

1999 HOUSE APPROPRIATIONS

HB 1017

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1017

House Appropriations Committee
Human Resources Division

Conference Committee

Hearing Date January 14, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-end
1		x	0-end
2	x		0-end
2		x	0-end
3	x		0-end
Committee Clerk Signature <i>Paulette Gussias</i>			

Minutes:

HB 1017-- A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Chairman Svedjan opened the hearing. All members present.

(Tape 1, A, .8) Jennifer Gladden (Executive Director of North Dakota Job Service) see attached testimony.

(23.1) Rep. Svedjan asked if the state has to match the federal welfare dollars? Ms. Gladden referred Tom Peterson. He stated that there is to be a 1/3 match.

(49.3) Rep. Hoffner asked how much it would cost to get rid of asbestos. Mr. Kindum stated 5.2 million dollars is an estimate based upon advise from the Architectural consultant who specializes in asbestos abatement.

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Human Resources Division

Bill/Resolution Number bill 1017 min

Hearing Date January 14, 1999

(31.5) Lee Peterson (Minot Work Force) testified in support of Bill 1017.

(18.5) Mark Krauseneck (Executive Director of Wahpeton Economic Development) spoke in support of Bill 1017.

(25.5) Joy Johnston (Executive Director of the Manufacturer and Processors Division of the Greater North Dakota Association) spoke in support of Bill 1017.

(34.2) Henry Fietzek (Operations System Manager of the Grand Forks Simplot Plant) spoke in support of Bill 1017.

Chairman Svedjan adjourned this hearing of HB 1017.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 3, 1999			
Tape Number	Side A	B Side	Meter #
1		x	16.4-end
2	x		0
Committee Clerk Signature <i>Parvitt Gussias</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

(16.4) **Chairman Svedjan** opened committee work on HB 1017. All members present.

(17.0) **Chairman Svedjan** handed out a copy of job services performance audit.

(26.0) **Mr. Hirsch** explains workforce 2000 in detail.

(Tape 2, A, 9.0) **Mr. Hirsch** covered the information Rep. Delzer requested.

(18.7) **Chairman Svedjan** adjourned committee work.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 4, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0-end
1		x	0-end
2	x		0-24.5
Committee Clerk Signature <i>Paulitt Gussiaas</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

(Tape 1, A, 0.0) Chairman Svedjan opened committee work on HB 1017. All members present.

(1.3) Jim Hirsch (Job Service) spoke about HB 1443, the bill pertains to another training program.

(5.7) Don Bitz (Finance Manager with Job Service) spoke about grants and administration costs.

(11.2) Wayne Kindum (Job Service) was available to answer questions.

(18.0) Chairman Svedjan asked about the report of FTE's. Mr. Kindum states that there is about 18 vacancies.

(32.1) Chairman Svedjan asked about the technology request. Mr. Kindum states that it made up of two items: Technology equipment, servers and number of work stations; and modular furniture that we will be use in our service office.

(44.8) Vice Chairman Bernstein asked about what kind of safe guard would be use to compensate the fraud. Mr. Kindum states that in ND we have a low frauds.

(Tape 1, B, 11.2) Vice Chairman Bernstein asked if when job service does their audits do they do audit for Workmans Comp. Mr. Kindum states that they do audit for Workmans Comp.

(Tape 3, A, 0-22.7) Mr. Kindum finished going over sheets that the committee asked for.

(24.4) Chairman Svedjan adjourned committee work until amendment are drawn up.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 5, 1999			
Tape Number	Side A	B Side	Meter #
1	x		49.1-end
1		x	0-30.0
Committee Clerk Signature <i>Paul H. Gussias</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of Job Service North Dakota.

(Tape 1, A, 49.1) **Chairman Svedjan** opened committee work on HB 1017.

(49.3) **Mr. Kindum** explained the handouts that the committee requested.

(Tape 1, B, 8.6) **Jim Hirsch** was available to answer question for committee.

(26.0) **Committee** worked on amendments.

(29.5) **Chairman Svedjan** adjourned until amendments are drawn up.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 8, 1999			
Tape Number	Side A	B Side	Meter #
1		x	48.5-end
2	x		0-15
Committee Clerk Signature <i>Paulette Gussman</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

(Tape 1, B, 48.5) **Chairman Svedjan** opened committee work on HB 1017. All members present.

(48.8) **Paul Kramer** (Legislative Council) went through drawn up amendments.

(Tape 2, A, 11.4) **Rep. Delzer** moved to pass amendment 98017.0101, 2nd by Vice Chairman Bernstein.

The vote was 4 yes, 1 no, 1 absent.

(11.9) **Rep. Delzer** moved to pass amendment 98017.0102, 2nd by Rep. Timm. The vote was 4 yes, 1 no, 1 absent.

(14.3) **Rep. Timm** moved to pass the bill, 2nd by Rep. Delzer. The vote was 5 yes, 0 no, 1 absent.

Rep. Timm will carry bill to full committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 9, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0-10.5
Committee Clerk Signature			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

Tape 1, A, 0.0 Chairman Svedjan opened committee work on HB 1017. All members present.

.3 Rep Delzer moved reconsider the action on HB 1017, 2nd by Rep. Timm. The motion carries.

1.3 Rep Delzer moved to remove section 5 of the amendments on 98017.0103. The motion carries.

2.4 Rep. Delzer moved to amend section 6 of the amendments on 98017.0103. That Job Service comes in the next section, to get the asbestos funds. The motion carries.

7.3 Rep Kerzman asked to amend section 4 to add the addition 1,000,000, 2nd by Rep. Hoffner. The motion fails.

9.5 Rep. Delzer moved for a do pass as amended, 2nd by Rep. Timm. The vote was 4 yes, 2 no, 0 absent.

Rep. Timm carries the bill to full committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 11, 1999			
Tape Number	Side A	B Side	Meter #
1		x	22.9-end
Committee Clerk Signature <i>Paulitte Gussioas</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

22.9 Chairman Dalrymple opened committee work on HB 1017. The Chairman passed out the amendment for the bill.

24.0 Rep. Timm explained the changes on the bill.

27.6 Rep. Delzer states that reducing work force 2000 the testimony states that there was 138 applications, they funded 132 of them. The ones they didn't fund didn't fit in what they had for criteria, which was very broad.

33.7 Chairman Dalrymple asked if section 7 do any harm, its about an 8 million dollar program manually. Wouldn't benefit regardless to build job Service for their transportation. Rep. Delzer states that he was told there is 9 thousand in the welfare to work.

35.2 Rep. Timm moves to pass the amendment .0104, 2nd by Rep. Svedjan.

35.4 Rep. Kerzman would like to further amend the bill. He would like to restore the work force 2000 money.

Rep. Kerzman moves to amend .0104, 2nd by Rep. Gulleason.

36.0 Rep. Svedjan resist the motion for two reasons.

1. The current budget situation
2. We try to focus on what the training money can be used

38.0 Rep. Hoffner state that he feel that this is an extreme reduction.

43.0 Chairman Dalrymple takes a voice vote on Rep. Kerzman's motion and it fails.

45.7 Chairman Dalrymple takes a vote on Rep. Delzer's motion. The vote was a tie, the motion fails.

47.2 Rep. Timm moves for a do pass as amended, 2nd by Rep. Lloyd. The vote was 14 yes, 6 no, 0 absent. Rep. Timm will carry the bill to the house floor.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 14, replace "2,000,676" with "1,000,676"

Page 1, line 15, replace "58,354,767" with "57,354,767"

Page 1, line 17, replace "2,000,000" with "1,000,000"

Page 1, line 22, replace "\$150,000" with "\$100,000" and replace "\$2,000,676" with "\$1,000,676"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	\$0	\$31,727,196
Operating expenses	15,268,989	0	15,268,989
Equipment	887,100	0	887,100
Capital improvements	493,553	0	493,553
Grants	7,977,253	0	7,977,253
Work Force 2000	<u>2,000,676</u>	<u>(1,000,000)</u>	<u>1,000,676</u>
Total all funds	\$58,354,767	(\$1,000,000)	\$57,354,767
Less special funds	<u>56,354,767</u>	<u>0</u>	<u>56,354,767</u>
General fund	\$2,000,000	(\$1,000,000)	\$1,000,000
FTE	390.40	0.00	390.40

Detail of House changes to the executive budget include:

	REDUCE WORK FORCE 2000	TOTAL HOUSE CHANGES
Salaries and wages	\$0	\$0
Operating expenses	0	0
Equipment	0	0
Capital improvements	0	0
Grants	0	0
Work Force 2000	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total all funds	(\$1,000,000)	(\$1,000,000)
Less special funds	<u>0</u>	<u>0</u>
General fund	(\$1,000,000)	(\$1,000,000)
FTE	0.00	0.00

House changes narrative:

This amendment provides for a general reduction of \$1,000,000 from the general fund for the Work Force 2000 program.

Date: 2/29/99
Roll Call Vote #: /

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House **APPROPRIATION** Committee

Subcommittee on Human Service Resolution
or
 Conference Committee

Legislative Council Amendment Number 98017.0101

Action Taken Do pass

Motion Made By Delzer Seconded By Bernstein

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner		Absent			
Rep. James Kerzman		✓			
Rep. Mike Timm	✓				

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

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

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "15,518,989"

Page 1, line 15, replace "58,354,767" with "58,064,230"

Page 1, line 16, replace "56,354,767" with "56,064,230"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses, training related to significant changes in technology or equipment, or training related to significant ~~changes~~ ^{changes} in business operations or production methods. *job*

SECTION 5. JOB INSURANCE TRUST FUND BALANCE. Job service North Dakota is to develop and implement a plan during the 1999-2001 biennium, to increase the trust fund balance to 1.97 percent of the taxable wage base. The trust fund balance is then to be maintained at no less than 1.97 percent of the taxable wage base.

SECTION 6. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Budget section approval is required for all expenditures from the asbestos abatement fund.

SECTION 7. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 8. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	250,000	15,518,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253

Work Force 2000	<u>2,000,676</u>	<u> </u>	<u>2,000,676</u>
Total all funds	\$58,354,767	(\$290,537)	\$58,064,230
Less special funds	<u>56,354,767</u>	<u>(290,537)</u>	<u>56,064,230</u>
General fund	\$2,000,000	\$0	\$2,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget include:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	CHANGE THREE	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)	(\$540,537)
Operating expenses			250,000	250,000
Equipment				
Capital improvements				
Grants				
Work Force 2000	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all funds	(\$406,010)	\$115,473	\$0	(\$290,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>	<u> </u>	<u>(290,537)</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(3.00)	(3.00)

House changes narrative:

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Setting and maintaining a minimum job insurance trust fund balance at 1.97 percent of the taxable wage base.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

Date: 2-8-99
Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House APPROPRIATION Committee

Subcommittee on Human Services
or
 Conference Committee

Legislative Council Amendment Number 98017.002

Action Taken Do pass

Motion Made By Delzer Seconded By Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	Ab				
Rep. James Kerzman		✓			
Rep. Mike Timm	✓				

Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

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

Date: 3-8-99
 Roll Call Vote #: 3

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House **APPROPRIATION** Committee _____

Subcommittee on human service
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Timm Seconded By Detar

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	AD				
Rep. James Kerzman	✓				
Rep. Mike Timm	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Rep Timm

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

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "15,518,989"

Page 1, line 14, replace "2,000,676" with "1,000,676"

Page 1, line 15, replace "58,354,767" with "57,064,230"

Page 1, line 16, replace "56,354,767" with "56,064,230"

Page 1, line 17, replace "2,000,000" with "1,000,000"

Page 1, line 22, replace "\$150,000" with "\$100,000" and replace "\$2,000,676" with "\$1,000,676"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses or jobs, training related to significant changes in technology or equipment, or training related to significant changes in business operations or production methods.

SECTION 5. JOB INSURANCE TRUST FUND BALANCE. Job service North Dakota is to develop and implement a plan during the 1999-2001 biennium to increase the trust fund balance to 1.97 percent of the taxable wage base. The trust fund balance is then to be maintained at no less than 1.97 percent of the taxable wage base.

SECTION 6. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Budget section approval is required for all expenditures from the asbestos abatement fund.

SECTION 7. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 8. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	(4,950,000)	10,318,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>	<u>(1,000,000)</u>	<u>1,000,676</u>
Total all funds	\$58,354,767	(\$6,490,537)	\$51,864,230
Less special funds	<u>56,354,767</u>	<u>(5,490,537)</u>	<u>50,864,230</u>
General fund	\$2,000,000	(\$1,000,000)	\$1,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REDUCE WORK FORCE 2000 FUNDING	REMOVE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)			(\$540,537)
Operating expenses			250,000		(\$5,200,000)	(4,950,000)
Equipment						
Capital improvements						
Grants						
Work Force 2000				<u>(\$1,000,000)</u>		<u>(1,000,000)</u>
Total all funds	(\$406,010)	\$115,473	\$0	(\$1,000,000)	(\$5,200,000)	(\$6,490,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>			<u>(5,200,000)</u>	<u>(5,490,537)</u>
General fund	\$0	\$0	\$0	(\$1,000,000)	\$0	(\$1,000,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	(3.00)

House changes narrative:

This amendment provides for a general reduction of \$1,000,000 from the general fund for the Work Force 2000 program.

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

Date: 2-9-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House **APPROPRIATION** Committee

Subcommittee on Human Service
or
 Conference Committee

Legislative Council Amendment Number 98017.003 - remove section 5

Action Taken Do pass - to remove section 5

Motion Made By Delzer Seconded By Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	✓				
Rep. James Kerzman	✓				
Rep. Mike Timm	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

~~MAJORITY~~

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "10,318,989"

Page 1, line 14, replace "2,000,676" with "1,000,676"

Page 1, line 15, replace "58,354,767" with "51,864,230"

Page 1, line 16, replace "56,354,767" with "50,864,230"

Page 1, line 17, replace "2,000,000" with "1,000,000"

Page 1, line 22, replace "\$150,000" with "\$100,000" and replace "\$2,000,676" with "\$1,000,676"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses or jobs, training related to significant changes in technology or equipment, or training related to significant changes in business operations or production methods.

SECTION 5. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Funds in the asbestos abatement fund may only be spent pursuant to legislative appropriation.

SECTION 6. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 7. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

Date: 2-9-99
Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House **APPROPRIATION** Committee

Subcommittee on Human Service
or

Conference Committee

Legislative Council Amendment Number 98017.0104

Action Taken passes

Motion Made By Delzer Seconded By Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner	1	✓			
Rep. James Kerzman	✓				
Rep. Mike Timm		✓			

Total (Yes) 4 No 2

Absent 0

Floor Assignment _____

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

Date: 2999
Roll Call Vote #: 3

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House **APPROPRIATION** Committee

Subcommittee on Human Service
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not pass for motion

Motion Made By Kerzman Seconded By Hoffner

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	1	✓			
Vice Chairman LeRoy Bernstein		✓			
Rep. Jeff Delzer		✓			
Rep. Serenus Hoffner	✓				
Rep. James Kerzman	✓				
Rep. Mike Timm		✓			

Total (Yes) 2 No 9

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent: Motion to put 1,000,000 back in workforce 2000.

Date: 2-9-99
Roll Call Vote #: 4

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House **APPROPRIATION** Committee

Subcommittee on human service
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Delzer Seconded By Timm

Representatives	Yes	No	Representatives	Yes	No
Chairman Ken Svedjan	✓				
Vice Chairman LeRoy Bernstein	✓				
Rep. Jeff Delzer	✓				
Rep. Serenus Hoffner		✓			
Rep. James Kerzman		✓			
Rep. Mike Timm	✓				

Total (Yes) 4 No 2

Absent 0

Floor Assignment Timm

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

Date: 2/11/99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number .0104 amend. to amend.

Action Taken _____

Motion Made By Kerzman Seconded By Gulleson

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple			Nichols		
Vice-Chairman Byerly			Poolman		
Aarsvold			Svedjan		
Bernstein			Timm		
Boehm			Tollefson		
Carlson			Wentz		
Carlisle					
Delzer					
Gulleson					
Hoffner					
Huether					
Kerzman					
Lloyd					
Monson					

Total (Yes) _____ (No) _____

Absent _____

Floor Assignment _____

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

Date: 2/11/99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number .0104

Action Taken Adoption of Amendments

Motion Made By Timm Seconded By Svedjan

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple			Nichols		
Vice-Chairman Byerly			Poolman		
Aarsvold			Svedjan		
Bernstein			Timm		
Boehm			Tollefson		
Carlson			Wentz		
Carlisle					
Delzer					
Gulleson					
Hoffner					
Huether					
Kerzman					
Lloyd					
Monson					

Total (Yes) No _____

Absent _____

Floor Assignment _____

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

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1017

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "10,318,989"

Page 1, line 15, replace "58,354,767" with "52,864,230"

Page 1, line 16, replace "56,354,767" with "50,864,230"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses or jobs, training related to significant changes in technology or equipment, or training related to significant changes in business operations or production methods.

SECTION 5. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Funds in the asbestos abatement fund may only be spent pursuant to legislative appropriation.

