

# WORKFORCE COMMITTEE

The Workforce Committee was assigned four studies:

- Section 1 of Senate Bill No. 2122 (2023) directed a study of the workforce training center funding distribution model. The study required consideration of the funding distribution model, statewide integration and alignment across workforce training centers, and awarding college credit for workforce training center-offered training.
- Section 3 of House Bill No. 1519 (2023) directed a study of the use of existing autonomous system capabilities and infrastructure to provide solutions to workforce and safety needs in the state. The study required an analysis of using autonomous technology for infrastructure inspection, rural emergency service needs, agriculture advancement, energy industry application, and other opportunities for collaboration through the use of autonomous system technology.
- Section 52 of Senate Bill No. 2012 (2023) directed a study of the feasibility and desirability of the Legislative Assembly enacting the social work licensure compact. The study required consideration of whether the public and the social work community support enactment and whether the North Dakota Board of Social Work Examiners has the capacity to participate in the compact.
- Section 2 of Senate Bill No. 2170 (2023) directed a study of the feasibility and desirability of creating a state office of apprenticeship. The study required consideration of the advantages and disadvantages of creating the office in comparison to apprenticeships remaining solely under the control of the federal Department of Labor. The study required identification of areas in which the state may exercise more control over the federal labor law to provide more flexibility as it applies to minors at least 16 years of age.

The Legislative Management assigned the committee the responsibility to receive five reports:

- A report from the Industrial Commission regarding the Industrial Commission's findings and recommendations regarding its study of the feasibility and desirability of creating an employee recruitment and retention incentive program for the Bank of North Dakota, pursuant to Section 25 of House Bill No. 1014 (2023).
- Periodic reports from the Labor Commissioner on the status of the Commissioner's review and meetings with each occupational board under North Dakota Century Code Title 43, the Education Standards and Practices Board, and the State Board of Law Examiners to establish a strategy to expedite licensure of out-of-state practitioners and revise continuing education requirements, pursuant to Section 2 of Senate Bill No. 2249 (2023).
- A report from the Department of Commerce regarding workforce development grants awarded to a tribally controlled community college, pursuant to Section 6 of Senate Bill No. 2015 (2023).
- A report from Workforce Safety and Insurance (WSI) on WSI's findings and recommendations for statutory changes regarding its study of Section 65-04-26.2, regarding the liability of a general contractor or the payment of premiums for subcontractors and independent contractors who do not secure required coverage or pay premiums owed, pursuant to Section 9 of House Bill No. 1052 (2023).
- A report from the Bank of North Dakota on the Bank's findings and recommendations regarding its study on environmental, social, and governance trends, laws, and policies that impact businesses and industries of this state, pursuant to Section 5 of House Bill No. 1429 (2023).

Committee members were Representatives Shannon Roers Jones (Chairman), Dick Anderson, Landon Bahl, Josh Christy, Hamida Dakane, Jay Fisher, Mike Motschenbacher, Scott Wagner, and Jonathan Warrey and Senators Jeff Barta, Ryan Braunberger, Randy A. Burckhard, and Michael A. Wobbema.

## WORKFORCE TRAINING CENTER FUNDING DISTRIBUTION MODEL STUDY

Section 1 of Senate Bill No. 2122 (2023) directed a study of the workforce training center funding distribution model. The study required consideration of the funding distribution model, statewide integration and alignment across workforce training centers, and awarding college credit for workforce training center-offered training.

### Background

North Dakota has several workforce training centers preparing individuals to be productive members of the North Dakota workforce. The state invests in these workforce training centers through a program called TrainND. TrainND was created as a result of the recommendations from a 1998 task force formed to study best practices in surrounding states and develop a comprehensive workforce training program. The 56<sup>th</sup> Legislative Assembly enacted House Bill No. 1443 (1999), which created a workforce training board in Chapter 52-08 and provided an appropriation for TrainND.

The State Board for Career and Technical Education distributes funds from federal and state sources to fund career and technical education (CTE), pursuant to Section 15-20.1-05. The board is comprised of the members of the State Board of Public School Education, the Executive Director of Job Service North Dakota, and the Commissioner of Higher Education, or the Commissioner's designee. The 68<sup>th</sup> Legislative Assembly appropriated \$2.5 million to the Department of Career and Technical Education for workforce training in House Bill No. 1019 (2023). Of that amount, \$500,000 was earmarked to defray expenses for salaries and wages of workforce organization employees.

The workforce funding distribution model in repealed Section 52-08-12 was based on covered employment in each TrainND region. Section 52-08-12 was repealed by Senate Bill No. 2109 (2003).

The Department of Career and Technical Education allocates the appropriated funds to each of the four TrainND regions of North Dakota. The primary TrainND institutions in the state are Bismarck State College (BSC), Lake Region State College (LRSC), North Dakota State College of Science (NDSCS), and Williston State College (WSC). Additional regional offices are in Fargo, Grand Forks, Jamestown, and Minot. The current funding formula divides the funds allocated to the department for workforce training among the four TrainND regions based on covered employment figures from Job Service North Dakota. Covered employment consists of the total number of employees attached to employers in the four regions.

As introduced, Senate Bill No. 2122 (2023) proposed the biennial appropriation for workforce training be distributed to workforce training centers by the State Board for Career and Technical Education as follows:

- 50 percent distributed evenly among the workforce training centers;
- 40 percent distributed proportionally among the centers based on the number of workforce members trained in each region according to the statistics from the previous biennium; and
- 10 percent distributed proportionally among the centers based on the number of businesses in each region.

During the 2023 legislative session, the Senate Workforce Development Committee and the House Industry, Business and Labor Committee heard testimony relating to the workforce training center distribution model. The consensus from industry representatives indicated the current funding formula needs reconsideration. As a result, Senate Bill No. 2122 (2023) was amended to provide for the study.

## **Testimony**

### **Department of Career and Technical Education**

The committee received testimony from a representative of the Department of Career and Technical Education which indicated despite the lack of a codified formula, the State Board for Career and Technical Education continues to base funding on the covered employment numbers provided by Job Service North Dakota. Testimony contended a new formula incorporating a combination of different variables may be appropriate for today's workforce climate. These variables include a base allocation, an allocation based on covered employment, the number of employees trained, the number of employers served, the amount of training hours provided, and the impact of the training offered. Testimony indicated these variables could be weighed differently depending on whether the training is customized or reoccurring.

### **Bismarck State College**

The committee received testimony from representatives of BSC regarding the TrainND program. According to the testimony, when the Legislative Assembly created the TrainND program in 1999, the objective was for the program to become self-sufficient. The business demands in the region influence the types of training provided at TrainND Southwest. Testimony indicated approximately 44 percent of the state's covered employment is in western North Dakota, and the TrainND institutions at BSC and WSC trained 77 percent of those employees. Each of the four TrainND regions charge a business fair market value for administering training programs. Testimony contended a new funding model could consider covered employment, a baseline allocation, the number of full-time employees in each region, success rates, and performance measures. The committee was informed that if at any time TrainND is reorganized to incorporate other institutions in the state, an increased appropriation would be required, and the parties subject to the plan would need to collaborate with the Director of the Department of Career and Technical Education.

