

## **COLLEGE TECHNICAL EDUCATION COUNCIL STUDY - BACKGROUND MEMORANDUM**

### **STUDY RESPONSIBILITIES**

Section 17 of 2001 Senate Bill No. 2003, a copy of which is attached as Appendix A, directs a study of the responsibilities and functions of the College Technical Education Council and the implementation of the workforce training regions, including how the workforce training regions are functioning.

### **Related Legislation**

Section 2 of 2001 Senate Bill No. 2020 requires the Division of Workforce Development of the Department of Commerce to report annually on the workforce training and development activities of the North Dakota University System, Job Service North Dakota, Department of Human Services, State Board for Vocational and Technical Education, Department of Commerce, and other entities to the House and Senate Appropriations Committees of the 2003 Legislative Assembly.

Section 4 of 2001 Senate Bill No. 2020 directs a study of workforce training and development programs in North Dakota, including efforts to recruit and retain North Dakota's workforce, underemployment and skills shortages, current workforce training efforts, and the feasibility and desirability of consolidating in a single agency the funding and administration of workforce training and development programs. This responsibility has been assigned to the interim Commerce Committee.

Section 5 of 2001 Senate Bill No. 2020 requires the North Dakota University System to report during the 2001-02 interim to the Budget Section of the Legislative Council regarding the amount of funds raised in each region of the state during the first fiscal year of the biennium and the amount anticipated to be raised prior to June 30, 2003.

## **COLLEGE TECHNICAL EDUCATION COUNCIL**

### **Background**

The College Technical Education Council was formed in 1993 to improve the coordination and collaboration among the State Board for Vocational and Technical Education and the secondary and post-secondary institutions involved in vocational and technical education and workforce training in North Dakota. The council, which is overseen by an executive director, is comprised of the presidents of the state higher education two-year institutions, the state director of the State Board for Vocational and Technical Education, and the chancellor of the North Dakota University System and is responsible for

developing and recommending appropriate policies and procedures relating to vocational and technical education in postsecondary institutions and for serving in a coordination and support role to the higher education two-year institutions providing workforce training functions.

### **Accomplishments**

The North Dakota University System's 2001-03 budget request identifies the following College Technical Education Council accomplishments:

1. Cooperation with other state agencies in development and implementation of the customized training network which provided customized training to over 200 businesses or groups of businesses from 1994 to 1998.
2. Assistance with the establishment of the followup information on North Dakota education and training (FINDET) system which documents successes of University System campuses regarding employment, earnings, and attraction and retention rates of graduates.
3. Development of a process regarding curriculum coordination, focused missions, and elimination of unnecessary duplication of program offerings at the state higher education two-year institutions.
4. Development of a "fast track" program approval process for approving academic programs of two years or less.
5. Cooperation with the Greater North Dakota Association in providing an annual meeting of business and industry leaders focused on meeting the economic development, education, research, and training challenges to the state.

### **Funding and Staffing**

The 2001-03 appropriation for the North Dakota University System includes \$194,788 from the general fund for the College Technical Education Council, a decrease of \$2,839 from the 1999-2001 appropriation of \$197,627.

The College Technical Education Council is authorized a .70 full-time equivalent (FTE) position for the 2001-03 biennium, a decrease of .30 from the authorized level for the 1999-2001 biennium of one FTE position. During the 1999-2001 biennium, as allowed by Section 6 of 1999 House Bill No. 1003, the University System adjusted the staffing for the College Technical Education Council from one FTE position to a .70 FTE position to properly account for the

executive director of the council also assuming the duties of the vice chancellor of strategic planning for the North Dakota University System.

The following provides a summary of the College Technical Education Council appropriations for the 1999-2001 and 2001-03 bienniums, including the authorized FTE employee positions:

Summary of College Technical Education Council Appropriations, Including Authorized FTE Employee Positions			
	1999-2001 Legislative Appropriations	2001-03 Legislative Appropriations	2001-03 Appropriations Increase (Decrease) Compared to 1999-2001 Appropriations
Total all funds	\$197,627	\$194,788	(\$2,839)
Less other funds			
Total general fund	\$197,627	\$194,788	(\$2,839)
FTE	1.00	.70	(.30)

## WORKFORCE TRAINING REGIONS

### Background

House Bill No. 1443 (1999) established a new workforce training system for North Dakota resulting from recommendations of a 31-member Workforce Training Task Force representing business, education, and government that examined the state's workforce training system during the 1998-99 interim. Under the new workforce training system, the state is divided into four delivery regions and select higher education institutions are designated as having primary responsibility for workforce training programs. At each of the select higher education institutions, a special division or unit is created to contact business and industry, develop working relationships, determine training needs, and collaborate with other higher education institutions and private and public training providers to arrange for training. The four workforce training regions and the corresponding higher education institutions with workforce training primary responsibilities are as follows:

Northwest workforce training region	Williston State College
Southwest workforce training region	Bismarck State College
Northeast workforce training region	Lake Region State College
Southeast workforce training region	State College of Science

### Related Statutory Provisions

North Dakota Century Code Sections 52-08-08 through 52-08-11 relate to higher education

institutions serving workforce needs, formation of workforce training boards, preparation of workforce training plans, and performance measurements for workforce training.

