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ROLL NUMBER

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1385

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1385

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1385

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: 01-23-2007

Recorder Job Number: 1647

Committee Clerk Signature

Lisa M Thomas

Minutes:

Chairman Keiser opened the hearing on HB 1385. HB 1385 relates to eligibility to receive workforce 20/20 training.

Rep. Zaiser introduced the bill.

Rep. Zaiser: This is a bill that makes an amendment to a bill that this committee has dealt with for the last couple of sessions. The bill as I indicated has to deal with the workforce 20/20 program and if you recall, we passed out the original bill. What that did is provide programs so that different businesses in the state could get job development skills honed for technical work. A business in my district and I sat down and we talked about the need for soft skill development. Presentation skills, writing skills, communications skills. As more and more people move into management from a technical standpoint, they don't have those kinds of skills. As we looked around there was a plot of businesses with those same kinds of needs. This bill will add "soft skills" to the 20/20 bill in addition to the technical skills. The one thing I failed to do and I would like to, is add a five hundred thousand dollar appropriation to that. There are also a couple of little changes. Job Service wanted a little different language. See *amendments*. In a nut shell, as North Dakota moves forward and as I indicated, I thought that the minimum wage bill was also doing that to attract businesses in the future, I think we are

going to need to move there. This helps in developing those jobs and skills and makes the employee more valuable. That is identified as you can see.

Maren Daily, Job Services, spoke in support of this bill. *See written testimony.*

Rep. Keiser: Where does the \$500,000 come from?

Daily: Job Service has no funds for this and that is the big issue. This is not in the Governor's budget.

Rep. Amerman: Last session, did we not have a bill on behalf of Cloverdale that included sales people?

Daily: You are right and that was passed and the way it came through has been workable.

Rep. Dosch: One thing that I really struggle with is how much of a role should government play in business?

Daley: will apologize in advance because I will not give you a direct answer on that. Job Service did not sponsor this bill. We have heard and need some business for soft skill training, which I cannot dispute. I think there is an element when businesses look at their training rules and saw that soft skills were a major component of it so why doesn't it qualify? So all the way through, Workforce 20/20, we have looked for major commitment on the part of the employers and business to fund the majority of this and so I would say that with all do respect. This is a significant policy decision for legislators how much you want to invest.

Rep. Keiser: As I read it, what wasn't covered?

Daily: Typically, if we saw an extensive training program that had maybe twenty five percent of teamwork and leadership and the rest got into more technical training. We wouldn't fund that twenty five percent.

Curt Gunning, Avion Technology, spoke in support of the bill.

Gunning: We have been part of Workforce 20/20 for about two years. Over the past year, as we have grown, we have moved from a three person operation to over forty person operation. Now the people that are working need supervision and there is no training available, dollars should I say. Workforce 20/20 has been a big help. One of the reasons we came to North Dakota was because of the benefits that North Dakota offered. In the past year, we have realized that soft skills for the operators have not been funded. So consequently, it becomes very difficult to do any type of that training. Eventually you have turn over because people leave bosses, not jobs. It is because we are not trained when we grow.

Rep. Kasper: What city are you located in?

Gunning: Fargo.

Rep. Kasper: You are saying that there is no place in Fargo in the private sector to get someone to train your employees.

Gunning: You can but fiscally capable on our own. So we end up not doing it.

Rep. Kasper: How much do you estimate it would cost to train one of your people to the level that you would like?

Gunning: I would estimate, upwards to ten thousand dollars.

Rep. Kasper: How long would that take?

Gunning: Probably two years.

Dana Bonn, EDND, spoke in support of the bill as amended.

Bonn: We met with Maren and the group decided that there is a need out there. These companies don't have good managers in rural areas who struggle.

Bill Butcher, Director of the Federation of Independent Business, spoke in support of the bill.

Butcher: I think this is a wonderful program. As a member of that council , I see the end results as far as wages. I share the concerns that have been expressed by committee members. I think that the limitation that has been placed on it is good. I see the need out there.

The hearing was closed. No action was taken at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1385

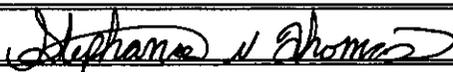
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2490

Committee Clerk Signature



Minutes:

Chair Keiser opened the hearing on HB 1385.