### **North Dakota State College of Science**

The committee received testimony from representatives of NDSCS regarding the TrainND program. According to the testimony, at NDSCS, 80 percent of students are enrolled in CTE programs. Testimony indicated the training provided under the TrainND program should not be viewed merely as an expense but also as an economic investment. Testimony contended that due to the regional disparities, using a past performance metric may not be the best metric for a new funding model. The committee was informed a proposed funding model could split 75 percent of the appropriation equally between the four regions and allocate the remaining 25 percent of the funds to the regions based on covered employment. Testimony indicated the cost of training has increased during the current biennium. Testimony contended

if at any time TrainND is reorganized to incorporate other institutions in the state, legislative appropriations would need to match the demands of the program to ensure the program's continued success.

### **Williston State College**

The committee received testimony from representatives of WSC regarding the TrainND program. Testimony indicated between 2010 and 2020, TrainND Northwest trained 86,877 participants, served 4,209 companies, conducted 11,439 training sessions, and contracted 1.17 million training hours. The committee was informed TrainND operates as a business, with only 6 percent of TrainND Northwest's budget funded by legislative appropriations. Testimony contended a new funding model should use performance metrics to determine where in the state training demands are greatest. Testimony contended adding additional institutions as part of a reorganization of TrainND would have a negative impact on TrainND Northwest.

### **State Board of Higher Education**

The committee received testimony from a representative of the State Board of Higher Education which indicated due to population increases in western North Dakota, the State Board of Higher Education has contemplated adding training services and institutions to the TrainND program. Testimony contended expanding the program would help develop highly skilled workers to meet the demands of the state's robust energy, agriculture, and digitization sectors.

### **Dakota College at Bottineau**

The committee received testimony from a representative of Dakota College at Bottineau (DCB) which indicated the Envision 2035 goal is a year-long study attempting to determine the needs of the state in 2035. The committee was informed TrainND may need to be reorganized to continue to grow the energy sector in the state. Testimony contended adding DCB and Dickinson State University (DSU) as TrainND members would benefit the TrainND program. Testimony also indicated if reorganization occurs, all current and prospective institutions will need to communicate and work collaboratively to meet the workforce training needs of the state. The committee was informed adding TrainND sites at DCB and DSU likely will require additional funding from the Legislative Assembly.

### **Dickinson State University**

The committee received testimony from a representative of DSU regarding the committee's study of the workforce training centers in the state. According to the testimony, DSU partners with school districts and CTE centers in southwestern North Dakota to provide workforce training and educational services. Testimony indicated DSU is poised to offer additional workforce training services under the TrainND program.

### **Lake Region State College**

The committee received testimony from representatives of LRSC regarding the committee's study of the workforce training centers in the state. According to the testimony, training programs under TrainND are customized for each participating business. Training is offered in an open enrollment setting or through a contract with a specific business. According to the testimony, TrainND institutions at BSC, LRSC, NDSCS, and WSC work collaboratively to offer a productive and efficient training program to assist all industries in the state. Testimony indicated TrainND Northeast provides businesses with active shooter training and programs teaching individuals foundational workplace skills. The committee was informed the workforce training center funding formula is reviewed internally every 2 years and is not codified, giving TrainND flexibility to make changes quickly. Historically, the four TrainND regions have collaborated to create the funding formula. The committee was informed the TrainND regions collaborated to implement a new funding formula effective July 1, 2025. The new formula would require the Department of Career and Technical Education to distribute the total amount appropriated for the biennium for workforce training in the following manner:

- 60 percent evenly among the four TrainND regions;
- 20 percent distributed proportionally among the regions based on training hours provided by each region during a lookback period of 3 consecutive fiscal years starting 4 fiscal years before the year of distribution; and
- 20 percent distributed proportionally among the regions, based on the number of unduplicated participants trained by each region during a lookback period of 3 consecutive fiscal years starting 4 fiscal years before the year of distribution.

### **Other Testimony**

The committee received testimony from a North Dakota resident regarding the committee's study of the workforce training centers in the state. The testimony indicated the current funding model is not equitable to TrainND Northwest and a preferred model would split the appropriation equally among the four TrainND regions.

### **Committee Considerations**

The committee requested the four TrainND institutions collaborate to create an updated funding formula. The representatives from TrainND shared the new formula and the committee considered a bill draft that would have provided

for the codification of the updated funding formula created by the TrainND institutions. The committee determined refraining from codifying the formula would give the TrainND institutions more flexibility to make future changes. The committee generally agreed giving TrainND flexibility would continue to promote its operational efficiency. The committee determined the proposed reorganization plan would need to be discussed further during the 2025 legislative session.

### **Conclusion**

The committee makes no recommendation regarding its study of the workforce training center funding distribution model.

## **EXISTING AUTONOMOUS SYSTEMS AND INFRASTRUCTURE STUDY**

Section 3 of House Bill No. 1519 (2023) directed a study of the use of existing autonomous system capabilities and infrastructure to provide solutions to workforce and safety needs in the state. The study required an analysis of using autonomous technology for infrastructure inspection, rural emergency service needs, agriculture advancement, energy industry application, and other opportunities for collaboration through the use of autonomous system technology.

### **Background**

#### **State Investment**

House Bill No. 1519 (2023) appropriated \$475,000 of federal funds and \$12,500 from the strategic investment and improvements fund to the Department of Career and Technical Education for uncrewed aircraft systems (UAS), autonomous vehicles, or other autonomous technology grants to the workforce training center serving northwest North Dakota. The bill also appropriated \$275,000 of federal funds and \$12,500 from the strategic investment and improvements fund to the Department of Agriculture for UAS, autonomous vehicles, or other autonomous technology grants to individuals and entities in the agriculture industry. Testimony from representatives of the economic development, technology, aviation, energy, and agriculture sectors during the 2023 legislative session indicated support for the study and the state for seeking to expand the use and development of autonomous systems. Testimony from representatives of TrainND, the Department of Agriculture, and the North Dakota University System also indicated support for integration and greater utilization of autonomous systems in new state government sectors.

#### **State Law and Programs**

Chapter 6-09.18 provides for a loan program administered by the Department of Commerce in consultation with the Bank of North Dakota. Section 6-09.18-04 provides for a legacy investment technology loan program to develop emerging technologies in North Dakota. When reviewing a loan application under the program, the Legacy Investment for Technology Committee assesses whether the proposal will deliver applied research, experimentation, or operational testing in one or more diversification sectors to create information or data to enhance industries in North Dakota. Section 6-09.18-01 provides "diversification sectors" include autonomous and uncrewed vehicles and related technologies. Section 6-09.18-06 requires loan recipients to use loan proceeds only to conduct applied research, experimentation, or operational testing in North Dakota. The loan proceeds may not be used for capital or building investments, academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education.

Chapter 8-12 provides for establishing autonomous vehicles and on-demand autonomous vehicle networks. Section 8-12-01 defines an "autonomous vehicle" as "a vehicle equipped with an automated driving system." The section defines an "on-demand autonomous vehicle network" as "a transportation service network that uses a software application or other digital means to dispatch or otherwise enable the prearrangement of transportation with autonomous vehicles for purposes of transporting persons or goods, including for-hire transportation, transportation for compensation, and public transportation." These networks and vehicles may provide transportation of persons or goods for public, for-hire, or rideshare transportation services.

Section 8-12-02 requires an on-demand autonomous vehicle network connecting passengers to autonomous vehicles without human drivers to comply with Section 39-01-01.2(3). Section 39-01-01.2 permits a registered and insured autonomous vehicle to operate on any public highway if the vehicle complies with all applicable state and federal laws. An autonomous vehicle does not require a human driver to operate on the public highway if the autonomous vehicle can safely bring the vehicle to a complete stop in case of a system failure. An individual using an autonomous vehicle does not need a driver's license to use the vehicle if the vehicle is completing all of the real-time operational and tactical functions required to operate a vehicle in on-road traffic and is capable of safely bringing the vehicle to a complete stop in case of a system failure.