SECTION 6. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 7. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	(4,950,000)	10,318,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>		<u>2,000,676</u>
Total all funds	\$58,354,767	(\$5,490,537)	\$52,864,230
Less special funds	<u>56,354,767</u>	<u>(5,490,537)</u>	<u>50,864,230</u>
General fund	\$2,000,000	\$0	\$2,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REMOVE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)		(\$540,537)
Operating expenses			250,000	(\$5,200,000)	(4,950,000)
Equipment					
Capital improvements					
Grants					
Work Force 2000					
Total all funds	(\$406,010)	\$115,473	\$0	(\$5,200,000)	(\$5,490,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>		<u>(5,200,000)</u>	<u>(5,490,537)</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(3.00)	0.00	(3.00)

House changes narrative:

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

Date: 2/11/99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1017

House _____ Committee _____

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 0104 - remove Sec 7

Action Taken Do Pass

Motion Made By Delzer Seconded By Svedjan

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple		X	Nichols		X
Vice-Chairman Byerly	X		Poolman		X
Aarsvold		X	Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz		X
Carlisle	X				
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether		X			
Kerzman		X			
Lloyd		X			
Monson	X				

Total (Yes) 10 No 10

Absent _____

Floor Assignment _____

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

Date: 2/10/99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1017

House Appropriation Committee _____

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Timm Seconded By Lloyd

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols	X	
Vice-Chairman Byerly	X		Poolman		X
Aarsvold	X		Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson		X	Wentz	X	
Carlisle	X				
Delzer		X			
Gulleson		X			
Hoffner		X			
Huether	X				
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) 14 No 6

Absent _____

Floor Assignment Timm

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

3012

REPORT OF STANDING COMMITTEE

HB 1017: Appropriations Committee (Rep. Dalrymple, Chairman) A MAJORITY of your committee (Reps. Byerly, Carlisle, Wentz, Delzer, Poolman, Tollefson, Boehm, Bernstein, Svedjan, Lloyd, Carlson, Monson, Dalrymple, Timm) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "10,318,989"

Page 1, line 14, replace "2,000,676" with "1,000,676"

Page 1, line 15, replace "58,354,767" with "51,864,230"

Page 1, line 16, replace "56,354,767" with "50,864,230"

Page 1, line 17, replace "2,000,000" with "1,000,000"

Page 1, line 22, replace "\$150,000" with "\$100,000" and replace "\$2,000,676" with "\$1,000,676"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses or jobs, training related to significant changes in technology or equipment, or training related to significant changes in business operations or production methods.

SECTION 5. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Funds in the asbestos abatement fund may only be spent pursuant to legislative appropriation.

SECTION 6. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 7. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	(4,950,000)	10,318,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>	<u>(1,000,000)</u>	<u>1,000,676</u>
Total all funds	\$58,354,767	(\$6,490,537)	\$51,864,230
Less special funds	<u>56,354,767</u>	<u>(5,490,537)</u>	<u>50,864,230</u>
General fund	\$2,000,000	(\$1,000,000)	\$1,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REDUCE WORK FORCE 2000 FUNDING	REMOVE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)			(\$540,537)
Operating expenses			250,000		(\$5,200,000)	(4,950,000)
Equipment						
Capital improvements						
Grants						
Work Force 2000				<u>(\$1,000,000)</u>		<u>(1,000,000)</u>
Total all funds	(\$406,010)	\$115,473	\$0	(\$1,000,000)	(\$5,200,000)	(\$6,490,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>			<u>(5,200,000)</u>	<u>(5,490,537)</u>
General fund	\$0	\$0	\$0	(\$1,000,000)	\$0	(\$1,000,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	(3.00)

House changes narrative:

This amendment provides for a general reduction of \$1,000,000 from the general fund for the Work Force 2000 program.

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE

HB 1017: Appropriations Committee (Rep. Dalrymple, Chairman) A **MINORITY** of your committee (Reps. Hoffner, Kerzman, Gulleon, Aarsvold, Huether, Nichols) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS**.

Page 1, line 9, replace "31,727,196" with "31,186,659"

Page 1, line 10, replace "15,268,989" with "10,318,989"

Page 1, line 15, replace "58,354,767" with "52,864,230"

Page 1, line 16, replace "56,354,767" with "50,864,230"

Page 2, after line 2, insert:

"SECTION 4. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for expanding businesses, newly created jobs, assisting in the recruitment of new businesses or jobs, training related to significant changes in technology or equipment, or training related to significant changes in business operations or production methods.

SECTION 5. ASBESTOS SETTLEMENT FUNDS. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Funds in the asbestos abatement fund may only be spent pursuant to legislative appropriation.

SECTION 6. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 7. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

REPORT OF STANDING COMMITTEE-DIVIDED (430)
February 17, 1999 9:29 a.m.

Module No: HR-32-3291
Carrier: Timm
Insert LC: 98017.0105 Title: .0300

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	(4,950,000)	10,318,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>		<u>2,000,676</u>
Total all funds	\$58,354,767	(\$5,490,537)	\$52,864,230
Less special funds	<u>56,354,767</u>	<u>(5,490,537)</u>	<u>50,864,230</u>
General fund	\$2,000,000	\$0	\$2,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REMOVE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)		(\$540,537)
Operating expenses			250,000	(\$5,200,000)	(4,950,000)
Equipment					
Capital improvements					
Grants					
Work Force 2000					
Total all funds	(\$406,010)	\$115,473	\$0	(\$5,200,000)	(\$5,490,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>		<u>(5,200,000)</u>	<u>(5,490,537)</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(3.00)	0.00	(3.00)

House changes narrative:

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

1999 SENATE APPROPRIATIONS

HB 1017

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED HB 1017

Senate Appropriations Committee

Conference Committee

Hearing Date 3/8/99/ 3/31/99

Tape Number	Side A	Side B	Meter #
3	x		24-4420
3/31/99	4965-6065		
Committee Clerk Signature <i>Glaudia Anderson</i>			

Minutes:

SENATOR NETHING: Opened the hearing on engrossed HB 1017; A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

JENNIFER GLADDEN: Executive Director of Job Service ND presented testimony in support of engrossed HB (attachment #1); background (attachment #2), and the proposed amendments (attachment #3). (tape 3, A, 24-1000)

SENATOR HOLMBERG: Were these changes a part of workforce 2000?

GLADDEN: Yes, they were aware of our intentions and obligations.

SENATOR NAA DEN: The moneys we receive are federal; the workforce training is state moneys.

GAYLEN BAKER: Director, Stark County Development, to testify in support of engrossed HB 1017. Workforce training funds have been very instrumental in providing training and jobs within the region, and requested reinstatement of funding as per the Governor's budget.

VIVIAN GWIN: Treasurer, Dakota Aero, Devils Lake to testify in support of the bill with restoration of funding for workforce training as included in the Governor's budget. Workforce training funds were solicited and granted to provide specialized training for Dakota Aero mechanics. This funds have been instrumental in the successful launching of Dakota Aero. (tape 3, A, 1780)

SENATOR ST. AUBYN: Are you in production yet?

GWIN: We currently have 4 airplanes there now.

TOM KNUTSON: General Manager, Ryder Industries, to testify in support of reinstatement of funding for workforce training. We are the recipient of workforce money. There were over 200 out-of-work oil industry workers who attended a recent job fair held in Dickinson. Workforce training moneys are needed to provide training for these displaced workers. (tape 3, A, 2103)

SENATOR NAADEN: What do you produce?

KNUTSON: We produce a plastic dump truck box which will be going to market this week. We have received awards for innovation in the design of this product.

BRUCE BAKKE: ND Central Data Cooperative, Mandan, to testify in support of the workforce 2000 program. (testimony attached #4) (tape 3, A, 2250-2490)

JOY JOHNSTON: Executive Director of the Manufacturers and Processors Division of the Greater ND Association, presented testimony in support of HB 1017 on behalf of GNDA's divisions and the economic development association of ND. She outlined the impact of House reductions to HB 1017 if the Senate adopts the admendments, and urged restoration of the governor's recommended request of \$2M, add \$50,000 to the rural project use minimum and strike Section 4 of the engrossed bill. (testimony attached #5) (tape 3, A, 2490-3005)

SENATOR ROBINSON: What is the status of the unemployment fund?

GLADDEN: You have HB 1135 that addresses the unemployment insurance trust fund issue. We are in a real interesting circumstance today because despite the fact we have low unemployment, we have a dwindling trust fund. Part of that is because of increased amounts paid out as benefits as average weekly wages rise. There is a formula that sets forth a relationship there. Secondly, I believe it was 4-5 years ago the tax was dropped to a very low point in order to encourage economic development in the state. A year and a half ago, that was raised a small amount in order to bring back the trust fund level. The statute requires that I report to the budget committee if the trust fund is projected to fall below \$40M. I did that in November of 1997, and at that point we put forth a 3-prong approach: 1) We said we'd change the way we administer the program within the agency, 2) that we would take a hard look at some past practices and make changes there, and 3) that we would raise the rate, and we accomplished that. We also said we would bring forward to you some policy decision in the form of legislation in this session. We have done all of that, but it hasn't moved the trust fund upwardly in great numbers because there are so many different things that play into this and it takes some time. But, we are doing a lot of things that will restore the trust fund above the \$40M.

SENATOR ROBINSON: What is the balance of the fund and what is the status of HB 1135?

GLADDEN: HB 1135 I believe is in Senate IBL at this point. The balance of the fund is \$35M October 1, and it is down around \$27M but we're in a period of time where it will start to go back up. That has to do with collections, pay outs, etc. We're at the end of the winter season so the pay outs will go down considerably, and the collections will make up that difference. It definitely is a moving target.

SENATOR SOLBERG: On workforce retraining, I find it interesting in going through some of the contracts, for example Aveco (?) in Jamestown. One ammonia trainee, how do you train one person economically?

GLADDEN: I should probably ask Jim on that as he knows these contracts. My guess is that there was a training program that one employee was sent to, so we assisted in the funding of that

SENATOR SOLBERG: Where would that be? Wahpeton Science, out-of-state, where?

GLADDEN: That can be anywhere from within state or beyond the boundaries of the state, according to where the training is available. My guess in that circumstance is that it probably is such a specialized field that it probably was outside the boundaries of the state. (tape 3, A, 3640)

SENATOR SOLBERG: What percentage of the workforce training is done outside of the state?

GLADDEN: I'll have to defer that to Jim. I don't know if we even have numbers on that.

JIM _____: I don't have the exact numbers, but the type of training required may necessitate out-of-state training, if no one can provide that training within the state. We by far bring more individuals into the state to provide training than we send out. (tape 3, A, 3780)

SENATOR SOLBERG: I'd be interesting in knowing how many individuals train out-of-state and how many people we bring into the state to provide training.

GLADDEN: I believe HB 1443 or SB 2404, whichever bill or a compromise of the two comes forward is very much an enhancement to workforce 2000. One of the difficulties the colleges have had in the past, is they don't have the resources available to put together those programs. They don't have the capabilities. Those bills allow for that capability to be established on those campuses and thereby more fully utilize or access the workforce 2000 and provide training for our ND employers.

SENATOR GRINDBERG: Can you comment a little more on the providers, if you will, college or private section trainer, and the philosophy. I believe it is the business that picks who they want doing the training so there is some tension at times between the system and what business wants from its providers. Will you comment on that?

GLADDEN: The philosophy behind workforce 2000 as I learned it and as it has been practiced since its inception has been that it is a program for business. It is a program to provide assistance to business and the ND workers to retain North Dakotans in ND, to train them in whatever needs they identified, and they have the option to determine which trainer they want to use because they are best qualified to do that. There are a number of training pieces that haven't been available in our state and so it has been necessary to travel out-of-state to receive some training.

SENATOR KRAUTER: Has the unemployment fund gotten below \$27M?

GLADDEN: Yes, it has been that low. I don't have the history of the fund here. It has gone lower, we went bankrupt in the '80s - it went to zero.

SENATOR KRAUTER: Are the number of employers who are paying in increasing?

GLADDEN: The number of employers paying into the fund has increased. I would be more than happy to provide the testimony for HB 1135, if you're interested in reading that. It gives considerable background. (tape 3, A, 4380)

SENATOR SOLBERG: Does every employer that has employees pay into the fund?

GLADDEN: That is correct, except there are those employers who are reimbursing employers who pay only when they access the fund and they reimburse for the amount that is paid in. There are some nursing home, hospital, government entities, and nonprofits that operate that way.

WRITTEN TESTIMONY:

T E KENVILLE: Mid America Aviation, Inc., West Fargo

SENATOR NAADEN: Closed the hearing on engrossed HB 1017.

SENATOR NETHING: Announced the subcommittee: Senator Holmberg, Chair; Senator Grindberg, Senator Lindaas. (tape 3, A, 4420)

3/31/99 tape 1, A, 4965-6065

SENATOR NETHING: Reopened the hearing on engrossed HB 1017.

SENATOR HOLMBERG: Presented and explained the proposed amendment 98017.0201, and moved do pass the amendment.

SENATOR GRINDBERG: Seconded the motion.

ROLL CALL: Unanimous voice vote to do pass the amendment.

SENATOR HOLMBERG: Moved do pass engrossed HB 1017, as amended.

SENATOR LINDAAS: Seconded the motion.

ROLL CALL: 14 yeas; 0 nays; 0 absent & not voting.

MOTION CARRIED TO DO PASS ENGROSSED HB 1017, AS AMENDED.

CARRIER: SENATOR HOLMBERG

SENATOR NETHING: Closed the hearing on HB 1017.

Date: 3-31-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Engrossed HB1017

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

✓ Legislative Council Amendment Number 98017.0201

Action Taken DO PASS

Motion Made By Senator HOLMBERG Seconded By Senator GRINDBERG

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) VOICE VOTE UNANIMOUS No _____

Absent _____

Floor Assignment Senator _____

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

Date: 3-31-99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Engrossed HB1017

Senate APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 98017.0201

Action Taken DO PASS AS AMENDED

Motion Made By Senator HOLMBERG Seconded By Senator LINDAAS

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Senator HOLMBERG

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

REPORT OF STANDING COMMITTEE

HB 1017, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1017 was placed on the Sixth order on the calendar.

Page 1, line 2, after "Dakota" insert "; and to declare an emergency"

Page 1, line 9, replace "31,186,659" with "31,431,972"

Page 1, line 10, replace "10,318,989" with "15,267,676"

Page 1, line 14, replace "1,000,676" with "2,000,676"

Page 1, line 15, replace "51,864,230" with "58,058,230"

Page 1, line 16, replace "50,864,230" with "56,058,230"

Page 1, line 17, replace "1,000,000" with "2,000,000"

Page 1, after line 20, insert:

"SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from federal funds, to job service North Dakota for the purpose of defraying its expenses, for the period beginning with the effective date of this Act and ending June 30, 1999, as follows:

Operating expenses	\$707,580
Equipment	<u>460,600</u>
Total special funds	\$1,168,180"

Page 1, line 22, replace "\$100,000" with "\$150,000" and replace "\$1,000,676" with "\$2,000,676"

Page 2, remove lines 3 through 7

Page 2, after line 20, insert:

"SECTION 8. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$31,727,196	\$31,186,659	\$245,313	\$31,431,972
Operating expenses	15,268,989	10,318,989	4,948,687	15,267,676
Equipment	887,100	887,100		887,100
Capital improvements	493,553	493,553		493,553
Grants	7,977,253	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>	<u>1,000,676</u>	<u>1,000,000</u>	<u>2,000,676</u>
Total all funds	\$58,354,767	\$51,864,230	\$6,194,000	\$58,058,230

REPORT OF STANDING COMMITTEE (410)
March 31, 1999 4:08 p.m.

Module No: SR-58-6139
Carrier: Holmberg
Insert LC: 98017.0201 Title: .0400

Less special funds	<u>56,354,767</u>	<u>50,864,230</u>	<u>5,194,000</u>	<u>56,058,230</u>
General fund	\$2,000,000	\$1,000,000	\$1,000,000	\$2,000,000
FTE	390.40	387.40	3.00	390.40

Detail of Senate changes to the House version:

	RESTORE SALARY FUNDING FROM CONTRACTING FEES	RESTORE WORK FORCE 2000 FUNDING	RESTORE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	REDUCE OASIS ADMINISTRATIVE FEE FUNDING	TOTAL SENATE CHANGES
Salaries and wages	\$250,000			(\$4,687)	\$245,313
Operating expenses	(250,000)		\$5,200,000	(1,313)	4,948,687
Equipment					
Capital improvements					
Grants					
Work Force 2000		<u>\$1,000,000</u>			<u>1,000,000</u>
Total all funds	\$0	\$1,000,000	\$5,200,000	(\$6,000)	\$6,194,000
Less special funds			<u>5,200,000</u>	<u>(6,000)</u>	<u>5,194,000</u>
General fund	\$0	\$1,000,000	\$0	\$0	\$1,000,000
FTE	3.00	0.00	0.00	0.00	3.00

Senate changes narrative:

This amendment restores three information technology positions and transfers \$250,000 of other funds from the operating expenses line item (contracted services) to salaries and wages.

