funding (Reimbursement) Policy is based on:

- Providing an incentive to schools to offer CTE programming
- Teacher salaries, by program (not number of students)
- Incentives for cooperation and sharing

Outcome of Study

Based on a review of the current funding practices, develop recommendations for the Board to be considered at the May meeting.

Scope of the Review

There were six areas of discussion outlined by the CTE Board but the committee was not necessarily limited to these topics. In the end the Committee did stay with these areas but did expand the discussion with some of them.

- 1) Occupational vs. Exploratory Designation
- 2) Area Center Funding and Comprehensive/Single District Reimbursement Rates
- 3) Funding of Business Ed Courses under Office Technology
- 4) Current CTE Program Funding Approval Policy
- 5) Funding of Career Cluster Courses
- 6) Funding of Equipment with State Funds

Recommendations

Occupational vs. Exploratory Designation

Recommendation: There was not a determination to change the "Occupational vs. Exploratory" designation but to set a goal to increase FACS funding by 2% per year until it reaches the base level (currently 27%).

Maintain the current funding structure for Technology Education (fund equipment not salaries) but look at decreasing the match required by local schools. School match would go from the current 60% to 40%

Fiscal Impact of FACS	First Year - \$162,000
	Second Year - \$323,000
	<u>Total - \$485,000</u>

Fiscal Impact of Tech Ed

To maintain the same level of grant awards we would have to increase the line item from \$200,000 to \$250,000

Area Center Funding and Comprehensive/Single District Reimbursement Rates

Recommendation: Maintain current funding policy for Area Centers and continue to review funding policy for Virtual Area Centers.

Background note: Discussion brought up the current Virtual Area Centers and the need to review their funding to maintain a higher reimbursement rate, at 50% or 60%, while they are on the pilot status.

Also discussed was reviewing the number of program offerings as five may be too many to offer in some situations. It was discussed that Virtual Area Centers have unique challenges, especially when it comes to local funding and the difficulty for a small school to offer so many electives and maintain viability of their own electives and classes.

Funding of Business Ed Courses under Office Technology

Recommendation: Recognize and fund the additional business courses as CTE courses.

14230 - Intro to Business	14010 - Accounting I
14011 - Accounting II	14090 - Personal and Business Law
14024 - Computer Applications	14095 - Consumer Education (Financial Literacy)

- These courses are currently listed on the Coordinated Plans of Study and are accepted as CTE credits for both the graduation and scholarship requirements.
- Courses not approved for funding Keyboarding, Business Math and Business Communications

Fiscal impact of allowing CTE reimbursement for these courses is \$400,000 per biennium.

Current CTE Program Funding Approval Policy

Recommendation: Allow Cooperative Work Experience credit to count towards the credit requirements in T&I courses

No fiscal impact – cleared up present policy

Background note: The committee discussed the need for flexibility, especially when it came to smaller schools, and to closely monitor Cooperative Work Experience using the same minimum enrollment requirements for funding as any other CTE course.

Funding of Career Cluster Courses

Recommendation: Allow funding for Career Cluster Courses

Fiscal Impact: \$40,000 per biennium, for courses that are currently being taught.

Background note: Discussed the flexibility that these courses brought to schools, especially in the Trade and Industry areas, by allowing T&I instructors to teach these courses at the 9th grade level. There is a role Career Cluster Courses can play by building a very broad based set of career knowledge and introductory skills. These courses may be seen as a replacement for the former Industrial Arts courses that were updated by Technology Education courses.

Funding of Equipment with State Funds

Recommendation: Continue present policy not to fund equipment with state funds, except in Technology Education for which funding is only available for equipment, not salaries.

Additionally, establish a pool of equipment funds for new programs to help with the cost of startup and encourage new programs.

Fiscal impact - \$200,000 per biennium with 50% local funds match required. If adopted, it would be an application process with guidelines developed.

Background note: Discussion was focused on continuing the present policy to not fund equipment with state funds, that purchasing of equipment was a local issue based on local needs. There was agreement to fund equipment for new program startups as it is difficult to make a change in program offerings without some funding, but maintaining the equipment in that program would still be a local cost.

NORTH DAKOTA WORKFORCE DEVELOPMENT AND TRAINING STRATEGIC PLAN 2011 – 2013
[www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-\(2\).pdf](http://www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-(2).pdf)

(Excerpt outlining CTE involvement)

Five Goals:

- 1. To be seen as a unified and valued system for delivery of workforce services.**
- 2. To enhance workforce decision making through effective use of coordinated workforce data.**
- 3. To transition the system from a workforce focus to a talent force with a skills focus.**
- 4. To increase the quantity and quality of North Dakota's workforce.**
- 5. To maximize the federal funding available to North Dakota for workforce development and workforce training.**

(4) TO INCREASE THE QUANTITY AND QUALITY OF NORTH DAKOTA'S WORKFORCE

Strategy 4.1: Connect unemployed and underemployed workers to education and skill training which will allow them to acquire skills in demand and remain competitive in a global economy.

Action Goal 4.1.1: Expand availability, accessibility, and affordability of education and skill training for North Dakota's skill shortage and high demand occupations.

Action Plan (3) Through the Department of Career & Technical Education will develop and submit an optional budget for consideration in the Governor's Budget cure funding for a pilot program ("Emerging Technology Competency Certification Training Program"), targeting the under and unemployed in rural communities.

Strategy 4.2: Expand access for youth and adults to secondary and postsecondary basic education and skill training.

Action Goal 4.2.1: Develop and secure sponsorship for legislation which will increase funding for at-risk youth and expand access to opportunities to both basic-skill and job-skill training.

Action Plan (2) Secure support and funding to expand access to Career and Technical Education programs by secondary students which are not served by a Career and Technical Education Center.

Action Plan (3) Secure support and funding to expand access to Career and Technical Education programming, through cooperative agreements between schools, to increase access for secondary students who do not have access at their local school.

Strategy 4.3: Support programs and initiatives which will reduce the number of dropouts at both the secondary and postsecondary level.

Action Goal 4.3.1: Secure State funding to address the needs of at-risk youth and the growing issue of school dropouts in North Dakota.

Action Plan (3) Secure State support and funding to provide more CTE programming, which has demonstrated it increases graduation rates and workforce readiness.

HB 1019
January 12, 2011
Attachment #2

Good morning Chairman Skarphol and members of the Committee. My name is Deanette Piesik, Chair of the four TrainND Regions and Executive Director of the Northwest region based at Williston State College.

TrainND is requesting the same dollar amount as the last biennium of three million dollars. These dollars are split amongst the four regions by the amount of employees and employers.

TrainND has had many accomplishments this past biennium. Here are a few highlights:

- New brand and logo that represents all four regions and is used on statewide promotions and marketing.
- One joint consolidated biennial business plan. Goals and objectives are set by the respective Advisory Boards for each region.
- Strong business support. Over 1,500 businesses sent their employees for training, with 50 % requesting additional training. This demonstrates the quality training that is provided.
- Funding for TrainND is provided in four areas: Training revenue, State Legislative Funds, Business Donations (equipment, cash, etc.), and College Contributions (in-kind). Legislative funds are allocated to pay for infrastructure, awareness of services, additional employees, and the cost to continue workforce training services. Business and industry are to pay for their employee training programs. In some instances, businesses have donated equipment/cash/services to assist TrainND with specific types of training. The community colleges provide space on campus, along with technical and business services support.
- Partnership among the regions. Many of the training programs are expensive to develop and deliver. Whenever possible the regions share instructors and programs. The NW region delivers CDL training in the SW region. The SW region delivers welding training a gas simulator trainer in the northern regions. The NE and SE Train ND regions share manufacturing and CDL training.
- In addition, TrainND is represented on many statewide meetings and collaborate with many state agencies for instance, Department of Commerce, ND Job Service, ND Chamber, area Economic Developers, etc.

The packet includes the Funding Model that was provided to the Interim Legislative Workforce Interim Committee and the Fiscal Year 2010 Annual Reports from each region.

In conclusion, TrainND requests the three million dollars in the Career and Technical Education budget. The regions continue to be appreciative of all parties that had the vision to provide this beneficial service to North Dakota business. Thank you for this opportunity to present information on Train ND. I will answer any questions at this time.



Powered by: Williston State College

Serving the training needs of
business & industry.

ACCOMPLISHMENTS FOR 2010 FISCAL YEAR
(July 1, 2009 - June 30, 2010)

2010 YEAR END REPORT

- 271 businesses received services in 583 training sessions.
- Training sessions consisted of 7,376 participants which include 5,212 unduplicated participants.
- There were 87,494 contact hours of training in the region.
- Of the participants served 99 % were satisfied with the training.
- Of the businesses served, 99 % were satisfied with the training, with 99 % satisfied with the responsiveness of TrainND ~ Northwest in meeting their needs. These results demonstrate responsiveness by the Division to a strong demand for workforce training in the state.
- 184 Businesses requested additional training.

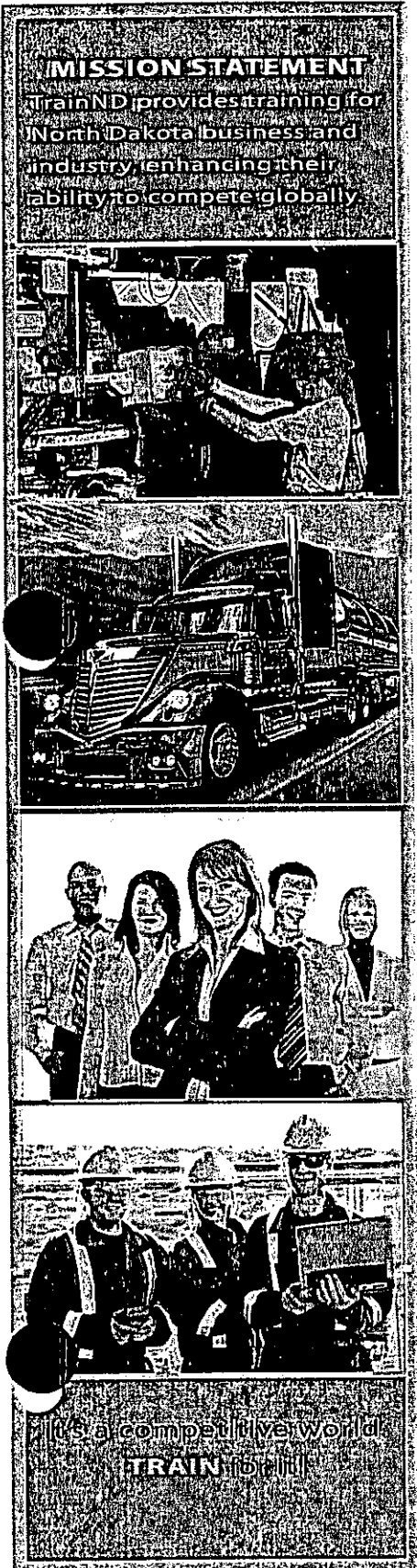
FY COMPARISONS

	2009	2010
number of businesses	248	271
participants (unduplicated)	4,341	5,212
participants (duplicated)	6,769	7,376
businesses requesting additional training	165	184
companies served with <50 employees	217	205
total revenue	\$1,908,798	\$1,656,177
direct training revenue	\$1,144,446	\$1,406,195
training sessions	521	583
contact hours.	71,547	87,494

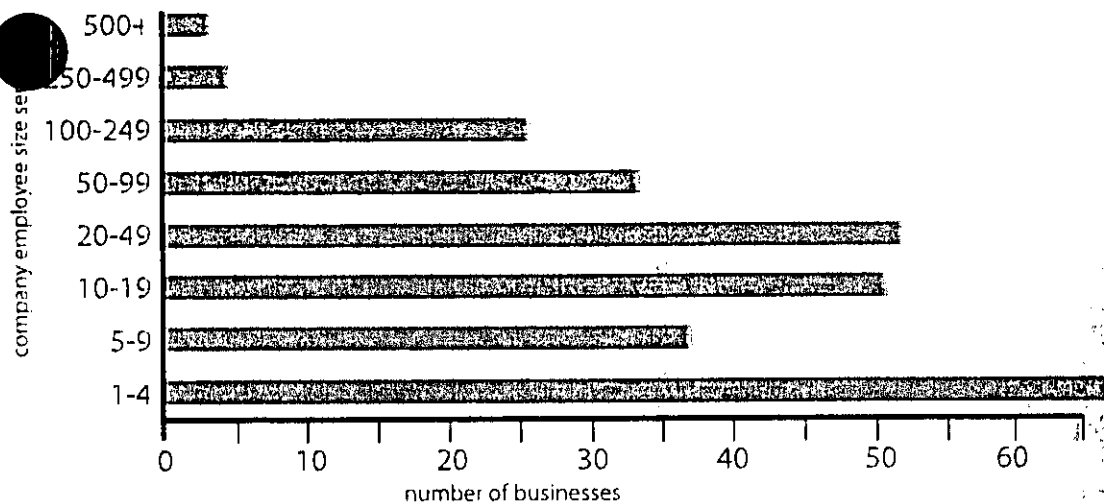
Clients Trained

The following table represents the number of companies in FY 10 for which training was provided and their respective North American Industrial Code Standard number.

NAICS	Description	No. of Companies	Percent
11	Ag, Forestry, Fishing, Hunting	3	1%
21	Mining	180	66%
22	Utilities	8	3%
23	Construction	6	1%
32	Wood, Printing, Manufacturing	1	1%
48	Transportation	26	10%
51	Information	1	1%
52	Finance & Insurance	1	1%
54	Professional, Scientific, and Technical	3	1%
61	Educational Services	15	5%
62	Health care & Social Assistance	16	6%
81	Services and Repairs	1	1%
92	Gov't Public Administration (Fire, Police, etc.)	10	3%
TOTAL		271	100%



OUR CUSTOMERS



PETROLEUM SAFETY & TECHNOLOGY CENTER

Safety training is the foundation of the Petroleum Safety and Technology Center of Excellence. TrainND is in the process of developing and delivering additional technical programs for the oil and gas industry.

Class	Sessions	Participants
8 Hour OSHA General Safety Class	59	1,629
16 Hour OSHA General Safety Class	44	524
24 Hour General Safety Class	19	27
40 Hour General Safety Class	44	433
TOTAL	166	2,613*

Technical/Specialty Training:

Medic First Aid	62	517
Defensive Driving	23	179
Confined Space/Excavation	13	213
H2S/Fit Testing	75	885
Hazwoper	29	348
Fire Extinguisher Training	5	108
Forklift Safety	19	52
OSHA 500/501/502/503/511	4	19
Floorhand for Well Service	4	14
Marathon Oil Safety Orientation	53	1,328
Aerial Lift Training	3	22
SMART School	17	224
Well Control for Drillers/Workovers	11	49
Commercial Drivers License	14	52
TOTAL	332	4,010*

*this is a duplicated head count.



Division of Continuing Education & Training

NORTHWEST ADVISORY BOARD

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ND Job Service

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Workforce Development

Kurt Ehrmantraut

ND Job Service - Bismarck

The Northwest TrainND Provider

Serving the training needs of BUSINESS & INDUSTRY

ACCOMPLISHMENTS FOR FISCAL YEAR 2010

YEAR END REPORT

MISSION STATEMENT

TrainND provides training for North Dakota business and industry, enhancing their ability to compete globally.

- ◆ Direct training revenue was \$304,416; projected goal was \$247,500
- ◆ Served 435 businesses
- ◆ Additional training was requested by 155 businesses, resulting in 35% repeat business.
- ◆ 264 training events were held
- ◆ 100% of the clients served were satisfied with training and the responsiveness of TrainND in meeting their needs
- ◆ 99% of training participants were satisfied with the training provided
- ◆ 507 direct business contacts in the region; projected goal was 400

FY COMPARISONS

	2009	2010
Number of businesses (UND FY10-263; FY09-283)	422	435
Participants (unduplicated)	1,766	1,869
Participants (duplicated)	2,298	2,595
Businesses requesting additional training	182	155
Companies served with <50 employees	346	371
Direct training revenue	\$232,876	\$304,416
Training Events	209	264
Contact hours	17,090	17,244

CLIENTS SERVED

Companies served by North American Industry Classification System Code

NAICS	Description	# of Companies
11	Agriculture	4
22	Utilities	6
23	Construction	1
31	Manufacturing	6
42	Wholesale Trade	2
44	Retail Trade	12
48	Transportation	7
51	Information	7
52	Finance & Insurance	178
53	Real Estate and Rental	2
54	Professional, Scientific & Technical	56
56	Administrative & Support	6
61	Educational Services	32
62	Health Care and Social Assistance	58
71	Arts, Entertainment and Recreation	4
72	Accommodations & Food Services	9
81	Other Services	3
92	Public Administration	42

Total 435

It's a competitive world.
TRAIN for it.

TrainND, CCCC work together on Cherished Elders Program

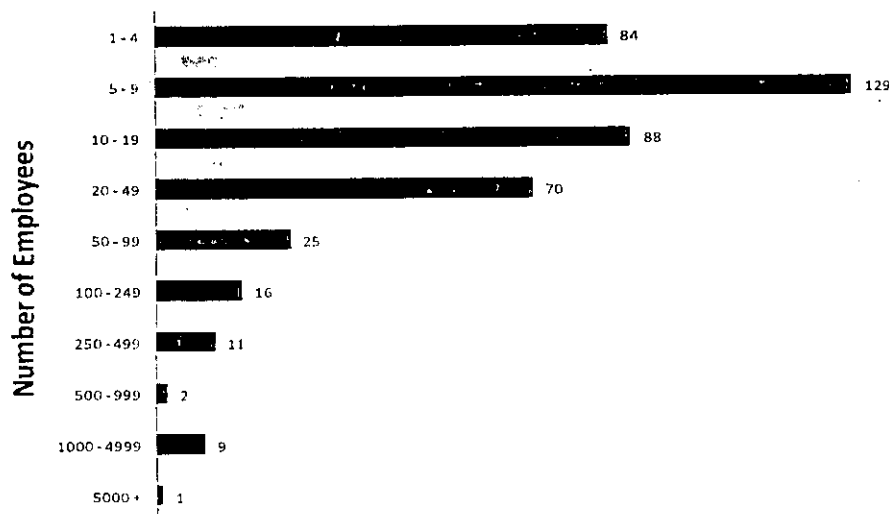
In January 2010, we entered into an alliance with Cankdeska Cikana Community College (CCCC) to provide CNA & QSP (Quality Service Provider) training for their O'Tanka Tewicahidapi Program (Cherished Elders). In accord with the state's Strategic Plan for Workforce Development and Training, this alliance will fulfill Strategy 4.5 "Increase the workforce development and workforce training services for individuals residing on American Indian Reservations."