See proposed amendment.

Rep. Keiser: This is a general fund appropriation for \$500,000, and workforce 20/20 is a Job Service program.

Rep. Zaiser: What this does is there was some question that I realized that there's been a great deal of demand out there fighting for this, and the 20/20 program is successful, and I think this just adds other ingredients to that program. Workforce, like I indicated is a big issue.

Rep. Keiser: There are now two amendments. There's the appropriation amendment, and there was also an amendment that was handed out the day of the hearing which defined better communication skills including with soft skill training for supervisors, and management staff is authorized and includes communication, teamwork, and supervisory skills. This bill does have an appropriation with it, so that it would add to the fund if it were passed.

Rep. Kasper: I move to adopt both of the amendments.

Rep. Amerman: Second.

Voice vote taken, amendments adopted.

Rep. Thorpe: I move a do pass, as amended.

Rep. Zaiser: Second.

Roll call vote was taken, Motion fails. 3 Yeas, 8 Nays, 3 Absent

Rep. Thorpe: I move a do not pass, as amended.

Rep. Dietrich: Second.

Rep. Keiser: This was an interesting concept, and if we had absolutely unlimited callers, I think this would be worthwhile. I personally think this bill with that appropriation has the proverbial snowball opportunity to pass.

Roll call vote was taken. 10 Yeas, 1 Nay, 3 Absent, Carrier: Rep. Gruchalla

Hearing closed.

Date: 1-31-07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1385

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO Pass, as Amended

Motion Made By Rep Thorpe Seconded By Rep Zaiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser		X	Rep. Amerman		X
Vice Chairman Johnson			Rep. Boe		
Rep. Clark		X	Rep. Gruchalla	X	
Rep. Dietrich		X	Rep. Thorpe	X	
Rep. Dosch			Rep. Zaiser	X	
Rep. Kasper		X			
Rep. Nottestad		X			
Rep. Ruby		X			
Rep. Vigesaa		X			

Total Yes 3 No 8

Absent 3

Floor Assignment Rep Gruchalla

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

Date: 1-31-07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1385

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS, AS Amended

Motion Made By Rep Thorpe Seconded By Rep Dietrich

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep. Amerman	X	
Vice Chairman Johnson			Rep. Boe		
Rep. Clark	X		Rep. Gruchalla	X	
Rep. Dietrich	X		Rep. Thorpe	X	
Rep. Dosch			Rep. Zaiser		X
Rep. Kasper	X				
Rep. Nottestad	X				
Rep. Ruby	X				
Rep. Vigesaa	X				

Total Yes 10 No 1

Absent 3

Floor Assignment Rep Gruchalla

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

REPORT OF STANDING COMMITTEE

HB 1385: Industry, Business and Labor Committee (Rep. Kelsner, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING). HB 1385 was placed on the Sixth order on the calendar.

Page 1, line 3, after "training" insert "; and to provide an appropriation"

Page 2, line 3, replace "may include" with "includes", replace the first underscored semicolon with "and", and replace "; communication skills, including" with ". Soft skill training for supervisors and management staff is authorized and includes communication, teamwork, and supervisory skills."

Page 2, remove lines 4 and 5

Page 2, after line 17, insert:

"SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to job service North Dakota for the purpose of developing a skills training program under section 1 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

2007 TESTIMONY

HB 1385

#1

TESTIMONY ON HB 1385
HOUSE INDUSTRY, BUSINESS AND LABOR
REPRESENTATIVE GEORGE KEISER, CHAIRMAN
PRESENTED BY MAREN DALEY
JOB SERVICE NORTH DAKOTA
JANUARY 23, 2007

Good Morning Representative Mr. Keiser and members of the committee. I am Maren Daley, Executive Director of Job Service North Dakota. Job Service North Dakota opposes HB 1385 because, although it expands the types of training eligible under the program to include much needed soft skills training, it does not appropriate additional money to cover this expansion. We are concerned that this could reduce the availability of the current training covered by the program which has proven very effective.