The amendment also restores the \$1,000,000 of general fund money for Work Force 2000 and the \$5,200,000 of asbestos settlement proceeds which had been removed by the House.

The amendment also reduces the administrative costs paid from the OASIS fund by \$6,000, from \$16,000 to \$10,000.

The amendment also:

- Removes the section restricting the uses of Work Force 2000 funds; and
- Adds a section appropriating \$1,168,180 of federal funds to Job Service North Dakota for the 1997-99 biennium for implementation of a one-step career center deliver system (\$460,600) and to upgrade computer equipment and software for year 2000 issues (\$707,580).

1999 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1017

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 6, 1999			
Tape Number	Side A	B Side	Meter #
2	x		0-31.2
Committee Clerk Signature <i>Paul H. Gussias</i>			

Minutes:

CONFERENCE COMMITTEE ON HOUSE BILL 1017

A Bill for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

.00 CHAIRMAN BERNSTEIN opened the conference committee with Timm, Kerzman, Holmberg, Grindberg, and Tallackson present.

.02 HOLMBERG: I'll run through the 5 or 6 changes that we made in the bill from what the house did. First we moved 250,000 dollars to salaries from operating, restore the 3 information technologists FTE's that the house had removed. We felt that it was included in the governors budget, conforms to the agencies IT plan. The house recommended that the 250 be spent for consulting services and we're convinced that the reduction in IT staffing would not be in the best interest. Second point is that you added a section to the bill regarding asepsis settlement funds, we restored spending authority this biennium for the agency to utilize the 5.2 million for asepsis abatement. Funding is contingent upon the settlement of litigation. As you know that job service administers the oasis fund, we felt the administrative cost under that were expected. We removed 6,000 dollars of administrative costs and that money remains in the oasis fund. We had discussion of the house language in section 4, we understood it as providing redirection of work

force 2000 training. We restored to the governors level of general funding of work force 2000 to 2 million dollars of general fund money. That is the only general fund money in this budget. Finally, if you recall that the emergency commission was going to meet a few weeks ago. Job service was coming in with a 1.16 million dollars federal money for the current biennium.

4.9 BERNSTEIN: Getting back to section 4, we put that in there because we really thought that the work force 2000 should go for new jobs and expanding businesses. If it went for job on going like that it looks like corporate welfare.

5.5 HOLMBERG: We ask about the oasis funding. It works out that they don't need the amount of money in there, 15,000 administration they testified that they could get by with 9,000. Mister Chairman here is a copy of my notes that are in a agreement, if you would like to go off of those.

7.3 BERNSTEIN: Lets go to number 2, what about the asepsis argument from the Senate came over with. Is there a problem with anybody.

7.4 TIMM: We had a reason for putting language in there, so that the funds could only be spent by legislative appropriation.

7.7 BERNSTEIN: The reason why it is that if money did come in we didn't want it to stray. That language is still in the bill according to Senator Holmberg.

8.0 HOLMBERG: These numbers in no way reflect anything else.

8.5 OMB: the settlement has come in at 1.17 million, The total settlement is 14.5 million.

9.7 GRINDBERG: Help me understand how a project is done for 80% less than what is projected.

9.9 LEGISLATIVE COUNCIL: I believe it is a negotiation itself.

10.3 ROBINSON: The project could be funded a 100% by that settlement.

10.4 LEGISLATIVE COUNCIL: *Could not hear the tape.*

10.6 BERNSTEIN: What is the total amount of asepsis abatement?

10.7 WAYNE KINDUM: (Job Service) The 5.3 million dollars was the estimated cost of the total project by our attorney consultant and that included removal, restoration and temporary relocation of staff. It also included the contingency fee that the attorneys will take. The net amount is 3.5 million dollars that was our experts opinion to what it would actually cost. The settlement net proceeds that would come to job service is 1.15 million dollars.

12.2 BERNSTEIN: What is a contingency plan for funding the complete job.

12.3 KINDUM: The next step would be now that we have a settlement. To engage a consultant who can assist us in developing the specifications for the removal of the asepsis. The contingency would be that we ask to abate all of the asepsis or abate it on a floor by floor bases.

13.0 HOLMBERG: As far as Job Service is concerned this is the only dollars in town for this project. If we were to authorize the 1.1 that would get them trough the next biennium and if it wasn't enough money you would have to come back and say what are we going to do next.

13.5 KINDUM: Yes, that is correct.

14.7 GRINDBERG: It seems to me its going to be costing us more in the long run if we are doing it 2 or 3 times.

15.1 BERNSTEIN: I have to ask the question how many are in the building. It is something you have to look at if its covered up. If its sealed there is no problem. Its when you open it up is when there is.

15.4 HOLMBERG: Lets say you start the project and you get through it and you find you need 300,000 to finish the building. Do you have other sources besides the general fund that you could access and if you could you would go to the emergency commission and ask them for spending authority. That you found in a cream can in the federal government, is that a possibility.

16.0 KINDUM: We make sure we would know the cost of the project before we would communize on it. But if we were within a couple thousand dollars from the proceeds of being able to abate the entire building. What we would attempt to do is to work with our federal grant force to find out whether or not it would allow us to extend either our current operating funds for that purpose.

17.6 TIMM: Lets move to number 4 on the worksheets. This should be focused on creating new jobs. What bothers me that some companies that are in our state, they are noted for hiring people, training them and then laying them off. Then a month later they hire them again and retrain again.

19.6 GRINDBERG: What businesses need are some retraining whether it is a new hire or been there 5 years. I think the program has worked very very well.

21.2 KERZMAN: I agree a lot with Senator Grindberg says. I look at the employee and if we can train to put on a higher pay scale that's great.

21.4 TIMM: Number one I'm sure a lot of these employees are not guaranteed a higher pay scale. I'm sure the employer who's getting this is enjoying the money.

23.7 GRINDBERG: North Dakota is being competitive in the work force issue as job training. It used to be cheap labor and a tax break. Now its labor, labor, labor. That's why the more we can do to straighten the reputation in North Dakota over the labor related issues whether it is training or grants it is going to be to our benefit down the road.

25.5 BERNSTEIN: Look at section 4 it doing what you talking about.

25.7 GRINDBERG: It is just important if a business has been here number of years to retrain those workers.

31.2 BERNSTEIN: Adjourned conference committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 7, 1999			
Tape Number	Side A	B Side	Meter #
1	x		15-44
Committee Clerk Signature <i>Paulette Gussman</i>			

Minutes:

CONFERENCE COMMITTEE ON HOUSE BILL 1017

15.0 BERNSTEIN: Opened conference committee with Holberg, Grindberg, Tallackson, Timm and Kerzman.

15.5 HOLMBERG: Can I pass out a worksheet on work force 2000.

15.7 BERSTEIN: You may. Committee as I recall we were on Section 4.

16.0 HOLMBERG: That's right and your section 4 of the bill they happen to correspond. We had that discussion yesterday whether or not it should be conscionable to create new jobs rather than retaining.

17.3 TIMM: The object of starting work force 2000 was to get new businesses in the state. It's kind of strayed away from the original mission. That's why the house thinks it should redefine exactly what work force 2000 should be for and what it should do.

20.0 HOLMBERG: The language that is in section 4 certainly is something brand new. What we have now is a system grown from 85,000. Obviously you put language in there to do some restricting as t what they were doing and if we to read this extensively as you just said it. Is there any pert ailment of what is going on . If there isn't why do we need the language.

21.1 BERNSTEIN: I think it is better to define it compared to what it was. We felt some of the things that this is being used for really boarders on corporate welfare.

26.6 BERNSTEIN: Lets go to #6.

General Discussion

Page 2

Conference Committee

April 7, 1999

26.9 HOLMBERG: That is emergency commission language.

27.3 BERNSTEIN: Let's move on to number on e 250,000 salaries. They started with 3 FTE's and technology.

27.7 HOLMBERG: This is not a change in dollar amounts. This is how the senate viewed how those dollars should be spent.

30.7 BERNSTEIN: Lets go down to #5.

30.9 HOLMBERG: I can tell you why we put that number in. We put it in because of the governors numbers. We gone into our leadership and said a million was not enough. What kind of numbers should we plug in, so the conference committee would discuss it.

31.9 BERNSTEIN: You feel that the million needs to be back in there.

32.2 HOLMBERG: Yes, that is our feeling and our bases.

35.3 TIMM: The reason it was suggested to take out a million was the fact we went through some other budgets and found a lot of work force 2000 dollars.

36.3 GRINDBERG: There are 5 or 6 bills. The task force on training, bill 2404 was to tie the bills together and put a structure in place for businesses.

44.0 BERNSTEIN: Adjourned conference committee.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 8, 1999			
Tape Number	Side A	B Side	Meter #
1		x	4.4-17.6
Committee Clerk Signature <i>Paulette Gussears</i>			

Minutes:

CONFERENCE COMMITTEE ON HOUSE BILL 1017

4.7 BERNSTEIN: Lets take a look at 1, 2, 3, & 6 on Senator Holmberg explanations. Does anyone have a problem with them. Should we be just a bunch of cream puffs and except them. Now that brings us down to 4 & 5.

6.3 HOLM BERG: On the money on work force training the governor came in 2 million, you made a offer in the house. We came back with our offer and perhaps if the house would make a offer we could moue.

6.7 BERNSTEIN: The thing is, we are looking for funding in another bill.

7.1 GRIND BERG: There are feelings right now by looking tying them both together, 1443 with the employer mechanism.

7.8 HOLMBERG: Your sense is that your at 1 million at the present time.

8.2 GRINDBERG: I feel a little uncomfortable of what I heard here. There is a miscommunication of understanding of what I was told. I would rather adjourn.

8.6 TIMM: Can we get item number 4 settled.

8.8 BERNSTEIN: Basically what my feeling is that we are looking at very similar language. But we still maintain the focus on work force 2000, so I think in essence it supports what work force 2000 is all about.

9.1 GRINDBERG: I would be opened to delete some of that language. Particularly, were job development or the description of new businesses and labor studies, deleting that from section 4. There is language relating to the work force 2000 for none training activities.

11.9 HOLMBERG: When we talked about the asepsis settlement fund, the money was going to go back but there has to be some language regarding interest. So that the interest would be used for that asepsis abatement.

12.4 BERNSTEIN: I would like to add just a little to that. Before they can spend the money that they would have to go to OMB or Budget Section.

14.0 HOLMBERG: What we are doing here is that we are appropriating the money. Then, saying that you can spend 1.1 million dollars but you have to come to the budget section to get approval, where as the full legislator has already given them their approval. What you are suggesting would be for the Job Service to make a report to the Budget Section, to the progress that they are making on that. By this bill we are appropriating the money already.

15.1 BERNSTEIN: Your suggestion Senator would be fine.

15.8 JIM HERSCH: (Job Service) The language that caused us some concern was the wording for the recruiting of a new business. That seemed to open up the money from work force 2000 for other purposes. This could imply that jobs development authority could come to us request funds for feasibility studies, to make a trip out of state to recruit new businesses.

17.6 BERNSTEIN: Adjourned conference committee.

(Bill Number) HB 1017 (, as (re)engrossed):

Your Conference Committee

For the Senate:

Sen. Holmberg y
Sen. Grundberg y
Sen. Tallackson N

For the House:

Rep Bernstein y
Rep Timmon y
Rep Kereman N

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
the (Senate/House) amendments on (SJ/HJ) page(s) 976 + 972

and place _____ on the Seventh order.

, adopt (further) amendments as follows, and place
1017 on the Seventh order:

having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) 1017 was placed on the Seventh order of business on the
calendar.

DATE: 9/9/99

CARRIER: _____

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

(1) LC (2) LC (3) DESK (4) COMM.

REPORT OF CONFERENCE COMMITTEE

HB 1017, as engrossed: Your conference committee (Sens. Holmberg, Grindberg, Tallackson and Reps. Bernstein, Timm, Kerzman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1102-1103, adopt further amendments as follows, and place HB 1017 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1102 and 1103 of the House Journal and pages 971 and 972 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide for a report to the budget section; and to declare an emergency"

Page 1, line 9, replace "31,186,659" with "31,431,972"

Page 1, line 10, replace "10,318,989" with "11,237,676"

Page 1, line 14, replace "1,000,676" with "1,250,676"

Page 1, line 15, replace "51,864,230" with "53,278,230"

Page 1, line 16, replace "50,864,230" with "52,028,230"

Page 1, line 17, replace "1,000,000" with "1,250,000"

Page 1, after line 20, insert:

"SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from federal funds, to job service North Dakota for the purpose of defraying its expenses, for the period beginning with the effective date of this Act and ending June 30, 1999, as follows:

Operating expenses	\$707,580
Equipment	<u>460,600</u>
Total special funds	\$1,168,180"

Page 1, line 22, replace "\$1,000,676" with "\$1,250,676"

Page 2, line 4, replace "expanding businesses, newly" with "training to assist expanding businesses, new businesses creating new jobs, training which requires substantive instruction resulting from the introduction of new technologies or equipment, or training related to significant changes in business operations or production methods."

Page 2, remove lines 5 through 7

Page 2, line 8, after "**FUNDS**" insert "**- REPORT TO BUDGET SECTION**"

Page 2, line 9, after the period insert "All earnings on the asbestos abatement fund are to be deposited in the asbestos abatement fund."

Page 2, line 11, after the period insert "Job service North Dakota shall report to the budget section on the status of its asbestos abatement project."

Page 2, after line 20, insert:

"SECTION 9. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMPARISON TO SENATE VERSION
Salaries and wages	\$31,727,196	\$31,186,659	\$245,313	\$31,431,972	\$31,431,972	
Operating expenses	15,268,989	10,318,989	918,687	11,237,676	15,267,676	(\$4,030,000)
Equipment	887,100	887,100		887,100	887,100	
Capital improvements	493,553	493,553		493,553	493,553	
Grants	7,977,253	7,977,253		7,977,253	7,977,253	
Work Force 2000	<u>2,000,676</u>	<u>1,000,676</u>	<u>250,000</u>	<u>1,250,676</u>	<u>2,000,676</u>	<u>(750,000)</u>
Total all funds	\$58,354,767	\$51,864,230	\$1,414,000	\$53,278,230	\$58,058,230	(\$4,780,000)
Less special funds	<u>56,354,767</u>	<u>50,864,230</u>	<u>1,164,000</u>	<u>52,028,230</u>	<u>56,058,230</u>	<u>(4,030,000)</u>
General fund	\$2,000,000	\$1,000,000	\$250,000	\$1,250,000	\$2,000,000	(\$750,000)
FTE	390.40	387.40	3.00	390.40	390.40	0.00

Detail of Conference Committee changes to the House version includes:

	RESTORE SALARY FUNDING FROM CONTRACTING FEES	RESTORE A PORTION OF THE WORK FORCE 2000 FUNDING	RESTORE ASBESTOS SETTLEMENT PROCEEDS	REDUCE OASIS ADMINISTRATIVE FEE FUNDING	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$250,000			(\$4,687)	\$245,313
Operating expenses	(250,000)		\$1,170,000	(1,313)	918,687
Equipment					
Capital improvements					
Grants					
Work Force 2000		<u>\$250,000</u>			<u>250,000</u>
Total all funds	\$0	\$250,000	\$1,170,000	(\$6,000)	\$1,414,000
Less special funds			<u>1,170,000</u>	<u>(6,000)</u>	<u>1,164,000</u>
General fund	\$0	\$250,000	\$0	\$0	\$250,000
FTE	3.00	0.00	0.00	0.00	3.00

Conference Committee changes narrative:

This amendment restores three information technology positions and transfers \$250,000 of other funds from the operating expenses line item (contracted services) to salaries and wages.

The amendment also restores the \$250,000 of general fund money for Work Force 2000 and \$1,170,000 of asbestos settlement proceeds.

The amendment also reduces the administrative costs paid from the OASIS fund by \$6,000, from \$16,000 to \$10,000.

The amendment also:

- Adds a requirement that Job Service report to the Budget Section on its asbestos abatement project; and

- Adds a section appropriating \$1,168,180 of federal funds to Job Service North Dakota for the 1997-99 biennium for implementation of a one-step career center delivery system (\$460,600) and to upgrade computer equipment and software for year 2000 issues (\$707,580).

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

HB 1017

Department 380 - Job Service North Dakota
 House Bill No. 1017

Handwritten: Budget analysis

	FTE Positions	General Fund	Other Funds	Total
1999-2001 Executive Budget	390.40	\$2,000,000	\$56,354,767	\$58,354,767
1997-99 Legislative Appropriations	395.14	1,850,754	49,062,801	50,913,555
Increase (Decrease)	(4.74)	\$149,246	\$7,291,966	\$7,441,212

* This amount has been adjusted to \$61,135,612 as a result of adjustments relating to Emergency Commission approvals.