This alliance, dubbed *An Alliance for Improving Quality in Personal Care Assistance for Rural North Dakota* was made possible by a U.S. Department of Health and Human Services grant. CCCC has recently been awarded another federal grant, *Next Steps: An empowerment model for Native people to enter the health professions*. The purpose of both grants is to provide comprehensive home health care training. The goal of the new grant is to deliver CCCC's model to the other three tribal colleges.

The *Cherished Elders* program is a progressive/aggressive model of worker training that will serve rural North Dakota and the Native American population with high standards, closely scrutinized admission, and top-notch Qualified Service Provider training. We thank CCCC for extending this opportunity and anxiously look forward to the next project's implementation.

OUR CUSTOMERS

Number of companies served by employee size



Our goal is to be an innovative and responsive training resource by providing skills that increase the efficiency and confidence of employees, making them more valuable to employers. —Edie Armey, Director

NORTHEAST ADVISORY BOARD

Keith Reitmeier
North Dakota Job Service

Ken Vein
Altru

Chris Schilken
Forward Devils Lake

Lori Brown
Sioux Manufacturing

Dennis Johnson
State Representative

Amy Wobbema
New Rockford Area
Betterment Corp.

Jay Klemetsrud
Klemetsrud Plumbing

"I would not know where to go for training if the TrainND representatives were not here to help. They have proved to be a great resource for our manufacturing training. The staff is professional, extremely helpful, and they find answers to my questions quickly—I never have to ask twice. TrainND brings quality trainers to our worksite, which is convenient and cost-effective."

—Angie Summers
VP, Operations
Summers Manufacturing

TrainND Northeast Staff
Edith Armey, Director
701-662-1593

Rene LaFrance, Training Manager
701-662-1638

Marlo Miller, Training Manager
701-351-1593

Michelle Faine, Training Coordinator
701-662-1578



ANNUAL REPORT FOR THE 2009-2010 FISCAL YEAR

Powered by: North Dakota State College of Science

BY THE NUMBERS

614 businesses served
318 repeat business
515 training events
1,754 participants (unduplicated)
3,218 registrations (duplicated)
52,586.50 total training hours

99% satisfaction level

\$1,075,694.12 revenue generated from 2009 training fees

\$1,750,000 budgeted amount

OUR CUSTOMERS

Firm Size	# of Firms	% of Total
1 to 4	128	21%
5 to 9	104	15%
10 to 19	101	16%
20 to 49	127	21%
50 to 99	52	9%
100 to 249	54	9%
250 to 499	30	5%
500 to 999	13	2%
1,000 to 4,999	5	1%
Total	614	100%



It's a competitive world. Train for it.

CLIENTS TRAINED

NAICS Codes	# of Firms	% of Total
20 Agriculture, Forestry	28	4.5%
21 Mining	3	.5%
22 Utilities	39	6.5%
23 Construction	87	14%
31 Manufacturing	48	8%
43 Wholesale Trade	43	7%
44 Retail Trade	24	4%
48 Transportation	18	3%
51 Information	23	4%
52 Finance & Insurance	38	6%
53 Real Estate & Rental	8	1.5%
54 Professional Science & Technology	49	8%
55 Management of Companies	2	.5%
56 Administration Support	2	.5%
61 Educational Services	35	5%
62 Health and Social Services	58	9.5%
71 Arts, Entertainment	7	1%
72 Accommodation, Food Service	3	.5%
81 Other Services	47	7.5%
93 Public Administration	52	8.5%
Total	614	100%

TRAINING DELIVERED

Subject Code	# of Classes	Enrolled	Percent
Computer Training	302	1,147	58%
Organizational	1	25	1%
Softskills	48	533	9%
Technical Training	164	1,511	32%
Total	515	3,216	100%

College Outreach Wahpeton/Fargo/Oakes

800 Sixth Street North
Wahpeton, ND 58076-0002

1-800-342-4325 ext. 2206

www.ndscs.edu/outreach

Southeast Advisory Board Members

Marty Aas

Job Service ND

Greg Allen

Cavendish Farms

Carter Hansen

ComDel Innovations

Dan Hoers

Padget Business Services

Jim Johnson

US Bancorp Service Center

Lee Kaldor

ComMark, Inc

Jim Roers

Roers Construction, Inc.

Sharon Schmalz

John Deere Seeding Group

Mark Wolter

Midnite Express

TrainND Mission:

Provide training for North Dakota business and industry enhancing their ability to compete globally.

NDSCS

THE SCIENCE OF SUCCESS

North Dakota State College of Science

www.ndscs.edu



Serving the training needs of
business & industry.

Powered by: Bismarck State College

ACCOMPLISHMENTS FOR 2009-2010 FISCAL YEAR

YEAR END REPORT

MISSION STATEMENT

TrainND provides training for North Dakota business and industry, enhancing their ability to compete globally.

- Direct training revenue generated was \$1,056,648 based on a FY budget of 1,057,310.
- Served 190 businesses.
- Additional training was requested by 88 of the businesses served, resulting in 46% repeat business.
- Training events consisted of 6,237 participants, with several attending multiple events, for a total of 2,809 individual people who received training.
- 827 training events were held.
- Of the clients served, 99% were satisfied with training and the responsiveness of TrainND in meeting their needs.
- 99% of training participants were satisfied with the training provided.
- Contacted 516 businesses in the region, with a goal of 400.

FY COMPARISONS

	2009	2010
number of businesses	188	190
participants (unduplicated)	2,717	2,809
participants (duplicated)	5,521	6,237
businesses requesting additional training	49%	46%
companies served with < 50 employees	59%	36%
total revenue	\$1,390,172	\$1,443,386
direct training revenue	\$1,006,124	\$1,056,648
events	756	827
contact hours	133,160	92,455

CLIENTS TRAINED

Companies Served by North American Industry Classification System Code

NAICS	Description	#of Companies	#of Participants
21	Mining	1	17
22	Utilities	64	1277
23	Construction	7	93
31	Manufacturing	4	99
42	Wholesale Trade	1	14
48	Transportation	1	7
51	Information	1	11
52	Finance/Insurance	15	237
53	Real Estate/Rental	3	32
54	Professional, Scientific & Technical	5	7
55	Management of Co. Enterprises	8	29
56	Administration Support	1	1
61	Educational Services	11	1018
62	Healthcare/Social Assistance	31	203
81	Other Services	8	21
92	Public Administration/Government/Police/Fire	29	2171
99	Open Enrollment		1000

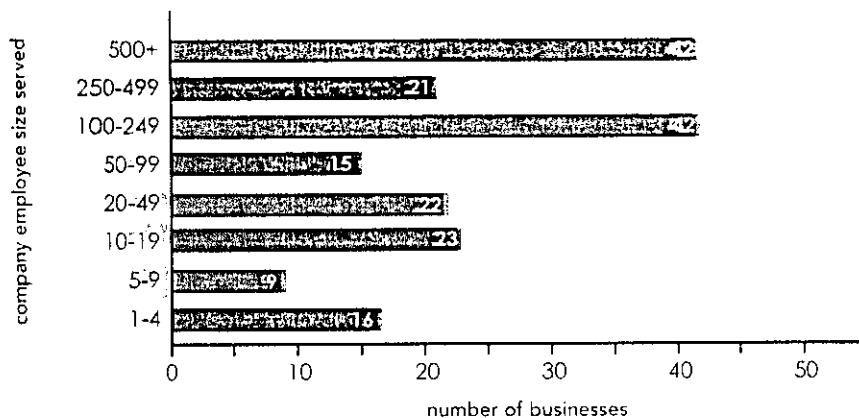
TOTAL 190 6237



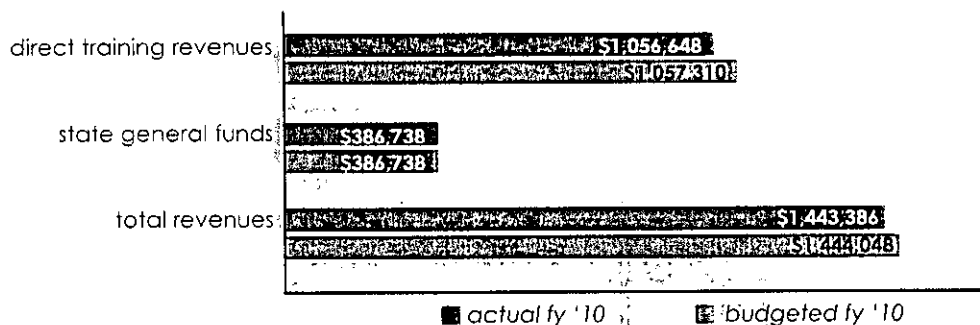
TRAINING DELIVERED

Computer Training	1386	Technical Training	971
Events Held (225)		Events Held (130)	
Access	17	Asbestos	59
Adobe Creative Suite	41	Energy Technology	638
Computer Concepts	43	Heating/Refrigeration	61
Desktop Publishing	26	Welding	213
Excel	383		
Internet	66	Employee Development	2829
Misc.	228	Events Held (198)	
Outlook	64	Attitude/Motivation	1196
Photoshop	10	Customer Service	163
PowerPoint	157	Financial Education	4
Quickbooks	6	Healthcare	636
SQL	2	Misc.	87
Visual Basics	1	Supervisory/Managerial	126
Web Design	32	Team Development	206
Word	256	Workplace Communication	411
Organizational Development	746	Apprenticeships	305
Events Held (40)		Events Held (234)	
Mentorship/Leadership	712		
Strategic Planning	34		
		Total Participants	6237

OUR CUSTOMERS



BUDGET July 2009 through June 2010



SOUTHWEST ADVISORY BOARD

Andrew Allen
 Stoffes Corporation
 Dickinson, ND 58601
 United Tribes Technical College
 Bismarck, ND 58504
 Bollermakers Lodge
 Bismarck, ND 58504
 Aetna
 Bismarck, ND 58503
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 Mandan, ND 58554
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 Pam Treib
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 MDUI Resources
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 John Warch
 Great River Energy
 Underwood, ND 58576
 Carrie Zinke
 American Bank Corp. Ltd.
 Dickinson, ND 58601

TrainND:SW Managers:

Alicia Berger
 Alicia.Berger@bsc.nodak.edu

Deb Larson
 Deborah.A.Larson.1@bsc.nodak.edu

Jeanne Masseth
 Jeanne.Masseth@bsc.nodak.edu

Sara Vollmer
 Sara.Vollmer@bsc.nodak.edu

p 701.224.5600

t 877.846.9387



BISMARCK
STATE COLLEGE

Division of Continuing Education, Training & Innovation

The Southwest TrainND Provider

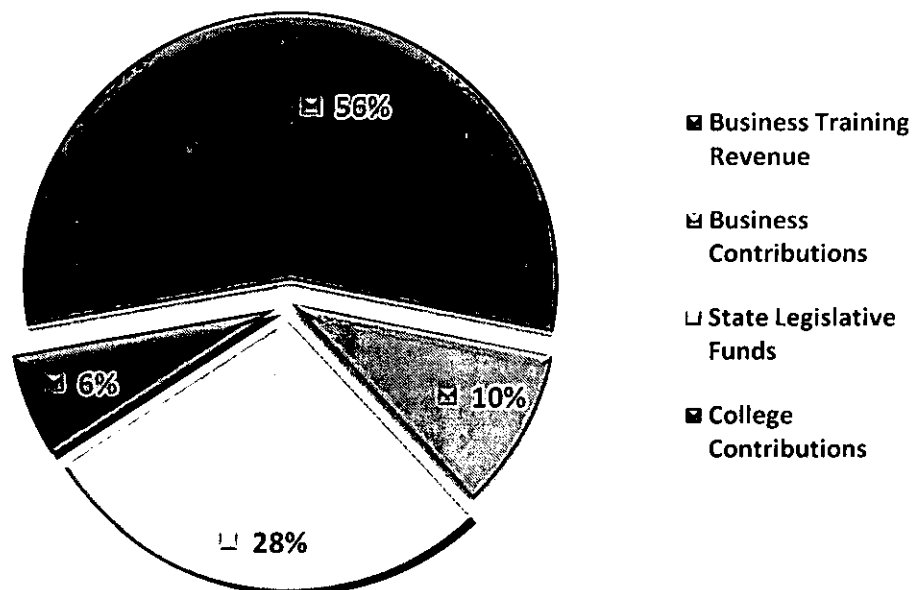
www.trainND.com

FUNDING MODEL



The original funding formula (HB 1443) adopted in 1999 is an excellent working model. Funding is provided in four areas: Training revenue, State Legislative Funds, Business Donations (equipment, cash, etc.), and College Contributions (in-kind). Legislative funds are allocated to pay for infrastructure, awareness of services, additional employees, and the cost to continue workforce training services. Business and industry are to pay for their employee training programs. In some instances, businesses have donated equipment/cash/services to assist TrainND with specific types of training.

FUNDING SOURCES



As the pie chart indicates for Fiscal Years 06-09, TrainND's funding is represented by 4 areas:

- Training revenue accounts for 56% (\$12,079,972) of the total funding.
- Business contributions account for 10% (\$2,138,273) of the total funding. This includes donations to all four regions from equipment (welders, tanks, software, machining, service rig, etc) to training and office space. Over 80 companies have donated services or equipment to TrainND. *Businesses support TrainND by providing 66% (\$14,218,245) of the total operating budget through fees and donations.*
- State legislative funds account for 28% (\$6,000,000) of the total funding.
- The four community colleges provide office space, training rooms, IT support, Business office support, etc. which amounts to 6% (\$1,380,000) of the total funding.
- Total funding from all sources is \$21,598,245.

HB 1019
attachment #3
1/12/11

North Dakota University System
HB 1019 – House Appropriations – Education and Environment
Division

January 12, 2011

Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning, NDUS

Good morning, Chairman Skarphol and members of the House Appropriations Committee – Education and Environment Division. For the record, my name is Marsha Krotseng, Vice Chancellor for Strategic Planning/Exec. Director of CTEC, North Dakota University System. On behalf of the North Dakota University System, I appreciate this opportunity to offer support for the investment that HB 1019 makes in TrainND, North Dakota's workforce training system.

TrainND enables North Dakota to establish and maintain a globally competitive workforce. The customized training provided to workers increases their skills and their productivity, making them even more valuable assets to their respective companies.

Workforce training is delivered short-term; offered on a contractual basis with employers; tailored to the specific employer, providing the training that employer needs, when and where it is needed; and is an important component of the mission of community colleges.

North Dakota's workforce training system consists of four regions based at Williston State College (Northwest), Lake Region State College (Northeast), the North Dakota State College of Science (Southeast) and Bismarck State College (Southwest). It was created by the 1999 Legislature (HB 1443) to "serve the workforce needs of business and industry and to serve as a broker in arranging the delivery of training."

How successfully is TrainND meeting this legislative goal? The bottom line is whether our business customers believe TrainND is effectively meeting their workforce needs. The answer to this question lies in their words (both spoken and written) as well as in their actions. Examples of employers' spoken assessment of TrainND include the following statements by business and industry representatives who participated in a Workforce Training Forum held by the Interim Workforce Committee last June:

- "In the oil industry, the TrainND safety programs are recognized. . . across the industry" which works as a great advantage for oil companies doing business in North Dakota."
- The Forward Devil's Lake Corporation "uses the TrainND program as a recruitment tool."
- A Bobcat representative commented that TrainND was "a tremendous help with the issues relating to start up" when the company opened its new facility in Wahpeton.

The quotes from these business leaders are recorded in the minutes of the June 9, 2010, Interim Workforce Committee meeting.

In written comments completed as background for the Workforce Training Forum, TrainND customers indicated:

- "We use [TrainND] for our business retention and expansion programs as well as offer their services in our business recruitment package."
- "They have spent time connecting with business and industry, assessing training needs and sharing what they have to offer. The training we have received has been excellent and has provided growth for our employees, both personally and professionally."
- "The experience I have had with TrainND has been positive. The instructor comes out to our business to gain a better idea of . . . our training needs. . . and they incorporate the company specific information within their training."
- "The industries in the area will vouch for their positive results."

These are compelling statements, but by themselves they do not provide a complete answer to the question of how successfully TrainND is meeting the legislative goal. Are the employers' words supported by action? Let's examine the numbers.

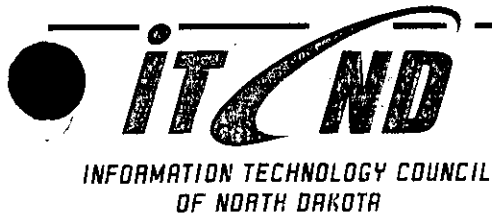
Employers do utilize the services of TrainND in significant numbers. During FY 2010, 1,510 employers contracted with TrainND to provide customized workforce training. The State Board of Higher Education monitors this number since it is one of the measurable objectives in the NDUS Strategic Plan. Of the 1,510 employers, 50 percent requested additional training for their workers. A total of 11,644 individuals in these businesses participated in workforce training, a 5.6 percent increase from 11,028 in FY 2009. Additional performance measures can be found in the *2011 NDUS Legislative Resource Guide* (Section 8 – page 3.1) available on-line at: <http://ndus.edu/uploads%5Cresources%5C2206%5C2011-resource-guide.pdf>

Employers express strong commitment to TrainND in other ways such as providing in-kind contributions. For example, "Basin Electric Power Cooperative has worked with Bismarck State College in establishing a mobile welding trailer" (Workforce Committee Minutes, June 9, 2010). Business leaders from the local communities also offer their valuable time through serving on a regional Workforce Training Advisory Board which provides guidance, recommendations, and input into the business plan for their respective region. Across the state, some 35 businessmen and women are members of one of the four advisory boards.

These are all positive indicators, and, taken together, they demonstrate the significant impact your investment in TrainND has produced during the current biennium. These outcomes would not be possible without your assistance.