Recognized need for soft skill training

Job Service North Dakota has received requests from companies for assistance with soft skill training under Work Force 20/20 (hereinafter WF 20/20) which we have declined as not within the scope of training intended to be covered under WF 20/20. We have met with and listened to employers and we recognize the need for soft skill training.

Concern for funding

HB 1385 does not have an appropriation for the expansion of the training available under the program.

Outcome metrics

The current focus on technical training typically converts into wage increases from which we can assess the program's return on investment. The metrics for assessing the effectiveness of soft skills training have not been identified as of yet. The concept of a retention measure has been discussed. More information from employers regarding the financial benefits of retaining employees may be needed. Without additional funding, the performance and effectiveness of WF 20/20 as currently assessed may be impaired.

Scope of need for soft skills training

What scope of need is intended to be addressed? Is the need for soft skills training a broad workforce improvement need including the need to improve soft skills for entry level workers or should the focus be on improving soft skills for supervisory and management employees as suggested by Economic Development of North Dakota in their 2007 legislative agenda? Defining this scope of need would help define the most effective response options. If the need is very broad and all inclusive, the company by company approach under WF 20/20 may not be a very effective delivery vehicle for improvement.

What are Soft Skills?

Developing common terminology for workplace skills:

- Academic/basic skills include:
 - Occupational knowledge, applied mathematics, reading, writing, locating information, applied technology
- Soft skills include:
 - Teamwork, listening, observation, leadership
- Work styles include:
 - Dependability, cooperation, openness, assertiveness, emotional stability, energy

Business demand and workforce intelligence indicate soft skills are:

- As important as academic/basic skills (education and expertise)
- Work styles are equally important predictors of work success

Industry Competency Model

- Occupational related skills: specific requirements, technical competencies, specific knowledge is dependent on...
- Industry related skills: process, design, production, maintenance, installation, quality assurance is dependent on...
- Foundational skills: applied mathematics, reading, writing, locating information, applied technology, teamwork, listening, leadership, dependability, motivation, integrity.

Proposed amendment

- Narrows scope to soft skills training for managers or supervisory staff within existing industry priorities for training. Cleans up definition of soft skills eligible for coverage.

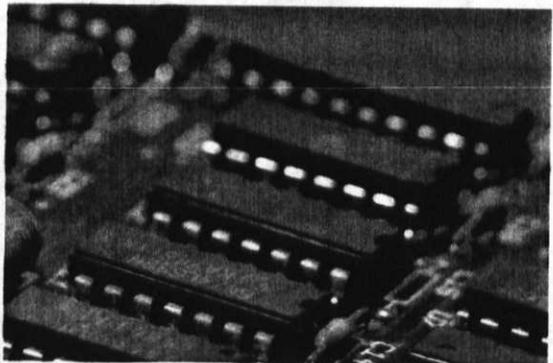
Attachments to testimony:

- Workforce 20/20 Biennial Report
- Current version of Workforce 20/20 NDCC 52-08.1
- JSND proposed amendment



WORKFORCE 20/20

Biennium Report
July 2003 – June 2005



Copy online or from agency

Prepared by Job Service North Dakota
September 15, 2006

Job Service North Dakota is an equal opportunity employer/program provider.
Auxiliary aids and services are available upon request to individuals with disabilities.

**CHAPTER 52-08.1
NORTH DAKOTA WORK FORCE 2000 PROGRAM**

52-08.1-01. North Dakota workforce 20/20 policy and goals.

1. The legislative assembly finds that a highly skilled workforce is critical to the present and future competitiveness of North Dakota's economy. The legislative assembly, therefore, declares that it is the policy of the state to support and promote skill training, retraining, and upgrade training for North Dakota workers. It is the goal of the state to:
 - a. Improve the skills of North Dakota workers;
 - b. Promote and sponsor effective and responsive training programs for employed and unemployed North Dakotans who need job-related training;
 - c. Promote programs that lead to family wage jobs;
 - d. Secure the active participation and full cooperation of North Dakota industry leaders, business owners, and employee representatives in developing programs to increase and improve worker skill training;
 - e. Promote the coordination of North Dakota's education and job training systems to more fully respond to the increasingly complex training needs of workers; and
 - f. Promote access to education and job training programs for all North Dakotans regardless of their economic status or geographic location within the state.
2. The legislative assembly declares that it is the policy of this state to integrate skill training and development programs into its economic development strategies.