Chapter 29-29.4 outlines when unmanned aerial vehicles (UAVs) may be used for surveillance. Section 29-29.4-01 defines the term "unmanned aerial vehicle" as any aerial vehicle, excluding satellites, operating without the possibility of direct human intervention within or on the aerial vehicle. Section 29-29.4-02 prohibits using information obtained from a UAV as admissible evidence in a prosecution or proceeding in the state unless the information was obtained under a search warrant or a legally recognized warrantless search exception. Information collected from a UAV may not be relied

upon to obtain a search warrant unless the information was collected under a valid search warrant, a legally recognized warrantless search exception, or was obtained by monitoring public lands or international borders.

Chapter 29-29.4 does not prohibit using UAVs for surveillance under certain circumstances. These circumstances are provided in Section 29-29.4-04 and include the use of a UAV for surveillance of national borders for illegal activity; by law enforcement, if exigent circumstances exist for purposes of preventing imminent danger to life or bodily harm; by state or local authorities to investigate environmental or weather-related catastrophes; or for research, education, training, testing, or development efforts undertaken by or in conjunction with a school or institution of higher education in the state. Section 29-29.4-05 expressly prohibits using UAVs for domestic use in private surveillance or surveillance of the lawful exercise of constitutional rights.

Pursuant to Section 54-60-28, the Department of Commerce operates and administers the UAS Test Site, which was authorized and designed as a test site in 2014 by the Federal Aviation Administration (FAA). The Department of Commerce may cooperate and contract with the University of North Dakota (UND), the North Dakota Aeronautics Commission, the Adjutant General, and other public or private entities in the operation and administration of the test site. Section 54-60-29 establishes the UAS program fund. This fund was established to defray the expenses of the operations of the UAS Program and test site and the Beyond Visual Line of Sight (BVLOS) UAS Program, established under Section 54-60-29.1. The Department of Commerce administers this program for the design, purchase, implementation, and operating costs of the BVLOS UAS. The Northern Plains UAS Test Site is one of seven FAA-approved UAS test sites. Research is conducted at the test sites to determine ways to safely integrate UAS into the national airspace. In May 2014, the Northern Plains UAS Test Site, headquartered in Grand Forks, was the first FAA test site to conduct a research flight.

Unmanned aircraft systems are used in several industries, including precision agriculture, disaster and emergency response, energy monitoring, and scientific research. In agriculture, applications include pesticide spraying, crop monitoring, livestock tracking, yield estimations, crop harvesting, disease detection and mitigation, and moisture monitoring. In response to disasters and emergencies, UAS helps monitor forest fires, floods, and tornadoes and assists in search-and-rescue operations. In the energy industry, UAS are used to explore oil, gas, and mineral deposits. These systems also are used to monitor transmission lines, components of wind turbines, pipelines, and pollution levels. As it relates to scientific research, this technology is used for biological research; wildlife conservation efforts; archeological surveys; polar, volcanic, and oceanic research; and the monitoring of animal poaching.

Unmanned aircraft systems also are used for military purposes in North Dakota. The 40 RQ-4 Global Hawk, housed at the Grand Forks Air Force Base, provides global intelligence and surveillance. The North Dakota Air National Guard uses MQ-9 Predator aircraft to aid in global military missions, and the United States Customs and Border Protection in Grand Forks monitors 861 miles of international border between the United States and Canada.

## **Federal Law**

Under the FAA Modernization Reform Act of 2012 [Pub. L. 112-95; 126 Stat. 11; 49 U.S.C. § 40101 et seq.], a 5-year program was created to establish six UAS test sites. The Administrator of the FAA was tasked with creating these sites, which were designed to integrate UAS into the National Airspace System. In 2014, the FAA established six UAS test sites throughout the United States. In 2016, Congress passed the FAA Extension, Safety and Security Act of 2016 [Pub. L. 114-190; 130 Stat. 615; 49 U.S.C. § 40101 et seq.], which added a seventh test site. The seven test sites are administered by Griffiss International Airport (New York), New Mexico State University (New Mexico), the North Dakota Department of Commerce (North Dakota), the State of Nevada (Nevada), Texas A&M University Corpus Christi (Texas), the University of Alaska Fairbanks (Alaska), and Virginia Polytechnic Institute & State University (Virginia). The United States Congress passed House Resolution 3935, the FAA Reauthorization Act of 2024 [Pub. L. 118-63; 138 Stat. 1025; 49 U.S.C. § 40119 et seq.], which reauthorized the FAA through fiscal year 2028, including activities and programs related to airport planning and development, facilities and equipment, and operations. The administrative rules for the FAA are provided in 14 CFR Chapter I.

## **Testimony**

### **University of North Dakota**

The committee received testimony from representatives of UND regarding the committee's study of the existing autonomous systems and infrastructure within the state. According to the testimony, autonomy is the ability to perform complex tasks with a sustainable reduction of human intervention. Testimony indicated artificial intelligence (AI) is a critical component of autonomy. Artificial intelligence is the development of computer systems to perform tasks typically performed by humans. Autonomy is used in several industries within the state, including agriculture, transportation, manufacturing, construction, energy, and data management. The committee was informed the Research Institute for Autonomous Systems is a program at UND to promote and grow autonomous research and systems worldwide. Testimony indicated recent trends have shown machines are performing tasks traditionally completed by a human. The

committee was informed the College of Engineering and Mines at UND works with private and public partners to advance the growth of autonomous systems and AI.

### **Northern Plains UAS Test Site**

The committee received testimony from a representative of the Northern Plains UAS Test Site indicating the amount of time and funding required to train pilots is causing workforce shortages in the aviation sector. Testimony contended autonomous systems will help relieve some workforce pressures in the aviation sector. Testimony indicated the role of the Northern Plains UAS Test Site is to innovate, test, and advance aerial autonomy across North Dakota and the United States. The test site addresses technology implementation and regulatory challenges facing industry and governmental partners in advancing aerial autonomy. The committee was informed North Dakota is a national leader in aerial autonomy.

### **Vantis**

The committee received testimony from a representative of Vantis which is North Dakota's UAS network and is one of seven sites tasked with integrating drones into the national airspace. Testimony contended several barriers, including laws, regulations, and the lack of shared infrastructure, hinders the full use and integration of drones into the national airspace. Testimony indicated Vantis is attempting to create a sanitized airspace that allows several aircraft types to operate simultaneously at different altitudes. Testimony also indicated while hardware and software are critical components of the Vantis network, policies, procedures, safety plans, and management protocols are equally important to ensuring the national airspace remains safe and functional. Testimony contended that due to the work at Vantis, the federal government is becoming less apprehensive about integrating drones into the national airspace.

### **Grand Sky**

The committee received testimony from a representative of Grand Sky indicating one of Grand Sky's primary missions is to support and integrate emerging technologies for the United States Department of Defense. Testimony indicated Grand Sky is retrofitting and installing RQ-4 Global Hawk aircraft with autonomous technology for the United States Department of Defense. Testimony contended continued investment in programs such as the legacy investment for technology loan fund will bolster the development of autonomous systems and emerging technologies in the state. The committee was informed the UAS industry generally discourages policies and regulations hindering the development and deployment of autonomous systems.