In closing, I thank each of you for your continuing support and assure you that TrainND strives to exceed - not just to meet – the expectations of North Dakota's employers as well as your goal for serving the state's increasingly diverse workforce training needs.

Mr. Chairman, Thank you for this opportunity to provide comments. I will be pleased to answer any questions.



HB 1019
Attachment # 4
1/12/11
PO Box 2599 • Bismarck, ND 58502
U.S. Toll Free 1-877-311-1648 • (701) 355-4458 • (701) 223-4645 (Fax)
office@itcnd.org • www.itcnd.org

Testimony of Doug Remboldt
National Information Solutions Cooperative
In Support of HB 1019
January 12, 2011

Chairman Skarphol and members of the Education and Environment Division of the House Appropriations Committee:

My name is Doug Remboldt, and I am the vice president of technology at National Information Solutions Cooperative (NISC) in Mandan. I currently serve as the vice president of the Information Technology Council of North Dakota (ITCND), and it is on ITCND's behalf that I am voicing support of HB 1019.

ITCND was created in 2000 by North Dakota business, government and university leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. ITCND has nearly 100 member organizations, with representatives from both the public and private sector.

According to the *2011 State of the IT Industry Guide*, North Dakota's IT industry will need to replace nearly 40 percent of its current workforce within the next decade. The development of a high-quality workforce is vital to the future growth of North Dakota's IT industry. The Department of Career and Technical Education (CTE) has been a strong partner in assisting the IT industry in meeting these needs.

We support this bill as many of its components will strengthen IT education opportunities for North Dakota students and provide training for IT instructors, thus helping our members secure a workforce in the future. CTE has also been a strong partner in promoting IT careers to students, parents and educators through the IT Career Awareness Program.

We ask for your consideration in providing funding as requested by CTE for increased professional development for teachers in the areas of math and science, expansion of the availability of CTE programs, establishment of two new area centers and inclusion of business education courses in office technology programs of study. These items are important to expanding the training of IT instructors and the availability of quality IT courses to students statewide.

We thank you for your support of IT educational opportunities in the past and urge your support of HB 1019.

HB 1019
Attachment 3

1/12/11

Testimony of Jeb Oehlke
North Dakota Chamber of Commerce
HB 1019
January 12, 2011



Mr. Chairman and members of the committee, my name is Jeb Oehlke and I am here today representing the North Dakota Chamber of Commerce, the principal business advocacy group in North Dakota. Our organization is an economic and geographical cross section of North Dakota's private sector and also includes state associations, local chambers of commerce, development organizations, convention and visitors bureaus and public sector organizations.

The North Dakota Chamber of Commerce would like to voice its support for the continued funding of the North Dakota Workforce Training System in HB 1019. This \$3 million in funding will help to sustain the investments made into our state's growing workforce.

The North Dakota Chamber of Commerce was a driving force in the creation of the Workforce Training System. The North Dakota Chamber recognized then, and still believes today, a trained workforce is an important key for creating business growth. Its support of this system continues because of the system's role in providing skilled workers that are essential to the growth, maintenance, and success of every North Dakota business.

The Workforce Training funding will provide businesses with continued training opportunities, access to outreach personnel, and partnerships with the private sector related to training. The funding allocated for the Workforce Training System in HB 1019 will allow the program to continue to work at its current level of success.

The Workforce Training program has maintained excellent results, and the North Dakota Chamber believes the state needs to continue to investment in its strong human capital. By strengthening our state's workforce, we are investing in the future of North Dakota businesses.

The North Dakota Chamber of Commerce appreciates your past investments in career and technical education and workforce training and encourages you to continue the funding for the North Dakota Workforce Training System at \$3 million.

The Chamber also supports the funding requested in the CTE Budget (\$750,000) which supports our Education and Workforce Policy Statements to support distance learning in career and technical education and support strategies to provide equitable access to education for all students.

Thank you for your consideration. I would be happy to answer any questions.

THE VOICE OF NORTH DAKOTA BUSINESS

State Board for Career and Technical Education
2011-2013 Biennium Budget

LINE ITEMS	2009-2011 Base Budget	Additional Requests*	2011-2013 Budget	Executive Budget	Total Budget
Salaries and Wages	4,210,030		4,210,030	294,061	4,504,091
Operating Expenses	1,226,606		1,226,606	(7,260)	1,219,346
Grants	27,200,000	4,975,000	32,175,000	1,885,000	29,085,000
Adult Farm Management	749,802		749,802		749,802
Workforce Training	3,000,000	-	3,000,000		3,000,000
Postsecondary Grants	357,452		357,452		357,452
Total Line Items	36,743,890	4,975,000	41,718,890	2,171,801	38,915,691

FUNDING SOURCE

General Fund	25,981,008	4,975,000	30,956,008	2,171,801	28,152,809
Special Funds	204,974		204,974		204,974
Federal Funds	10,557,908		10,557,908	4,006	10,557,908
Total Funding Source	36,743,890	4,975,000	41,718,890	2,171,801	38,915,691
FTE	28.5		28.5		28.5

Requests	Executive Recommended
1 400,000	400,000
2 250,000	75,000
3 750,000	400,000
4 2,400,000	1,000,000
5 400,000	
6 325,000	
7 250,000	
8 200,000	10,000
4,975,000	1,885,000

Cost to Continue Reimbursements to Schools
Professional Development (Math in CTE and Teacher/Admin Development)
Expand availability of CTE programs
Two new Area Centers
Include Business Ed courses as eligible for Office Technology for funding
Increase Family and Consumer Science reimbursement rate
Emerging Technology Adult Training Pilot
Establish a 50/50 Match Equipment funding pool
Stop the Violence Project

HB 1010
Appendix D
1/12/11

**Career and Technical Education
2011-2013 Biennium Budget
Optional Budget Request**

Cost to continue same level of reimbursement funding to schools	\$400,000
Professional Development – teachers	\$250,000
Math/Science in CTE – professional development that pairs math or science teachers with CTE teachers to better integrate and reinforce academic concepts. This model has increased math scores by as much as 10% for students taking standardized math tests.	\$200,000
CTE Teacher/Administrator Development – CTE teacher and administrator preparation courses have been eliminated due to low enrollments but are still needed. This funding will provide for start-up of these low incidence – but needed courses.	\$50,000
CTE Accessibility	
Provide funding to expand the number and availability of CTE programming, including cooperative arrangements and distance learning. There were \$216,000 in funding requests for new and expanding programs in FY 2010 alone.	\$750,000
Establish two new area centers, eligible for up to \$600,000 per year of reimbursement – 75% reimbursement first two years, then 60% for the next three years then 40% thereafter. There has been two groups of schools working on proposals, one in the North West and one in the East Central.	\$2,400,000
Expand funding and credit offerings for Office Technology to include traditional Business Ed courses in a program of study such as Accounting I & II.	\$400,000
Increase Family and Consumer Sciences funding by 2% per year. Currently this funding is at 15% while other CTE programs are at 27%. This would move it to 19% by the end of the 2011 – 2013 biennium.	\$325,000
Emerging Technology Adult Pilot – this would create a training and certification program for skills needed especially in the oil industry. We currently have a similar content program at the high school level but this would make it available for adult training as well.	\$250,000
Establish funding pool for equipment in new CTE programs on a 50-50 match basis. Currently there are no state funds for equipment and this would meet the need for new program expansion.	\$200,000
Total Request	\$4,975,000

AB 1019
attachment # 6
1/12/11

	CD Home School	Virtual Area Center	Supporting Students	Receiving Students	Contracting School	ITV Receiving	ITV Transmittin	Shared Instructor	Online Receiving
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sign Language	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welding Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Missouri River Area Career and Technology Center - Bismarck

Drafting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electronics Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Career	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welding Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

North Central Area Career and Technology Center - Rugby

Agriculture Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business and Office Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career Exploration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electronics Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

North Valley Area Career and Technology Center - Grafton

Automotive Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business and Office Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business and Office Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	CD Home School	Virtual Center	Transporting Students	Receiving Students	Contracting School	ITV Receiving	ITV Transmittin	Shared Instru	Online Receiving
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Machining Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welding Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RoughRider Area Career and Technology Center - Hebron

Agriculture Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business and Office Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sheyenne Valley Area Career and Technology Center - Valley City

Automotive Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career and Technical Resource Educator P	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial Art	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Welding Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Southeast Region Career and Technology Center - Oakes Campus

Agriculture Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Automotive Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business and Office Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child Care Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health Careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[illegible]

LB 1019
attachment # 7
1/12/11

Testimony to the ND House of Representatives

Committee on Appropriations

Education and Environment Division

By Eric Johnson, CEO, Avenet LLC

January 13, 2010

Chairman Skarphol and Members of the Committee,

I am Eric Johnson, CEO of Avenet LLC, and I thank you for the opportunity to testify.

Senator Tony Grindberg requested that I testify and provide the committee background information on an initiative contained in Senate Bill No. 2056. The bill was introduced by the Workforce Committee and relates to the Department of Commerce, workforce development, economic development and higher education.

By way of background, I'm a North Dakota native, NDSU graduate and currently the CEO of Avenet LLC, a Web solutions company based in Minneapolis. While our headquarters are in Minneapolis, I want to note that Avenet's leadership team includes several North Dakota natives with strong ties to our home state, and that we have had several employees and contractors based in North Dakota for over 10 years.

Avenet developed and deployed the award-winning electronic portfolio system (www.efoliomn.com) for the Minnesota State College and University system (MnSCU). Designed to help the state's students and workers advance their education and careers, eFolioMinnesota was the nation's first statewide electronic portfolio system. The system is used by K-12 and higher education schools across Minnesota, including both MnSCU and the University of Minnesota, and has won two national awards for technology innovation.

Avenet also developed and deployed eFolioPA, an initiative sponsored by the Pennsylvania Department of Labor & Industry. This is the first state-wide initiative in the US designed to leverage electronic portfolio technology to create a stronger, seamless bridge between higher education and workforce/economic development systems. Although still in its early stages, eFolioPA has been featured as one of two innovative workforce initiatives in a symposium sponsored by Stanford University and a higher education technology consortium in the UK.

Our company is currently working on deploying our eFolio system for the University System of Ohio, one of the nation's largest higher education systems.

We believe these groundbreaking projects have direct application and great value to the State of North Dakota. One of North Dakota's greatest assets is its highly educated and trained people – the knowledge workforce. An 'eFolioND' project could be an innovative initiative to help transition knowledge workers - students, workers and professionals - into jobs and careers that maximize their skills and talents and position North Dakota to meet the workforce and economic development challenges of tomorrow.

As background, electronic portfolios, or eFolios, are multimedia web sites for organizing, managing and showcasing education, skills, career achievements and experience. eFolio's have been described as "the next generation of resumes", "resumes on steroids" and "Facebook Professional". An eFolio allows the user to organize and display his or her skills, knowledge, and experience beyond the confines of a traditional resume. With eFolio's, individuals can utilize multiple media formats to more clearly demonstrate competencies, creating opportunities for use within both education and workforce system.

Traditional resumes and online resume-driven job banks fail to adequately showcase individuals' work products and educational knowledge that are essential to the demonstration of skills in the knowledge-based economy. In contrast, ePortfolios, with familiar Web2.0 and social networking capabilities are more rapidly embraced by students and graduates, increasingly used by employers as an additional tool to appraise job applicants, and required by educators to evaluate and assess program outcomes.

Benefits to ND Higher Education and K-12

An *eFolioND* system could be utilized by higher education institutions across the state to meet their growing needs for online student and faculty portfolios. Through a statewide approach, all students and faculty in North Dakota could utilize a single state-of-the-art ePortfolio system rather than licensing and implementing multiple systems, resulting in significant cost avoidance to these institutions while providing a consistent, yet flexible, integrated system. Moreover, by utilizing a lifelong, statewide ePortfolio system, rather than separate institution-sponsored systems, the higher education system would facilitate the effective integration of future workers into the workforce system, and enhance the ability of state and local economic development officials to effectively market the state's highly educated workforce.

A Groundbreaking Tool for Workforce & Economic Development

As envisioned, *eFolioND* would provide access to lifelong personal ePortfolio accounts and services to all students, job-seekers and professionals seeking to advance their careers in North Dakota. It could also be made available to job-seekers residing outside the state who may wish to relocate or return. Further, this application would be complementary to and could integrate with existing Web based tools already provided by the Department of Commerce and ND's workforce system.

By utilizing a new Web 2.0 eFolio approach that appeals to students, the State could dramatically increase the number of students, alumni, job-seekers and professionals in its 'job bank'. Using this secure, integrated system, economic development officials and employers could search online 24/7/365 to determine the workforce potential by geographic region, skill, education, experience and other factors. To enhance such data, the ePortfolio system can also be utilized to build a "talent bank" to showcase former North Dakotans and ND graduates who have migrated to other states but who desire to return if suitable employment opportunities arise. This approach can help leverage a large, educated "hidden" labor force that has always been viewed as a tremendous asset.

The *eFolioND* system we envision will enable job-seekers, students and professionals to showcase their education and skills to potential employers. In addition, it can provide employers an online portal to rapidly access North Dakota's highly skilled workforce and give state and local economic development officials a unique tool to efficiently market their skilled workforce to prospective employers and companies considering location or expansion in North Dakota.

We look forward to the opportunity to discuss this further with the Committee and its members and would be glad to provide Members a demonstration of the eFolio technology.

Thank you again the opportunity to testify.

**System Information Technology Services Budget History
Prepared for House Appropriations, February 11, 2011**

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Appropriated		Non-Appropriated		Total		Total		All Funds		Appropriated FTE Employees		Non-Appropriated FTE Employees		Total FTE Employees	
	General Fund	Special Funds														
05-07 Adj. Appropriation	\$20,607,093				\$20,607,093		\$15,738,305		\$36,345,398		84		31		115	
07-09 Adj. Appropriation	\$28,703,293	\$2,773,800			\$31,477,093		\$15,618,694		\$47,095,787		90		31.5		121.5	
\$ Incr/Decr over 05-07	\$8,096,200	\$2,773,800			\$10,870,000		(\$119,611)		\$10,750,389		6.0		0.5		6.5	
% Incr/Decr over 05-07	39%				53%		-1%		30%		7%		2%		6%	
09-11 Adj. Appropriation	\$29,540,054	\$1,029,831			\$30,569,885		\$15,060,112		\$45,629,997		103.5		24.5		128	
\$ Incr/Decr over 07-09	\$836,761	(\$1,743,969)			(\$907,208)		(\$558,582)		(\$1,465,790)		13.0		-7.0		6.5	
% Incr/Decr over 07-09	2.9%	-62.9%			-2.9%		-3.6%		-3.1%		14.4%		-22.2%		5.3%	
11-13 Exec. Recommendation	\$35,522,562	\$539,437			\$36,061,999		\$15,441,752		\$51,503,751		103.5		24.5		128	
\$ Incr/Decr over 09-11	\$5,982,508	(\$490,394)			\$5,492,114		\$381,640		\$5,873,754		0.0		0.0		0.0	
% Incr/Decr over 09-11	20.3%	-47.6%			18.0%		2.5%		12.9%		0.0%		0.0%		0.0%	

attachment #1



THE SCIENCE OF SUCCESS

North Dakota State College of Science

62ND LEGISLATIVE ASSEMBLY

House Appropriations Committee – Education and Environment Division

Bob Skarphol, Chairman

Kathy Hawken, Vice Chairman

Mark A. Dosch

Bob Martinson

David Monson

Clark Williams

House Bill 1019

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January 20, 2011

Dr. John Richman, President



## QUICK FACTS

### Priority

To attract, retain, educate, train, graduate, and, place a workforce that will help grow North Dakota's economy.

### Enrollment

25 year high and growing – 2833 headcount  
71% from North Dakota  
51 of 52 North Dakota counties represented within the last two years  
1700 on campus and growing

### Retention Rate

80%, national average is 55.7%

### National Examinations by Students

Exceed national norms in most programs

### Student Satisfaction Rate

86% indicated if they had to do it over they would enroll at NDSCS again

### Graduation Rate

42%, national average is 28%

### Alumni Satisfaction Rate

95% rated NDSCS good to excellent  
100% indicated they would recommend NDSCS

### Graduates

71 % of the 2010 graduates were employed in North Dakota  
249 new employees for North Dakota  
Highest wage earner taking employment in North Dakota earns over \$68,000

### Placement Rate

98%  
22 of 28 programs at 100%  
44 of 52 North Dakota counties represented within the last two years  
3.6 jobs per graduate

### Business/Industry Employer Satisfaction Rate

99% indicated they were satisfied with training provided

### NDSCS Employee Satisfaction Rate

89% indicated they were satisfied or very satisfied with their employment

## **BUDGET IMPLICATIONS EFFICIENCIES/OPERATIONAL CHANGES**

### **Business/Industry Partnerships**

Contributions exceed \$8.7 million  
New partnerships being developed

### **Reallocation and/or Reduction of Staff**

09-11 biennium  
15.5 positions  
\$2.6 million, 3% of budget

### **Collaboration**

With NDSU to provide IT services  
CTEC  
TrainND

### **Curriculum Initiatives**

Developing new, updating current, discontinuing obsolete programs

### **Paperless**

Transitioning to paperless - over 71,000 paperless documents have been processed

### **NDSCS - Fargo**

Offering additional two-year public programs in Fargo - West Fargo, a high population center - will "enhance the state's education and training ability to meet business and workforce needs of the future," as outlined in a North Dakota Department of Commerce Economic Development strategic goal.

### **Senior Living Center – Lutheran Social Services**

Enhance educational opportunities for students  
Assist the city of Wahpeton in meeting an identified housing shortage  
Fiscal benefits for NDSCS

### **Marketing**

Two year college statewide awareness campaign – **thank you**  
NDSCS marketing initiatives  
New website  
Social media enhancements  
Branding our image

## BUDGET CHALLENGES

### **CTE Programming requires greater investment when compared to liberal arts/transfer programs**

- Specialized equipment
- Dedicated facilities
- Faculty to student required ratios
- Competing for faculty with business/industry
- Instructional technology

### **Campus size**

- Third largest in North Dakota University System
- Fifth largest in enrollment

### **Affordability**

We must search, identify and secure additional business/industry partnerships and alternative funding beyond state appropriations and student tuition

### **Accessibility**

Instructional Technology – the use of instructional technology will allow us to create a mobile learning environment as we engage the learner with more effective and efficient teaching methods.

