

EMPLOYER-PAID COSTS OF TRAINING OR EDUCATIONAL COURSE FOR EMPLOYEES**JUNE 11, 2014, 2:20 P.M.****ADMINISTRATIVE RULES COMMITTEE
ROUGH RIDER ROOM, STATE CAPITOL
REPRESENTATIVE BILL DEVLIN, CHAIRMAN****JUSTIN DEVER – MANAGER, OFFICE OF INNOVATION & ENTREPRENEURSHIP, ND
DEPARTMENT OF COMMERCE**

Good afternoon, Mr. Chairman and members of the committee, my name is Justin Dever and I serve as the Manager of the Office of Innovation & Entrepreneurship for the Department of Commerce. I'm here before you today to seek your approval for Commerce's policy number 401 relating to employer-paid tuition.

North Dakota Century Code section 54-06-33 allows state agencies to establish policies to provide employer-paid costs of training or educational courses. Classified agencies are subject to rules adopted by the Human Resource Management Services and approved by the State Personnel Board and the Administrative Rules Committee. As a non-classified agency, the Department of Commerce is allowed to establish its own policies, subject to review by the Office of Management and Budget (OMB) and approval by the Administrative Rules Committee.

As required by the statute, the Department of Commerce has submitted our proposed policy to OMB's Human Resource Management Services which has reviewed and commented on them. Commerce's policy number 401, which you have before you, has incorporated the suggestions provided by OMB.

This policy sets out a process for approving tuition payments for employees, including the responsibilities of the employees and supervisors. It states that Commerce may contribute up to 80 percent of the tuition costs, which is the same level that OMB has in their policy (Chapter 10 of OMB's Human Resource Policy Manual). It requires reimbursement if an employee does not complete a course, or does not receive a C grade or better. As required by NDCC § 54-06-33, an employee is required to repay employer-paid tuition if that employee leaves employment with the state within two years of receiving the tuition payment.

Mr. Chairman and members of the Administrative Rules Committee, thank you for allowing me the time to visit with you today. That concludes my testimony and I am happy to entertain any questions.

	SUBJECT Continuing Education	POLICY NUMBER 401
		EFFECTIVE DATE 3/24/14
		RESCINDS 112 & 702
		DATED 5/1/08

Commerce is committed to improving the quality of life for the people of North Dakota. Within Commerce, that vision can be translated into helping employees grow and prosper as well. Education often is one means of growing through increased knowledge, skills and abilities. Commerce may provide funding for educational programs related to an employee's current position or a position aspired to by the employee. As a forward looking state agency we recognize that our success depends upon our ability to change and often continuing education is a critical piece in bringing about needed and desired change.

A. Continuing Education

1. A Commerce employee who is seeking reimbursement from the department must receive approval from their Supervisor and Director before enrolling at any institution of higher education.
2. Responsibility of Commerce employee:
 - a) Generally the employee must have completed their probationary period prior to registering for a class.
 - b) The Commerce employee is responsible for submitting a letter to their Supervisor that includes an action plan detailing what he/she wants to accomplish and also a timeframe for the completion of his/her action plan (i.e., complete a Bachelors of Science degree in business by mm/yy or train for another position in Commerce and complete by mm/yy). Course completion does not imply career advancement/promotions. The letter shall also include the courses the employee will take each period to complete the action plan. It is the Supervisor's responsibility to ensure the employee is realistic about completing the goal.
 - 1) This letter may be modified in the future to accommodate the employee's work schedule and Commerce's schedule.
 - c) Each quarter/semester the employee must submit in letter form, the name of the course, number of quarter or semester hours, and any arrangements for attendance agreed to by the Supervisor.
3. The Supervisor will notify the employee as to whether or not Commerce will support the financial request. Commerce may contribute up to 80 percent of the tuition costs for all approved subject matter taken by each employee.
 - a) If an employee receives outside assistance (grants or other assistance) the employee shall report the assistance to the Office Manager and the amount of assistance will be subtracted from the total reimbursement that is requested.

- b) An employee dropping a course and/or not receiving a C grade or better will be required to reimburse Commerce.
4. Upon completion of the course work, the employee shall submit a copy of their final grade within 30 days, as well as a summary of the course work. Failure to do so may result in the employee having to reimburse Commerce and/or affect future funding of their course work.
5. Schedules may be adjusted to accommodate attendance at approved courses; provided, however, the adjustment does not cause an undue burden on other employees or interfere with the overall accomplishment of department goals and objectives.
6. An employee who resigns or is terminated while attending a course previously approved for tuition assistance will be required to repay the tuition assistance received from Commerce for that course. An employee who leaves employment with the State within two years of receiving tuition assistance must repay the tuition received on a pro-rated basis.

Note - IRS regulations restrict the allowance of "tax-free" tuition. It is advised that employees consult an accountant regarding this exemption.