North Dakota Century Code Section 52-08-08 provides that the president of an institution of higher education that is assigned primary responsibility for workforce training shall establish a division or other unit within the institution to serve the workforce needs of business and industry and to serve as a broker in arranging the delivery of training.

North Dakota Century Code Section 52-08-09 provides that the president of an institution of higher education that is assigned primary responsibility for workforce training shall appoint a workforce training board consisting of representatives from business, labor, and industries located within the institution's delivery area. The workforce training board must consist of at least seven but no more than 15 members and must include at least one representative from either an Indian-owned business, the tribal government, or the tribal colleges within the designated region.

North Dakota Century Code Section 52-08-10 provides that the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region. The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the State Board of Higher Education.

North Dakota Century Code Section 52-08-11 provides that the president of an institution of higher education that is assigned primary responsibility for workforce training shall develop, in consultation with the workforce training board, performance measurements for workforce training. The measurements must include requirements for being time sensitive and results oriented and must determine how well the training needs of business and industry are being met.

### Workforce Training Activity

The workforce training regions provided workforce training services to 519 businesses and 6,351 employees during fiscal year 2000. The following provides information regarding the number of businesses and employees who received training during fiscal year 2000 by each workforce training region:

	Northwest Region	Southwest Region	Northeast Region	Southeast Region
Number of businesses	61	239	58	161
Number of employees	927	1,668	1,180	2,576

**Financial Support**

The workforce training system receives financial support from the state general fund and training fees and funds from local business, industry, and community organizations.

House Bill No. 1443, as passed by the 1999 Legislative Assembly, provided an \$875,000 general fund appropriation to the State Board for Vocational and Technical Education for contracting with select higher education institutions providing workforce training programs. The bill would have established a workforce training investment fee to be assessed against employers in the state. The fee would have been .03 percent of taxable wages and collected by Job Service North Dakota; however, this provision and provisions related to the training investment fee were vetoed by the Governor.

For the 2001-03 biennium, the 2001 Legislative Assembly provided a \$1,350,000 general fund appropriation to the State Board for Vocational and Technical Education for continued support of the workforce training initiative, an increase of \$475,000 from the 1999-2001 biennium.

The following provides information regarding the amounts anticipated to be needed from training revenues, moneys generated within each region, moneys provided by each institution, and state appropriations to fund the workforce training initiative for the 1999-2001 and 2001-03 bienniums:

Revenue Types	1999-2001 Biennium <sup>1</sup>	2001-03 Biennium <sup>1</sup>
Training revenue	\$1,918,000	\$2,823,800
Region funds	773,800	955,300
Institution funds	313,900	335,100
State funds	1,000,000 <sup>2</sup>	1,350,000 <sup>3</sup>
Total revenue	\$3,005,700	\$4,114,200

<sup>1</sup> The amounts shown were included in the January 27, 1999, document entitled *Overview of Workforce Training System and Summary of Business Plans* prepared by the College Technical Education Council and the institutions of higher education assigned primary responsibility for workforce training. The document was presented to the 1999 Legislative Assembly in support of House Bill No. 1443.

<sup>2</sup> The 1999 Legislative Assembly provided an \$875,000 general fund appropriation to the State Board for Vocational and Technical Education for contracting with the select higher education institutions providing workforce training which represents \$125,000 less than the estimated amount needed of \$1,000,000.

<sup>3</sup> The 2001 Legislative Assembly provided a \$1,350,000 general fund appropriation to the State Board for Vocational and Technical Education for continued support of the workforce training initiative, the same as the estimated amount of needed state support.

Information regarding budgeted and actual workforce training revenues by region for fiscal years 2000 and 2001 is attached as Appendix B.

**STUDY OUTLINE**

The following is a proposed study outline for the committee's consideration in its study of the College Technical Education Council and the workforce training regions:

1. Receive testimony from representatives of the College Technical Education Council regarding the responsibilities and functions of the council, the council's relationship with the Department of Commerce Division of Workforce Development, and how the workforce training regions are functioning.
2. Receive testimony from representatives of the higher education institutions with workforce training responsibilities and of the workforce training boards regarding implementation of the workforce training system, including information on the types of workforce training provided, the number of businesses served, the number of employees trained, workforce training revenue and expenses, performance measurements, training needs of businesses, future plans of the workforce training regions, and the workforce training regions' relationship with the Department of Commerce Division of Workforce Development.
3. Receive testimony from individuals from business and industry regarding the current and future role of the workforce training regions.
4. Develop recommendations and any necessary legislation to implement the committee's recommendations.
5. Prepare a final report for submission to the Legislative Council.