Career Awareness – mini, learning sessions that we travel to or bring to campus students, parents, K-12 teachers, counselors and administrators to raise the awareness of the viable careers available in North Dakota and the education path needed to reach those careers.

Stackable Certificates – repackage our current curriculum such that course length is shorter and courses are packaged such that when completed the student obtains a degree.

Cass County Career and Technical Education Center - this will increase the exposure and awareness of opportunities in CTE programs to students and parents. Coupled with postsecondary will create a seamless career path from high school to college to career.

On- Campus Enrollment Growth – NDSCS has unmet capacity in our residential halls and academic programs that align with North Dakota's current workforce shortages. We currently have available space for 400 additional students who upon graduation would find viable careers in North Dakota.

New Programs – develop new or expand current academic programs that align with targeted industries in North Dakota.

Facilities – build or renovate facilities that create a safe, clean, healthy, green, world-class educational environment.

## APPROPRIATED BUDGETS

### North Dakota State College of Science

#### Comparison of FY2010 Budget to Actual for FY ending 6-30-10

#### FY2010 Operating Budget

| FY2010 General Appropriation & Tuition Budget | Personnel  | Operating | Equipment | Capital/Assets | Total Budget |
|-----------------------------------------------|------------|-----------|-----------|----------------|--------------|
| Instruction                                   | 8,955,875  | 1,119,068 | 77,000    |                | 10,151,943   |
| Institutional Support                         | 2,556,496  | 2,092,960 | 10,000    |                | 4,659,456    |
| Student Services                              | 919,853    | 204,100   |           |                | 1,123,953    |
| Academic Support                              | 1,235,407  | 224,411   |           |                | 1,459,818    |
| Physical Plant                                | 2,652,354  | 2,103,320 |           |                | 4,755,674    |
| Total Appropriation (GF and tuition) for FY10 | 16,319,985 | 5,743,859 | 87,000    |                | 22,150,844   |
| Actual Expenditures to Date, thru 6/30/2010   | 16,231,791 | 4,714,389 | 218,252   |                | 21,164,432   |
| Remaining FY10 Balance                        | 88,194     | 1,029,470 | (131,252) |                | 986,412      |

#### Comparison of FY2011 Budget to Actual through (most recent date available)

#### FY2011 Operating Budget

| FY2011 General Appropriation & Tuition Budget | Personnel  | Operating | Equipment | Capital/Assets | Total Budget |
|-----------------------------------------------|------------|-----------|-----------|----------------|--------------|
| Instruction                                   | 9,300,449  | 1,004,571 | 150,462   |                | 10,455,482   |
| Institutional Support                         | 2,923,525  | 1,807,490 | 3,250     |                | 4,734,265    |
| Student Services                              | 1,027,252  | 207,700   | -         |                | 1,234,952    |
| Academic Support                              | 1,276,244  | 247,766   | -         |                | 1,524,010    |
| Physical Plant                                | 2,789,162  | 2,024,095 | 160,000   |                | 4,973,257    |
| Total Appropriation (GF and tuition) for FY11 | 17,316,632 | 5,291,622 | 313,712   |                | 22,921,966   |
| Actual Expenditures to Date, thru 11/30/2010  | 6,381,924  | 1,957,613 | 265,086   |                | 8,604,623    |
| Remaining FY11 Balance                        | 10,934,708 | 3,334,009 | 48,626    |                | 14,317,343   |

#### 2009-11 Capital Assets Appropriation

|                                                    |  |  |  |            |            |
|----------------------------------------------------|--|--|--|------------|------------|
| Deferred Maintenance 09-11 (Line 54)               |  |  |  | 1,034,143  | 1,034,143  |
| Capital Assets (Line 50)                           |  |  |  | 7,128,332  | 7,128,332  |
| Capital Assets-Off System (Line 52)                |  |  |  | 7,136,000  | 7,136,000  |
| Total Capital Assets (Incl Major Capital Projects) |  |  |  | 15,298,475 | 15,298,475 |
| Actual Expenditures, 7/1/2009-6/30/2010            |  |  |  | 5,310,575  | 5,310,575  |
| Remaining 2009-11 Balance as of 6/30/2010          |  |  |  | 9,987,900  | 9,987,900  |
| Actual Expenditures 7/1/2010-11/30/2010            |  |  |  | 1,453,734  | 1,453,734  |
| Remaining 2009-11 Balance                          |  |  |  | 8,534,166  | 8,534,166  |

# NON-APPROPRIATED BUDGETS

## North Dakota State College of Science

| <i>Comparison of FY2010 Budget to Actual for FY ending 6-30-10</i> |                  |                  |                  |                       |                     |
|--------------------------------------------------------------------|------------------|------------------|------------------|-----------------------|---------------------|
| <i>FY2010 Operating Budget</i>                                     |                  |                  |                  |                       |                     |
| <b>FY2010 Non-appropriated Budget</b>                              | <b>Personnel</b> | <b>Operating</b> | <b>Equipment</b> | <b>Capital Assets</b> | <b>Total Budget</b> |
| Grants and Contracts                                               | 1,302,353        | 424,997          | 428,500          |                       | 2,155,850           |
| Auxiliary Sales and Services                                       | 2,333,740        | 5,733,680        | 11,000           |                       | 8,078,420           |
| Other Non-appropriated Funds*                                      | 2,690,098        | 1,576,463        | 37,500           |                       | 4,304,061           |
| <b>Total Non-appropriated Budget for FY10</b>                      | <b>6,326,191</b> | <b>7,735,140</b> | <b>477,000</b>   |                       | <b>14,538,831</b>   |
| <b>Actual Expenditures thru 6/30/2010</b>                          | <b>6,615,565</b> | <b>8,564,058</b> | <b>487,927</b>   |                       | <b>15,667,552</b>   |
| <b>Remaining FY10 Balance</b>                                      | <b>(289,374)</b> | <b>(828,918)</b> | <b>(10,927)</b>  |                       | <b>(1,129,219)</b>  |

\*Examples of other non-appropriated funds include sales and services of educational activities, such as camps, clinics and workshops; fees; interest income; internal service centers, etc.

| <i>Comparison of FY2011 Budget to Actual through 11-30-10</i> |                  |                  |                  |                       |                     |
|---------------------------------------------------------------|------------------|------------------|------------------|-----------------------|---------------------|
| <i>FY2011 Operating Budget</i>                                |                  |                  |                  |                       |                     |
| <b>FY2011 Non-appropriated Budget</b>                         | <b>Personnel</b> | <b>Operating</b> | <b>Equipment</b> | <b>Capital Assets</b> | <b>Total Budget</b> |
| Grants and Contracts                                          | 1,394,601        | 515,716          | 369,000          |                       | 2,279,317           |
| Auxiliary Sales and Services                                  | 2,106,392        | 2,703,717        | -                |                       | 4,810,109           |
| Other Non-appropriated Funds                                  | 2,655,315        | 3,272,991        | 31,000           |                       | 5,959,306           |
| <b>Total Non-appropriated Budget for FY11</b>                 | <b>6,156,308</b> | <b>6,492,424</b> | <b>400,000</b>   |                       | <b>13,048,732</b>   |
| <b>Actual Expenditures thru 11/30/2010</b>                    | <b>2,461,214</b> | <b>3,611,880</b> | <b>67,869</b>    |                       | <b>6,140,963</b>    |
| <b>Remaining FY11 Balance</b>                                 | <b>3,695,094</b> | <b>2,880,544</b> | <b>332,131</b>   |                       | <b>6,907,769</b>    |
| <b>2009-11 Non-appropriated Capital Assets</b>                |                  |                  |                  |                       |                     |
| Deferred Maintenance 09-11 (Line 54)                          |                  |                  |                  |                       | -                   |
| Capital Assets (Line 50)                                      |                  |                  |                  |                       | -                   |
| Capital Assets Carryover (Line 51)                            |                  |                  |                  |                       | -                   |
| <b>Total Capital Assets (incl. Major Capital Projects)</b>    |                  |                  |                  |                       |                     |
| <b>Actual Expenditures, 7/1/2009-6/30/2010</b>                |                  |                  |                  |                       | -                   |
| <b>Remaining 2009-11 Balance as of 6/30/2010</b>              |                  |                  |                  |                       |                     |
| <b>Actual Expenditures 7/1/2010-11/30/2010</b>                |                  |                  |                  |                       | -                   |
| <b>Remaining 2009-11 Balance as of 11/30/2010</b>             |                  |                  |                  |                       |                     |

**2009-2011 BIENNIUM DEFERRED MAINTENANCE  
ONE-TIME FUNDING (\$1,034,143)**

|                                        |                     |
|----------------------------------------|---------------------|
| Building Exterior                      | \$37,824.20         |
| Mechanical/Electrical Upgrades         | \$508,612.97        |
| Interior Finishes                      | \$0.00              |
| Structural Repairs                     | \$0.00              |
| Paving & Area Lighting                 | \$0.00              |
| Utilities/Infrastructure               | \$41,174.85         |
| Misc. Small Projects < \$50,000        | \$11,497.78         |
| Special Assessments                    | \$0.00              |
| <b>Total Expended through 11/30/10</b> | <b>\$599,109.80</b> |

**CAPITAL PROJECT – GENERAL FUNDS  
NDSCS HORTON HALL RENOVATION PROJECT**

The Legislature provided \$5,700,000 state general funds to be used in FY10 and FY11 for the renovation of Horton Hall. In our original documentation we stated that we would pay for furniture and educational equipment above and beyond the cost of renovation. Because of new Board policies NDSCS requested approval from the Budget Section on March 11, 2010 to increase its original appropriation authority from Horton Hall from \$5.7 million to \$6,375,000, with the additional \$675,000 (GF Operating of \$350,165 and the balance of \$324,835 as an increase in special fund authority) to cover the cost of furniture and equipment.

|                                         |                    |
|-----------------------------------------|--------------------|
| General Construction                    | \$2,123,276        |
| Mechanical Construction                 | \$1,754,436        |
| Electrical Construction                 | \$997,044          |
| Contingency                             | \$375,244          |
| Architect and Engineer Fees             | \$450,000          |
| General Funds                           | \$5,700,000        |
| Furniture & Equipment (College Funding) | \$675,000          |
| <b>Total Adjusted Authorization</b>     | <b>\$6,375,000</b> |
| <b>Total Expended Through 11/30/10</b>  | <b>\$5,962,500</b> |
| <b>Remaining Authorization</b>          | <b>\$412,500</b>   |

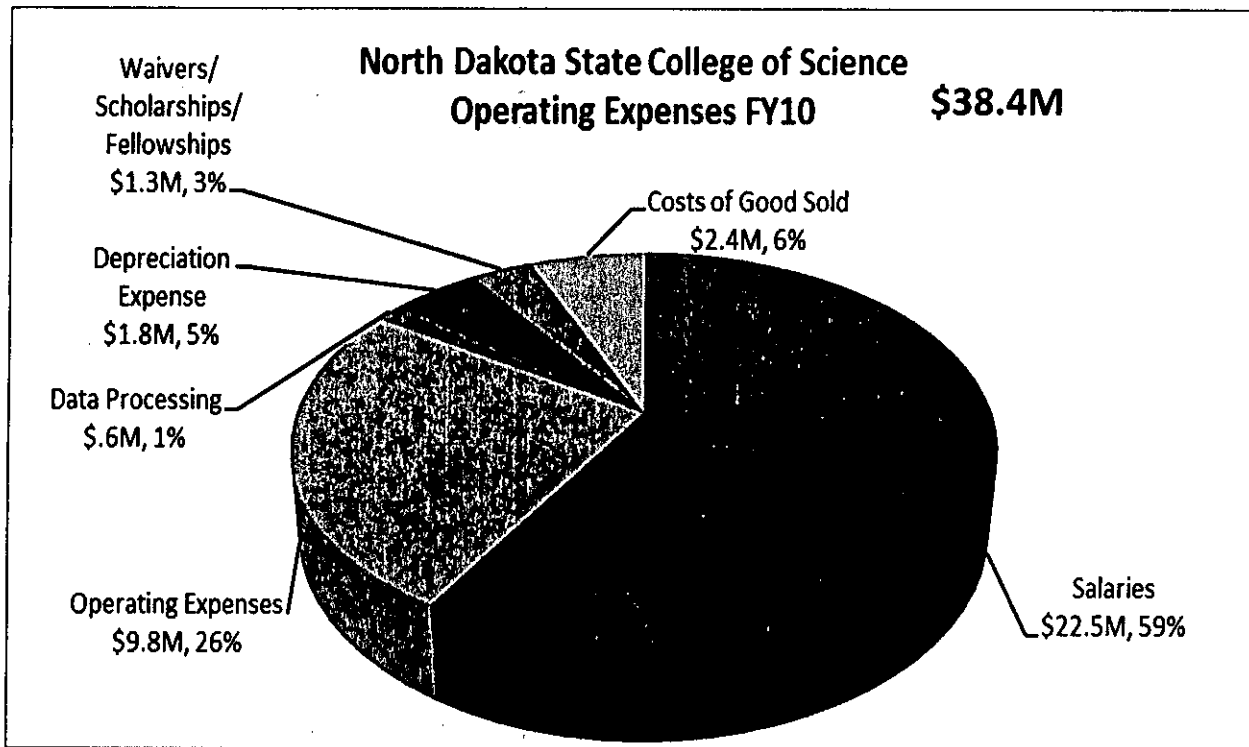
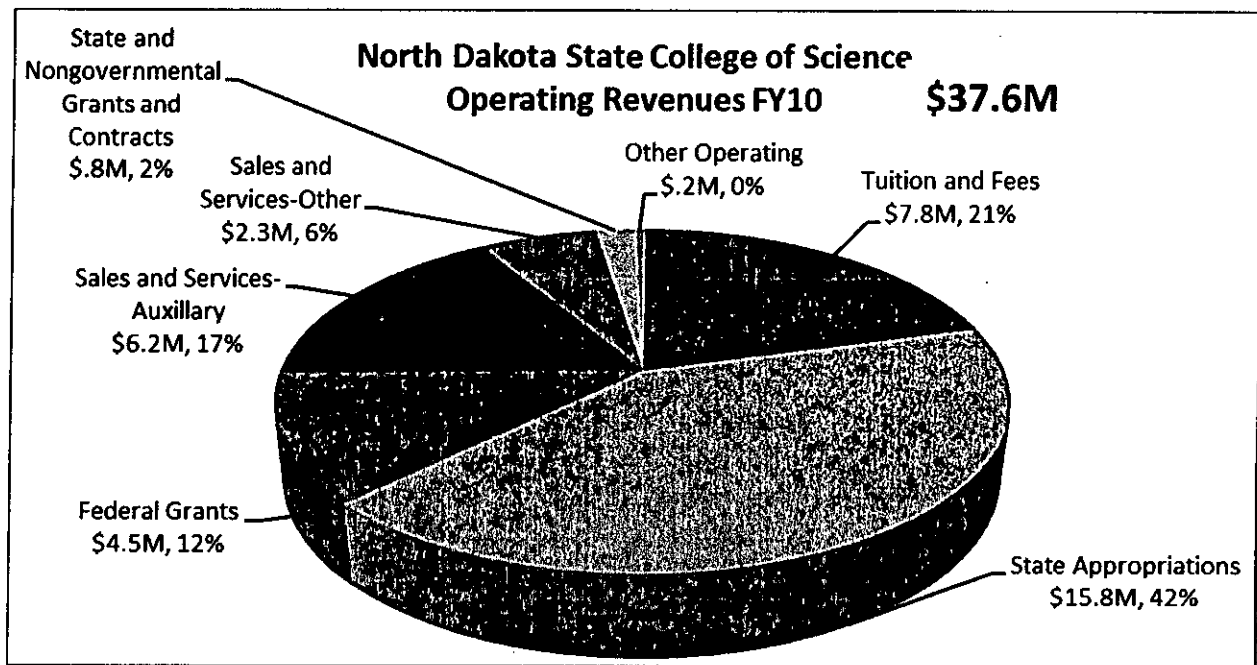
**CAPITAL PROJECT – SPECIAL FUNDS  
NDSCS ROBERTSON HALL RENOVATION & PARKING LOT #4  
PROJECTS**

The Robertson Hall renovation project requested authority to see \$6,000,000 in bonding. After revising the college master plan in FY10, it was decided not to seek bonding for this project and to eliminate this request for the 2009-11 biennium project and not to request an extension of this bonding into the 2011-13 biennium. Parking Lot #4 was also requested for bonding in the amount of \$1,136,000. This project was also eliminated from NDSCS projects because future revenue flows would fund the bonding.

**Total authorized, but will not be expended** **\$7,136,000**



## FISCAL YEAR 2010 BUDGETS



## **2011-2013 BIENNIUM BUDGET OVERVIEW**

### **AA1 Parity: \$1,681,812**

The student share of parity costs would be funded through tuition rate increases, except as noted in change code AA3. The requested parity increase, totaling **\$2,242,416**, includes the state share of the following increased costs for 2011-13, \$1,681,812:

**\$457,315** - Continuation of 2010 -11 legislatively funded salary increase @ 5%.

**\$872,969** - 2011-13 salary increase at an average of 3% per year.

**\$238,572** - 2011-13 estimated health insurance increase of 10% per year or \$173.39 per month. Total projected premium of \$999.05 per month per employee.

**\$25,957** - Projected utility cost increases, based on recent actual and projected cost increases.

**\$87,000** – Utilities for new facilities coming on-line in 2011-13

### **AA2 Equity: \$166,667**

The Governor's budget request includes a \$10 million increase for equity, distributed among the 11 NDUS campuses and SMHS, to address peer differentials. North Dakota State College of Science's portion of the request is \$166,667. The LTF Plan requires a minimum of 10% of the total new funding be allocated to equity, after full funding of the state's share of salaries and benefit cost increases in parity. For the 2011-13 budget request, 10% of the equity request is \$1 million, and 6 campuses (WSC, NDSCS, MaSU, MiSU, VCSU and DCB) will share in the minimum request of \$166,667 each.

### **AA3 College Affordability: \$604,037**

The additional state funding would freeze tuition for the 2011-13 biennium, and replace the need for an estimated tuition increase of 3.4% per year to fund the student share of parity. In addition, \$43,433 would be needed to fund 100% of the student share of retirement contribution increases included in budget change code AA7. Total affordability request is \$604,037.

