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ROLL NUMBER

DESCRIPTION

1484

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1484

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1484

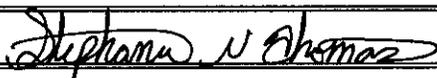
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1612

Committee Clerk Signature



Minutes:

Chair Keiser opened the hearing on HB 1484.

Rep. Pam Gulleson, District 26: This bill has grown out of two larger conversations. One, I was part of the Economic Development Interim Committee, and as part of that we had the ability to go around the state and conduct public forums on what we need to do to help sustain and grow the economy in ND. As part of that, in every one of those meetings, there was a conversation about how are we going to track the necessary trades people out into our rural communities to replace those that are getting ready, and close to the age of retirement. The other one was a conversation that we had with some of the technical colleges where they told us that they have a great success in graduating graduates in trades programs. The other piece is the rural communities are very much challenged in trying to attract those graduates back out to serve those areas. One of the recommendations of that interim group was to really try to look at increase incentives to direct young people to stay, and to work in target industries. Within the first section of this bill there are 3 bullet points. One it would provide a tuition rate rebate to an individual who successfully completes the career training program at one of our institutions, and relocates to a rural area of the state, and obtains employment in the field in which he was trained in accordance with this subsection. Further, the Department of

Commerce then would have to validate that is a critical shortage area to that region. Then that rebate would be allowed over the course of three years, 1/3, 1/3, 1/3 as payback debt tuition. The cap would be not to exceed \$5,000 per year for any one person. For the purposes of all of this, the term rural would include populations of less than 2,500 inhabitants. We would be appropriating about \$150,000 out of our general fund to provide an incentive for use in accommodation between the rural community working with the Department of Commerce, to try to entice some of these specific trades people to locate and serve in our rural communities.

Rep. Johnson: I was just wondering is there a sunset on it?

Rep. Gulleason: Yes.

Rep. Ruby: You use the term field of critical shortage. How do you determine that it's going to be floating, and it's going to be different from area to area? You may have one person at a small town that does it, and they believe that he can provide everything in that area. How do you make that determination on term or decision on what qualifies?

Rep. Gulleason: I do believe that it will be a different targeted type of trade in a farming community, and that's why this would come from the community that requested some from them, depending upon what their need is. This would be just one more tool for those rural communities to be able to attract someone.

Rep. Nottestad: The demographics have changed in ND. Two of the greatest shortages we have coming up in the future are diesel mechanics, and welders. If we're going to serve the state of ND, wouldn't it be prudent to expand it even beyond these small communities?

Rep. Gulleason: It may as well. At this point, just from the discussions that we had in that area, the larger communities have a better chance to attract and retain those particular trades' people. They have a lot more job opportunities; competition is higher, and so on. This bill is just saying that we want to grow all of ND in one piece.

Rep. Keiser: The dilemma is the supply versus the demand. This puts more pressure on the demand side potentially. Do you think that this will influence the supply side?

Rep. Gulleason: I think that is one of the things that I think could potentially occur. A community could use just this one part of the package maybe to encourage a student to go into a program, and then come back and serve that region.

Rep. Keiser: On the community buy in, what would be an example of an ideal community buy in?

Rep. Gulleason: Maybe it would be some type of language that said that the community would also have to contribute a portion, percentage of that rebate.

Wayne Kutzer, Department of Career & Technical Education: See written testimony #1.

Rep. Johnson: Are there any classes for like carpet layers, or are those all trades that you have to learn from somebody outside of our education?

Wayne: Technically, those are on the job training.

Rep. Dosch: Did I hear you correctly that the cost per year for technical education runs about \$3200?

Wayne: That would be fairly close for the tuition alone, not for the books, fees, those types of things.

Rep. Keiser: What happens if two years from now nobody signs up, because if they're going into this wonderful program, they can go out into the oil field and make \$25-\$35 an hour, or they want to live in Fargo where they can make a lot more money than in one of these smaller communities?

Wayne: In terms of statewide, yes, we need all of those steel craft areas. The calls that we get in our agency are from small communities, in terms of we need somebody. They are

concerned that they send a student to BSC, they get the training, and they go somewhere else.

Rep. Nottestad: Is there anything right now stopping these communities from funding a young man or woman from Bowman to go into this?

Wayne: No.

Rep. Dosch: We hear about these critical shortages in these trades, but yet we hear from BSC that they have a waiting list to get into the welding program.

Wayne: To me the biggest answer is funding. Schools offer a variety of programs, but the funding needed to operate career tech type programs is a lot more than liberal arts, and it's simple economics.

Rep. Dosch: When does that get accomplished? You look at programs like this which I think are good, but if the Bismarck's, the Fargo's, and the Williston's aren't getting the people that they need that can offer higher wages, how is this going to trickle down to our smaller communities? What needs to be done at the BSC level to help solve this problem for the industry?

Wayne: To me it really boils down to the funding that is available. I know that if the campuses had the dollars available, they would offer more programs in those areas.

Rep. Keiser: If we're going to train people and you're going to give them \$5,000 to move into the community that's going to be able to pay them \$30,000, so the total is in the \$35,000 range, the carpenters wages in Bismarck and Fargo just went up to \$36,000. We've got to get this program to work, and get the supplies needed.