52-08.1-02. North Dakota workforce 20/20 program administration. Job service North Dakota shall administer the North Dakota workforce 20/20 program within the state.

1. Job service North Dakota shall give priority to applicants that:
 - a. Are compatible with statewide economic development strategies.
 - b. Demonstrate business and community financial support and participation.
 - c. Coordinate activities and resources with other training programs.
 - d. Provide for followup and evaluation of program results.
 - e. Provide customized training, retraining, and upgrade training in occupations that pay not less than two hundred percent of the federal and state minimum wage.
 - f. Provide training to unemployed and employed residents of North Dakota for new businesses creating new jobs and expanding businesses.
2. Funding through the program is limited to training for permanent jobs or occupations that have significant career opportunities and which require substantive instructions resulting from:
 - a. Introduction of new technologies or new equipment; or

- b. Significant changes in business operations or production methods.
3. An applicant may be eligible for funding of sales and marketing training that is necessitated due to technology or equipment changes that affect manufacturing or production.
4. Training funded through the program is limited to upgrade training or retraining of current workers in situations in which training is required for continued employment and to training of trainees if the company gives successful graduates hiring priority. Only trainees approved by participating parties are eligible for training funded through the program.
5. Training funded through the program is limited to state residents.
6. All direct training costs are allowable for funding through the program. Direct training costs may include:
 - a. Program promotion.
 - b. Instructor wages, per diem, and travel.
 - c. Curriculum development and training materials.
 - d. Lease of training equipment and training space.
 - e. Miscellaneous direct training costs.
 - f. Administrative costs.
 - g. Assessment and testing.

52-08.1-03. North Dakota workforce 20/20 priority of industry requirements.

1. The program is designed to assist companies that are undergoing major technological changes and where training is deemed critical to the company and in occupations that are deemed to have inadequate trained personnel.
2. Job service North Dakota shall encourage training assistance for small companies and companies located in rural areas.
3. Job service North Dakota shall encourage companies to participate with in-kind contributions of training space, training equipment, training supplies, and technical assistance.
4. Training programs must require the direct participation of the sponsoring company and an employee representative.
5. If new job openings are created through upgrade training, the sponsoring company should give priority consideration to individuals eligible for other state and federal job training programs.
6. Job service North Dakota shall encourage training assistance for a company that manufactures or otherwise produces a product. However, the class of occupations eligible to receive training through such a company is not limited to manufacturing or production.

52-08.1-04. North Dakota workforce 20/20 program implementation and coordination.

1. All programs must be conducted through contractual arrangements made with job service North Dakota.
2. Programs must be conducted in cooperation with appropriate state board for career and technical education approved training providers and institutions.
3. Final screening of trainees must be conducted by the company with the assistance of job service North Dakota when required.
4. Program effectiveness will be determined by posttraining monitoring that will address such issues as:
 - a. Company satisfaction with the program.
 - b. Company transition to new technologies or products.
 - c. Posttraining wage levels versus pretraining wage levels.
 - d. Number of trainees successfully completing the program.
 - e. Number of trainees who are retained by the company as a result of the training program.
 - f. Number of new jobs created at entry level as a result of upgrade training.

52-08.1-05. North Dakota workforce 20/20 application procedure.

1. A proposal or concept paper must be submitted by the appropriate company, trade representative, or employee representative to job service North Dakota.
2. The proposal or concept paper should address the key guideline points but be kept brief.

52-08.1-06. North Dakota workforce 20/20 gifts and grants. Job service North Dakota is authorized to accept and use any funds, including gifts and grants, made available for the purpose of defraying expenses involved in carrying out this chapter.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1385

Page 2, line 3, replace "may include" with "includes"

Page 2, line 3, replace the first semicolon with "and"

Page 2, line 3, replace the second semicolon with a period

Page 2, line 3 replace "communication skills, including" with "Soft skill training for supervisors and management staff is authorized and includes communication, teamwork and supervisory skills."

Page 2, remove lines 4 and 5

Renumber accordingly