NOTE: The ability to cap tuition rate increases, as outlined above, is contingent upon the following budget assumptions: 1.) parity costs are fully funded; 2.) campus does not experience significant enrollment decline; and 3.) other budget components requested are funded (e.g. technology infrastructure and maintenance, etc.) so cost increases need not be absorbed within the current resource base.

### **AA4 Base Plus Increase for Extraordinary Repairs: \$1,012,379**

North Dakota State College of Science's portion of the request is \$753,332 for base funding currently received in 2009-11, and \$259,047 for the increase in base funding for extraordinary repairs for 2011-13.

Current deferred maintenance amount = \$4,806,331

**AA7 Employee Retire Contribution Increase: \$130,300**

Consistent with PERS proposal, this would increase Defined Benefit and Contribution retirement plan rates by 2% on 1/1/12 and 2% on 1/1/13, with 50% paid by employer and 50% by employee.

North Dakota State College of Science's portion of the request is \$130,300. This is the state portion only, and \$43,433 is also included in the affordability request in budget change code AA3 for the student portion...100% of the student portion at NDSCS.

**AD1 Special Assessments: \$125,851**

Funding to pay off outstanding special assessments (totaling \$125,851) at North Dakota State College of Science, resulting in \$31,082 estimated savings in interest costs.

We currently are paying special assessments out of our extraordinary repair budget. If we were to receive the funding to pay off special assessments we would use that saving to fund needed facilities and infrastructure repairs.

Anticipated future city of Wahpeton special assessment projects: street and sewer projects \$21,000 fiscal year 2011; \$1 million between fiscal years 2013 – 2016.

**Utilities for new facilities coming on-line in 2011-13 - \$116,000**

STTC (Skills and Training Technology Center) - Fargo, ND

NDSCS took over operation (leasing) of the STTC in February 2001.

When NDSCS began operating the STTC, there were various organizations renting space from the college. The space outside agencies have occupied has been reallocated in recent years.

Most recently, NDSCS in an attempt to meet the workforce needs of the Fargo and West Fargo area have expanded programming in the areas of Welding, Nursing, Liberal Arts and Nanoscience. In addition, the Pathway Program was created and operates within the STTC in partnership with NDSU. NDSCS now academically and administratively occupies more than 75% of the building.

The lease payments do not include utilities and have been the responsibility of NDSCS.

The gross square footage of the building is 65,000.

The last three years the utilities costs have been:

FY07 - \$96,613

FY08 - \$107,598

FY09 - \$111,573

**Small to medium capital project: \$250,000**

Renovate Student Center elevator

## **Additional Considerations**

### **HB1019 CTE appropriation bill-**

Includes \$3 million for workforce training, TrainND has operations at BSC, LRSC, NDSCS, WSC. NDSCS requests your support.

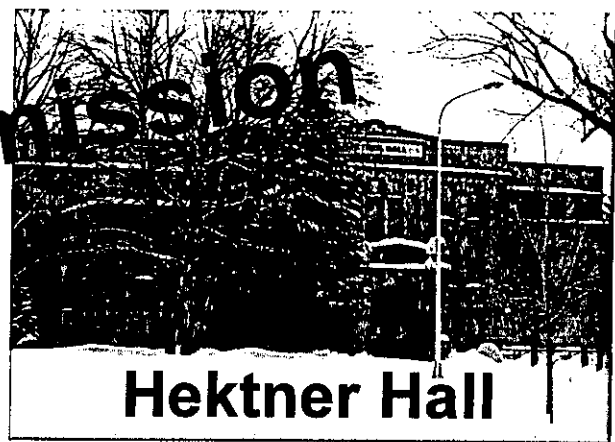
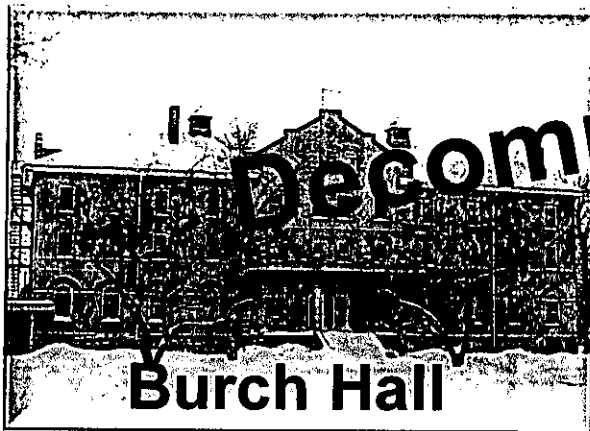
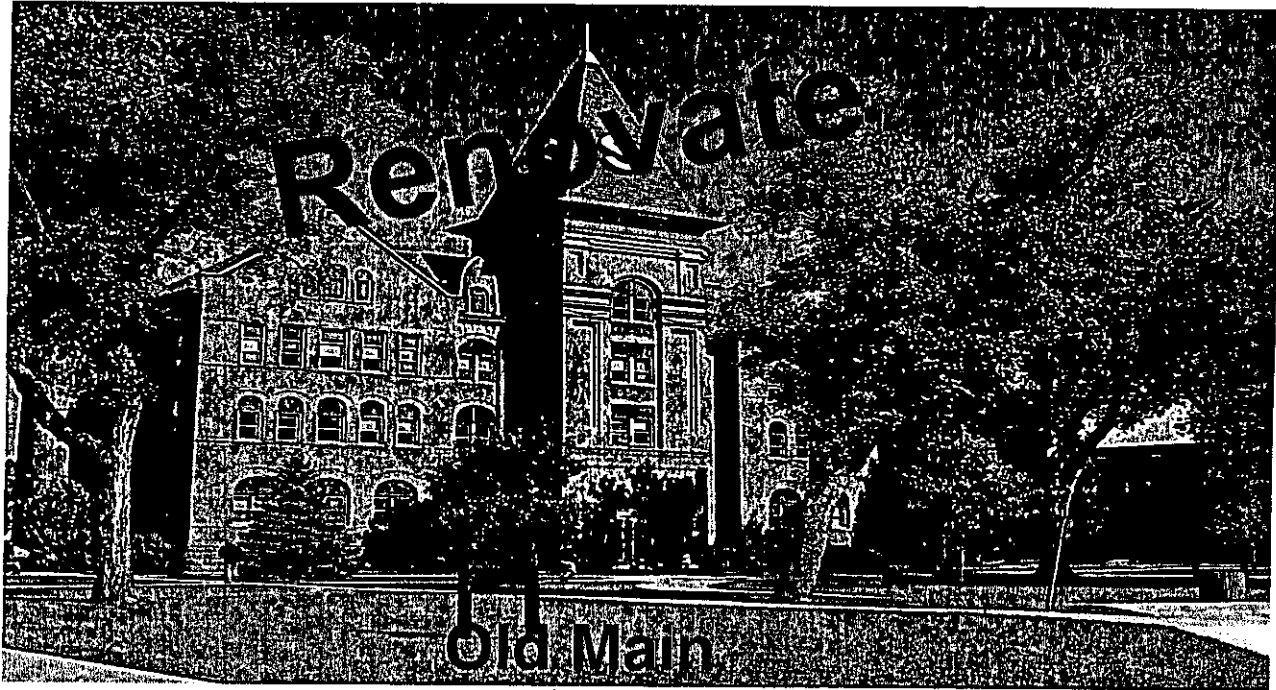
### **HB1018 and SB2057, DOC appropriation bill-**

Includes \$2 million for Workforce Centers of Excellence Grants BSC, LRSC, NDSCS and WSC could apply for funding. NDSCS requests your support.

### **Governor's Budget –**

NDSCS supports, and for the first time in many sessions, would have a balanced projected biennium budget, provided that we have a 2% enrollment growth each year. The budget addresses student affordability, faculty and staff salaries and benefits, and tremendous capital improvements for NDSCS. For new programs or significant improvements in teaching and learning, NDSCS will need to reallocate the resources necessary to invest in the future.

## CAPITAL PROJECTS



State funded –  
Old Main

This project has three key components that will be addressed. First, all of the safety, health and code violations that have increased our deferred maintenance will be addressed and removed with the renovation of Old Main. Second, with decommission and removal of Hektner Hall, all deferred maintenance will be taken off the books. Lastly, the safety concerns with Burch Hall will be removed with decommission and removal of that building. Many maintenance items have not been listed on previous Master Plans due to the fact that code officials have stated if we fix those particular violations it would trigger bringing the building code up-to date.

Project Costs

NDSCS received approval from OMB for pre-planning funds in December 2009 for the proposed renovation of Old Main.

Cost to renovate Old Main

(Includes renovation costs, FF&E, minimal  
landscaping, architectural fees, etc.)

\$ 7,343,800

Payback pre-design fees to OMB

\$ 55,000

Decommission and removal of Hektner Hall  
(Includes all environmental issues)

\$ 337,500

Decommission and removal of Burch Hall  
(Includes all environmental issues)

\$ 443,700

**Total funding requested**

**\$ 8,180,000**

Non-state funded projects -

Forkner Hall, Residence Hall

\$ 5,000,000

Schulz Hall, Residence Hall

\$ 4,000,000

## INSTITUTIONAL PRIORITIES

| NDSCS Priorities Presented to NDUS/SBHE                                                                                                                                                                                                                                                                                                                                                                                                                            | NDUS/SBHE                                  | Executive Plan |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------|
| Affordability – freeze tuition at two year colleges                                                                                                                                                                                                                                                                                                                                                                                                                | ✓                                          | ✓              |
| Salaries/Health Insurance/Retirement                                                                                                                                                                                                                                                                                                                                                                                                                               | ✓                                          | ✓              |
| Old Main renovation capital project                                                                                                                                                                                                                                                                                                                                                                                                                                | ✓                                          | ✓              |
| Additional utilities for Skills and Technology Training Center                                                                                                                                                                                                                                                                                                                                                                                                     | ✓                                          | ✓              |
| Special assessments payment                                                                                                                                                                                                                                                                                                                                                                                                                                        | ✓                                          | ✓              |
| Liberal Arts/Transfer Programming – Fargo                                                                                                                                                                                                                                                                                                                                                                                                                          | New Program Pool<br>\$3,000,000            | \$1,000,000    |
| Small to medium capital projects<br>Student Center elevator                      \$250,000<br>Haverty Hall elevator                        \$250,000<br>Riley Hall elevator                            \$475,000<br>Main oval water/sewer                        \$490,000<br>Clair T. Blikre Activities Center exterior panels \$500,000<br>Partial tuckpointing of various buildings    \$275,000<br>Harry Stern and Ella Stern Cultural Center lights \$195,000 | ✓                                          |                |
| Information Technology                      \$800,000                                                                                                                                                                                                                                                                                                                                                                                                              | IT Pool<br>\$4,300,000                     |                |
| Adult Learning                                \$210,000                                                                                                                                                                                                                                                                                                                                                                                                            | Adult Learner Pool<br>\$300,000            |                |
| Emergency Preparedness<br>Tornado siren                                \$25,000<br>Keyless entry                                  \$38,000                                                                                                                                                                                                                                                                                                                         | Emergency Preparedness Pool<br>\$2,000,000 |                |
| Client Relationship Management (CRM) database                      \$300,000<br>currently being partially funded at \$10,000 by NDUS IT                                                                                                                                                                                                                                                                                                                            |                                            |                |
| Instructional Technology                      \$1,100,000                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |                |
| Institutional data research positions                      \$336,000                                                                                                                                                                                                                                                                                                                                                                                               |                                            |                |
| Increasing accessibility leadership positions                      \$1,900,000                                                                                                                                                                                                                                                                                                                                                                                     |                                            |                |
| Bisek (Diesel) expansion capital project                      \$10,500,000                                                                                                                                                                                                                                                                                                                                                                                         |                                            |                |

## **House Appropriations Committee – Education and Environment Division Discussion Points**

### **Uniqueness of student body**

- State-wide enrollment and placement 70%
- Changing – 25% non-degree seeking

### **Uniqueness of efforts to focus on mission**

- Costs of CTE programs
- Partnerships
- Instructional Technology
- Campus utilization
- On-campus enrollment growth

### **Potential of student attendance in the absence of your institution?**

#### **Out-of-state**

- MSCTC – Moorhead, MN
- SETC – Watertown, SD
- Alexandria TCC, Alexandria, MN

### **Does the size or location of your institution play a large role in the success of your institution?**

Affordability, accessibility and accountability determine success - not size or location.

### **Future mission change and needed flexibility or resources to make it happen.**

No future mission change at this time

Needed flexibility – currently have the necessary flexibility

Needed resources – yes



***For additional information contact:***

**John Richman, Ph.D.**

President

1-800-342-4325, ext. 3-2221 or 701-671-2221

John.Richman@ndscs.edu

**Harvey Link**

Vice President for Academic and Student Affairs

1-800-342-4325, ext. 3-2112 or 701-671-2112

Harvey.Link@ndscs.edu

**Mike Renk**

Vice President for Administrative Affairs

1-800-341-4325, ext. 3-2217 or 701-671-2217

Mike.Renk@ndscs.edu

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**Senate Appropriations  
March 7, 2011  
Testimony on HB 1019  
Department of Career and Technical Education**

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

CTE is more important now than it has ever been; although two years ago I said the same thing, the fact is, it is even more true today. We constantly hear of labor and skill shortages to meet our workforce demands. Career and Technical Education provides students with a connection to the types of careers and skills needed in our workforce. For this reason the access to CTE programming in high schools across the state needs to be expanded and promoted.

CTE is not just welding or nursing, it is a method of teaching that brings the real world experiences and examples – relevance - into the classroom and labs. Students learn better when they are interested and involved in their education. Here CTE has an impact, the graduation rate of students in North Dakota who take two or more sequential credits in CTE is 94% compared to the statewide average of 86%; for Native American students the difference is even more pronounced, 85% graduate if they concentrate in CTE compared to 55% statewide. One of the strategies to keep students in school and have them graduate is to have more relevant courses available, that means CTE programming. According to a Gates Foundation study, 81% of dropouts said “more real world learning” may have influenced them to stay. It stands to reason if you can interest a student in what and how they are learning, they will be engaged.

We are doing a good job in providing many students with CTE programming. There are 21,323 students in grades 9 – 12; about 12,500 in middle school and 9,430 postsecondary students enrolled in CTE. Our agency provides funding, on a reimbursement basis, to 740 approved CTE programs that are offered in high schools across the state in the areas of Agriculture Education, Business and Office Technology, Family and Consumer Sciences, Technology Education, Marketing Education, Information Technology, Career Development, Trade, Technical and Health Careers. T&I is made up of many of the skilled craft areas - auto, construction, welding, health, and electronics. But when we consider the distribution of those programs, especially in the T&I area, we find areas of the state that do not have access to many of the CTE programs that build the skills this state needs to fill its workforce.

Taking into account the total employment in this state, nearly 82% of the occupations require education up to an associate's degree. The multi-colored handout in your materials, "Careers in North Dakota 2010 Edition" published by Job Service ND, shows the breakdown of the skill and education requirements of North Dakota occupations. Even with the higher skill levels needed by our entire workforce, this leaves 18% requiring a bachelor's degree or more. ...and we have 80% of our students attending four year colleges/universities. That is not the mix that this state needs.

We need to provide students better access to more quality CTE programming along with career awareness and planning. The low class sizes and high cost equipment needs of CTE courses are a distinct fiscal barrier for high schools to offer additional CTE courses. To illustrate the need for more access, here are excerpts from other organizations that are supporting CTE:

**ND Youth Council** recommended on page 10 of their report under the title of “Job Opportunities”;

“Increase the number of available Career and Technical Courses for high school students”. The full report is at:

<http://ndyouthforward.files.wordpress.com/2010/08/final-youth-council-report.pdf>

**ND Chambers’ Legislative Policy Statements and Guidelines:**

“Support Legislation which recognizes the role distance learning will play in the future of education and makes ND a leader in the development of distance learning programs for academics as well as Career and Technical Education”.

**ND Workforce Development & Training Strategic Plan 2011 – 2013**, an excerpt of the strategic plan is on the blue handout in your materials. The full plan is at; [www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-\(2\).pdf](http://www.workforce.nd.gov/uploads/resources/942/nd-workforcestrategic-plan-2011-13-(2).pdf) . The plan contains four specific “Action Plans” that support requests in this budget:

“Through the Department of Career & Technical Education will develop and submit an optional budget for consideration in the Governor’s Budget secure funding for a pilot program (“Emerging Technology Competency Certification Training Program”), targeting the under and unemployed in rural communities.”

“Secure support and funding to expand access to Career and Technical Education programs by secondary students which are not served by a Career and Technical Education Center.”

“Secure support and funding to expand access to Career and Technical Education programming, through cooperative agreements between schools, to increase access for secondary students who do not have access at their local school.”

"Secure State support and funding to provide more CTE programming, which has demonstrated it increases graduation rates and workforce readiness."

This support from students, from business, and from government and workforce professionals demonstrates the wide acceptance that we should increase the access to Career and Technical Education to meet the needs of our students and workforce.

In terms of accountability, we just submitted our federal report on December 31<sup>st</sup> and we met all of our federal performance measures. We measure CTE concentrators on eight different secondary "Levels of Performance" – Reading, Math, Skill Attainment, School Completion, Graduation Rate, Placement, Nontraditional Participation and Nontraditional Completion. At the postsecondary we have six "Levels of Performance" Skill Attainment, Credential or Degree Attainment, Retention or Transfer, Placement, Nontraditional Placement, and Nontraditional Completion.

### **Current Biennium Funding**

Our 2009-2011 appropriation is the first column on the yellow handout. It lists our salaries, operating and grants to schools along with specific line item grants for Adult Farm Management, Workforce Training, and Postsecondary Grants. We are on track and will expend our entire budget, with any unexpended funds at the end of the biennium being allocated back out to school districts and Area Centers.

Our total Grants line item is at \$27,200,000, which all goes out to schools and Area Career and Technical Centers based on a percentage of their cost in operating approved CTE programs. The cost of operating a CTE program is higher than a traditional academic course and this funding helps schools to afford that extra cost – it acts as an incentive to schools to offer CTE programming.