### **Three Affiliated Tribes of the Fort Berthold Reservation**

The committee received testimony from a representative of the Three Affiliated Tribes which indicated the Three Affiliated Tribes will need to obtain a BVLOS waiver from the FAA to continue the expansion of drone use on the Fort Berthold Reservation.

### **Department of Emergency Services**

The committee received testimony from a representative of the Department of Emergency Services which indicated during emergencies, the Department of Emergency Services coordinates and assembles agencies and stakeholders to address ongoing crises. The committee was informed the Department of Emergency Services is concerned about regulatory hurdles and constraints stemming from federal policies or regulations.

### **Highway Patrol**

The committee received testimony from a representative of the Highway Patrol which indicated crash reports for the Highway Patrol are generated by autonomous systems. These reports generally are used and accepted as evidence in insurance claims and court proceedings.

### **Energy and Environmental Research Center**

The committee received testimony from a representative of the Energy and Environmental Research Center informing the committee of the more aggressive oil well stimulation techniques that have enabled drilling operators to extract and recover larger amounts of crude oil in the Bakken Formation. Testimony contended enhanced oil recovery paired with autonomous technology likely will extend high levels of oil and gas production in the state.

### **TrainND**

The committee received testimony from a representative of TrainND which indicated TrainND Northwest is creating workforce training programs centered around using AI in UAS technologies. The committee was informed TrainND created a UAS curriculum for high school students attending CTE centers throughout the state. The curriculum was funded with appropriations from the Legislative Assembly.

### **Upper Great Plains Transportation Institute**

The committee received testimony from a representative of the Upper Great Plains Transportation Institute indicating labor unions in the railroad and longshoreman industry oppose continued automation in the transportation industry.

However, the testimony indicated labor unions in the motor carrier industry do not oppose continued transportation automation due to driver shortages and other workforce challenges. Testimony contended insurance policies will need to adapt to emerging technologies such as autonomous trucking.

### **Department of Transportation**

The committee received testimony from a representative of the Department of Transportation which indicated the autonomous attenuator platooning program is designed to continue to automate trucking and eliminate the risk of serious injury for a driver on the job site. The committee was informed most consumer automated vehicles use partial driving automation rather than full driving automation. Testimony indicated once reliable technology is developed, the department will seek to implement automated snow removal crews on North Dakota roads.

### **Other Testimony**

The committee received testimony from numerous private industry participants in the agriculture, construction, drone, manufacturing, medical, software, and transportation sectors regarding the committee's study of the existing autonomous systems and infrastructure within the state. According to the testimony, drones detect energy inefficiencies in buildings by capturing heat and cooling losses using thermodynamic cameras. Testimony contended, due to the regulatory and business-friendly climate of North Dakota, investment in the state's drone industry allows investment dollars to be stretched further than investment in other states with more stringent regulations. According to the testimony, first responders have increased the use of drones to help save lives. The committee was informed the autonomous systems market is valued at approximately \$38 billion. By 2028, the market is forecasted to be \$62 billion.

According to the testimony, a North Dakota-based company develops, builds, and distributes power modules for autonomous systems on the ground, underwater, and in space. Testimony indicated a North Dakota-based company developed technology to build application programming interfaces to save time and labor autonomously. Testimony contended some studies suggest drones delivering Narcan to rural and Indigenous areas are more efficient than an ambulance. The committee was informed tribes in North Dakota are using drones for drug and international border surveillance, emergency service response, crop identification, and abandoned or dangerous building inspections.

The committee was informed an autonomous platoon program employed in North Dakota uses trucks allowing human riders to quickly shut down autonomous functions and retain control of the vehicle. Testimony indicated, in an autonomous truck platoon, the human driven lead truck sets the gap between all other autonomous trucks. Redundant navigation systems, braking systems, sensors, and active safety systems are integrated into the trucks used in the autonomous truck platoon to ensure safety and proper handling.

Testimony indicated autonomous systems on farms require reliable fiber optic connectivity. Per capita, North Dakota is the most fiber-connected state in the United States. Testimony contended testing and implementing emerging autonomous technologies help establish the capabilities and limitations of these systems in an agricultural setting. Testimony indicated autonomous agricultural systems are not able to calculate and weigh correct outcomes versus incorrect outcomes. The committee was informed the advent of large language models will help future farmers integrate and operate autonomous technologies.

Testimony contended the lack of a consistent federal framework, not the lack of technology, is the largest obstacle in deploying autonomous vehicle networks across the United States. The committee was informed North Dakota continues to be a leader in developing and using automated technology for machine control in the construction industry. Testimony indicated the focus for the next 25 years in the manufacturing industry will be who can make parts the smartest, not necessarily the cheapest. The committee was informed the two factors driving the current workforce shortage in the United States are a decrease in available workers and an increase in jobs.

Testimony indicated medical providers in the state are using tools to record and detect vital signs from a remote location. Artificial intelligence is integrated into commonly used medical devices, including insulin detectors and radiology machines. Messaging applications between health providers and patients use generative AI to respond to patient inquiries accurately.

Testimony contended policymakers in the state should continue enacting policies to expand emerging technologies' entrepreneurial footprint. Policymakers were urged to allow innovators to operate and not unduly regulate industries developing emerging autonomous technologies. Testimony contended policymakers should continue to invest public funds in developing autonomous systems in the state.

### **Committee Considerations**

Committee members expressed support for continued investment in the autonomous systems infrastructure and framework established in the state. Committee acknowledged the importance of the state prioritizes the creation of autonomous systems and recognized the development of autonomous systems is a critical component of maintaining a

diverse state economy. The committee considered a bill draft to appropriate funds to several state agencies for the development of UAS, autonomous vehicles, or other autonomous technologies in the state.

### **Recommendation**

The committee recommends a bill draft [\[25.0401.02000\]](#), to provide an appropriation to the Agriculture Commissioner, the Attorney General, the Department of Career and Technical Education, the Department of Health and Human Services, and the Department of Transportation to increase the use of UAS, autonomous vehicles, or other autonomous technologies in the state.

## **SOCIAL WORK LICENSURE COMPACT STUDY**

Section 52 of Senate Bill No. 2012 (2023) directed a study of the feasibility and desirability of the Legislative Assembly enacting the social work licensure compact. The study required consideration of whether the public and the social work community support enactment and whether the North Dakota Board of Social Work Examiners has the capacity to participate in the compact.

### **Background**

Chapter 43-41 governs the licensure and practice procedures of social workers in North Dakota. The North Dakota Board of Social Work Examiners receives applications, conducts background checks, regulates and disciplines social workers, and ultimately decides whether to issue a license to an applicant. The Council of State Governments partnered with the Department of Defense and the Association of Social Work Boards (ASWB) to foster flexibility for licensed social workers through the Social Work Licensure Compact. The compact aims to build a more cohesive social work licensing structure to allow professionals to be licensed seamlessly in multiple states simultaneously. The National Center for Interstate Compacts at the Council of State Governments defines an interstate compact as a contractual arrangement between two or more states in which the assigned parties agree on a specific policy issue and either adopt a set of standards or cooperate on a particular regional or national matter.

According to the National Center for Interstate Compacts at the Council of State Governments, the compact will enable regulated social workers with bachelor's, master's, and clinical licenses to serve clients in every compact member state. This is a deviation from current licensure practices because each state has a separate licensure process. Under the compact, each compact member state would agree to recognize the licenses issued by every other member state mutually. To qualify for a multistate license, a social worker who lives in a compact member state must hold or be eligible for an active, unencumbered license in their home state. Social workers also must satisfy the requirements associated with their license category. A social worker licensed under the compact to practice in another compact member state must abide by that state's laws and regulations related to the practice of social work. As of October 22, 2024, 22 states have joined the compact as compact member states.

