

HIGHER EDUCATION COMMITTEE

TrainND Northwest
 Deanette Piesik, CEO
Deanette.piesik@willistonstate.edu
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I would like to thank Wayne Kutzer for the overview and history of Train ND.

Advisory Boards

Each region has an Advisory Board made up of the industry leaders. The Boards primary purpose is to advise the CEO and College President. In addition the boards share training opportunities as well as training needs. They identify skill gaps in their current and future workforce.

- Statewide Advisory Board. What is the purpose of another Board to oversee the four Train ND regions? TrainND formed to assist businesses with training and to encourage new businesses to locate in the state. Since 1999, two TrainND Summits have been held. All of the four Advisory Boards came together to discuss the future of TrainND. A statewide Advisory Board made up of one or two regional businesses could not represent the four regions or their needs. This plan seems to duplicate the efforts of the local Advisory Boards. What purpose would they serve? How would you determine who would serve on the Statewide Advisory Board? How much will it cost and how will this Board be funded?

Funding/Funding Model Change

Funding of TrainND has not changed since the 2007-2009 Biennium. I would encourage the legislative committee to consider reviewing the funding formula. One thing of note is that funding is based on the number of businesses in each region. The amount of funding is based on data from ND Job Service that is two years old. Budgeting is very difficult as the four regions have no idea of their funding amounts until July of the starting biennium.

- Could \$1million dollars be set aside as base funding with each region received \$250,000 per biennium or \$125,000 per year.
- Increase in funding, based on performance and accountability. TrainND needs increased funding to stay viable and relevant in today's business climate. Technology changes alone are costly to develop and implement without additional dollars. Businesses are willing to pay for the cost to train their employees, not the infrastructure needed to provide the training. We cannot maintain the quality training product we deliver based on the current funding.

Matching Grants need to be part of the past. Companies will provide equipment for training programs when possible. Some of the state grant programs require difficult reporting processes that discourage company contributions.

- Department of Commerce Workforce Enhancement Grant reporting process is difficult for companies. Many companies are donating equipment and refuse to participate due to the donated equipment documenting process to verify the match.

College partnerships in each TrainND regions need to be encouraged and strengthened. Each region has a tribal college, a private college, and four year colleges. The message should be that all need to work cooperatively to serve the business needs of this state.

- Tribal Colleges receive workforce training funding. In the past, tribal colleges in each region were encouraged to collaborate with the TrainND region in their service area. This process has fallen to the wayside and instead of working jointly on training programs we are competing at times with each other.

Finances

The four Community Colleges responsible for TrainND provide many services for their respective region, for instance, business services, HR, etc. In the Northwest region, the burden added to the business office in accounts payable alone required extra personnel. Currently, TrainND Northwest has a Finance/Operations Manager position to manage business affairs and required reporting. An independent BND bank account for each TrainND region will offer many benefits as listed.

- Clean and accurate bookkeeping
 - By separating the workforce training and college finances, this allows the business office at each respective region to better track both revenue and expenses in a timely manner ensuring correct coding, better trend reporting and analysis.
- A clear reconciliation process
 - This allows TrainND to reconcile one account instead of reviewing multiple accounts in one statement.
- Responsible Fiscal Knowledge
 - A bank account listed for TrainND business purposes, would allow monitoring of cash flow and ensure funds needed for current operations. In addition, it would allow for planning, budgeting, and growing of training programs.

A Bank of ND revolving fund program to assist with accounts receivable. Currently the accounts receivable for TrainND Northwest is approximately \$200,000 per month. Some oil companies require 60-90 days to pay invoices. This can cause a financial burden on the institution. This fund program would be interest free.

And last but not least, I have been reminded many times by legislators from across the state, if you don't ask you may not receive. You are here at TrainND Northwest beautiful new training space that took years to secure financial backing. The main operating expense facing the Northwest at this time is the BND loan of \$2,500,000. The monthly loan payment is over \$15,000 for 15 years. Of the operating budget this amount equates to 35%. If TrainND Northwest could be released from this loan obligation, it would help tremendously in our future growth and development of workforce training for this region of the state.

In conclusion, not all of the regions will agree with some of my remarks or ideas, the value of TrainND is the industry relationships that have been created and nurtured in each region. The benefit to the University system is the career ladder that starts with short-term training, builds and develops into credit programs, or serves as a means for granting credits for prior learning. TrainND offers various credentials or certificates earned through short-term training. TrainND partners with local Economic Development offices, works with the Small Business Development Centers; supports the Colleges in their regions, and helps grow the great state of North Dakota by providing another resource to current and future businesses.