We received a \$3 million increase in our reimbursement grants to schools in this biennium. Two million went to increase our reimbursement rates to schools. It enabled us to increase our base rate to schools from 25% to 27% and our rate for Area Centers from 38% to 40%. One million dollars to complete funding started in the 2007-2009 biennium for the three "virtual" area CTE centers. Those virtual area centers are Roughrider Area Career and Technology Center, North Central Area Career and Technology Center and the Missouri River Area Career and Technology Center. It additionally enabled us to fund \$385,000 in new program requests from schools and \$150,000 in additional Cooperative Arrangement requests where schools share CTE programming with other schools chiefly through ITV and online. We continue to provide incentives to schools who offer those CTE opportunities to students who did not have access before. Through these incentives the numbers of CTE courses have expanded which are being delivered via ITV or online. There are currently 79 schools participating, involving 710 students, taking one of 206 sections, from 27 different course offerings. This is in large part due to the incentives that we provide to schools through these dollars. While these are good numbers there is still access or availability problems in local schools to offer a variety of CTE programs, where students can take two or more credits in a given area. There is a salmon colored handout in your materials that list our reimbursement rates to schools.

We also received funding to train and credential Career Advisors at local schools. As of July 1, 2010, school districts needed to reduce their student to counselor ratio down to 300 to 1; it was at 450 to 1. Career Advisors are able to help fill that gap by accounting for up to one-third of a school's counseling program. We have trained and

provisionally certified 20 local Career Advisors, which is less than the 50 anticipated, but we continue to work with schools so that they can meet that need. In many cases schools were able to meet the 300 to 1 ratio by reassigning current counselor time, but the demand for Career Advisors will continue to grow.

We also received an additional \$50,000 through HB1475, for Innovation Grants which brought the total for those grants to \$120,000 for the biennium. These grants are targeted to helping schools fund robotics programs at multiple grade levels and provide funding to UND and NDSU to sponsor regional events where students can compete. We have expended about \$45,000 of the budget the first year of the biennium.

We also have a line item of \$749,802 for Farm Management. We have 14 programs across the state that work with farmers and ranchers to provide them the education they need to run better operations.

We continue to provide the \$3 million in funding for the Workforce Training regions. It is allocated out to each region based on the number of businesses in the region. There is a representative from the Workforce Training Regions here to update you on their activities.

The final line item in that first column is Postsecondary Grants; these are funds that are equally split between each of the five community colleges for help in starting new CTE programs and providing training and mentoring to new CTE instructors direct out of industry.

### **Funding Request**

As you look at the yellow budget sheet, the second column is our initial budget increase request of \$4,975,000. It is broken out on the bottom of the page and also on the

back side with short descriptions for each request, in priority order, which was established by our Board.

The fourth column is the Governor's recommendations as part of the Executive Budget. The last two columns reflect the House actions on our budget. To briefly go through it, the Salaries and Wages line reflect the executive recommendations. The Operating line reflects a negative \$7,260 which was a number of pluses and minuses within our Operating line. On the Grants line the executive recommendation included an increase of \$1,885,000 the House reduced that to \$1,400,000.

We did not request any increases for Adult Farm Management which is at \$749,802, for the Workforce Training Regions at \$3,000,000, or for the Postsecondary Grants of \$357,452.

To complete the columns, under "Funding Source" it shows our source of funding which is about a 70% state and 30% federal funding split. State funds go to schools based on the costs of programs that they offer, while federal funding is allocated based on Title I census data.

To explain and compare our budget request of \$4,975,000, the Governor's recommendation of \$1,885,000, and the House action of \$1,400,000 please look at the bottom of the page where the breakdown is listed, again in our Board's priority order.

Our top priority is \$400,000 for our "Cost to Continue". This will enable us to maintain our level of reimbursement to schools and that amount was part of both the Governor's recommendation and House action.

The next is for professional development, we asked for \$250,000 and the Executive budget recommended \$75,000 and the House removed it completely. We want



to expand our Math-in-CTE project which paired math teachers and CTE teachers in a professional development program. This project is a direct outgrowth of a national research project which we participated in and are now using our own staff to continue. Our intent is to increase the math scores of students in CTE courses, which we have been able to do by 5% to 10 %, on standardized math tests, over the course of one semester using the embedded math concepts in the CTE course. This funding will also help us develop CTE Administrative courses that are no longer being offered by our state's colleges and universities. I ask you to reinstate the \$75,000 removed by the House and ask your consideration to increase it to the \$250,000 of our original request.

The next priority is for \$750,000 to be used for new and expanding CTE programs in local schools and Area Centers. The Executive recommendation was for \$400,000 and the House removed it completely. I would ask that you fully fund this request to the \$750,000 level. Along with creating more access to CTE programming, CTE is a high cost program – more equipment, larger facilities, and smaller teacher to student ratios. This funding will also go towards new and expanding CTE programs in schools. It will help to reduce the cost to schools of offering new CTE programming, creating more access to students. As I mentioned earlier, we approved \$385,000 in new and expanding program request in this current biennium, if this funding was removed completely we would not be able to fund all the requests we receive each year.

The next on the list is \$2.4 million to fund two new virtual Area Career and Technology Centers. The executive budget recommended \$1 million. This would only provide funding for one new center and at a reduced amount. I would request that you consider funding \$1.8 million. We currently have a proposal in our agency for one Area

Center from the northwest part of the state, which involves eight school districts with a high level of cooperation from Williston State College. Our Board has conditionally approved the proposal pending some clarifications on the application and pending the receipt of funds for this proposal. We have also received a letter of "Intent to Apply" for an Area Center in the eastern part of the state signed by eight schools. This request would be for the second year of the biennium; therefore, we would need \$600,000 for that request, bringing the total request to \$1.8 million - \$1.2 for the western Area Center and \$600,000 for the potential Area Center to be developed in the east. Funding for Area Centers are not for bricks and mortar, it is for CTE programming, for instructional delivery equipment, and operating. This funding would cover 75% of the cost for the first two years, 60% of the cost for the next three, and after year five it would go down to 40% which is the current level of funding for Area Centers. On the back of the salmon colored sheet is a list of the Area Centers and their member schools. Here is a slide showing where the current Area Centers are located and the blue shaded area are the proposed Area Centers. Area CTE Centers can provide to area schools, what they cannot provide themselves - a variety of CTE programming. They are a cooperative effort between schools and that cooperation is bringing more access to 75 schools that would not be able to fund this wide of a variety of offerings.

Priorities 5, 6, and 8 were not included in the Executive Budget recommendation or through House action, but I would ask for your consideration to fund these requests. Beginning last January, a committee took a look at some CTE funding policies, and Priorities 5, 6, and 8 came out of that work. The final recommendation of the CTE

Funding Committee that our Board considered in this budgeting process is the green handout.

Priority #7 was also not recommended for funding - it is a pilot Emerging Technology Adult Training program which is an outgrowth of the two labor and skills availability studies done on the oil patch. One completed in 2007 and the other last month. Both studies indicated that 80% of the jobs need a similar educational and skill base that includes hydraulics, pneumatics, mechanical, electrical and computer competencies – exactly what the Emerging Technology project has incorporated into its content. We have been funding a version of this at high schools. The funding for this pilot would ramp up the curriculum to meet the demands for oil industry workers. It would be targeted at unemployed or under employed and would work with JSND, Veterans Services, and other agencies to find and recommend participants.

The executive budget recommendations also included \$10,000 to assist in updating materials and training student peers in a program called “Stop the Violence”. As you can see the House removed the funding. This peer leadership program was conducted in the early 2000’s through the Family, Career, and Community Leaders of America – a CTE student organization affiliated with the Family and Consumer Science Program. The funding will be used to strengthen the focus of the program around bullying by updating the curriculum and training student leaders how to take it back to their school. Originally the program operated with a grant from the national organization and that funding is no longer available. We plan to involve all of our CTE student organizations so that we can impact as many schools as possible. As you can see this was

not a request that we made but came out of the Governor's Office. We are ready and willing to take this project on.

I hope you can agree of our need to promote, enhance and provide greater access to CTE programming.


The funding request in this budget will move us in the right direction and make more funding available, for more CTE courses, to more students, and create awareness that CTE does provide career opportunities. More students enrolled in CTE programs at the secondary level will lead to more students in CTE programs at the postsecondary level and more students entering technical careers and especially the skilled crafts.

Mr. Chairman and members of the committee, we know we are asking for a substantial increase in our funding, even above and beyond the Governor's and the House recommendations and we take the responsibility very seriously. We, our Board and entire staff, believe in Career and Technical Education and what it can do for students. Through the efforts of our staff and our Board, ND schools and Area Career and Technology Centers offer some of the best quality CTE programming in the country. We pride ourselves in the assistance and leadership our agency provides to schools and Area Centers in this state, which in turn, again translates into quality programming for students. We involve business and industry and tie our programs to industry standards. This could not be accomplished without a staff of dedicated people in the Department of Career and Technical Education who operate with a deep sense of passion for what they do.

We must make more CTE programming, more accessible to more students all across the state. We need to help students, parents, administrators, counselors, and

teachers understand that CTE offers career opportunities. I believe that the budget request before you will help us get there.

Mr. Chairman, thank you for the opportunity to talk about CTE and I would be glad to answer any questions that you may have.

  
 North Dakota  
**cte**  
 Career and Technical Education

**Department of  
 Career and Technical  
 Education**  
 Biennium Budget Presentation  
 Senate Appropriation  
 March 7, 2011

### High School Graduation

- Students who take 2 or more sequential credits in a CTE program area;
- 94% graduation rate ...compared to 87% for all students
- 85% graduation rate for Native Americans compared to 55% statewide

### Gates Foundation

81% of dropouts said, **"more real world learning"** may have influenced them to stay in school.

### CTE Enrollment

- Secondary (9-12) - 21,323
  - Middle school - 12,500
- Postsecondary - 9,430

### Program Areas

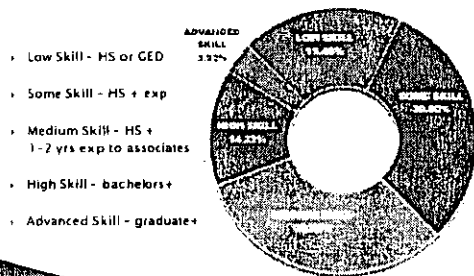
- Agriculture Education
- Business and Office Technology
- Family and Consumer Sciences
- Technology Education
- Marketing Education
- Information Technology
- Career Development
- Trade, Technical and Health Careers

### Secondary Trade, Technical & Health (T&I)

- Auto Collision
- Auto Technology
- Aviation Technology
- Commercial Art
- Const. Technology
- Culinary Arts
- Drafting
- Electronics
- Facilities Maintenance
- Graphic Arts
- Health Careers
- Machine Tooling
- Recreational Engines
- Welding Technology

### Skill Clusters as a Share of Total Employment

2018 employment projections



### ND Youth Council

- "Increase the number of available Career and Technical Courses for high school students".

### ND Chambers' Legislative Policy Statements and Guidelines

- "Support Legislation which recognizes the role distance learning will play in the future of education and makes ND a leader in the development of distance learning programs for academics as well as Career and Technical Education".

### ND Workforce Development & Training Strategic Plan 2011 - 2013

- "Through the Department of Career & Technical Education, will develop and submit an optional budget for consideration in the Governor's Budget secure funding for a pilot program ("Emerging Technology Competency Certification Training Program"), targeting the under and unemployed in rural communities."
- "Secure support and funding to expand access to Career and Technical Education programs by secondary students which are not served by a Career and Technical Education Center."

### ND Workforce Development & Training Strategic Plan 2011 - 2013

- "Secure support and funding to expand access to Career and Technical Education programming, through cooperative agreements between schools, to increase access for secondary students who do not have access at their local school."
- "Secure State support and funding to provide more CTE programming, which has demonstrated it increases graduation rates and workforce readiness."



## CTE Cooperative Arrangements

Courses offered between schools either ITV or online

- › 79 schools participating
- › 710 students taking online or ITV CTE courses
- › 206 CTE course sections
- › 27 CTE course offerings

## Funding to Schools

- › CTE Reimburses
  - 27% on CTE teacher salary
  - 30% on program travel
    - Professional development
    - Student organization
  - 35% on Career Development Counselor
  - 40% at Area Centers

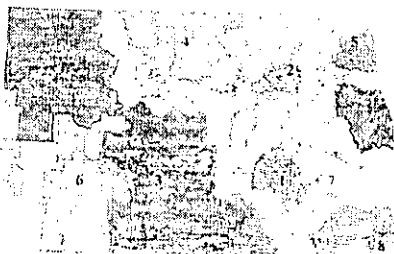
## 2011 - 2013 Budget Request

| Description                     | Request     | Executive Budget | House Action | Additional Request |
|---------------------------------|-------------|------------------|--------------|--------------------|
| 1 Cost to Continue              | \$400,000   | \$400,000        | \$400,000    | \$0                |
| 2 Professional Development      | \$250,000   | \$75,000         | 0            | \$250,000          |
| 3 New & Expanding Programs      | \$750,000   | \$400,000        | 0            | \$400,000          |
| 4 New Virtual Centers (2)       | \$1,800,000 | \$1,000,000      | \$1,000,000  | \$800,000          |
| 5 Expand courses in Office Tech | \$400,000   | 0                | 0            | \$400,000          |
| 6 Increase FACS %               | \$325,000   | 0                | 0            | \$325,000          |
| 7 Adult Emerging Technology     | \$250,000   | 0                | 0            | \$250,000          |
| 8 Stop the Violence             | \$0         | \$10,000         | \$0          | \$10,000           |

## Area Career & Technology Centers 75 schools

- › James Valley ACTC - Jamestown
- › Lake Area CTC - Devils Lake
- › Missouri River ACTC (Virtual)
- › North Central ACTC (Virtual)
- › North Valley ACTC - Grafton
- › Roughrider ACTC (Virtual)
- › SE Regional CTC - Wahpeton and Oakes
- › Sheyenne Valley ACTC - Valley City

## Area Career and Technology Centers



1 James Valley Area Career & Technology Center - Jamestown  
2 Lake Area Career & Technology Center - Devils Lake  
3 Missouri River Area Career & Technology Center - Virtual  
4 North Central Area Career & Technology Center - Virtual  
5 North Valley Area Career & Technology Center - Grafton  
6 Roughrider Area Career & Technology Center - Virtual  
7 SE Regional Area Career & Technology Center - Wahpeton and Oakes  
8 Sheyenne Valley Area Career & Technology Center - Valley City

9 James Valley Area Career & Technology Center - Jamestown  
10 Lake Area Career & Technology Center - Devils Lake  
11 Missouri River Area Career & Technology Center - Virtual  
12 North Central Area Career & Technology Center - Virtual  
13 North Valley Area Career & Technology Center - Grafton  
14 Roughrider Area Career & Technology Center - Virtual  
15 SE Regional Area Career & Technology Center - Wahpeton and Oakes  
16 Sheyenne Valley Area Career & Technology Center - Valley City

## 2011 - 2013 Budget Request

| Description                     | Request     | Executive Budget | House Action | Additional Request |
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| 2 Professional Development      | \$250,000   | \$75,000         | 0            | \$250,000          |
| 3 New & Expanding Programs      | \$750,000   | \$400,000        | 0            | \$400,000          |
| 4 New Virtual Centers (2)       | \$1,800,000 | \$1,000,000      | \$1,000,000  | \$800,000          |
| 5 Expand courses in Office Tech | \$400,000   | 0                | 0            | \$400,000          |
| 6 Increase FACS %               | \$325,000   | 0                | 0            | \$325,000          |
| 7 Adult Emerging Technology     | \$250,000   | 0                | 0            | \$250,000          |
| 8 Stop the Violence             | \$0         | \$10,000         | \$0          | \$10,000           |



**Career and Technical Education  
2011-2013 Biennium Budget  
Optional Budget Request**

|                                                                                                                                                                                                                                                                                                  |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Cost to continue same level of reimbursement funding to schools                                                                                                                                                                                                                                  | <b>\$400,000</b>   |
| Professional Development – teachers                                                                                                                                                                                                                                                              | <b>\$250,000</b>   |
| Math/Science in CTE – professional development that pairs math or science teachers with CTE teachers to better integrate and reinforce academic concepts. This model has increased math scores by as much as 10% for students taking standardized math tests.                                    | <b>\$200,000</b>   |
| CTE Teacher/Administrator Development – CTE teacher and administrator preparation courses have been eliminated due to low enrollments but are still needed. This funding will provide for start-up of these low incidence – but needed courses.                                                  | <b>\$50,000</b>    |
| <b>CTE Accessibility</b>                                                                                                                                                                                                                                                                         |                    |
| Provide funding to expand the number and availability of CTE programming, including cooperative arrangements and distance learning. There were \$216,000 in funding requests for new and expanding programs in FY 2010 alone.                                                                    | <b>\$750,000</b>   |
| Establish two new area centers, eligible for up to \$600,000 per year of reimbursement – 75% reimbursement first two years, then 60% for the next three years then 40% thereafter. There has been two groups of schools working on proposals, one in the North West and one in the East Central. | <b>\$2,400,000</b> |
| Expand funding and credit offerings for Office Technology to include traditional Business Ed courses in a program of study such as Accounting I & II.                                                                                                                                            | <b>\$400,000</b>   |
| Increase Family and Consumer Sciences funding by 2% per year. Currently this funding is at 15% while other CTE programs are at 27%. This would move it to 19% by the end of the 2011 – 2013 biennium.                                                                                            | <b>\$325,000</b>   |
| Emerging Technology Adult Pilot – this would create a training and certification program for skills needed especially in the oil industry. We currently have a similar content program at the high school level but this would make it available for adult training as well.                     | <b>\$250,000</b>   |
| Establish funding pool for equipment in new CTE programs on a 50-50 match basis. Currently there are no state funds for equipment and this would meet the need for new program expansion.                                                                                                        | <b>\$200,000</b>   |
| <b>Total Request</b>                                                                                                                                                                                                                                                                             | <b>\$4,975,000</b> |