### **Summary of Compact Provisions**

Section 1 of the compact outlines the objectives of the compact to increase public access to social work services, reduce burdensome licensure requirements, encourage cooperation of member states in regulating multistate practitioners, support military families, promote licensure mobility, address workforce shortages, and allow for the use of telehealth to facilitate increased access to regulated social work services.

Section 2 outlines the defined terms used throughout the compact.

Section 3 provides the eligibility requirements for states to join the compact and compliance requirements for member states. To enact the compact, a state must:

- License and regulate the practice of social work at either the clinical, master's, or bachelor's category;
- Require applicants for licensure to graduate from an accredited program or in candidacy by an institution that subsequently becomes accredited and corresponds to the licensure sought; and
- Require applicants for clinical licensure to complete a period of supervised practice.

Under the terms of the compact, to maintain membership in the compact, a state must:

- Require applicants for a multistate license to pass a qualifying national examination corresponding to the category of multistate license sought; and
- Implement procedures for considering the criminal history records of applicants for a multistate license.

Section 4 provides three categories of multistate licenses--bachelor's, master's, and clinical. To receive a multistate license, regardless of category, all applicants in a member state must:



- Hold, or be eligible for, an active, unencumbered license to practice social work in the compact member state in which they are domiciled;
- Agree to abide by the laws, regulations, and rules of the state in which the client is located at the time service is provided;
- Submit to a review of criminal history, including a background check; and
- Pay all required fees related to the application and process and any other fees the commission may require by rule.

To receive a clinical-category multistate license, an applicant must:

- Fulfill a competency requirement, which may be satisfied by either:
  - Passing a clinical-category qualifying national examination;
  - Holding and continuously maintaining a clinical-category social work license in their home state before a qualifying national examination was required by the home state as further governed by the rules of the commission; or
  - Proving clinical competency through a substantially equivalent standard, which the commission may determine by rule.
- Attain at least a master's degree in social work from an accredited program or be a candidate at an institution that subsequently becomes accredited.
- Fulfill a supervised practice requirement, which must be satisfied by either:
  - Demonstrating completion of 3,000 or more hours of postgraduate supervised clinical practice;
  - Demonstrating completion of 2 years or more of full-time postgraduate supervised clinical practice; or
  - Being found to have proven clinical competency through a substantially equivalent standard, which the commission may determine by rule.

To receive a master's-category multistate license, an applicant must:

- Fulfill a competency requirement, which may be satisfied by either:
  - Passing a master's-category qualifying national examination;
  - Holding and continuously maintaining a master's-category social work license in their home state before a qualifying national examination was required by the home state as further governed by the rules of the commission; or
  - Proving master's-category competency through a substantially equivalent standard, which the commission may determine by rule.
- Attain at least a master's degree in social work from an accredited program or be a candidate at an institution that subsequently becomes accredited.

To receive a bachelor's-category multistate license, an applicant must:

- Fulfill a competency requirement, which may be satisfied by either:
  - Passing a bachelor's-category qualifying national examination;
  - Holding and continuously maintaining a bachelor's-category social work license in their home state before a qualifying national examination was required by the home state as further governed by the rules of the commission; or
  - Proving bachelor's-category competency through a substantially equivalent standard, which the commission may determine by rule.
- Attain at least a bachelor's degree in social work from an accredited program or be a candidate at an institution that subsequently becomes accredited.

According to the National Center for Interstate Compacts, the only national licensing examination is produced and administered by the ASWB. To be eligible for licensure under the compact, social workers must have passed the ASWB examination corresponding to the category of license sought. Social workers who already have passed the ASWB examination corresponding to the category of license sought will not be required to take an additional licensing

examination. Using the broad term "qualifying national examination" allows the commission flexibility if social work licensing examination practices change.

Section 5 of the compact describes the license issuance process. Section 6 of the compact outlines and describes the relationship between the commission and the member state's lawmaking and rulemaking bodies. Section 7 of the compact provides an expedited reissuance mechanism for social workers who hold a multistate license in a member state but choose to relocate to another member state. Section 8 of the compact allows an active military member or their spouse to designate a home state where the individual has a current license in good standing and allows the designated state to serve as the individual's home state for as long as the service member is on active duty.

Section 9 of the compact discusses adverse actions against regulated social workers. The compact defines an "adverse action" as any administrative, civil, equitable, or criminal action permitted by a state's laws that is imposed by a licensing authority or other authority against a regulated social worker, including actions against an individual's license or multistate authorization to practice such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a regulated social worker's authorization to practice, including the issuance of a cease and desist action. This section provides only a licensee's home state may take adverse action against a multistate license. However, a remote state may take adverse action against the multistate authorization to practice in that state and issue enforceable subpoenas for witnesses and evidence from other member states. Notably, a home state may consider any reported adverse actions in any member state and rely on factual findings from any member state when considering discipline on a multistate license. All adverse actions must be reported to the data system provided under Section 11 of the compact.

Section 10 of the compact establishes the commission. This section outlines the composition and powers of the compact commission and executive committee. Each member state is entitled to one delegate. The delegate must be a regulated social worker who is a current member or public member of the member state's licensing authority at the time of appointment. The delegate also may be the administrator, executive director, or equivalent of the member state's licensing authority or their designee. Each delegate has one vote on commission rules and bylaws. The commission may establish a term of office, code of ethics, bylaws, rules, a budget, and financial records to fulfill the purpose of the compact. The commission must meet at least once per calendar year. The commission shall elect an executive committee composed of seven voting members. The executive committee shall include up to four ex officio, nonvoting members from four national social work organizations. All commission and executive committee meetings must be open to the public unless confidential or privileged information is to be discussed.

Section 11 of the compact requires the commission to provide for developing, maintaining, operating, and utilizing a coordinated data system. All member states must submit a uniform data set to the coordinated data system on all individuals to whom the compact is applicable as required by the rules of the commission. A member state may assign information submitted to the data system as inaccessible to the public without the express permission of that member state. The information submitted to the data system includes:

- Adverse actions against a license and related information regarding the adverse action;
- Nonconfidential information related to alternative program participation, the beginning and ending dates of participation, and other information related to participation not made confidential under member state law;
- Any denial of application for licensure and the reasons for such denial;
- The presence of significant investigative information; and
- Other information that may facilitate the compact's administration or the public's protection, as determined by the rules of the commission.

Section 12 of the compact provides the commission the power to adopt and promulgate rules to execute the provisions of the compact. The rules enacted by the commission are legally binding in all member states. However, a simple majority of member state legislatures may veto a rule of the commission. Any amendments to a rule require a 30-day notice of proposed rulemaking, with an opportunity for a public hearing. If the commission takes an action exceeding the ambit of the compact, the action is deemed invalid and has no effect.

Section 13 of the compact discusses the compact's oversight, dispute resolution, and enforcement procedures. In the event of a default by a member state, and if the member state fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the delegates of the member states. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the default period. Termination of membership in the compact must be imposed only after all other means of securing compliance have been exhausted. Upon the termination of a state's membership from the compact, that state immediately shall notify all licensees within that state of the termination. The terminated state shall continue to recognize all licenses granted under the compact for

a minimum of 6 months after the date of the notice of termination. Upon request by a member state, the commission shall attempt to resolve disputes related to the compact, which arise among member states and between member and nonmember states.