Major Items Affecting Job Service North Dakota 1999-2001 Budget

	General Fund	Other Funds	Total
1. Transfers 1 FTE director of Workforce Development Council to the Department of Economic Development and Finance		(\$114,952)	(\$114,952)
2. Deletes 30.99 FTE positions not requested by the agency		(2,188,810)	(2,188,810)
3. Provides funding for the following 27.25 new FTE positions:			
1.00 FTE JS program administrator I (Program Services Division)		75,061	75,061
1.00 FTE computer and network specialist II (Administrative Support Division)		93,755	93,755
1.00 FTE information system administrator II (Administrative Support Division)		100,111	100,111
1.00 FTE senior programmer analyst (Administrative Support Division)		125,720	125,720
1.00 FTE account/budget specialist II (Administrative Support Division)		69,787	69,787
13.00 FTE JS interviewer II (Program Services Division)		1,007,786	1,007,786
4.00 FTE JS interviewer assistant (Program Services Division)		244,928	244,928
1.00 FTE administrative clerk (Program Services Division)		51,300	51,300
0.25 FTE administrative clerk (Program Services Division)		18,942	18,942
1.00 FTE JS program administrator II (Program Services Division)		105,006	105,006
1.00 FTE administrative clerk (Program Services Division)		58,068	58,068
1.00 FTE JS program administrator III (Program Services Division)		88,423	88,423
1.00 FTE information system administrator II (Program Services Division)		140,369	140,369
4. Increases operating expenses line item for an asbestos abatement project (funding is from anticipated asbestos lawsuit settlement)		5,200,000	5,200,000
5. Increases the Work Force 2000 funding from \$1,850,754 to \$2,000,000	\$149,246		149,246
Increases Program Services Division federal funding for the welfare-to-work program		2,761,875	2,761,875

Major Legislation Affecting Job Service North Dakota

House Bill No. 1070 increases old age and survivor insurance benefits.

House Bill No. 1089 provides an appropriation to Job Service North Dakota, for federal fiscal years 1999, 2000, and 2001, of moneys credited to the account of the state pursuant to Section 903 of the Social Security Act, for the purpose of administration of the unemployment compensation program.

House Bill No. 1091 increases the maximum weekly unemployment benefit from 62 to 65 percent of a claimant's average weekly wage.

House Bill No. 1092 provides that an unemployment compensation claimant will be compensated for a 1-week waiting period if the claimant is employed within 4 weeks of the initial claim only if the employment is with a different employer and only if the claimant is employed for a period of at least 4 weeks.

House Bill No. 1093 allows for the sale of the local Job Service office in Bismarck or the transfer of the title to the property to the United States Department of Labor, which holds a 100 percent equity position in the property.

House Bill No. 1135 changes the unemployment tax rates, the average tax rate is projected to increase from 1.14 percent to 1.17 percent.

Senate Bill No. 2096 allows employers to provide self-financing for new jobs training programs, rather than receive new jobs training grants or loans, and be reimbursed for up to 60 percent of the allowable state income tax withholding generated from the new jobs positions.

	FTE Positions	General Fund	Other Funds	Total
1999-2001 Executive Budget	390.40	\$2,000,000	\$56,354,767	\$58,354,767
1997-99 Legislative Appropriations	395.14	1,850,754	49,062,801	50,913,555
Increase (Decrease)	(4.74)	\$149,246	\$7,291,966	\$7,441,212

* This amount has been adjusted to \$61,135,612 as a result of adjustments relating to Emergency Commission approvals.

Major Items Affecting Job Service North Dakota 1999-2001 Budget

	General Fund	Other Funds	Total
1. Transfers 1 FTE director of Workforce Development Council to the Department of Economic Development and Finance		(\$114,952)	(\$114,952)
2. Deletes 30.99 FTE positions not requested by the agency		(2,188,810)	(2,188,810)
3. Provides funding for the following 27.25 new FTE positions:			
1.00 FTE JS program administrator I (Program Services Division)		75,061	75,061
1.00 FTE computer and network specialist II (Administrative Support Division)		93,755	93,755
1.00 FTE information system administrator II (Administrative Support Division)		100,111	100,111
1.00 FTE senior programmer analyst (Administrative Support Division)		125,720	125,720
1.00 FTE account/budget specialist II (Administrative Support Division)		69,787	69,787
13.00 FTE JS interviewer II (Program Services Division)		1,007,786	1,007,786
4.00 FTE JS interviewer assistant (Program Services Division)		244,928	244,928
1.00 FTE administrative clerk (Program Services Division)		51,300	51,300
0.25 FTE administrative clerk (Program Services Division)		18,942	18,942
1.00 FTE JS program administrator II (Program Services Division)		105,006	105,006
1.00 FTE administrative clerk (Program Services Division)		58,068	58,068
1.00 FTE JS program administrator III (Program Services Division)		88,423	88,423
1.00 FTE information system administrator II (Program Services Division)		140,369	140,369
4. Increases operating expenses line item for an asbestos abatement project (funding is from anticipated asbestos lawsuit settlement) (The House removed the \$5,200,000.)		5,200,000	5,200,000
5. Increases the Work Force 2000 funding from \$1,850,754 to \$2,000,000 (The House reduced the Work Force 2000 funding by \$1,000,000.)	\$149,246		149,246
6. Increases Program Services Division federal funding for the welfare-to-work program		2,761,875	2,761,875

Major Legislation Affecting Job Service North Dakota

House Bill No. 1070 increases old age and survivor insurance benefits.

House Bill No. 1089 establishes an unemployment compensation incentive fund from moneys received by Job Service North Dakota, for federal fiscal years 2000 and 2001, pursuant to Section 903 of the Social Security Act and provides an annual appropriation of \$300,000 to Job Service for the administration of the unemployment compensation program.

House Bill No. 1093 allows for the sale of the local Job Service office in Bismarck or the transfer of the title to the property to the United States Department of Labor, which holds a 100 percent equity position in the property.

House Bill No. 1135 changes the unemployment tax rates and establishes a targeted amount for the unemployment compensation trust fund. The average tax rate is projected to increase from 1.14 percent to 1.28 percent.

Senate Bill No. 2404 creates a work force training investment account, establishes a fee assessed against employers and provides that the moneys collected from the fee must be deposited in the work force training investment account, and provides an appropriation of \$1,963,100 from the work force training investment account to Job Service for providing work force training programs through higher education institutions.

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	250,000	15,518,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	<u>2,000,676</u>	<u>(1,000,000)</u>	<u>1,000,676</u>
Total all funds	\$58,354,767	(\$1,290,537)	\$57,064,230
Less special funds	<u>56,354,767</u>	<u>(290,537)</u>	<u>56,064,230</u>
General fund	\$2,000,000	(\$1,000,000)	\$1,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REDUCE WORK FORCE 2000 FUNDING	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)		(\$540,537)
Operating expenses			250,000		250,000
Equipment					
Capital improvements					
Grants					
Work Force 2000				<u>(\$1,000,000)</u>	<u>(1,000,000)</u>
Total all funds	(\$406,010)	\$115,473	\$0	(\$1,000,000)	(\$1,290,537)
Less special funds	<u>(406,010)</u>	<u>115,473</u>			<u>(290,537)</u>
General fund	\$0	\$0	\$0	(\$1,000,000)	(\$1,000,000)
FTE	0.00	0.00	(3.00)	0.00	(3.00)

House changes narrative:

This amendment provides for a general reduction of \$1,000,000 from the general fund for the Work Force 2000 program.

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

The amendment also adds sections relating to:

Defining the uses of Work Force 2000 funding.

Setting and maintaining a minimum job insurance trust fund balance at 1.97 percent of the taxable wage base.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

LEGISLATIVE COUNCIL
ANALYSIS OF LEGISLATIVE CHANGES
AS OF FEBRUARY 18, 1999

BILL #/DEPARTMENT	LINE	EXECUTIVE BUDGET	HOUSE VERSION	HOUSE DIFF TO EXEC BUDGET	SENATE VERSION	SENATE DIFF TO EXEC BUDGET	DIFF BETWEEN HOUSE & SENATE
HB1017	SALARIES AND WAGE	31,727,196	31,186,659	540,537-	0	0+	0+
JOB SERVICE	OPERATING EXPENSE	15,268,989	10,318,989	4,950,000-	0	0+	0+
	EQUIPMENT	887,100	887,100	0+	0	0+	0+
	MAJOR IMPROVEMENT	493,553	493,553	0+	0	0+	0+
	GRANTS	7,977,253	7,977,253	0+	0	0+	0+
	WORK FORCE 2000	2,000,676	1,000,676	1,000,000-	0	0+	0+
	TOTAL	58,354,767	51,864,230	6,490,537-	0	0+	0+
380	SPECIAL FUNDS	56,354,767	50,864,230	5,490,537-	0	0+	0+
	GENERAL FUND	2,000,000	1,000,000	1,000,000-	0	0+	0+
BILL TOTAL	TOTAL	58,354,767	51,864,230	6,490,537-	0	0+	0+
HB1017	SPECIAL FUNDS	56,354,767	50,864,230	5,490,537-	0	0+	0+
	GENERAL FUND	2,000,000	1,000,000	1,000,000-	0	0+	0+

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$31,727,196	(\$540,537)	\$31,186,659
Operating expenses	15,268,989	(4,950,000)	10,318,989
Equipment	887,100		887,100
Capital improvements	493,553		493,553
Grants	7,977,253		7,977,253
Work Force 2000	2,000,676	(1,000,000)	1,000,676
Total all funds	\$58,354,767	(\$6,490,537)	\$51,864,230
Less special funds	56,354,767	(5,490,537)	50,864,230
General fund	\$2,000,000	(\$1,000,000)	\$1,000,000
FTE	390.40	(3.00)	387.40

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	REALLOCATE SALARY FUNDING TO OPERATING FOR CONTRACTING	REDUCE WORK FORCE 2000 FUNDING	REMOVE ANTICIPATED ASBESTOS SETTLEMENT PROCEEDS	TOTAL HOUSE CHANGES
Salaries and wages	(\$406,010)	\$115,473	(\$250,000)		(\$5,200,000)	(\$540,537)
Operating expenses			250,000			(4,950,000)
Equipment						
Capital improvements						
Grants						
Work Force 2000				(\$1,000,000)		(1,000,000)
Total all funds	(\$406,010)	\$115,473	\$0	(\$1,000,000)	(\$5,200,000)	(\$6,490,537)
Less special funds	(406,010)	115,473			(5,200,000)	(5,490,537)
General fund	\$0	\$0	\$0	(\$1,000,000)	\$0	(\$1,000,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	(3.00)

House changes narrative:

This amendment provides for a general reduction of \$1,000,000 from the general fund for the Work Force 2000 program.

LEGISLATIVE COUNCIL
ANALYSIS OF LEGISLATIVE CHANGES
AS OF FEBRUARY 18, 1999

FEBRUARY 19, 1999

This amendment removes three information technology positions and then transfers \$250,000 of other funds from the salaries and wages line item to the operating expenses line item. The \$250,000 is to be used to contract for information technology services related to increasing the fund balance, technology business planning, claims processing efficiencies, and Work Force 2000.

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Defining the uses of Work Force 2000 funding.

Prescribing the uses of asbestos settlement proceeds.

Seeking a waiver to allow for the use of administrative funds for program costs.

Payments to public transportation providers for services provided to welfare-to-work recipients.

Job Service

Job Service North Dakota

Appropriations Committee Testimony and Handouts



Prepared for Senate Appropriations Committee
by Job Service North Dakota
House Bill 1017
March 8, 1999

House Bill 1017
Testimony before the Senate Appropriations Committee
By Job Service North Dakota
David Nething, Chairman
March 8, 1999

Mr. Chairman, members of the Senate Appropriations Committee, my name is Jennifer Gladden, Executive Director of Job Service North Dakota. I would like to begin my testimony with a brief introduction.

Job Service North Dakota became a part of government when a public labor exchange was created in 1935 with the Social Security Act. Through the years, our role in providing Job Insurance, Job Placement, Job Training, and Labor Market Information services to the public has continued to expand.

The future direction of Job Service and services we provide are addressed in our current business plan. It is reviewed on an ongoing basis. Our business plan provides us with direction for the future through the use of technology, collaborative efforts with other agencies, and by restructuring our method of operations.

Tab 1. Mission/Vision Statement

We have also developed a technology plan, which visualizes our future service delivery through technology.

Job Service collaborates with other agencies to provide services to the citizens of North Dakota. A number of the programs we administer such as: New Jobs Training, Workforce 2000, Welfare-to-Work, JOBS, Dislocated Worker, and North Dakota Survival, require that type of cooperation. We also work very closely with Economic Development and Higher Education in various capacities. For example, we will develop a resource room at the Skills and Technology Training Center in Fargo, which provides access to our services from that facility.

Job Service has also gone through a restructuring phase during the past year. The intent of the restructuring was to review our various programs and make changes to allow the programs to be more productive for our customers. We also changed our management structure to streamline and flatten the organization. The second tab in the attachments provides you with an overview of the new organizational structure.

Tab 2. Organizational Chart

Another factor that certainly was instrumental in our restructuring was the flat federal funding. Geographically, we divided the state into four customer service areas. The third tab in the

attachments illustrates the division into the four customer service area's, and the locations of Job Service offices within each area.

Tab 3. Map and Office Listings

The programs we administer and the services we provide to the citizens of North Dakota assist them to secure employment and contribute to our state's quality of life. The four principal services that we provide are: Job Insurance, Job Placement, Job Training, and Labor Market Information. Each of these services is unique, yet each works intricately with the others to provide the best of services to our customers. A brief overview of our Performance Levels can be found at Tab 4.

Tab 4. Performance Levels

CUSTOMER SERVICE AREA V - CENTRALIZED SERVICES

Customer Service Area V - Centralized Services is responsible for administration of federal- and state-funded services and programs which is centrally delivered. These state- and federally-funded programs include:

- Job Insurance
- Workforce 2000
- North Dakota New Jobs Training Program
- Old Age Survivors Insurance Program
- Dislocated Worker Office

Job Insurance Program

The Job Insurance Program provides temporary income maintenance to eligible unemployed workers who are laid off and unemployed through no fault of their own. The principle components of the Job Insurance program involve payment of benefits, collection of taxes, and administration of the program.

A basic benefit-funding principle is that the Job Insurance programs be self-financing. This is typically taken to mean that funds should be accumulated during periods of economic growth so they will be available to pay benefits during economic downturns. Employers share in or pool the risk of unemployment by contributing to a State unemployment fund, which pays out benefits. The individual employer generally does not pay full cost of the event that is insured against at the time the event occurs, although over time their tax rates reflect their experience with unemployment.

In North Dakota, there are over 18,600 covered employers who pay into the state unemployment fund. For calendar year 1997, Job Insurance benefit payments totaled \$36.1 million. The average benefit duration for claimants was 9.4 weeks. The average benefit duration decreased because of the number of flood-related claims that were approximately three to five weeks duration. Typically, we experience a 12-week duration. Weekly benefit amounts are based on claimants' earnings from the first four out of the last five quarters prior to filing their claim. The maximum weekly benefit amount is \$271. The minimum benefit amount is \$43. Claimants file weekly by phone utilizing a Quikline service.

Along with temporary jobless benefits, claimants are exposed to other services and retraining opportunities based on their individual needs.

Workforce 2000

Enacted by the 1991 North Dakota Legislature, Workforce 2000 is a state-funded job training program designed to assist North Dakota industry and business in retraining and upgrading workers' skills to meet demands brought about by the introduction of new technologies and work methods into the workplace. Funding is made available in the form of a grant under a cost reimbursable contract, which identifies the direct training costs to be covered.

The Workforce 2000 Program has two primary objectives: First, it provides funding assistance to companies to help upgrade the skills of current workers where training is required for continued employment. Second, it provides funding assistance to companies to help them train new employees. Training funded under Workforce 2000 is limited to North Dakota residents who are or will be employed in the State of North Dakota.

Small companies and companies located in rural areas are especially encouraged to participate under the Workforce 2000 Program. Rural areas account for 33% of the total Workforce 2000 Program obligations to date. All businesses making a request for Workforce 2000 funding assistance are encouraged to participate in the cost of training which can include in-kind contributions of training space, training equipment, training supplies, employee wages while in training and technical assistance.

1997 - 1999 Workforce 2000 Projects

A total of 132 separate projects with 80 different companies have been funded as of January 6, 1999. These projects are providing training to 4,398 North Dakota workers. The total training costs associated with these projects is \$8.56 million. Workforce 2000 is contributing \$1.43 million in funding. Employers are providing a \$5.13 million match. Projects in rural areas account for \$471,000 in funding or 33% of the total Workforce 2000 Program obligations to date. The average Workforce 2000 cost per participant is approximately \$325.

1995-1997 Workforce 2000 Projects Follow-up

Follow-up on participants of the program one year after training indicates a 62% retention rate. The participants who received training under Workforce 2000 had a 25.4%* increase in earnings one year after training. The average wage of participants of the Workforce 2000 program one year after training is \$12.16 per hour.

*The average wage one year after training reflects a number of individuals who have obtained pre-employment training for new jobs being created. Many of these individuals did not have any earnings at the time they started their training. The average wage one year after training does not take into account those individuals who left employment for other employment or employment at higher pay.