Wayne: I think that if you would look at the wages, the wages are much less in the rural communities, but not that much less from what we've seen.

Rep. Keiser: Is this appropriation in the Governor's budget?

Rep. Gulleon: No.

Jerry Honn, Department of Commerce, and Workforce Development Division: We're here neither for nor against this bill. One of the clarifications that needs to be addressed would be does this include self employed people? Another would be does the individual have to reside and work in the community, or just work in the community? How long after the person completes the career training program would they have to file for the rebate? Just for information purposes, there would be a fiscal impact on the administration of this bill to the Department of Commerce.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1484

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: 01-29-2007

Recorder Job Number: 2126

Committee Clerk Signature

Suzanne Thomas

Minutes:

Chairman Keiser allowed committee discussion on HB 1484. HB 1484 relates to a tuition rebate for graduates of career training programs.

Rep. Clark: This bill was the bill introduced by Pam Gulleson regarding career training programs and to provide an appropriation. One of the questions that came up in committee was would this apply to a self-employed person rather than the one who simply gains employment in the field he was trained in. On page one, line ten, after the word employment, we inserted the words "or is self-employed". On page one line fourteen we added the words "application may be made during the first year of suitable employment with payment being made upon completion of each full year of employment". I think that takes care of the questions that were raised in committee.

Rep. Keiser: Just looking at my notes, one of the concerns that were raised, was whether or not communities would be required to participate.

Rep. Clark: In the bill there is no provision for that.

Rep. Keiser: But whether we would want to amend that or not. Why don't we just take up this amendment and then I'm going to hold the bill for a vote until later this afternoon or tomorrow.

Rep. Clark moved to adopt the amendment. Rep. Johnson seconded.

Voice vote: Unanimous vote. Amendment is adopted. Discussion is closed at this time.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1484

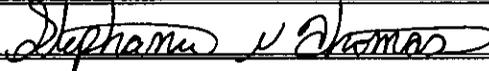
House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2491

Committee Clerk Signature



Minutes:

Chair Keiser opened the hearing on HB 1484. This bill does have an appropriation right in the bill. It's a tuition rebate for graduates of career training programs, and to provide an appropriation. This would serve 20 people for less during the biennium potentially. We may want to have a community buy in; the funding is only for 2 years. The grads can receive tuition rebates less than or equal to \$5,000 per year for up to 3 years, so that's \$15,000 total. They have to receive their degree in an area of critical shortage, according to the EDC schedule at a ND institution, and then they must move to a rural area less than or equal to 2500 people.

Rep. Kasper: What happens if they don't move to a 2500 or less population?

Rep. Keiser: That's a very good question.

Rep. Clark: That was a condition of the bill that they had to settle in a small town, and practice a trade. The program only runs for 2 years, so they would only get 1/3 each year they did their service.

Rep. Kasper: I move to adopt the amendments.

Rep. Nottestad: Second.

Voice vote taken, amendment adopted.

Rep. Vigesaa: I move a do not pass, as amended on HB 1484.

Rep. Ruby: Second.

Rep. Zaiser: We talked about renaissance zone, and Rep. Thorpe thought it up for the real urban areas, and I don't think that the comparison on the other bill was apples and apples, but I think this is more like apples and apples. So, we in the urban areas have to help out the rural areas with their infrastructure out there and costs, and I'm going to support the bill.

Roll call vote was taken. 7 Yeas, 4 Nays, 3 Absent, Carrier: Rep. Clark

Hearing closed.

4

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

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1484

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. Vigesaa Seconded By Rep Ruby

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 7 No 4

Absent 3

Floor Assignment Rep Clark

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

REPORT OF STANDING COMMITTEE

HB 1484: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO NOT PASS (7 YEAS, 4 NAYS, 3 ABSENT AND NOT VOTING). HB 1484 was
placed on the Sixth order on the calendar.

Page 1, line 10, after "employment" insert "or is self-employed"

Page 1, line 14, after "2." insert "An application for a rebate may be made during the first year
of suitable employment with payment being made upon completion of each full year of
employment."

3."

Page 1, line 20, replace "3." with "4."

Renumber accordingly

2007 TESTIMONY

HB 1484

#1

House Industry Business and Labor Committee
January 22, 2007
Testimony on HB 1484

My name is Wayne Kutzer, Director of the Department of Career and Technical Education. The Department of Career and Technical Education supports HB 1484. The shortage of skilled crafts people in rural areas is at a critical level, especially if you are in one of those rural communities in need of a skilled crafts person. As a state we have tried to encourage economic development within all of North Dakota and a critical element to the success is the vitality of our rural communities. Those communities must have the infrastructure in place to encourage economic development efforts to take place in their community.

Our agency has worked with rural communities who are trying to fill some of the skilled positions such as plumbers, electricians, carpenters, and auto technicians and it is very difficult. This bill would offer one more tool that those communities could use to attract candidates and an opportunity for students who complete training in one of the skilled trades to be reimbursed on some of the cost of their education.

I would urge a Do Pass on HB 1484.