Section 14 provides an effective date as well as withdrawal and amendment procedures. The compact becomes effective when the seventh member state enacts the compact. States joining after the commission's first meeting are subject to the rules of the commission on the date the compact becomes law in that state. Member states may enact a law to repeal their membership in the compact. A state's withdrawal does not take effect immediately. A state's withdrawal is effective 180 days after enactment of a law repealing the compact.

Section 15 of the compact requires a liberal construction of the compact to effectuate its purposes. This section also requires any phrase, clause, sentence, or provision held unconstitutional or unlawful by a court of competent jurisdiction to be severed from the compact. If a provision is severed, the remainder of the compact remains in full force and effect.

Section 16 addresses conflicts of laws with other member states. This section allows member states to retain sovereignty over all laws. Furthermore, any laws, statutes, regulations, or other legal requirements in a member state conflicting with the compact are to be superseded to the extent of the conflict.

## **Testimony**

### **Department of Commerce**

The committee received testimony from a representative of the Department of Commerce regarding the committee's study of the feasibility and desirability of the Legislative Assembly enacting the compact. According to the testimony, interstate compacts tend to create ease and mobility for individuals in specific professions who seek licensure in other states. The committee was informed states enacting universal license recognition laws must exercise prudence to not interfere with enacted compact provisions. Testimony contended reciprocity is efficient in small-scale arrangements; however, reciprocity agreements for large-scale items are less efficient due to the number of required contracts.

### **North Dakota Board of Social Work Examiners**

The committee received testimony from representatives of the North Dakota Board of Social Work Examiners indicating the state faces a significant shortage of social workers and mental health practitioners, especially those seeking legal residency in the state. Testimony indicated the shortage affects individuals living in rural communities especially hard because access to social work services in these communities is limited. The committee was informed the board intends to continue its recruitment and outreach efforts to eliminate the social work shortage.

Testimony also indicated joining the compact would not necessarily interfere with current reciprocity agreements. The committee was informed the board meets monthly to review, reject, and accept reciprocity and local licensure applications. Testimony indicated it generally takes 30 days to make a final determination on a reciprocity or local licensure application. The board processed 116 reciprocity applications between January 1, 2023, and February 22, 2024.

The committee was informed the board is concerned the ASWB examination under the compact is biased and does not necessarily reflect the true competency of a prospective social worker. Testimony contended the board is not necessarily against joining the compact. However, the board may wish first to observe how other states navigate the implementation of the compact. Testimony contended if North Dakota adopts the compact, additional funds and staff will be needed to fully administer its requirements, including the operation of the data system.

Testimony also contended telehealth services likely will increase if North Dakota becomes a compact member state, which might negatively impact patient care. The committee was informed the board anticipates a \$27,000 yearly reduction in revenue due to the elimination of the reciprocity licensure fee if the state becomes a compact member state. Testimony indicated the compact does not allow entry-level social workers to participate in telehealth, and the state has a significant shortage of entry-level licensures.

### **Council of State Governments**

The committee received testimony from a representative of the Center of Innovation at the Council of State Governments regarding the function of the compact in North Dakota and other states. Testimony indicated the compact commission is comprised of delegates from all member states. The rules adopted by the compact commission apply only to licenses offered under the compact. If a social worker obtains a home state license under the compact, the social worker may practice in all other states joined in the compact. If a state joins the compact, the testing requirement applies only to multistate licenses, not single-state licenses not covered by the compact.

## **Other Testimony**

The committee received public comments regarding the committee's study of the feasibility and desirability of the Legislative Assembly enacting the compact. Testimony that contended, if enacted, the compact will lead to increased social work services for rural areas, make out-of-state licensure less burdensome, and deliver high-quality social work services for residents of the state. Testimony indicated the compact allows a social worker in a compact state to decide whether to obtain a state-issued license or a multistate license issued under the compact.

## **Committee Considerations**

Although committee members expressed hesitancy over relinquishing control of licensing out-of-state social workers to the compact commission, committee members also noted the compact may significantly decrease the state's shortage of social workers. Committee members also noted the compact would benefit military families and the United States Department of Defense prioritized its adoption. The committee considered a bill draft relating to the adoption of the compact.

## **Recommendation**

The committee recommends a bill draft [\[25.0197.01000\]](#) providing for the adoption of the compact.

## **STATE OFFICE OF APPRENTICESHIP STUDY**

Section 2 of Senate Bill No. 2170 (2023) directed a study of the feasibility and desirability of creating a state office of apprenticeship. The study required consideration of the advantages and disadvantages of creating the office in comparison to apprenticeships remaining solely under the control of the federal Department of Labor. The study required identification of areas in which the state may exercise more control over the federal labor law to provide more flexibility as it applies to minors at least 16 years of age.

## **Background**

The modern-day Registered Apprenticeship Program was established through the passage of the National Apprenticeship Act in 1937. The Act provided authority to the United States Department of Labor to regulate the health, safety, and welfare of apprentices and prevent discrimination in apprenticeship programs. Early apprenticeships focused on the skilled trades, but since have expanded to cater to a number of industries and occupations to meet the needs of today's workforce. The United States Department of Labor's Office of Apprenticeship (OA) oversees the national Registered Apprenticeship system.

In cooperation with the states, the OA registers apprenticeship programs that meet federal and state standards, assures all programs provide high-quality training to apprentices, issues certificates of completion to apprentices, encourages the development of new programs, and protects the safety and welfare of all apprentices. Apprenticeship programs in the states either are regulated federally by the OA or by a recognized State Apprenticeship Agency (SAA). Apprenticeship programs are overseen by the OA in Alaska, Arkansas, California, Georgia, Iowa, Idaho, Illinois, Indiana, Michigan, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Utah, West Virginia, and Wyoming. Apprenticeship programs are overseen by an SAA in Alabama, Arizona, Colorado, Connecticut, Delaware, Florida, Hawaii, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Montana, Nevada, New York, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, Washington, Washington D.C., and Wisconsin.

## **Federal Regulations**

The United States Department of Labor has authority to grant recognition to an SAA under 29 CFR 29.13. A recognized SAA is authorized to determine whether an apprenticeship program conforms to published standards and is eligible for federal purposes. An agency must meet various requirements to be recognized as an SAA. An agency must submit a state apprenticeship law, whether instituted through statute, executive order, regulation, or other means, which conforms to the requirements of applicable federal regulations. An agency must establish and continue to use a state apprenticeship council, which operates under the direction of the SAA. The council may be either regulatory or advisory and must be composed of persons familiar with apprenticeable occupations. The council also must include an equal number of representatives of employer and employee organizations and include public members who may not number more than the number named to represent either employer or employee organizations. An agency also must submit a State Plan for Equal Employment Opportunity in Apprenticeship that conforms to the requirements published in 29 CFR 30. Additionally, an agency's submission must include a description of the basic standards, criteria, and requirements for program registration or approval and demonstrate linkages and coordination with the state's economic development strategies and publicly funded workforce investment system. Lastly, an agency's submission must include a description of policies and operating procedures that depart from or impose requirements in addition to those prescribed under applicable federal regulations.