North Dakota New Jobs Training Program

Enacted by the 1993 North Dakota Legislature, the North Dakota New Jobs Training Program is designed to provide incentives to businesses and industries that are expanding employment opportunities or locating employment opportunities within the state.

The purpose of the North Dakota New Jobs Training Program is to support the growth and competitiveness of North Dakota's work force and industry by providing incentives to encourage businesses to make investments to ensure North Dakota's work force has the skills and expertise to compete in a global economy.

The North Dakota New Jobs Training Program has two primary objectives: First, it provides an incentive for companies who are creating new job opportunities in the state. Second, it provides a mechanism for these companies to secure no-cost funding to help offset the cost of training new employees for their business expansion and/or start-up.

Under the North Dakota New Jobs Training Program, the employer obtains funds in the form of a loan or repayable grant. The loan can be obtained from a commercial lender, local development corporation, the Bank of North Dakota, or other qualified lenders. Repayable grants could be issued by the state, a city, or a local development corporation.

The loan or grant, plus interest, is repaid through the capture of the state income tax withholding generated from the new job positions which are created. State income tax withholding can be captured for up to a ten-year period, or until the loan is repaid, whichever comes first.

Eligible businesses include "primary sector businesses," or businesses engaged in the process of providing services in interstate commerce, who are creating new employment opportunities in North Dakota. Employees filling new positions under a North Dakota New Jobs Training Agreement, must be paid an income of at least \$7.50 per hour, plus benefits, by the end of the first year of employment in a new job position covered under a project.

North Dakota New Jobs Training Projects

To date, there are a total of 32 active projects with 28 different companies. These projects cover the creation of 4,029 new jobs. Another 16 projects are in various stages of negotiation with start-up and expansion projects.

PROGRAM SUPPORT AREA

In September 1997, the Job Placement and Job Training Divisions were combined with the Research and Statistics section creating the Program Support Area. The Program Support Area is responsible for the support of the programs delivered through the local Customer Service offices. The Program Support Area has two primary sections--Employer and Applicant Services and the Labor Market Information Center.

Employer and Applicant Services provides administration, monitoring, technical assistance, and reporting of services such as job referral and placement; test administration and counseling; and training. Employer and Applicant Services also provides services to significant groups such as migrant and seasonal farmworkers, females, youth, veterans, and disabled.

Federal training programs administered by Job Service North Dakota have specific eligibility criteria to serve targeted segments of the population (i.e., dislocated workers, welfare recipients, and low-income individuals).

Many of these programs can also provide supportive services, which may include help with transportation, medical care, temporary childcare, food, and shelter.

North Dakota Survival

The North Dakota Survival Grant is a federally-funded Job Training Partnership Act program that assists individuals affected by the loss of farm/ranch operations in the state. Assistance is available for career counseling, job placement assistance, retraining, relocating for new employment, or traveling for employment interviews. The grant is available from April 1998 through November 21, 1999. Services are provided based on individual need.

Other programs Job Service is involved in include: Job Corps, a residential training program for disadvantaged youth; the JOBS Program which is designed to assist individuals receiving Temporary Assistance for Needy Families (TANF) to transition from welfare to employment and self-sufficiency; the Welfare-to-Work Program which provides additional services for hard-to-employ TANF recipients to assist them in gaining long-term, unsubsidized employment and self-sufficiency.

Applicant Testing and Counseling

Job Service administers proficiency and aptitude tests for counseling, training, and employment purposes. Applicants are counseled when they need to make an initial or subsequent vocational choice or need vocational training to enhance their employability.

Special Applicant Groups

We have staff funded specifically to provide counseling, placement, and training opportunities to all veteran applicants. In addition, consideration is given to placing women in nontraditional employment, placing or retraining older workers, and assisting applicants who have physical and/or mental disabilities.

Also, Job Service is mandated by federal regulations to provide an outreach service program to migrant and seasonal farmworkers and to grant this applicant group services that are equal and proportionate to those provided non-MSFW applicants.

Employer Services

Because of the importance of maintaining continual contact with the employer community, Job Service conducts a continuous employer relations program. The activities in this program include on-site personal employer visits, telephone calls, advertising through the various media, and special mailings. Staff in all Customer Service offices solicit job openings; provide assistance in recruitment of workers; answer questions on job insurance, equal opportunity, or other labor-related issues; and explain other agency programs designed to provide employer assistance. Job Service conducts job matches on openings received and refers qualified applicants to employers.

Labor Market Information Center

Job Service North Dakota's Labor Market Information (LMI) Center provides a wealth of labor market information to job seekers, employers, economic developers, as well as the general public.

One way that labor market information is disseminated to the public, is through the agency's web site. Job Service North Dakota's web site, which is maintained by the LMI Center, is located at www.state.nd.us/jsnd.

Tab 5. Home Page

As advances in technology are made, Job Service has continued to improve and expand its web site in an effort to provide information to the public in the most timely and efficient manner. The addition of the "LMI Warehouse" and the conversion of the "Economy at a Glance" from a static

to a dynamic document are prime examples of the innovations that can be made through technology.

The LMI Warehouse is a dynamic web page that provides current and historical labor market information in an interactive format, while the Economy at a Glance provides a summary of current statistical information for all 53 counties in North Dakota.

Another way labor market information is delivered to the public is through Job Service's One-Stop Centers. In order to better equip the One-Stop Centers, not only with the most up-to-date information, but the skills needed to use the information, a LMI training program was implemented in the fall of 1998. Job Service employees attend a four-hour training session that is designed to familiarize them with LMI Center staff, programs, publications, and the agency's web site.

THE JOB SERVICE APPROPRIATION REQUEST

Tab 6. Chart – Agency Appropriation Request (Governor's Budget)
Chart – House Bill 1017 As Amended by the House of Representatives

The appropriation request for the 1999-2001 biennium, as part of the Governor's budget, includes \$50.8 million in federal funds, \$2 million in state general funds, and \$5.6 million in special funds. Tab 6 shows the breakout of agency funding and projected federal funds by major program area for this budget request.

House Bill 1017, as amended by the House of Representatives, includes \$50.5 million in federal funds, \$1 million in state general funds, and \$.4 million in special funds. The major changes from the Governor's request to the current bill are discussed below. Tab 6 also shows the breakout of agency funding and projected federal funds by major program area after amendment by the House of Representatives.

FEDERAL FUNDS:

The projected federal funds to be received from the U.S. Department of Labor are earmarked for several employment and training programs, most notably the Employment Service (\$13.9 million); Unemployment Insurance Administration (\$13.6 million); Job Training Partnership Act (\$11.3 million); Welfare-to-Work (\$2.8 million); and Job Opportunities and Basic Skills (\$2.5 million). Another \$6.7 million is earmarked for several other programs, such as Job Corps, Labor Market Information, Veterans Employment Services, and Senior Community Service Employment.

The estimated \$50.8 million of federal funding is \$8.0 million less than that appropriated for the current biennium. This reduction is due primarily to receipt of one-time funding providing for Disaster Unemployment Assistance and Dislocated Worker employment related to the Grand Forks flooding. In addition, the agency received one-time funding from the Department of Labor to fund Year 2000 conversion activities.

Approximately 50 percent of the federal funds are from Federal Unemployment Tax Act revenues for direct administration of the public employment service and unemployment insurance programs. The balance of the funding is from federal general revenues for programs such as Labor Market Information, Veterans Employment Services, Job Corps, and Job Training.

GENERAL FUNDS (WORKFORCE 2000):

Tab 7. Workforce 2000 and New Jobs Training Program Information

Two million dollars in state general funds are being requested for the Workforce 2000 program. Of this amount, \$19,676 is set aside for operation of the program including contract maintenance, monitoring of contract reports and billings, employer follow-up, and marketing the program to small and rural employers. The balance of the requested funding (\$1,980,324) is budgeted for direct training contracts. This state-funded job training program has been very successful and is a key element in the state workforce development effort. The House amendments reduce this funding request to \$1,000,000.

Workforce 2000 provides funding assistance to employers undergoing technological changes and where training is deemed critical to the company in occupations that are short of skilled workers. Small and rural businesses are encouraged to participate in the program.

The goals of Workforce 2000 are:

- Improve the skills of North Dakota's employed and unemployed workers;
- Promote and sponsor effective training programs for North Dakotans;
- Promote training programs that lead to family wage jobs;
- Secure active participation and full cooperation of North Dakota industry leaders, business owners, and employee representatives; and
- Promote access to education and training to all North Dakotan's regardless of economic status or geographic location in the State.

Workforce 2000 has met and continues to improve on meeting these goals. The program has been successful in providing life-long learning to North Dakota workers and has been associated with pay increases that are above the North Dakota average for those workers trained under the program. This is evidenced by the diversification of projects that have been

associated with pay increases that are above the North Dakota average for those workers trained under the program. This is evidenced by the diversification of projects that have been approved across the State. (Please refer to TAB 7.)

- A total of 152 separate Workforce 2000 projects have been negotiated as of February 24, 1999. Ninety (90) separate employers are involved.
- A total of 4,870 North Dakota workers will receive training.
- Total cost for the 152 projects is \$7.6 million. Workforce 2000 is contributing \$1.57 million. North Dakota employers are contributing \$6.0 million of these training costs.
- The average cost per participant is \$323.
- Rural projects are receiving \$450,554 or 29% of the Workforce 2000 funding.
- Follow-up on participants, one year after completing training, shows an average wage increase of 12-13%. The average wage one year after training is over \$12 per hour.

The Workforce 2000 program has been an important business retention program and is an important economic development tool for attracting new businesses to the State.

- At this time, six new businesses have announced plans to locate to North Dakota this next biennium. They will create 808 new jobs. In our proposal, a projection of available Workforce 2000 funding assistance was provided to them using an average of \$300 per new job created. **This would obligate between \$242,400 and \$300,000 before the biennium starts.**
- Another nine new businesses appear to be very close to announcing plans to expand and locate in North Dakota. These nine businesses would create over 2,714 new jobs. If half of these businesses would announce plans to locate in North Dakota, **over \$407,000 in Workforce 2000 funds would be needed** to cover the estimated projection of training resources North Dakota could make available to help offset start-up costs associated with training North Dakota workers for jobs being created.
- Current projects which will carryover into the next biennium (pending funding availability) would obligate another **\$115,000 in Workforce 2000 funds.**

Any reduction from the Governor's budget request would seriously affect the responsiveness and availability of Workforce 2000 as a job retention, workforce retraining, and new job creation tool. The House of Representatives funding level of \$1 million would not go much beyond the first year of the biennium. I request that the \$1 million removed by the House of Representatives be restored.

I also request that the amendment language in Section 4 be removed. This language would provide a significant redirection of the program from a retraining and upgrade training program for current workers to primarily focusing on new workers. The language would create the potential to use the Workforce 2000 program funds for non-training activities such as travel and feasibility/workforce availability studies to help recruit new businesses to the state. The use of Workforce 2000 funds to support business retention projects such as ISO 9000, Supervisory and Management Training, Statistical Process Control, Basic Skills Training, and Team Building would be questionable under the amendment language. All of these activities are important to employee retention and business competitiveness.

SPECIAL FUNDS:

The special funds request applies to several programs:

Asbestos Abatement.

Special funds of \$5,200,000 have been included for asbestos abatement at the central office of Job Service in Bismarck. This funding and expenditure is contingent upon the result of the current State of North Dakota asbestos abatement litigation. If the litigation is successful, we need legislative authority to expend funds received. The House amendments removed the appropriation authority from our initial request indicating that any funds received for this purpose must be held in a special fund for future legislative appropriation.

The House of Representatives amended out the appropriation authority for the \$5.2 million and added Section 5 directing that all asbestos settlement proceeds be deposited in a special asbestos abatement fund and specifies that the funds only be used for asbestos abatement projects pursuant to legislative appropriation. We are supportive of the language in Section 5 restricting the use of any award or settlement on the asbestos litigation for asbestos projects. We are opposed to the removal of the appropriation authority. Removal of the appropriation authority will potentially delay the design, planning, and implementation of the asbestos abatement projects by up to two years. We ask that this spending authority be restored so we can begin the process of removing this hazardous material from our Central Office building as soon as funds become available.

New Jobs Training Program.

Application fees, paid by employers, are utilized to fund administrative and legal costs incurred by Job Service prior to project funding.

FINDET.

State agency contributions are used to fund this program, which is operated by the State Occupational Information Coordinating Committee. The program provides follow-up information that documents the effectiveness of education and training programs in North Dakota for use by businesses, training institutions, communities, and economic development organizations.

Cooperative Agreements.

A cooperative agreement with the Grand Forks Public School System provides funding to supplement Job Service federal resources for a full-time equivalent position to staff Red River and Central High School offices with employment planning, job referral, and training referral services to students seeking work. An agreement with the University of North Dakota provides employment-related services to those applying at the Career Services Center and Student Financial Aid Office.

OASIS Administration.

Special funds from the OASIS trust fund of approximately \$16,000 are requested to cover the administrative costs associated with the operation of the OASIS retirement program. This program still exists to meet benefit claims of the Public Employees Retirement Program established prior to the agreement bringing North Dakota employees under Social Security in 1957.

FULL POSITION EQUIVALENTS:

The Governor's Executive Budget requested FTE level of 390.40 is 4.74 full position equivalents fewer than the current biennium authorized level. One FTE reduction is the result of the transfer of the Director of the Workforce Development Council to ED & F. The balance of the reduction is the result of organizational restructuring, during the current biennium, necessitated by changes in resources available for staff. The Employment Service resources are projected to continue declining in real terms. This decrease is partially offset by the receipt of new resources to deliver the Welfare-to-Work program.

The House of Representatives amended the FTE level to 387.40, a reduction of three Information Technology FTEs, and transferred \$250,000 from the salaries and wages line to the operating expense line for the purpose of acquiring Information Technology consulting services. We were opposed to this Information Technology FTE reduction and the increase in IT consulting. We need all the IT staffing included in our budget request. A reduction in our staff support for IT would significantly impair our capability to implement our IT plan.

in IT consulting. We need all the IT staffing included in our budget request. A reduction in our staff support for IT would significantly impair our capability to implement our IT plan. Our IT plan was prepared with the assistance of an IT consultant, Wolf & Associates, and was reviewed by both the Information Services Division and MAI (Management Advisors, Inc.) as part of our recently completed independent performance audit. Wolf & Associates stated in their consulting report on our Information Technology Plan that staffing levels (at that time) were inadequate in the systems/programming area, operations unit, and Technical Support Section as we move from a UNISYS mainframe based IT architecture to an open-systems networked client/server architecture. They further recommended that we add an Information System Administrator position to lead the implementation of our Technology Plan. The independent performance audit also recommended the addition of an Information System Administrator position, a more aggressive rollout of desktop technology for our employees, and for self-registration capability for our clients. In addition, the performance audit recommended that the agency move from a UNISYS mainframe-computing architecture to a multi-tiered, Internet based architecture, which is a primary objective in our Technology Plan. We have applied for and received federal technology funding and reprioritized our recurring federal operating grants to move our IT Plan forward, including the additional staff recommended by the consultants.

A reduction of the IT staffing would be a major setback. We have used technical consulting in developing our current IT Plan and have already included \$189,000 in our appropriation request for IT consulting to identify the most appropriate technology architecture options. In addition, our performance audit objectives for the next biennium include obtaining independent review and input on our Information Technology Plan. These performance audit objectives are set out in HB1089. In our judgement, the House Amendment to spend \$250,000 on additional technology consulting is unnecessary and, in fact, duplicative.

I ask that the three Information Technology FTEs be restored and move the \$250,000 back to salaries and wages from operating expense.

Conclusion

Job Service North Dakota will continue to provide job insurance, employment-related services, training opportunities, and labor market information, into the next century. The delivery of one-stop services moves toward the increased use of technology and self-help options for our customers. Agency staff effort can then be directed towards those customers with a need for one-on-one concentrated services. We look forward to continued partnerships with private industry and state agencies for the good of North Dakota citizens.



The Mission

Job Service North Dakota provides customer-focused services to meet the current and emerging workforce development needs of the state.

The Vision

Synergy: Job Service employees and work units collaborate across organizational boundaries to achieve results greater than those possible through individual efforts.

Empowerment: Empowerment is the authority and accountability to achieve results at the customer level. Within clearly communicated parameters, Job Service employees are empowered and encouraged to use their talents, skills and initiative to creatively and responsibly meet our customers' needs.

Respect: Respect is the individual and collective treatment of others that honors their abilities and contributions. Respect is founded in integrity, and generates trust and sensitivity to the needs, opinions and feelings of all those with whom we interact.