# **State Board for Career and Technical Education** **2011-2013 Biennium Budget**

| LINE ITEMS                  | 2009-2011<br>Base Budget | Additional<br>Requests* | 2011-2013<br>Budget | Executive<br>Budget | Executive<br>Budget Total | House<br>Action  | House Budget<br>Total |
|-----------------------------|--------------------------|-------------------------|---------------------|---------------------|---------------------------|------------------|-----------------------|
| Salaries and Wages          | 4,170,030                |                         | 4,170,030           | 334,061             | 4,504,091                 | 334,061          | 4,504,091             |
| Operating Expenses          | 1,226,606                |                         | 1,226,606           | (7,260)             | 1,219,346                 | 7,260            | 1,219,346             |
| Grants                      | 27,200,000               | 4,975,000               | 32,175,000          | 1,885,000           | 29,085,000                | 1,400,000        | 28,600,000            |
| Adult Farm Management       | 749,802                  |                         | 749,802             |                     | 749,802                   |                  | 749,802               |
| Workforce Training          | 3,000,000                | -                       | 3,000,000           |                     | 3,000,000                 |                  | 3,000,000             |
| Postsecondary Grants        | 357,452                  |                         | 357,452             |                     | 357,452                   |                  | 357,452               |
| <b>Total Line Items</b>     | <b>36,703,890</b>        | <b>4,975,000</b>        | <b>41,678,890</b>   | <b>2,211,801</b>    | <b>38,915,691</b>         | <b>1,726,801</b> | <b>38,430,691</b>     |
| <b>FUNDING SOURCE</b>       |                          |                         |                     |                     |                           |                  |                       |
| General Fund                | 25,941,008               | 4,975,000               | 30,916,008          | 2,211,801           | 28,152,809                | 1,722,795        | 27,663,803            |
| Special Funds               | 204,974                  |                         | 204,974             |                     | 204,974                   |                  | 204,974               |
| Federal Funds               | 10,557,908               |                         | 10,557,908          | 4,006               | 10,561,914                | 4,006            | 10,561,914            |
| <b>Total Funding Source</b> | <b>36,703,890</b>        | <b>4,975,000</b>        | <b>41,678,890</b>   | <b>2,171,801</b>    | <b>38,875,691</b>         | <b>1,726,801</b> | <b>38,430,691</b>     |
| <b>FTE</b>                  | <b>28.5</b>              |                         | <b>28.5</b>         |                     | <b>28.5</b>               | <b>28.5</b>      |                       |

| Requests         | Executive<br>Action | House<br>Action  |                                                                           |
|------------------|---------------------|------------------|---------------------------------------------------------------------------|
| 1 400,000        | 400,000             | 400,000          | Cost to Continue Reimbursements to Schools                                |
| 2 250,000        | 75,000              | -                | Professional Development ( Math in CTE and Teacher/Admin Development)     |
| 3 750,000        | 400,000             | -                | Expand availability of CTE programs                                       |
| 4 2,400,000      | 1,000,000           | 1,000,000        | Two new Area Centers                                                      |
| 5 400,000        | -                   | -                | Include Business Ed courses as eligible for Office Technology for funding |
| 6 325,000        | -                   | -                | Increase Family and Consumer Science reimbursement rate                   |
| 7 250,000        | -                   | -                | Emerging Technology Adult Training Pilot                                  |
| 8 200,000        | -                   | -                | Establish a 50/50 Match Equipment funding pool                            |
|                  | 10,000              | -                | Stop the Violence Project                                                 |
| <b>4,975,000</b> | <b>1,885,000</b>    | <b>1,400,000</b> |                                                                           |

CTE Funding Committee  
Report to  
State Board for Career and Technical Education  
May 17, 2010

**Final Funding Recommendations**

Funding committee members are: Dan Rood – CTE Director of the SE Regional Area CTC, Mike Ness – Superintendent at Hazen, Pam Stroklund – CTE Director Minot Public School, Kevin Nelson – CTE Director Roughrider Area CTC, Darrel Remington – Superintendent at Belfield and CTE Board Chairman, Sen. Rich Wardner, Rep. Joe Kroeber, and Wayne Kutzer – State CTE Director.

**Purposes of Review**

- 1) Review of current practices
- 2) Build a foundation for next legislative session

Current Funding (Reimbursement) Policy is based on:

- Providing an incentive to schools to offer CTE programming
- Teacher salaries, by program (not number of students)
- Incentives for cooperation and sharing

**Outcome of Study**

**Based on a review of the current funding practices, develop recommendations for the Board to be considered at the May meeting.**

**Scope of the Review**

There were six areas of discussion outlined by the CTE Board but the committee was not necessarily limited to these topics. In the end the Committee did stay with these areas but did expand the discussion with some of them.

- 1) Occupational vs. Exploratory Designation
- 2) Area Center Funding and Comprehensive/Single District Reimbursement Rates
- 3) Funding of Business Ed Courses under Office Technology
- 4) Current CTE Program Funding Approval Policy
- 5) Funding of Career Cluster Courses
- 6) Funding of Equipment with State Funds

## Recommendations

### Occupational vs. Exploratory Designation

**Recommendation:** There was not a determination to change the "Occupational vs. Exploratory" designation but to set a goal to increase FACS funding by 2% per year until it reaches the base level (currently 27%).

**Maintain the current funding structure for Technology Education (fund equipment not salaries) but look at decreasing the match required by local schools. School match would go from the current 60% to 40%.**

|                        |               |           |
|------------------------|---------------|-----------|
| Fiscal Impact of FACS: | First Year -  | \$162,000 |
|                        | Second Year - | \$323,000 |
|                        | Total -       | \$485,000 |

### Fiscal Impact of Tech Ed

To maintain the same level of grant awards we would have to increase the line item from \$200,000 to \$250,000

### Area Center Funding and Comprehensive/Single District Reimbursement Rates

**Recommendation:** Maintain current funding policy for Area Centers and continue to review funding policy for Virtual Area Centers.

Background note: Discussion brought up the current Virtual Area Centers and the need to review their funding to maintain a higher reimbursement rate, at 50% or 60%, while they are on the pilot status.

Also discussed was reviewing the number of program offerings as five may be too many to offer in some situations. It was discussed that Virtual Area Centers have unique challenges, especially when it comes to local funding and the difficulty for a small school to offer so many electives and maintain viability of their own electives and classes.

### **Funding of Business Ed Courses under Office Technology**

**Recommendation: Recognize and fund the additional business courses as CTE courses.**

14230 - Intro to Business

14010 - Accounting I

14011 - Accounting II

14090 - Personal and Business Law

14024 - Computer Applications

14095 - Consumer Education

(Financial Literacy)

- These courses are currently listed on the Coordinated Plans of Study and are accepted as CTE credits for both the graduation and scholarship requirements.
- Courses not approved for funding Keyboarding, Business Math and Business Communications.

Fiscal impact of allowing CTE reimbursement for these courses is \$400,000 per biennium.

### **Current CTE Program Funding Approval Policy**

**Recommendation: Allow Cooperative Work Experience credit to count towards the credit requirements in T&I courses**

No fiscal impact – cleared up present policy

Background note: The committee discussed the need for flexibility, especially when it came to smaller schools, and to closely monitor Cooperative Work Experience using the same minimum enrollment requirements for funding as any other CTE course.



## Funding of Career Cluster Courses

### **Recommendation: Allow funding for Career Cluster Courses**

Fiscal Impact: \$40,000 per biennium, for courses that are currently being taught.

Background note: Discussed the flexibility that these courses brought to schools, especially in the Trade and Industry areas, by allowing T&I instructors to teach these courses at the 9<sup>th</sup> grade level. There is a role Career Cluster Courses can play by building a very broad based set of career knowledge and introductory skills. These courses may be seen as a replacement for the former Industrial Arts courses that were updated by Technology Education courses.

## Funding of Equipment with State Funds

**Recommendation: Continue present policy not to fund equipment with state funds, except in Technology Education for which funding is only available for equipment, not salaries.**

**Additionally, establish a pool of equipment funds for new programs to help with the cost of startup and encourage new programs.**

Fiscal impact - \$200,000 per biennium with 50% local funds match required. If adopted, it would be an application process with guidelines developed.

Background note: Discussion was focused on continuing the present policy to not fund equipment with state funds, that purchasing of equipment was a local issue based on local needs. There was agreement to fund equipment for new program startups as it is difficult to make a change in program offerings without some funding, but maintaining the equipment in that program would still be a local cost.

## SKILL CLUSTERS

Occupations fall within one of five skill cluster categories outlined below. Each occupation's experience, education, and job training requirements, as outlined by O\*NET job zones, are the primary determinants of a skill cluster assignment. Additionally, an internal review by labor market analysts resulted in the modification of skill cluster assignments for select occupations to better represent the local labor market. Therefore, this publication may not match the O\*NET source material.

### LOW SKILL

**Low Skill** occupations need little or no previous work-related skill, knowledge, or experience. Some of these occupations may require a high school diploma or GED certificate. Employees in these occupations need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job. Based on O\*NET job zone category 1.

### SOME SKILL

**Some Skill** occupations usually need some previous work-related skill, knowledge, or experience. These occupations usually require a high school diploma. Employees in these occupations need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations. Based on O\*NET job zone category 2.

### MEDIUM SKILL

**Medium Skill** occupations require previous work-related skill, knowledge, or experience. Most occupations in this cluster require training in vocational schools, related on-the-job experience, or an associate's degree. Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations. Based on O\*NET job zone category 3.

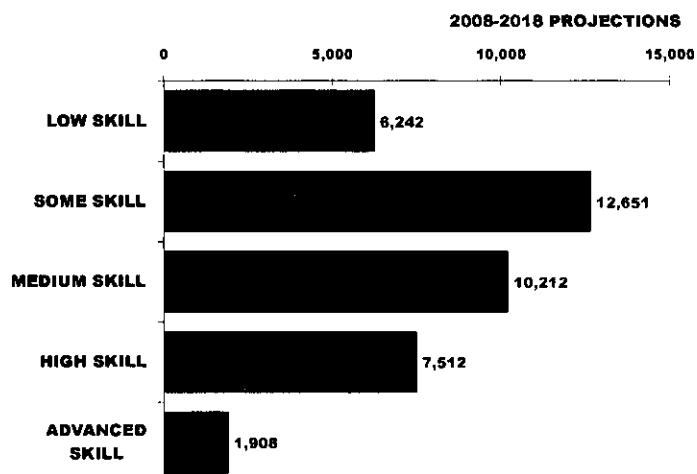
### HIGH SKILL

**High Skill** occupations need a considerable amount of work-related skill, knowledge, or experience. Most of these occupations require a four-year bachelor's degree, but some do not. Employees in these occupations usually need several years of work-related experience, on-the-job training, and/or vocational training. Based on O\*NET job zone category 4.

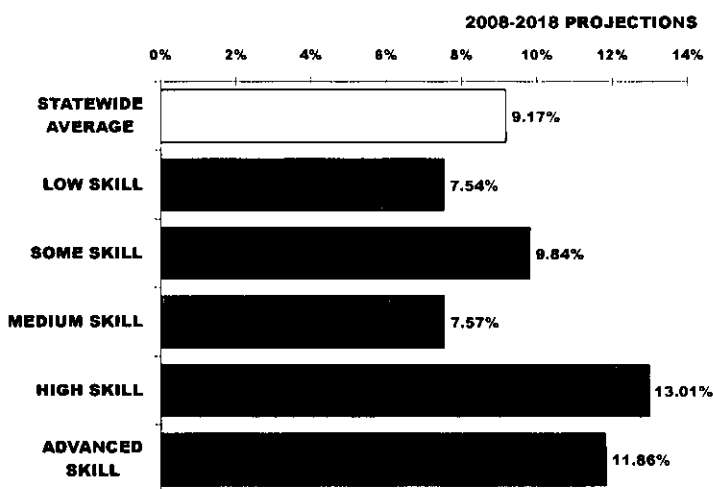
### ADVANCED SKILL

**Advanced Skill** occupations need extensive skill, knowledge, and experience. Many require more than five years of experience. Most of these occupations require graduate school. Employees may need some on-the-job training, but most of these occupations assume that the person will already have the required skills, knowledge, work-related experience, and/or training. Based on O\*NET job zone category 5.

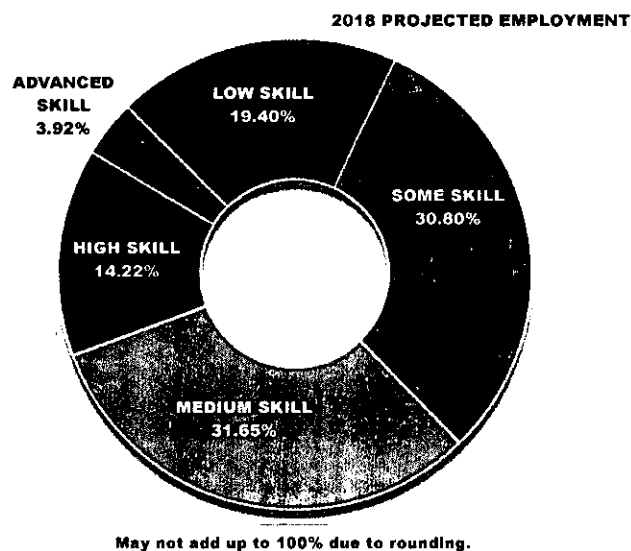
## SKILL CLUSTER OPENINGS BY NUMERIC GROWTH



## SKILL CLUSTER OPENINGS BY PERCENT GROWTH



## SKILL CLUSTERS AS A SHARE OF TOTAL EMPLOYMENT



**Area Career and Technology Centers  
Member Schools (74)  
2010 - 2011**

**North Valley Area Career & Tech Center - Grafton**

Grafton, Valley/Edinburg, Inkster (Midway), Park River, St. Thomas, Drayton,

**James Valley Area Career & Tech Center - Jamestown**

Jamestown, Medina, Montpelier, Pingree-Buchanan

**Lake Area Career & Technology Center - Devils Lake**

Devils Lake Central, Minnewaukan, School for the Deaf

**Sheyenne Valley Area Career and Technology Center - Valley City**

Maple Valley-Tower/City, Barnes County North at Rogers & Wimbledon, Valley City

**Southeast Region Career & Technology Center - Wahpeton and Oakes**

Farmount, Hankinson, Richland/Colfax, Wahpeton, Wyndmere, Oakes, Sargent Central,  
Lisbon, Lidgerwood, Cambell/Tintah

**Roughrider Area Career and Technology Center (Virtual)**

Beach, Belfield, Dickinson, Glen Ullin, Hebron, Hettinger, Killdeer, New England,  
Richardton/Taylor, South Heart, Scranton, Mott-Regent

**North Central Area CTC (Virtual)**

Bottineau, Dunseith, MLS - (Mohall, Lansford, Sherwood), Rugby, St. John  
TGU - (Dowler-Granville-Upham), Westhope

**Missouri River Area CTC (virtual)**

Ashley, Beulah, Bismarck, Center-Stanton, Elgin-New Leipzig, Flasher, Gackle-Streeter,  
Garrison, Goodrich, Hazen, HMB (Hazelton, Moffit, Braddock), Kidder County, Linton,  
Mandan, McClusky, Napoleon, New Salem, Selfridge, Solen-Cannonball, Standing  
Rock, Strasburg, Turtle Lake-Mercer, Underwood, Washburn, White Shield, Wilton,  
Wing, Wishek, Zeeland



# STATE BOARD FOR CAREER AND TECHNICAL EDUCATION

## Policy For Reimbursement of State Funded Programs FY 2011

### ♦ Secondary Comprehensive Occupational Programs

27% Reimbursement on Instructional Salaries and Extended Contracts  
30% Reimbursement on Approved Travel  
40% of All Approved Costs at the Area Career and Technology Centers  
No state Reimbursement on Equipment

### ♦ Exploratory Programs

#### Family & Consumer Sciences

15% Reimbursement on Instructional Salaries and Extended Contracts  
30% Reimbursement on Approved Travel  
No state Reimbursement on Equipment  
Current Reimbursement is for grades 9-12 only

#### Technology Education

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

### ♦ Career Development

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

### ♦ Adult Level

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

### ♦ Coops – Sharing Instructors, Transporting Students and ITV's

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

(Excerpt outlining CTE involvement)

**Five Goals:**

1. To be seen as a unified and valued system for delivery of workforce services.
2. To enhance workforce decision making through effective use of coordinated workforce data.
3. To transition the system from a workforce focus to a talent force with a skills focus.
4. To increase the quantity and quality of North Dakota's workforce.
5. To maximize the federal funding available to North Dakota for workforce development and workforce training.

**(4) TO INCREASE THE QUANTITY AND QUALITY OF NORTH DAKOTA'S WORKFORCE**

**Strategy 4.1: Connect unemployed and underemployed workers to education and skill training which will allow them to acquire skills in demand and remain competitive in a global economy.**

**Action Goal 4.1.1:** Expand availability, accessibility, and affordability of education and skill training for North Dakota's skill shortage and high demand occupations.

**Action Plan (3)** Through the Department of Career & Technical Education will develop and submit an optional budget for consideration in the Governor's Budget cure funding for a pilot program ("Emerging Technology Competency Certification Training Program"), targeting the under and unemployed in rural communities.

**Strategy 4.2: Expand access for youth and adults to secondary and postsecondary basic education and skill training.**

**Action Goal 4.2.1:** Develop and secure sponsorship for legislation which will increase funding for at-risk youth and expand access to opportunities to both basic-skill and job-skill training.

**Action Plan (2)** Secure support and funding to expand access to Career and Technical Education programs by secondary students which are not served by a Career and Technical Education Center.

**Action Plan (3)** Secure support and funding to expand access to Career and Technical Education programming, through cooperative agreements between schools, to increase access for secondary students who do not have access at their local school.

**Strategy 4.3: Support programs and initiatives which will reduce the number of dropouts at both the secondary and postsecondary level.**

**Action Goal 4.3.1:** Secure State funding to address the needs of at-risk youth and the growing issue of school dropouts in North Dakota.

**Action Plan (3)** Secure State support and funding to provide more CTE programming, which has demonstrated it increases graduation rates and workforce readiness.

HB 1019

3-7-11

Carla Hickson

2



# trainNEB

[It's a competitive world. Train for it.]

Powered by:





**TrainND** provides training for North Dakota business and industry, enhancing their ability to compete globally.

### **Why is TrainND important to North Dakota?**

TrainND is the state's most comprehensive and inclusive training network. Our training services for business and industry help North Dakota businesses compete on a global level, and they are tailored to support their efforts to capitalize on growth potential.