## **Federal Child Labor Laws**

Federal child labor laws are outlined in the Fair Labor Standards Act. Under the Fair Labor Standards Act, for nonagricultural employment, a 14-year-old worker may work in certain occupations outside of school hours for limited periods of time. A 16-year-old worker may be employed for unlimited hours in any occupation other than one declared hazardous by the Secretary of Labor. At 18, an individual may work in any occupation, including those declared hazardous by the Secretary of Labor. However, both state and federal law allow 16 and 17-year-olds to work in certain hazardous occupations if the individual is employed as a registered apprentice or in the federal student learner program. In instances in which a state's child labor laws are less restrictive than federal law, federal law will apply. In instances in which a state's child labor laws are more stringent than federal law, state law will apply.

## **State Laws**

Section 54-60-17 requires the Department of Commerce's Workforce Development Division to administer a program to grow the use of internships, apprenticeships, and work experience opportunities in target industries for college and upper-level high school students. Job Service North Dakota also connects applicants to apprenticeships in North Dakota through its several offices across the state and its online database. Chapter 34-07 houses North Dakota's state child labor laws. Section 34-07-17.2 allows minors 16 and 17 years of age to work in a hazardous occupation if the minor is in a registered apprenticeship program or is a student learner of an approved CTE program. This section requires a parental signature for the minor to participate as an apprentice or student learner.

## **Testimony**

### **Department of Career and Technical Education**

The committee received testimony from a representative of the Department of Career and Technical Education regarding the committee's study of the feasibility and desirability of creating a state office of apprenticeship. Testimony indicated apprenticeship is a proven mechanism to bring people into the workforce. The three major components of an apprenticeship are related technical instruction, on-the-job training, and a progressive pay scale. Testimony indicated apprenticeships continue to expand beyond traditional trade programs. Testimony contended advantages offered by the federal OA include standardization, expertise, oversight, and influence over national policies. Disadvantages of the federal OA include a lack of local specificity, more complex bureaucratic processes, and limited staff members. Advantages of the establishment of an SAA include local tailoring of apprenticeship programs, easier access to apprenticeship staff, faster response time, and a better understanding of local labor market dynamics. Disadvantages of establishing an SAA include system fragmentation, the need for reciprocity agreements between other SAAs, and less national influence.

According to the testimony, some states have adopted a hybrid approach that uses the federal OA but uses state agencies to hire individuals to support the federal office. Testimony contended increased communication between the state and industries will help grow pre-apprenticeship and apprenticeship programs. Adding an SAA may allow a student to progress through an apprenticeship program at an accelerated rate. The committee was informed the department intends to target high school students in an effort to get more students involved in apprenticeship. Testimony contended expanding the capacity of the federal OA and increasing the number of apprentices in the registered apprenticeship program are needed to decrease workforce shortages.

### **Department of Commerce**

The committee received testimony from a representative of the Department of Commerce which indicated North Dakota's Workforce Development Council identified several actions that could be taken to grow apprenticeships in the state. These actions include state agency support within the Department of Career and Technical Education to collaborate with the State OA Director, development of an apprenticeship scholarship, development and expansion of quality pre-apprenticeship programs at area CTE centers and high schools, and development of marketing to increase awareness and use of apprenticeship resources.

### **Department of Labor and Human Rights**

The committee received testimony from a representative of the Department of Labor and Human Rights. According to the testimony, a pre-apprenticeship program is a program or set of strategies designed to prepare individuals to enter and succeed in a registered apprenticeship program. The committee was informed employers, educators, and workforce professionals across the country are launching apprenticeship programs serving youth from 14 to 16 years of age. Testimony contended the use of pre-apprenticeship programs and youth apprenticeships is crucial in growing the number of apprentices in the state. The testimony indicated the department would support providing space for three to four employees in the North Dakota Department of Labor and Human Rights to bolster the federal OA. The committee was informed, if afforded additional resources, the department would grow the apprenticeable occupations while allowing existing pathways to apprenticeships to remain in place. Testimony contended the benefit to the state would be a centralized location for registered apprenticeships to reach the entire state while also allowing the Legislative Assembly to control the costs of such an office.

### **United States Department of Labor**

The committee received testimony from a representative of the United States Department of Labor indicating states may administer apprenticeship either through the federal OA or an SAA. The OA develops, registers, and reviews registered apprenticeship programs to ensure compliance with federal law and regulations. If a state creates an SAA, the United States Department of Labor must first authorize the SAA to register apprenticeship programs. Testimony contended an advantage of creating an SAA is internalized operations and a disadvantage is increased employee turnover. The committee was informed the federal OA works with several state agencies, including the Department of Labor and Human Rights, the Department of Commerce, the Department of Career and Technical Education, and Job Service North Dakota to create registered programs. Testimony indicated if registered with the federal OA, companies operating in multiple states only are required to register one apprenticeship program. The committee was informed creating an SAA will not give a state more flexibility over youth workers because states must follow federal child labor laws.

Testimony contended hiring additional employees to assist the federal OA is a more effective use of public funds than creating a new SAA in the state. Testimony indicated all federal OA programs must meet the minimum standards under Title 29, Code of Federal Regulations, Part 29.

### **Idaho Department of Labor**

The committee received testimony from a representative of the Idaho Department of Labor which administers apprenticeship through the federal OA, rather than an SAA. The Idaho Department of Labor creates apprenticeship standards and forwards the standards to the federal OA for review. After review, the federal OA returns the standards to Idaho's SAA for further amendment or implementation. The Idaho Department of Labor employs nine state employees to assist the federal OA in administering apprenticeships in Idaho. The United States Department of Labor dictates all standards relating to registered apprenticeship programs.

### **Montana Department of Labor**

The committee received testimony from a representative of the Montana Department of Labor indicating Montana's SAA conducts outreach in communities, schools, and businesses to provide guidance and raise awareness about apprenticeship opportunities. Testimony contended federal rules governing apprenticeship make it difficult for small businesses to administer the program.

### **German American Chamber of Commerce of the Midwest**

The committee received testimony from a representative of the German American Chamber of Commerce of the Midwest which indicated the Industry Consortium for Advanced Technical Training was formed in 2014 and operates as a chamber of commerce under federal tax law. Testimony indicated the consortium was created because the United States Department of Labor was not providing clear occupational profiles and minimum standards for trainers. The consortium helps businesses create training programs to help employers navigate the apprenticeship system.

### **Committee Considerations**

The committee discussed whether creating an SAA or providing additional resources to North Dakota's State OA Director would produce the greatest number of apprenticeships in the state. The committee generally agreed providing additional resources to North Dakota's State OA Director would be the most responsible and effective use of state resources.

The committee considered a bill draft to create a division of apprenticeship within the Department of Labor and Human Rights to provide assistance to North Dakota's State OA Director.

The committee considered a bill draft that would have created an office of apprenticeship within the Department of Commerce to provide assistance to North Dakota's State OA Director.

### **Recommendation**

The committee recommends a bill draft [\[25.0348.01000\]](#) to provide for the creation of an apprenticeship division within the Department of Labor and Human Rights to provide assistance to North Dakota's State OA Director.