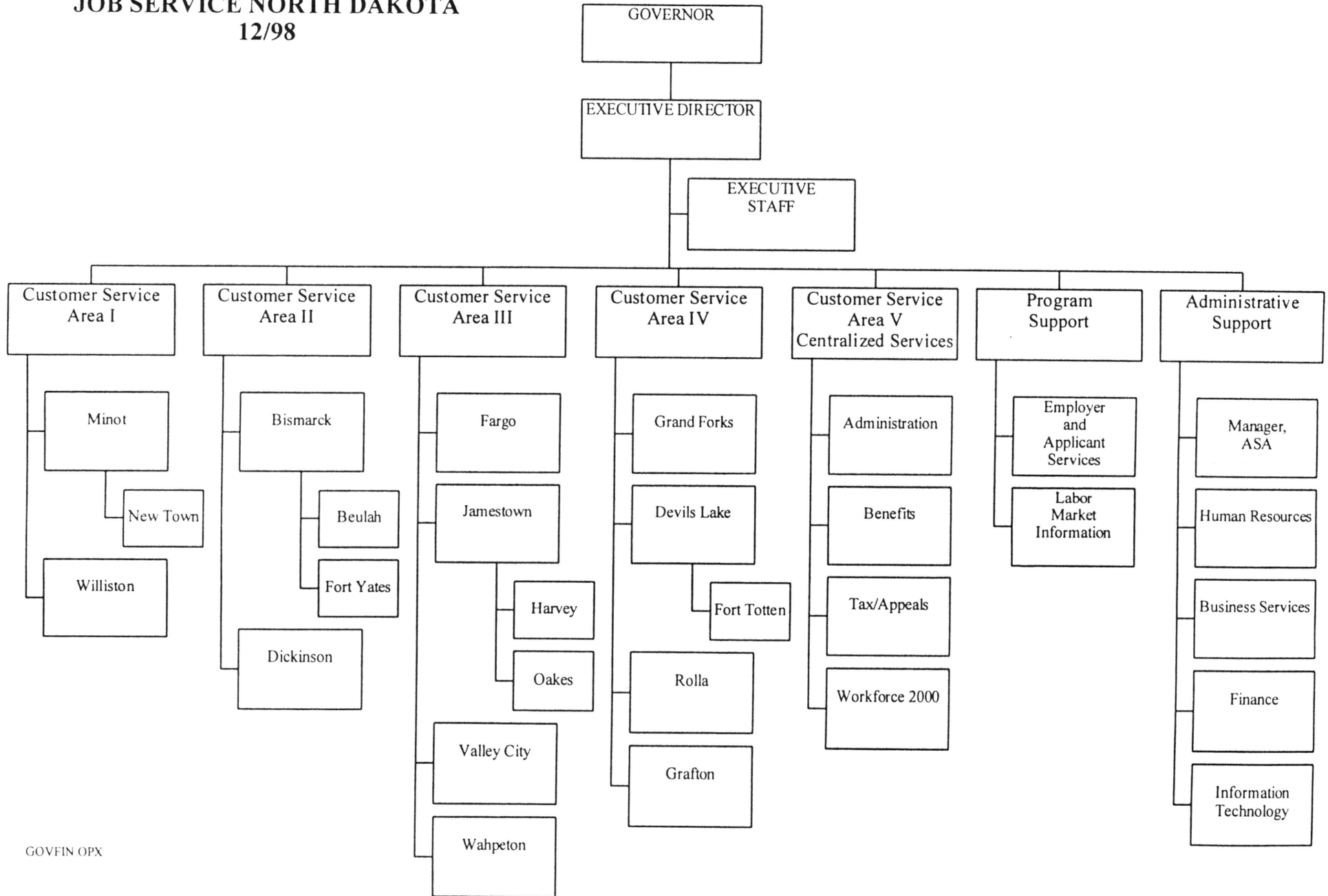
Vision: We continually reach beyond our paradigms for the best solutions to meet the needs of our customers. We welcome the challenge of the future.

Initiative: Initiative is valued, expected and rewarded. Staff will be encouraged to develop the skills required to be solution providers.

Communication: Communication is the unrestricted exchange of information that leads to understanding and a collective pursuit of all goals and objectives.

Excellence: Excellence is the continuous pursuit of customer-driven quality and improvement by highly competent and skilled employees.

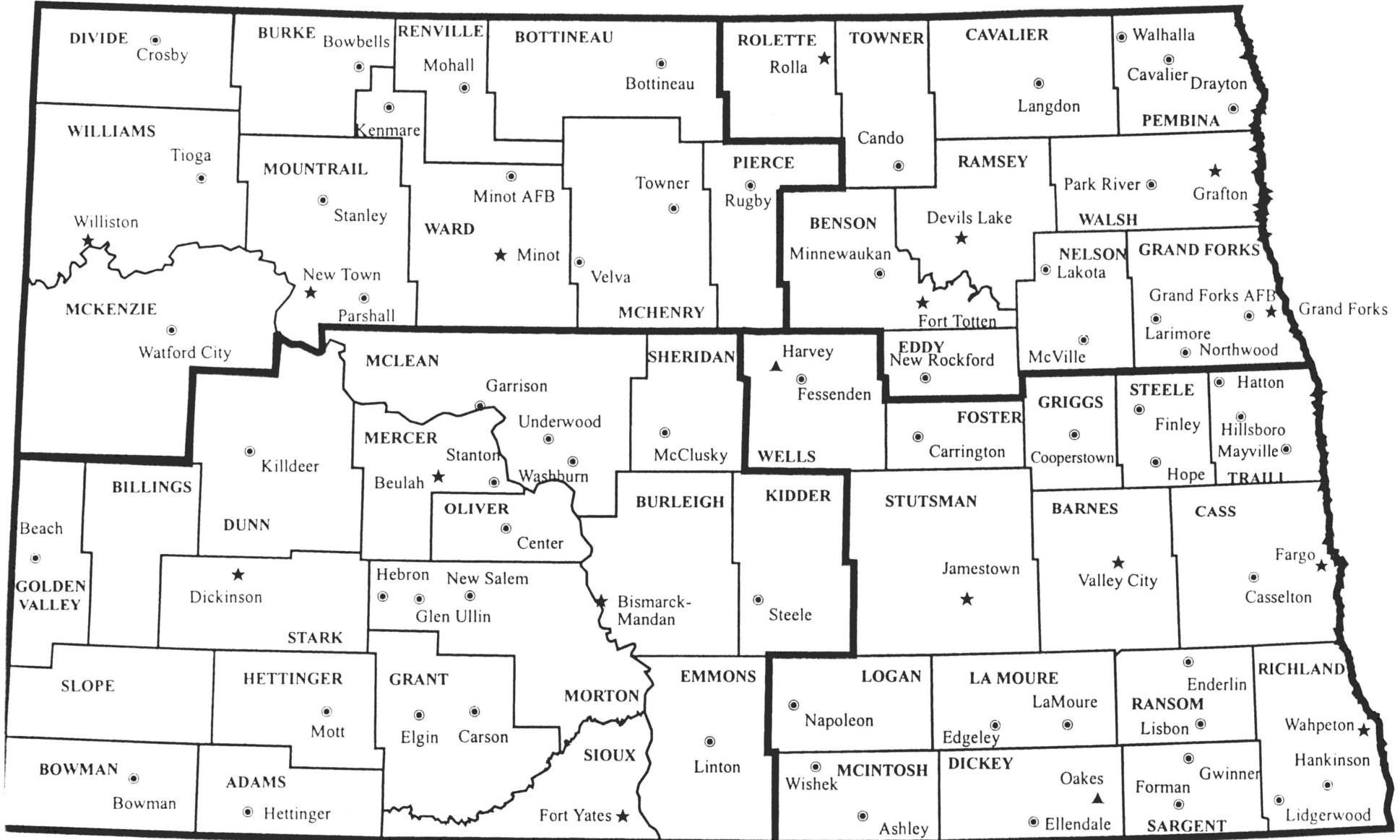
JOB SERVICE NORTH DAKOTA
12/98



Job Service North Dakota Office Locations

AREA I

AREA IV



AREA II

AREA III

★ Full-Time ▲ Part-Time ● Job Information Center **BOLD CAPS** County Name

Job Service North Dakota Service Delivery System

Regional/District Offices

Beulah
Bismarck-Mandan
Devils Lake
Dickinson
Fargo
Grafton
Grand Forks
Jamestown
Minot
Rolla
Valley City
Wahpeton
Williston

Reservation Outreach Offices

Fort Berthold (New Town)
Stand Rock (Fort Yates)
Spirit Lake Nation (Fort Totten)
Turtle Mountain (Rolla)

University College Placement Offices

University of North Dakota
North Dakota State University
Mayville State University
State College of Science
UND-Lake Region
Minot State University
Dickinson State University
Bismarck State College
Valley City State University
UND-Williston

Job Information Centers

Area I

Bottineau
Bowbells
Crosby
Kenmare
Minot AFB
Mohall
Parshall
Rugby
Stanley
Tioga
Towner
Velva
Watford City

Area II

Beach
Bowman
Carson
Center
Elgin
Garrison
Glen Ullin
Hebron
Hettinger
Killdeer
Linton
McClusky
Mott
New Salem
Stanton
Steele
Underwood
Washburn

Area III

Ashley
Carrington
Casselton
Cooperstown
Edgeley
Ellendale
Enderlin
Fessenden
Finley
Forman
Gwinner
Hankinson
Harvey*
Hatton
Hillsboro
Hope
LaMoure
Lidgerwood
Lisbon
Mayville
Napoleon
Oakes*
Wishek

Area IV

Cando
Cavalier
Drayton
Grand Forks AFB
Lakota
Langdon
Larimore
McVile
Minnewaukan
New Rockford
Northwood
Park River
Walhalla

*Part-time offices

Job Service North Dakota Attained Service Levels

Employment Services July 1, 1997 - June 30, 1998 Program Year

- 89,894 active applications
- 50,975 job openings
- 30,713 job placements

Job Insurance October 1, 1997 - September 30, 1998 Fiscal Year

- \$31.7 million paid in Job Insurance benefits
- \$33.5 million Job Insurance Trust Fund balance (as of 9/30/98)
- 19,693 new claims

North Dakota Job Training Programs

- Workforce 2000 Projects July 1, 1997 - January 6, 1999
 - 132 separate projects
 - 4,398 individuals trained
 - \$8.56 million total training costs
 - \$1.43 million paid through Workforce 2000
 - \$325 average cost per trainee to Workforce 2000
- North Dakota New Jobs Creation Program January 1994 - January 6, 1999
 - 32 Projects
 - 4,029 New Jobs created

Federally-Funded Job Training Programs July 1, 1997 - June 30, 1998

- Job Training Partnership Act program enrollments
 - 831 Title II-A Adult training
 - 46 Title II-A Adults over 55
 - 1,298 Title II-B Summer Youth Employment & Training
 - 286 Title II-C Year-Round Training for Youth
 - 491 Title III Dislocated Workers
- JOBS (Job Opportunity and Basic Skills)
 - 2,620 AFDC Recipients
- Trade Adjustment Assistance (TAA)
 - 24 Individuals Enrolled
- Senior Community Service Employment Program
 - 121 Individuals Enrolled
- Job Corps
 - 404 Individuals Enrolled

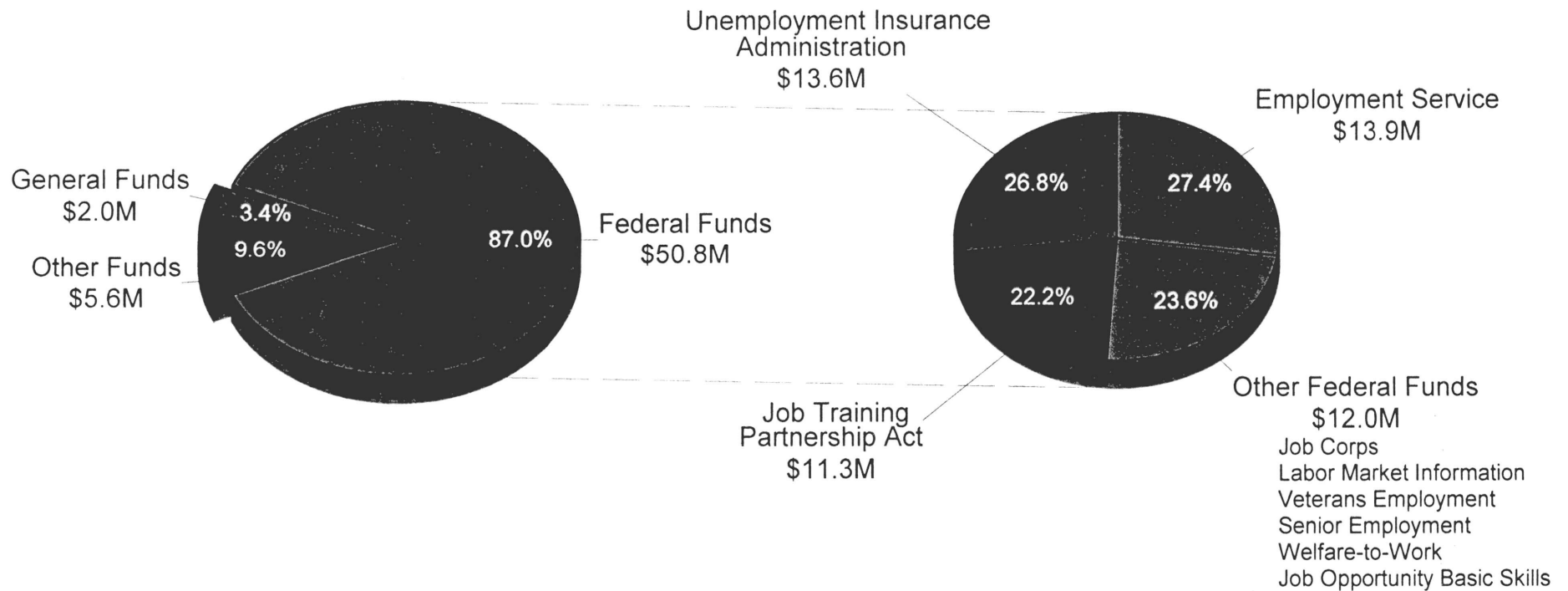
Labor Market Information

- Seven Local Employment Surveys (published in 1998)
- *North Dakota Occupational Wages* 1996 (4-98)
- *Labor Market Advisor* and State Unemployment Rates published monthly
- *Annual Employment & Wages-1997* (10-98)
- *1999 Annual Planning Report* (12-98)
- *Employment Projections to 2006* (12-98)
- *The Devils Lake Benefits Survey-1998* (11-98)
- *Up and Down the River: The 1997 Flood Impact on Employment and Wages-Grand Forks County* (3-98)
- *Religious Employment in North Dakota-1997* (3-98)
- Job Service website expansion includes more historical data, links to other sites, and continued enhancement of interactive pages.

Job Service North Dakota

1999-2001
Agency Appropriation Request
Governor's Budget

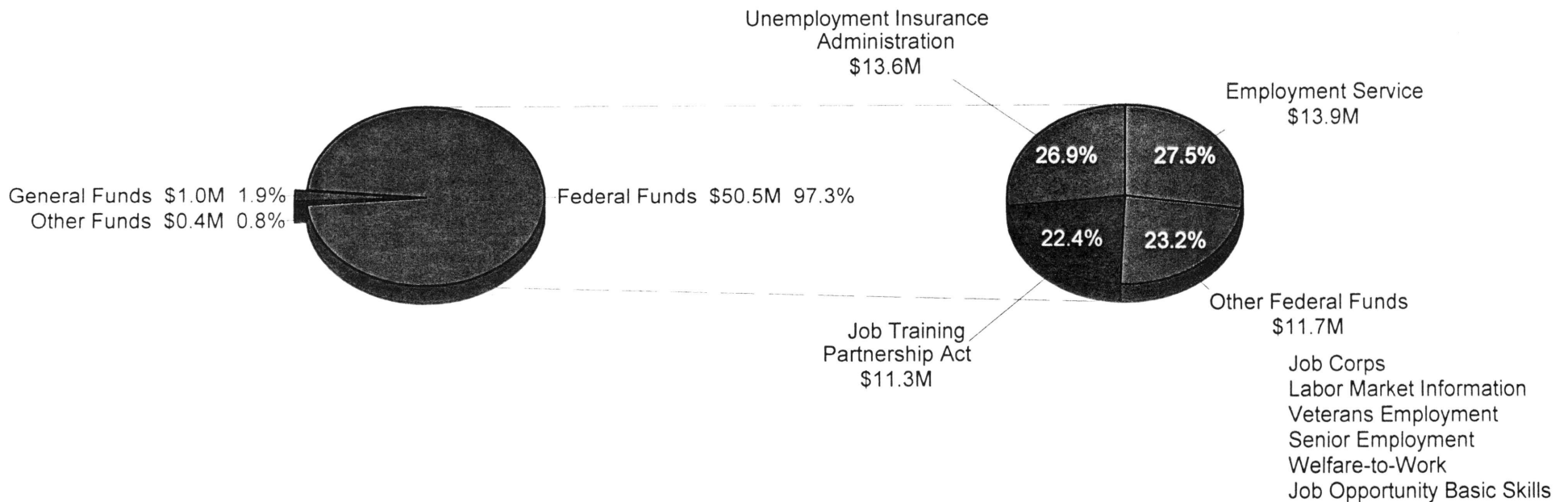
Federal Funds by Major
Program Area



Job Service North Dakota

1999-2001
 HB 1017 as Amended by the
 House of Representatives

Federal Funds by Major
 Program Area



House Bill 1017
Testimony before the Senate Appropriations Committee
By Job Service North Dakota
David Nething, Chairman
March 8, 1999

Mr. Chairman, members of the Senate Appropriations Committee, my name is Jennifer Gladden, Executive Director of Job Service North Dakota. I will focus this testimony on the three sections of our appropriations bill amended by the House Appropriations Committee.