### **For clarification purposes, "workforce training"**

Workforce training is defined as training which is oriented toward serving the employee training needs of business and industry. It is business and industry-driven and often involves customized or contract 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.

### **Foundation**

The workforce training system resulted from a 31-member statewide task force on workforce development and training, formed in 1998 to research "best practices" in other states and to design a more effective workforce training system in North Dakota. This initiative was coordinated by the Greater North Dakota Chamber of Commerce and resulted in a proposal for the North Dakota University System and the state legislature. These recommendations were enacted into legislation during the 1999 session. The primary purpose of House Bill 1443 (1999) was to develop a world-class workforce training system in North Dakota.

The State Board of Higher Education has further defined the roles and responsibilities of the Advisory Boards which are to:

- make recommendations concerning priorities of the workforce training regions
- assist in identifying skill shortages and workforce training needs
- provide input for preparation of goals in the business plan
- make recommendations for funding the business plan
- provide connections between institutions and business, labor and industry associations
- assist with establishing strong and effective partnerships with other NDUS institutions and all other related colleges, organizations and agencies
- assist the College Technical Education Council with the development of performance measurements for workforce training
- serve as an advocate for workforce training
- assist with preparation or review of annual workforce training reports

## TIMELY

Provided **WHEN** our customers need it

## RELEVANT

Designed for **WHAT** our customers need

## ADAPTABLE

Customized to **SUIT** our customers

## INNOVATIVE

Developed with **CURRENT** trends in mind

## NATURAL

Instructors who **FIT** the topic and the audience

## NETWORK

Partners statewide to **COLLABORATE** efficiently

## DEPENDABLE

Committed to **RESPOND** promptly

## Fiscal Years 2009/2010

|                            | 2009    | 2010    |
|----------------------------|---------|---------|
| Total training hours       | 275,865 | 249,780 |
| Businesses served          | 1,527   | 1,510   |
| Businesses returned        | 873     | 745     |
| Repeat business            | 56%     | 50%     |
| Total registrations        | 17,918  | 19,426  |
| Unduplicated registrations | 11,028  | 11,644  |
| Employer satisfaction      | 98%     | 99%     |
| Employee satisfaction      | 98%     | 99%     |

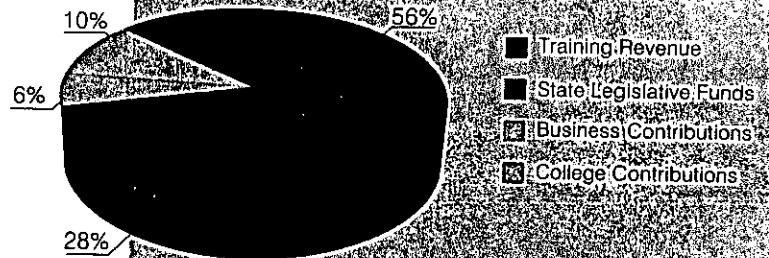
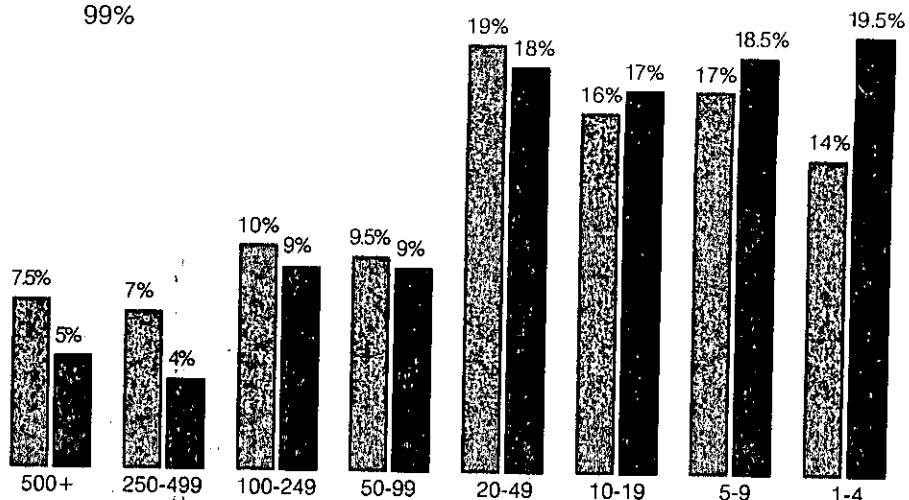
It takes the right  
training to improve,  
grow and succeed.

Businesses Served  
by Size\*

\*Number of Employees

■ 2009

■ 2010



As the pie chart indicates for Fiscal Years 2006-09, TrainND's budget is sustained by four funding sources:

Training revenue accounts for 56% of the total funding.

State legislative funds account for 28% of the total funding.

Business contributions account for 10% of the total funding. This includes donations to all four regions from equipment (welders, tanks, software, machining, servicing, etc.) to training and office space. Over 80 companies have donated services or equipment to TrainND.

The four community colleges provide office space, training rooms, IT support, business office support, etc., which amounts to 6% of the total funding.

## What business leaders are saying

When asked to describe TrainND in one or two words, business leaders, legislators and North Dakota employees at a Statewide Advisory Board Strategic Planning Retreat used words such as:

- Positive, Responsive, Effective,
- Affordable, Vital, Value-added,
- Customized and Flexible.

"I would not know where to go for training if the TrainND representatives were not here to help. They have proven to be a great resource for our manufacturing training. The staff is professional, extremely helpful, and they find answers to my questions quickly—I never have to ask twice. TrainND brings quality trainers to our worksite, which is convenient and cost-effective."

Angie Summers, VP Operations -  
Summers Manufacturing

"This was my second time going through this [training] and both times were great. Always a good refresher and keep up the good work."  
(Guillermo Penallor)

"I would recommend this class to others that use FARO measuring systems." "This class was very helpful in finding new ways to utilize the FARO Arm at our facility."  
Steve McKiver - DMI Industries

## Performance Measures

Performance measures for TrainND were originally recommended by the Statewide Task Force on Workforce Development and Training and agreed upon by all workforce training regions in North Dakota. These performance measures have been approved by the North Dakota State Board of Higher Education, the North Dakota Legislature and the College Technical Education Council. These measures are evaluated via standardized assessment tools given post-training to both the training participants and the contracted employer/organization.

The performance measures are reviewed at regional strategic planning and Advisory Board meetings. They are reported to the North Dakota Legislature and its Interim Committees, the North Dakota State Board of Higher Education the College Technical Education Council on an annual basis.

**trainND**

[www.trainnd.com](http://www.trainnd.com)

# North Dakota University System

## HB 1019 – Senate Appropriations

March 7, 2011

**Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning, NDUS**

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Good morning, Chairman Holmberg and members of the Senate Appropriations Committee. For the record, my name is Marsha Krotseng, Vice Chancellor for Strategic Planning/Exec. Director of CTEC, North Dakota University System. On behalf of the North Dakota University System, I appreciate this opportunity to offer support for the investment that HB 1019 makes in TrainND, North Dakota's workforce training system.

TrainND enables North Dakota to establish and maintain a globally competitive workforce. The customized training provided to workers increases their skills and their productivity, making them even more valuable assets to their respective companies.

Workforce training is delivered short-term; offered on a contractual basis with employers; tailored to the specific employer, providing the training that employer needs, when and where it is needed; and is an important component of the mission of community colleges.

North Dakota's workforce training system consists of four regions based at Williston State College (Northwest), Lake Region State College (Northeast), the North Dakota State College of Science (Southeast) and Bismarck State College (Southwest). It was created by the 1999 Legislature (HB 1443) to "serve the workforce needs of business and industry and to serve as a broker in arranging the delivery of training."

**How successfully is TrainND meeting this legislative goal?** The bottom line is whether our business customers believe TrainND is effectively meeting their workforce needs. The answer to this question lies in their words (both spoken and written) as well as in their actions. Examples of employers' spoken assessment of TrainND include the following statements by business and industry representatives who participated in a Workforce Training Forum held by the Interim Workforce Committee last June:

- "In the oil industry, the TrainND safety programs are recognized. . . across the industry" which works as a great advantage for oil companies doing business in North Dakota."
- The Forward Devil's Lake Corporation "uses the TrainND program as a recruitment tool."
- A Bobcat representative commented that TrainND was "a tremendous help with the issues relating to start up" when the company opened its new facility in Wahpeton.

The quotes from these business leaders are recorded in the minutes of the June 9, 2010, Interim Workforce Committee meeting.

In written comments completed as background for the Workforce Training Forum, TrainND customers indicated:

- "We use [TrainND] for our business retention and expansion programs as well as offer their services in our business recruitment package."
- "They have spent time connecting with business and industry, assessing training needs and sharing what they have to offer. The training we have received has been excellent and has provided growth for our employees, both personally and professionally."
- "The experience I have had with TrainND has been positive. The instructor comes out to our business to gain a better idea of . . . our training needs. . . and they incorporate the company specific information within their training."
- "The industries in the area will vouch for their positive results."

These are compelling statements, but by themselves they do not provide a complete answer to the question of how successfully TrainND is meeting the legislative goal. Are the employers' words supported by action? Let's examine the numbers.

Employers do utilize the services of TrainND in significant numbers. During FY 2010, 1,510 employers contracted with TrainND to provide customized workforce training. The State Board of Higher Education monitors this number since it is one of the measurable objectives in the NDUS Strategic Plan. Of the 1,510 employers, 50 percent requested additional training for their workers. A total of 11,644 individuals in these businesses participated in workforce training, a 5.6 percent increase from 11,028 in FY 2009. Additional performance measures can be found in the *2011 NDUS Legislative Resource Guide* (Section 8 – page 3.1) available on-line at: <http://ndus.edu/uploads%5Cresources%5C2206%5C2011-resource-guide.pdf>

Employers express strong commitment to TrainND in other ways such as providing in-kind contributions. For example, "Basin Electric Power Cooperative has worked with Bismarck State College in establishing a mobile welding trailer" (Workforce Committee Minutes, June 9, 2010). Business leaders from the local communities also offer their valuable time through serving on a regional Workforce Training Advisory Board which provides guidance, recommendations, and input into the business plan for their respective region. Across the state, some 35 businessmen and women are members of one of the four advisory boards.

These are all positive indicators, and, taken together, they demonstrate the significant impact your investment in TrainND has produced during the current biennium. These outcomes would not be possible without your assistance.

In closing, I thank each of you for your continuing support and assure you that TrainND strives to exceed - not just to meet – the expectations of North Dakota's employers as well as your goal for serving the state's increasingly diverse workforce training needs.

Mr. Chairman, Thank you for this opportunity to provide comments. I will be pleased to answer any questions.

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PO Box 2599 • Bismarck, ND 58502  
Phone: 701.355.4458 • Fax: 701.223.4645  
office@itcnd.org • www.itcnd.org

**Testimony of Deana Wiese**  
Executive Director, Information Technology Council of North Dakota  
In Support of HB 1019  
March 7, 2011

Chairman Holmberg and members of the Senate Appropriations Committee:

My name is Deana Wiese, and I am the executive director of the Information Technology Council of North Dakota (ITCND), and am here today to voice ITCND's support of HB 1019.

ITCND was created in 2000 by North Dakota business, government and university leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. ITCND has nearly 100 member organizations, with representatives from both the public and private sector.

According to the *2011 State of the IT Industry Guide*, North Dakota's IT industry will need to replace nearly 40 percent of its current workforce within the next decade. The development of a high-quality workforce is vital to the future growth of North Dakota's IT industry. The Department of Career and Technical Education (CTE) has been a strong partner in assisting the IT industry in meeting these needs.

We support this bill as many of its components will strengthen IT education opportunities for North Dakota students and provide training for IT instructors, thus helping our members secure a workforce in the future. CTE has also been a strong partner in promoting IT careers to students, parents and educators through the IT Career Awareness Program.

We ask for your consideration in reinstating the funding removed by the House and providing funding as requested by CTE, if possible, for increased professional development for teachers in the areas of math and science, expansion of the availability of CTE programs, establishment

of two new area centers and inclusion of business education courses in office technology programs of study. These items are important to expanding the training of IT instructors and the availability of quality IT courses to students statewide.

We thank you for your support of IT educational opportunities in the past and urge your support of HB 1019.

# **State Board for Career and Technical Education** **2011-2013 Biennium Budget**

| LINE ITEMS                  |                   | 2009-2011<br>Base Budget | Additional<br>Requests* | 2011-2013<br>Budget | Executive<br>Budget | Executive<br>Budget Total | House<br>Action  | House Budget<br>Total |
|-----------------------------|-------------------|--------------------------|-------------------------|---------------------|---------------------|---------------------------|------------------|-----------------------|
| Salaries and Wages          | 4,170,030         |                          |                         | 4,170,030           | 334,061             | 4,504,091                 | 334,061          | 4,504,091             |
| Operating Expenses          | 1,226,606         |                          |                         | 1,226,606           | (7,260)             | 1,219,346                 | -7,260           | 1,219,346             |
| Grants                      | 27,200,000        |                          | 4,975,000               | 32,175,000          | 1,885,000           | 29,085,000                | 1,400,000        | 28,600,000            |
| Adult Farm Management       | 749,802           |                          | -                       | 749,802             |                     | 749,802                   |                  | 749,802               |
| Workforce Training          | 3,000,000         |                          | -                       | 3,000,000           |                     | 3,000,000                 |                  | 3,000,000             |
| Postsecondary Grants        | 357,452           |                          | -                       | 357,452             |                     | 357,452                   |                  | 357,452               |
| <b>Total Line Items</b>     | <b>36,703,890</b> |                          | <b>4,975,000</b>        | <b>41,678,890</b>   | <b>2,211,801</b>    | <b>38,915,691</b>         | <b>1,726,801</b> | <b>38,430,691</b>     |
| <b>FUNDING SOURCE</b>       |                   |                          |                         |                     |                     |                           |                  |                       |
| General Fund                | 25,941,008        |                          | 4,975,000               | 30,916,008          | 2,211,801           | 28,152,809                | 1,722,795        | 27,663,803            |
| Special Funds               | 204,974           |                          |                         | 204,974             |                     | 204,974                   |                  | 204,974               |
| Federal Funds               | 10,557,908        |                          |                         | 10,557,908          | 4,006               | 10,561,914                | 4,006            | 10,561,914            |
| <b>Total Funding Source</b> | <b>36,703,890</b> |                          | <b>4,975,000</b>        | <b>41,678,890</b>   | <b>2,171,801</b>    | <b>38,875,691</b>         | <b>1,726,801</b> | <b>38,430,691</b>     |
| <b>FTE</b>                  | <b>28.5</b>       |                          |                         | <b>28.5</b>         |                     | <b>28.5</b>               | <b>28.5</b>      |                       |

| <u>Requests</u> | <u>Executive</u> |  | <u>House</u>  |  |                                                                           |
|-----------------|------------------|--|---------------|--|---------------------------------------------------------------------------|
|                 | <u>Action</u>    |  | <u>Action</u> |  |                                                                           |
| 1 400,000       | 400,000          |  | 400,000       |  | Cost to Continue Reimbursements to Schools                                |
| 2 250,000       | 75,000           |  | -             |  | Professional Development ( Math in CTE and Teacher/Admin Development)     |
| 3 750,000       | 400,000          |  | -             |  | Expand availability of CTE programs                                       |
| 4 2,400,000     | 1,000,000        |  | 1,000,000     |  | Two new Area Centers                                                      |
| 5 400,000       | -                |  | -             |  | Include Business Ed courses as eligible for Office Technology for funding |
| 6 325,000       | -                |  | -             |  | Increase Family and Consumer Science reimbursement rate                   |
| 7 250,000       | -                |  | -             |  | Emerging Technology Adult Training Pilot                                  |
| 8 200,000       | -                |  | -             |  | Establish a 50/50 Match Equipment funding pool                            |
|                 | 10,000           |  | -             |  | Stop the Violence Project                                                 |
|                 | 4,975,000        |  | 1,885,000     |  |                                                                           |
|                 | 1,885,000        |  | 1,400,000     |  |                                                                           |

**Career and Technical Education  
2011-2013 Biennium Budget  
Optional Budget Request**

|                                                                                                                                                                                                                                                                                                   |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Cost to continue same level of reimbursement funding to schools                                                                                                                                                                                                                                   | <b>\$400,000</b>   |
| Professional Development -- teachers                                                                                                                                                                                                                                                              | <b>\$250,000</b>   |
| Math/Science in CTE -- professional development that pairs math or science teachers with CTE teachers to better integrate and reinforce academic concepts. This model has increased math scores by as much as 10% for students taking standardized math tests.                                    | <b>\$200,000</b>   |
| CTE Teacher/Administrator Development -- CTE teacher and administrator preparation courses have been eliminated due to low enrollments but are still needed. This funding will provide for start-up of these low incidence -- but needed courses.                                                 | <b>\$50,000</b>    |
| <b>CTE Accessibility</b>                                                                                                                                                                                                                                                                          |                    |
| Provide funding to expand the number and availability of CTE programming, including cooperative arrangements and distance learning. There were \$216,000 in funding requests for new and expanding programs in FY 2010 alone.                                                                     | <b>\$750,000</b>   |
| Establish two new area centers, eligible for up to \$600,000 per year of reimbursement -- 75% reimbursement first two years, then 60% for the next three years then 40% thereafter. There has been two groups of schools working on proposals, one in the North West and one in the East Central. | <b>\$2,400,000</b> |
| Expand funding and credit offerings for Office Technology to include traditional Business Ed courses in a program of study such as Accounting I & II.                                                                                                                                             | <b>\$400,000</b>   |
| Increase Family and Consumer Sciences funding by 2% per year. Currently this funding is at 15% while other CTE programs are at 27%. This would move it to 19% by the end of the 2011 -- 2013 biennium.                                                                                            | <b>\$325,000</b>   |
| Emerging Technology Adult Pilot -- this would create a training and certification program for skills needed especially in the oil industry. We currently have a similar content program at the high school level but this would make it available for adult training as well.                     | <b>\$250,000</b>   |
| Establish funding pool for equipment in new CTE programs on a 50-50 match basis. Currently there are no state funds for equipment and this would meet the need for new program expansion.                                                                                                         | <b>\$200,000</b>   |
| <b>Total Request</b>                                                                                                                                                                                                                                                                              | <b>\$4,975,000</b> |