### **REQUIRED REPORTS** **Industrial Commission Report**

The committee received a report from a representative of the Industrial Commission regarding its findings and recommendations regarding its study of the feasibility and desirability of creating an employee recruitment and retention incentive program for the Bank of North Dakota. The report indicated the Bank and the Mill and Elevator are the only state-owned, for-profit enterprises in the United States. Recruiting and retaining employees remains a challenge for these entities, especially in a competitive labor market. According to the report, providing more opportunities for variable compensation would benefit state agencies and state employees. The report contended integrated compensation

provides a mechanism for state agencies to sustain growth because it is strategically based, market-driven, requires thorough analysis, rewards results, and is transformative to changing business strategies. The report outlined the Bank's plan to increase retention and recruitment, which provides:

- Performance categories, targets, and indicators must be developed and approved by the Bank of North Dakota Advisory Board and the Industrial Commission annually;
- The plan must be applied universally across the Bank employee pool, including management, with no stratification of the performance and retention compensation;
- Additional compensation must be paid over a 3-year period to reinforce the critical importance of retention;
- Employees may qualify on their start date, with benefits under the program prorated the 1<sup>st</sup> year;
- To qualify, employees may not be on a performance improvement plan;
- Employees must be employed on December 31 of each year;
- Any material findings in the Bank of North Dakota's Financial Accounting Standards Board audit and safety and soundness audit must be subject to the Advisory Board and Industrial Commission acceptance that findings were not due to negligence; and
- Employees who leave the Bank must lose any unpaid retention bonus unless the employee has reached the rule of 85 or 90 or the age of 62.

### **Department of Labor and Human Rights Reports**

The committee received periodic reports from the Commissioner of Labor and Human Rights regarding the Commissioner's review and meetings with each occupational board under Title 43, the Education Standards and Practices Board, and the State Board of Law Examiners to establish a strategy to expedite licensure of out-of-state practitioners and revise continuing education requirements. The report indicated the Commissioner's study consisted of four phases--research and data collection, stakeholder engagement, report generation, and proposed legislation. The Commissioner indicated all 42 occupational boards returned questionnaires regarding each board's licensure requirements and procedures. The Commissioner also contacted 16 other states where universal licensure laws exist. Based on the data collected from in-state and out-of-state respondents, several solutions are being considered for the upcoming legislative session. Some of these solutions include implementing a 7-day licensure process for routine licensure applications, expanding border state licensure reciprocity, considering equivalent experience in determining whether to issue a license, using technology to administer continuing education courses, accepting applications, and collecting and storing applicant information.

### **Department of Commerce Report**

The committee received a report from a representative of the Department of Commerce regarding workforce development grants awarded to a tribally controlled community college. The report indicated during the 2023 legislative session, the Legislative Assembly appropriated \$500,000 to the department for these grants. The department awarded the entire appropriation to the Turtle Mountain Community College. The college is using the funding to support dual-credit course offerings in cybersecurity, emergency medical technician education, medical terminology, and construction education and research. The report also indicated the college is developing certificate programs for prospective emergency medical technicians and medical laboratory assistants. Other training sectors this grant will be used relate to commercial drivers; heavy equipment operators; small business development; basic carpentry; heating, ventilation, and air conditioning; basic electrical; supervision and leadership; and human services.

### **Workforce Safety and Insurance Report**

The committee received a report from representatives of WSI regarding findings and recommendations for statutory changes regarding its study of Section 65-04-26.2 regarding the liability of a general contractor or the payment of premiums for subcontractors and independent contractors who do not secure required coverage or pay premiums owed. The report indicated a general contractor is liable for the unpaid premium and penalty of its subcontractors or independent contractors that have not secured workers' compensation insurance. Workforce Safety and Insurance invited industry leaders to discuss general contractor liability in the state. The stakeholders present included representatives from the Greater North Dakota Chamber and the North Dakota Association of Builders. The Associated General Contractors of North Dakota and WSI surveyed 155 industry participants and asked how the business verified the insured status of subcontractors or independent contractors. Respondents indicated most businesses already require a WSI Certificate of Premium Payment at the time the contract is awarded or after the completion of a job to secure payment. The report concluded the current contractor liability statute is sufficient and no changes are recommended.

## **Bank of North Dakota Study**

The committee received a report from a representative of the Bank of North Dakota on the Bank's findings and recommendations regarding its study on environmental, social, and governance trends, laws, and policies that impact businesses and industries in this state. The report indicated the Bank assembled a committee consisting of 27 members. The members included members of the Legislative Assembly, statewide elected officials, state agency employees, and private sector employees. The committee, through several working groups, conducted over 80 interviews with industry experts.

The committee identified key sectors in which the emergence of environmental, social, and governance policies could be regulated, including marketing, agriculture, energy, insurance, investments, carbon monetization, and federal and state regulations.

The proposed actions under the report relating to marketing and agriculture included unifying state-specific messaging for cross-promotion, expanding reporting metrics for state-funded research and development projects, establishing the state as a regional and global leader in agricultural technology, prioritizing synergy with the agriculture and energy industries, developing a grassland utilization and resilience program, continuing to use the Federal Environmental Law Impact Review Committee, promoting accurate, science-based information about agriculture and climate, and reviewing the Bank's agriculture funding programs.

Other recommended actions relating to energy and carbon monetization included expanding electric generation to stabilize regional grid supply, supporting the expansion of electrical transmission capacity and natural gas pipeline infrastructure, maximizing the use of Missouri River water, assessing the potential for the state's carbon market, and determining whether tax incentives could be used to bolster carbon capture and utilization.

Recommended actions relating to insurance, investments, and federal and state regulations included developing uniform building standards, marketing the state's attributes to the insurance industry, publishing the state's insurance risk management data, establishing a framework for new insurers in the state, investigating the viability of a multistate insurance captive market tailored to the coal industry, enhancing proxy voting procedures in the state, avoiding the use of investment blacklists, increasing funding to commence and defend federal litigation, partnering with other states to increase influence, and developing stronger relationships with federal agency representatives.

## **MISCELLANEOUS REPORTS**

In addition to the committee's assigned studies and reports, the committee received additional reports relating to the state's labor market.

### **Fargo Moorhead West Fargo Chamber of Commerce**

The committee received testimony from representatives of the Fargo Moorhead West Fargo Chamber of Commerce regarding the labor market in the state. The report indicated the rate at which individuals are hired in the United States is insufficient to fill job vacancies. In North Dakota, there are only 38 workers available for every 100 jobs posted. The worker-to-job ratio illustrates the workforce crisis in the United States. Employers are using geolocating technologies and Internet programs to assist in finding applicants for open positions, especially in rural communities. Investment in career academies is helping to generate a more skilled workforce in the state. Future considerations to address workforce shortages in the state include reinforcing and prioritizing critical investments in the workforce, modernizing and connecting numerous workforce systems, conducting statewide assessment and analysis, empowering regional strategies, and expanding the quality of place and attraction initiatives.

### **Department of Commerce**

The committee received testimony from a representative of the Department of Commerce regarding the operation of the Office of Legal Immigration. Senate Bill No. 2142 (2023) created the Office of Legal Immigration to enact a statewide strategy to attract, retain, and integrate global talent to foster a robust and diverse workforce in the state. The committee was informed the department is conducting an internal study to determine how to implement its strategies. The department has met with stakeholder groups, including community organizations, international recruitment and staffing agencies working with North Dakota employers, health care providers, government agencies, higher education, chambers of commerce, and economic development organizations to educate individuals on the work of the Office of Legal Immigration and to gain a better understanding of the challenges in these industries. The department also conducted research and networking efforts with other states to determine how other states support employers, communities, individuals, and families through similar state offices. The Office of Legal Immigration and 19 other states are a part of the Office of New Americans State Network. This network creates knowledge of state employees working on these issues. The Office of Legal Immigration's scope of work includes sourcing national and international recruitment pipelines, improving employer awareness of those pathways and recruitment opportunities, and improving the retention of international talent within the state. The Office of Legal Immigration plans to provide connections to recruitment agencies, immigration attorneys, and community-based support.