In addition, the booklet you are receiving provides you with an overview of Job Service North Dakota, a brief description of the programs we administer, and the funding sources that Job Service utilizes.

The first amendment to our appropriations bill is the Workforce 2000 program. Two million dollars in state general funds were originally requested for the Workforce 2000 program. Of this amount, only \$19,676 is set aside for the operation of the program. Those administrative dollars cover some contract reports, employer follow-up activities, marketing, and mailings. The balance of the requested funding (\$1,980,324) is budgeted for direct training contracts. This state-funded job-training program has been very successful and is a key element in the state workforce development effort. The House amendments reduce this funding request to \$1,000,000.

Workforce 2000 provides funding assistance to employers undergoing technological changes and where training is deemed critical to the company in occupations that are short of skilled workers. Small and rural businesses are encouraged to participate in the program.

The goals of Workforce 2000 are:

- Improve the skills of North Dakota's employed and unemployed workers;
- Promote and sponsor effective training programs for North Dakotans;
- Promote training programs that lead to family wage jobs;
- Secure active participation and full cooperation of North Dakota industry leaders, business owners, and employee representatives; and

- Promote access to education and training to all North Dakotan's regardless of the economic status or geographic location in the state.

Workforce 2000 has met and continues to improve performance on goals. The program has been successful in providing life-long learning to North Dakota workers and has been associated with pay increases that are above the North Dakota average for those workers trained under the program. This is evidenced by the diversification of projects that have been approved across the State. (Please refer to TAB 7)

- A total of 152 separate Workforce 2000 projects have been negotiated as of February 24, 1999. Ninety (90) separate employers are involved.
- A total of 4,870 North Dakota Workers will receive training.
- Total cost for the 152 projects is \$7.6 million. Workforce 2000 is contributing \$1.57 million. North Dakota employers are contributing \$6.0 million of these training costs.
- The average cost per participant is \$323.
- Rural projects are receiving \$450,554 or 29% of the Workforce 2000 funding.
- Follow-up of participants, one year after training shows an average wage increase of 12-13%. The average wage one year after training is over \$12 per hour.

The Workforce 2000 program has been an important business retention program and is an important economic development tool for attracting new businesses to the State.

- At this time, six new businesses have announced plans to locate to North Dakota next biennium. They will create 808 new jobs. In our proposal, a projection of available Workforce 2000 funding assistance was provided to them using an average of \$300 per new job created. This would obligate between \$242,400 and \$300,000 before the biennium starts.
- Another nine new businesses appear to be very close to announcing plans to expand and locate in North Dakota. These nine businesses would create over 2,714 new jobs. If half of these businesses would announce plans to locate in North Dakota, over \$407,000 in Workforce 2000 funds would be needed to cover the estimated projection of training start up costs.

- Current projects which will carryover into the next biennium (pending funding availability) would obligate another \$115,000 in Workforce 2000 funds.

Mr. Chairman, members of the committee, as you can see, any reduction from the Governor's budget request would seriously affect the responsiveness and availability of Workforce 2000 as a job retention, workforce retraining, and new job creation tool. The House of Representatives funding level of \$1 million would not go much beyond the first year of the biennium. I request that you restore the \$1 million removed by the House of Representatives.

I also request that the amendment language in section 4 be removed. This language would provide a significant redirection of the program from a retraining and upgrade training program for current workers to primarily focusing on new workers. The language would create the potential to use the Workforce 2000 program funds for non-training activities such as travel and feasibility studies to help recruit new businesses to the state. This cost is currently borne by local Development Organizations. The use of Workforce 2000 funds to support business retention projects as ISO 9000, Supervisory and Management Training, Statistical Process Control, Basic Skills Training, and Team Building would be questionable under the amendment language. All of these activities are important to employee retention and business competitiveness.

The next amendment to our appropriations bill that I would like to cover is in asbestos abatement. Special funds of \$5,200,000 have been included for asbestos abatement at the central office of Job Service in Bismarck. This funding and expenditure is contingent upon the result of the current State of North Dakota asbestos litigation. If the litigation is successful, we need legislative authority to expend funds received. The House amendments removed the appropriation authority from our initial request indicating that any funds received for this purpose must be held in a special fund for future legislative appropriation.

The House of Representatives amended out the appropriation authority for the \$5.2 million and added Section 5 directing that all asbestos abatement proceeds be deposited in a special asbestos abatement fund and specifies that the funds only be used for asbestos abatement projects pursuant to legislative appropriation. We are supportive of the language in Section 5 restricting the

use of any award or settlement on the asbestos litigation for asbestos projects. We are opposed to the removal of the appropriation authority. Removal of the appropriation authority will potentially delay the design, planning and implementation of the asbestos abatement projects by up to two years. We ask that you restore this spending authority so we can begin the process of removing this hazardous material from our Central Office building as soon as funds become available.

The last House amendment to our appropriations bill that I would like to address is in the loss of full position equivalents. The Governor's Executive Budget requested FTE level of 390.40. That is 4.74 full position equivalents fewer than the current biennium authorized level. One FTE reduction is the result of the transfer of the Director of the Workforce Development Council to ED & F. The balance of the reduction is the result of organizational restructuring, during the current biennium. The Employment Service resources are projected to continue declining in real terms. This decrease is partially offset by the receipt of new resources to deliver the Welfare-to-Work program.

The House of Representatives amended the FTE level to 387.40, a reduction of 3 Information Technology FTEs, and transferred \$250,000 from the salaries and wages line to the operating expense line for the purpose of acquiring Information Technology consulting services. We were opposed to this Information Technology FTE reduction and the increase in IT consulting. We need all the IT staffing included in our budget request. A reduction in our staff support for IT would significantly impair our capability to implement our IT plan. Our IT plan was prepared with the assistance of an IT consultant, Wolfe & Associates, and was reviewed by both the Information Services Division and MAI (Management Advisors, Inc.) as part of our recently completed independent performance audit. Wolfe and Associates states in their consulting report on our Information Technology Plan that staffing levels (at that time) were inadequate in the systems/programming area, operations unit, and Technical Support Sections as we move from a UNISYS mainframe based IT architecture to an open-systems networked client/server architecture. They further recommended that we add an Information System Administrator position to lead the implementation of our Technology Plan. The independent performance audit also recommended the addition of an Information System Administrator position, a more aggressive rollout of desktop technology for our employees, and for self-registration capability for our clients. In

addition, the performance audit recommended that the agency move from a UNISYS mainframe-computing architecture to a multi-tiered, internet based architecture which is a primary objective in our Technology Plan. We have applied for and received federal technology funding and reprioritized our recurring federal operating grants to move our IT Plan forward, including the additional staff recommended by the consultants.

A reduction of the IT staffing would be a major setback. We have used technical consulting in developing our current IT plan and have already included \$189,000 in our appropriations request for IT consulting to identify the most appropriate technology architecture options. In addition, our performance audit objectives for the next biennium include obtaining independent review and input on our Information Technology Plan. These performance audit objectives are set out in HB 1089. In our judgement, the House Amendment to spend \$250,000 on additional technology consulting is unnecessary and, in fact, duplicative.

I ask that you restore the 3 IT FTE and move the \$250,000 back to salaries and wages from operating expense.

Mr. Chairman, this concludes my testimony. I will try to answer any questions from the committee. Thank you.

HB 1017 Job Service

1. Moved \$250,000 to salaries from operating. Restored the three Information Technology FTE's removed by the house. The staffing was included in governors budget and conforms to the agencies IT plan. The plan was prepared with assistance of Wolfe & Associates, and reviewed by both ISD and Management Advisors, Inc. as part of their recently completed performance audit. The house recommended that the money be spent for consulting services. We believed that a reduction in IT staffing would not be in the best interest of the agency.

2. We restored spending authority for the agency to utilize special funds of \$5,200,000 for asbestos abatement at the central office of Job Service. The funding and expenditure is contingent upon the result of current litigation. If the litigation is successful the agency would like to be able to start the asbestos removal immediately. House language is left in the bill restricting the use of any award or settlement on the asbestos litigation for asbestos projects. ✓ #1.15M

3. The costs of administrating the OASIS fund was reviewed and found to be excessive. We removed \$6,000 of such costs from the budget. ✓

4. We removed house language in section 4 which would provide a redirection of Workforce 2000 from a retraining and upgrading training program for current workers to primarily focusing on new workers. The language could create the potential to use program funds for non-training activities such as travel and feasibility studies to help recruit new businesses to the state. The cost is currently borne by local development organizations. We felt that the current system is not broken.

5. Restored to the governors level of general funding in Workforce 2000 to \$2,000,000. The house had reduced the amount by \$1,000,000.

HB 1017 Job Service

6. Added a section appropriating \$1,168,180 of federal funds for the current biennium for implementation of a one-step career center deliver system \$460,600 and to upgrade computer equipment and software for year 2000 issues \$707,580. This amendment was in lieu of emergency commission action.



HB 1017
3/8/99
Jennifer Gladden

#3

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1017

Page 1, line 9, replace "31,186,659" with "31,436,659"

Page 1, line 10, replace "10,318,989" with "15,268,989"

Page 1, line 14, replace "1,000,676" with "2,000,676"

Page 1, line 15, replace "51,864,230" with "58,064,230"

Page 1, line 16, replace "50,864,230" with "56,064,230"

Page 1, line 17, replace "1,000,000" with "2,000,000"

Page 1, line 22, replace "100,000" with "150,000" and replace "1,000,676" with "2,000,676"

Page 2, remove lines 3 through 7

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment restores \$250,000 to the salaries and wages line item and restores the three information technology position FTEs which were removed by the House amendments.

This amendment reduces the operating expense item by \$250,000 which was transferred to this line item by the House amendments and restores the \$5,200,000 in anticipated asbestos settlement proceeds removed by the House amendments.

This amendment restores the reduction of \$1,000,000 from the general fund for the Workforce 2000 program which was made by the House amendments.

This amendment restores the \$50,000 reduction made by the House amendments to the minimum amount available for Workforce 2000 projects in areas of the state that are not within five miles of any city with a population of more than eight thousand.

This amendment removes Section 4 of the Engrossed House Bill No. 1017 which sets forth specified uses for Workforce 2000 funding.

						Salary and Fringe Benefit Amounts Included in the 1999-2001 Executive Budget		
Agency/Position No./Description		Date Vacated	Number of Months Vacant January 1999	Date Expected to Be Filled	Current Status	General Fund	Special Funds	Total
6278 01 1 00	Custodian	06/01/98	7	03/01/99	Pending reclassification, advertised	13,665	31,885	45,550
6336 01 1 00	Vocational trng tech	05/08/98	7		On hold for agency needs	19,483	45,460	64,943
6377 01 1 00	Vocational trng tech	11/27/98	1	02/01/99	Advertised	18,642	43,499	62,141
6409 01 1 00	Direct training tech II	12/08/98	1	02/22/99	Advertised	16,355	38,163	54,518
6421 01 1 00	Direct training tech I	12/06/98	1	02/22/99	Advertised	17,877	41,714	59,591
6442 01 1 00	Direct training tech I	10/20/98	2	02/01/99	Advertised	13,808	32,219	46,027
6443 01 1 00	Direct training tech I	12/29/98		02/22/99	Advertised	13,934	32,513	46,447
6445 01 1 00	Direct training tech I	12/09/98	1	02/01/99	Advertised	14,497	33,828	48,325
6449 01 1 00	Direct training tech I	11/27/98	1	02/22/99	Advertised	16,036	37,417	53,453
6572 01 1 00	Direct training tech II	11/01/98	2	01/12/99	Filled	15,145	35,338	50,483
6584 01 1 00	Direct training tech I	12/31/98		03/01/99	Advertised	15,145	35,338	50,483
6602 01 1 00	Direct training tech I	12/30/98		02/01/99	Advertised	13,266	30,954	44,220
6674 01 1 00	Direct training tech I	12/06/98	1	02/22/99	Advertised	16,238	37,888	54,126
6805 01 1 00	Direct training tech I	10/25/98	2	02/22/99	Advertised	15,271	35,632	50,903
6845 01 1 00	Direct training tech I	12/14/98	1	03/01/99	Advertised	13,934	32,513	46,447
6868 01 1 00	Resident living supv III	04/25/98	8		On hold for agency needs	21,896	51,091	72,987
Total Department of Human Services - 134.3 FTE						\$4,265,816	\$5,105,756	\$9,371,572
360 - Protection and Advocacy Project						\$58,804	\$18,330	\$77,134
2998/3041	Disability advocate	8/98	5	7/99	Not filled pending 1999-2001 budget approval	\$58,804	\$18,330	\$77,134
Total - 1 FTE								
380 - Job Service North Dakota							\$65,363	\$65,363
0255 1.00	Interviewer I	12/98	1	3/99	Will begin selection process 2/99		22,886	22,886
0302 0.24	Counselor III	6/97	19	5/99	Will begin selection process 4/99		74,447	74,447
0332 1.00	Interviewer III	10/98	3	4/99	Will begin selection process 3/99		80,043	80,043
0364 1.00	Interviewer III	11/98	2	2/99	Selection process in progress		61,291	61,291
0433 1.00	Interviewer assistant	11/98	2	2/99	Filled 2/99		70,375	70,375
0538 1.00	Interviewer II	12/98	1	2/99	Selection process in progress		77,756	77,756
2313 1.00	Programmer I	new		2/99	Filled 1/99		74,651	74,651
3744 1.00	Program administrator I	4/98	9	3/99	Will begin selection process 2/99		109,811	109,811
5124 1.00	Auditor III	10/98	3	4/99	Starting reclassification process 1/99		71,399	71,399
5215 1.00	Administrative assistant I	9/98	4	4/99	Starting reclassification process 1/99		\$708,022	\$708,022
Total - 9.24 FTE								
REGULATORY								
401 - Insurance Department								
0025 1.00	Insurance fund claims manager	11/98	2	2/99	Intend to fill pending evaluation of duties		\$106,997	\$106,997
0038 1.00	Realty officer II	9/98	4	2/99	Intend to fill pending evaluation of duties		91,446	91,446
Total - 2 FTE							\$198,443	\$198,443
405 - Industrial Commission								
No vacant positions								
406 - Labor Commissioner								
0001 1.00	Commissioner	8/98	5	Unknown	Will be an appointment by Governor Schafer	\$154,989		\$154,989
0008 0.25	Administrative secretary				Have requested funding to fully fund at 1 FTE	\$154,989		\$154,989
Total 1.25 FTE								

Handwritten note: 1/27/99

Job Service North Dakota
Reconciliation to New FTE Positions-Legislative Council
99-01 Biennium Request

Additions:

<u>Class Title</u>	<u>Pos. #</u>	<u>FTE</u>	<u>Proposed Salary</u>	<u>Welfare to Work</u>	<u>Organizational Unit Admin Supp.</u>	<u>Prog Svces</u>	<u>IT Position</u>	<u>Filled/Vacant</u>
Computer & Network Specialist II	2325	1.00	93,755	No	X		Yes	Filled
Information System Proj. Mgr.	2390	1.00	100,111	No	X		Yes	Vacant
Information System Admin II	2391	1.00	125,720	No	X		Yes	Vacant
Account/Budget Specialist II	2440	1.00	69,787	No	X		No	Filled
JS Program Admin I	392	1.00	75,061	No		X	No	Vacant
JS Program Admin III	3490	1.00	88,423	No		X	No	Filled
JS Interviewer II	2801	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2802	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2803	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2804	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2805	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2806	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2807	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2808	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2809	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2810	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2811	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2812	1.00	77,522	Yes		X	No	Filled
JS Interviewer II	2813	1.00	77,522	Yes		X	No	Filled
JS Interviewer Assistant	2814	1.00	61,232	Yes		X	No	Filled
JS Interviewer Assistant	2815	1.00	61,232	Yes		X	No	Filled
JS Interviewer Assistant	2816	1.00	61,232	Yes		X	No	Filled
JS Interviewer Assistant	2817	1.00	61,232	Yes		X	No	Filled
Administrative Clerk	2818	1.00	51,300	Yes		X	No	Filled
Administrative Clerk	2819	0.25	18,942	Yes		X	No	Filled
Administrative Clerk	2821	1.00	58,068	Yes		X	No	Filled
JS Program Admin II	2820	1.00	105,006	Yes		X	No	Filled
Ass't Manager Emp. & App. Svc.	5223	1.00	140,369	No		X	No	Filled
Total		<u>27.25</u>	<u>2,179,256</u>					

Note: The position titles for 2390 and 5223 have changed since the budget input in June 1998 due to reclassification.