ATTACH:2

**SECTION 17. LEGISLATIVE COUNCIL STUDY - COLLEGE TECHNICAL EDUCATION COUNCIL.** The legislative council shall consider studying during the 2001-02 interim the responsibilities and the functions of the college technical education council and the implementation of the workforce training regions including how the regions are functioning. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

## BUDGETED AND ACTUAL WORKFORCE TRAINING REVENUES BY INSTITUTION - FISCAL YEARS 2000 AND 2001

Revenue Type/Institution	Fiscal Year 2000			Fiscal Year 2001			
	Original Budgets Based on Requested Appropriations <sup>1</sup>	Revised Budgets as of 6/30/00 <sup>2</sup>	Actual	Actual Increase (Decrease) From 6/30/00 Revised Budget	Original Budgets Based on Requested Appropriations <sup>1</sup>	Revised Budgets as of 6/30/00 <sup>2</sup>	Actual Through 12/31/00
<b>Training Revenue</b>							
Bismarck State College	\$206,300	\$190,000	\$299,872	\$109,872	\$256,700	\$338,800	\$214,591
State College of Science	425,000	366,000	482,213	116,213	480,000	437,950	251,689
Lake Region State College	100,000	100,000	99,106	(894)	165,000	140,000	59,776
Williston State College	135,000	101,000	84,800	(16,200)	150,000	150,000	60,064
<b>Total</b>	<b>\$866,300</b>	<b>\$757,000</b>	<b>\$965,991</b>	<b>\$208,991</b>	<b>\$1,051,700</b>	<b>\$1,066,750</b>	<b>\$586,120</b>
<b>Region Funds</b>							
Bismarck State College	\$125,000	\$145,000	\$145,800	\$800	\$125,000	\$145,000	\$85,400
State College of Science	110,000	340,000	350,000	10,000	120,000	150,000	80,000
Lake Region State College	54,000	57,000	55,500	(1,500)	111,500	111,350	29,000
Williston State College	59,000	40,000	35,000	(5,000)	69,300	60,000	
<b>Total</b>	<b>\$348,000</b>	<b>\$582,000</b>	<b>\$586,300</b>	<b>\$4,300</b>	<b>\$425,800</b>	<b>\$466,350</b>	<b>\$194,400</b>
<b>Institution Funds</b>							
Bismarck State College	\$34,900	\$34,900	\$34,900		\$35,900	\$35,900	\$22,850 <sup>3</sup>
State College of Science	39,100	68,515	68,515	40,300	40,300	70,570	42,456
Lake Region State College	48,000	44,000	44,000	50,000	50,000	60,198	30,099
Williston State College	32,400	32,400	32,400	33,300	33,300	33,300	17,264
<b>Total</b>	<b>\$154,400</b>	<b>\$179,815</b>	<b>\$179,815</b>	<b>\$0</b>	<b>\$159,500</b>	<b>\$199,968</b>	<b>\$112,669</b>
<b>General Fund Appropriations</b>							
Bismarck State College	\$130,000	\$109,813	\$109,375	(\$438)	\$130,000	\$109,813	\$109,813
State College of Science	180,000	171,062	163,253	(7,809)	180,000	171,062	91,089
Lake Region State College	100,000	87,938	87,938		100,000	87,938	43,968
Williston State College	90,000	62,775	62,775		90,000	74,600	74,600
<b>Total</b>	<b>\$500,000</b>	<b>\$431,588</b>	<b>\$423,341</b>	<b>(\$8,247)</b>	<b>\$500,000</b>	<b>\$443,413</b>	<b>\$319,470</b>
<b>Total - All Revenue Sources</b>							
Bismarck State College	\$496,200	\$479,713	\$589,947	\$110,234	\$547,600	\$629,513	\$432,654
State College of Science	754,100	945,577	1,063,981	118,404	820,300	829,582	465,234
Lake Region State College	302,000	288,938	286,544	(2,394)	426,500	399,486	162,843
Williston State College	316,400	236,175	214,975	(21,200)	342,600	317,900	151,928
<b>Total</b>	<b>\$1,868,700</b>	<b>\$1,950,403</b>	<b>\$2,155,447</b>	<b>\$205,044</b>	<b>\$2,137,000</b>	<b>\$2,176,481</b>	<b>\$1,212,659</b>

<sup>1</sup> The amounts shown are included in the January 27, 1999, document entitled "Overview of Workforce Training System and Summary of Business Plans," prepared by the College Technical Education Council and the institutions of higher education assigned primary responsibility for workforce training. The document was presented to the 1999 Legislative Assembly in support of House Bill No. 1443.

<sup>2</sup> The amounts shown are included in the October 9, 2000, document entitled "Year-End Report on Implementation of Workforce Training System for Fiscal Year 2000," prepared by the College Technical Education Council and the institutions of higher education assigned primary responsibility for workforce training.

<sup>3</sup> The amount shown includes a grant of \$4,900 received in addition to institutional funds of \$17,950.