Job Service North Dakota
Information Technology Positions
99-01 Biennial Request

Position Number	Class Title	FTE	Filled/ Vacant	Amount Requested
2302	Senior Programmer Analyst	1.00	Filled	117,962.61
2303	Programmer-Analyst III	1.00	Filled	117,962.61
2306	Programmer-Analyst III	1.00	Filled	113,004.27
2307	Programmer-Analyst III	1.00	Filled	105,496.45
2308	Programmer-Analyst III	1.00	Filled	104,418.04
2313	Programmer-Analyst I	1.00	Filled	77,756.37
2314	Programmer-Analyst I	1.00	Filled	82,092.64
2316	Programmer-Analyst I	1.00	Filled	82,693.18
2317	Computer Operations Manager	1.00	Filled	108,353.96
2318	Computer Equipment Operator IV	1.00	Filled	75,734.80
2319	Computer Equipment Operator III	1.00	Filled	78,225.21
2321	Computer Equipment Operator II	1.00	Filled	57,569.69
2324	Computer Equipment Operator II	1.00	Filled	68,854.38
2325	Computer & Network Specialist II	1.00	Filled	93,754.96
2346	Programmer-Analyst III	1.00	Filled	111,127.22
2349	Technical Support Specialist III	1.00	Filled	131,930.91
2350	Data Base Administrator/Manager	1.00	Filled	125,106.16
2352	Technical Support Specialist II	1.00	Filled	109,252.32
2356	Technical Support Specialist II	1.00	Filled	76,591.36
2360	Computer & Network Specialist II	1.00	Filled	87,338.54
2390	Information Systems Project Manager	1.00	Vacant	100,111.19
2391	Information System Administrator II	1.00	Vacant	125,719.63
2701	Business Manager I	1.00	Filled	103,815.65
2702	Cust Technical Support Spec I	1.00	Filled	58,977.59
2703	Clerk, Administrative	1.00	Filled	58,243.66
2704	Computer & Network Specialist I	1.00	Filled	69,347.79
		<u>26.00</u>		<u>2,441,441.19</u>

**Job Service North Dakota
Temporary/Overtime Analysis
99-01 Biennium Request**

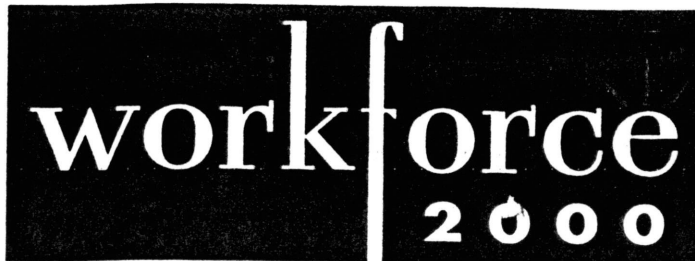
<i>JSND Organizational Unit</i>	<i>Present Budget</i>	<i>Requested Budget</i>	<i>Incr. (Decr.)</i>	
Administrative Support:				
Executive Division	-	-	-	
Administrative Support Area	40,367	54,842	14,475	
Total Administrative Support	<u>40,367</u>	<u>54,842</u>	<u>14,475</u>	
Program Services:				
Customer Service Area I	51,393	177,833	126,440	1
Customer Service Area II	62,696	16,386	(46,310)	2
Customer Service Area III	81,201	154,049	72,848	3
Customer Service Area IV	94,839	44,131	(50,708)	4
Customer Service Area V	68,555	9,378	(59,177)	4
Program Support Area	50,215	-	(50,215)	4
Total Program Services	<u>408,899</u>	<u>401,777</u>	<u>(7,122)</u>	
Occupational Info Coord Committee:				
SOICC Office	-	10,000	10,000	
Total SOICC				
Total Job Service	<u>449,266</u>	<u>466,619</u>	<u>17,353</u>	

1) Welfare to Work positions at Newtown were budgeted as temporary due to the uncertainty as to the Reservation's role in providing these services.

2) Decrease in staff effort in both temporary and permanent positions.

3) Overtime to cover expanded office hours to meet recruitment demands from employers, temporary wages for emergency help during periods of high turnover, one temporary Interviewer to operate the Food Stamps program.

4) Temporary wages were paid to administer the flood disaster program in Grand Forks. Not requested in next biennium.



JOB

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Real
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Training

JOB SERVICE NORTH DAKOTA WORKFORCE 2000 PROPOSAL INSTRUCTIONS

AUTHORITY

Authority for establishing guidelines for administration of the Workforce 2000 Program in the state of North Dakota is provided for in Chapter 52-08.1 of the North Dakota Century Code.

The North Dakota Legislative Assembly established the Workforce 2000 Program to assist North Dakota business and industry in retraining and upgrading the skills of current employees brought about through the introduction of new technologies or work methods to the workplace.

The purpose of the Act is to foster the growth and competition of North Dakota's work force and industry by ensuring that the current work force has the skills and expertise to compete in a global economy.

ELIGIBILITY CRITERIA

"Eligible business" means a business which is creating new employment opportunities in North Dakota, retooling, or introducing new technologies or work methods to the workplace. (Businesses engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, and assembly of products or businesses engaged in the provision of services in interstate commerce are targeted under this program.) The business site must be located in the state of North Dakota.

Applications will be accepted from businesses, groups of businesses, or associations.

Business or industry must have retooled or be in the process of retooling, have introduced new technology or be in the process of introducing new technologies, or have changed work methods or be in the process of changing work methods.

Businesses must demonstrate that the job requirements have changed as a result of planned retooling or introduction of new technologies or work methods and current employees must be retrained to perform these jobs.

Job positions for which retraining is planned must be positions intended by the employer to exist on an ongoing basis with no planned termination date. Employees in the position must be employed on an

ongoing basis with no planned termination date and must receive monthly financial compensation for a minimum of nine months each year.

● Training is available only to individuals who are North Dakota residents and who are eligible employees of the business.

✓ PROJECT FUNDING

Awards to existing businesses for the purpose of retraining current employees will be made in the form of a grant through the use of a cost reimbursement contract which identifies the services to be provided. The training must result in a net increase in the number of employment positions at the employer's worksite, or a net increase in the job skills of the trainees, or a net increase in wages of those trained.

Training can include only upgrade or retraining of current workers or to individuals as part of pre-employment training as long as the company gives successful graduates hiring priority.

APPLICATION PROCESS

● Applications for training assistance under Workforce 2000 must be submitted to Job Service North Dakota at:

Manager-Customer Service Area V
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58506-5507
Phone: 701 -328-2861
Fax: 701-328-2414
Email: jhirsch@pioneer.state.nd.us

Job Service North Dakota will score applications according to criteria specified under project scoring criteria. Scored applications will be ranked and reviewed with the Workforce 2000 Committee consisting of representation from Job Service North Dakota, Economic Development and Finance, State Board for Vocational and Technical Education, Council on Vocational Education, Small Business Development Center, Greater North Dakota Association, organized labor, and private sector representation.

To be funded, an application must receive a minimum score of 65 out of a possible 100 points and meet all other eligibility criteria specified elsewhere in the Act or guidelines.

● Job Service North Dakota may approve, reject, defer, or refer an application to another training program.

Application approval will be contingent upon availability of funds. Job Service North Dakota shall reject or defer an application if funds are not available.

Before an application is submitted to the Workforce 2000 Committee, Job Service North Dakota will investigate the applicability of other training programs.

PROJECT SCORING CRITERIA

Criteria used for scoring project applications shall be as follows:

- * **Need** (Maximum 20 points.) Points will be awarded based on the information provided which supports the business's financial need for training assistance, business viability dependent on the training, and positive impact of training for the business and employees to be trained.
- * **Impact of the Project** (Maximum of 10 points) Points will be awarded based on the project being essential to creation of new jobs, retention of jobs, and the project's impact on the local economy and tax base.
- * **Description of the Project** (Maximum of 30 points.) Points will be awarded based on a description of the training objectives (who will be trained, current and projected wage, when and how training will be provided), description of the training to be provided, and qualification of the trainers.
- * **Coordination Cost Sharing** (Maximum of 10 points.) Points will be awarded based on efforts to coordinate training with other workforce training programs and, where possible, use of the secondary and postsecondary educational system to deliver training.
- * **Commitment to Training** (Maximum of 10 points.) Points will be awarded based on the business's demonstrated past history in providing retraining and upgrade training to their employees, future plans for retraining and upgrading of their work force, retraining/ upgrade during regular work schedules, and paying regular salary while involved in training.
- * **Budget** (Maximum of 20 points.) Points will be awarded based on information provided demonstrating the cost effectiveness of the training, whether benefits to employer and employees are cost effective, and amount of match provided by the employer.

Prior to any training commencing, a signed contract must be in place between Job Service North Dakota and the business or association.



JSND-4021 (1/99)

Prepared by Job Service North Dakota
February 24, 1999

WORKFORCE 2000

and

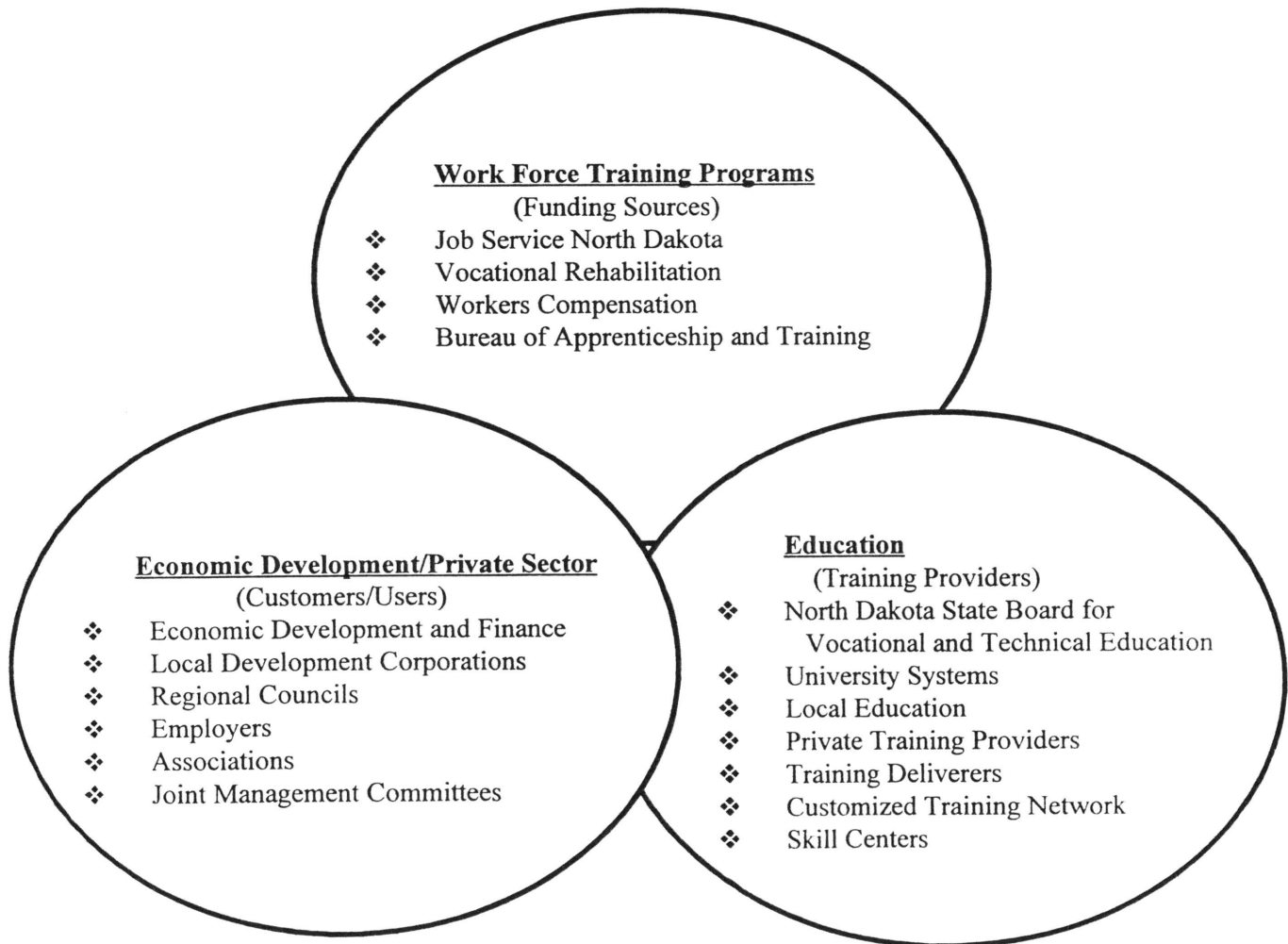
**NORTH DAKOTA
NEW JOBS TRAINING
PROGRAMS**

**Role of State-Funded Work Force Training Programs
in Economic Development and Responding to
North Dakota Business and Industry Work Force Training Needs**

Work force development and training is a primary concern of North Dakota business, industry, and economic development leaders. Rapid advances in technology, global competition, and the introduction of new work methods fuel the need for ongoing work force retraining and upgrade training at an ever increasing rate.

A successful response to employer work force training requires coordination and collaboration between North Dakota employers, economic development leaders, work force training programs, and the public and private training providers across the state.

Workforce Development Partnership



HISTORY OF STATE WORK FORCE TRAINING PROGRAMS

Prior to July 1, 1991, North Dakota's primary resource for addressing employer work force training was through the use of federally funded programs.

Federally funded work force training programs target specific segments of the population (i.e., dislocated workers, welfare recipients, disabled, and low income). This targeting left gaps in the state's ability to effectively address the training needs of employers locating to the state or expanding employment within the state.

Since 1991, the state Legislature and Governor have enacted state legislation to complement and fill the gaps in the federal work force programs.

WORKFORCE 2000

Workforce 2000 was enacted by the 1991 Legislative Assembly. Workforce 2000 provides funding assistance to employers to help upgrade the skills of current workers when new technologies and/or work methods are introduced or when training is required for continued employment. The program also provides funding assistance to companies that are expanding or locating to the state to help with training new employees.

The objective is to help communities attract and retain companies and make North Dakota a better place to work, live and do business.

Employers complete a Workforce 2000 proposal and submit the proposal to Job Service North Dakota. The proposal is reviewed by a Workforce 2000 Advisory Committee and recommendations on funding are made to the Executive Director of Job Service North Dakota.

Members of the Workforce 2000 Advisory Committee represent Job Service North Dakota, Economic Development and Finance, State Board for Vocational and Technical Education, Greater North Dakota Association, Small Business Development Center, private business, organized labor and private development corporations.

The Workforce 2000 Program is a popular program with North Dakota business and industry, Economic Development Professional and North Dakota leaders. The program has received increased funding each biennium, going from its original funding level of \$75,000 for the 1991-1993 biennium to a funding level of \$1,850,754 for the current biennium. During this time, the number of projects funded increased from fifteen during the 1991-1993 biennium to one hundred fifty-two projects through February 24, 1999, of the current biennium. (See Attachment I for a breakout of projects by counties and cities.)

Follow-up on program participants one year after completion of training showed the following percent of increase in wages and average wage of all participants in the program.

	<u>Percent Increase</u>	<u>Average Hourly Wage</u>
1991-1993 Biennium	8%	\$10.17 per hour
1993-1995 Biennium	12.3%	\$11.10 per hour
1995-1997 Biennium	25.4%*	\$12.16 per hour

* The average wage one year after training reflects a number of individuals trained under a preemployment option. These individuals were unemployed and had no earnings at the time they started training.

1997-1999 Biennium Funding (As of February 24, 1999) Funding \$1,850,734

- ◆ 152 projects funded
- ◆ 90 individual employers involved
- ◆ 4,870 individuals scheduled for training
- ◆ Total project cost \$7.6 million. Workforce 2000 contribution \$1.57 million. Employer Contributions \$6 million.
- ◆ Average cost per participant \$323
- ◆ Rural Workforce 2000 commitments \$450,154 or 29%

Workforce 2000 Facts

- ☞ 1,422 rural residents are receiving training through Workforce 2000
 - Over 150 individuals have been trained in medical transcription allowing them to work in their home community at wages from \$7.50 to \$17.00 per hour.
 - A number of projects have supported business expansion and business start-ups in rural communities.
- ☞ The Workforce 2000 program is an important tool in meeting employer training needs by filling gaps in the federal-funded programs (due to participant eligibility requirements) and in the North Dakota New Jobs Training program (limited to primary sector business).
- ☞ Workforce 2000 allows the employer to select the training provider and access the training they determine will best meet the skill development needs of their workers.
- ☞ Workforce 2000 program was an important part of the proposals and decisions for a number of businesses who have located to the state (Marvin Windows, Grafton; AgAir, Valley City; Reliastar, Minot).

☞ **Workforce 2000 has been a key component of proposals developed to attract new business and assist expansion of existing businesses in the state.**

- Six new businesses have announced plans to locate to North Dakota early next biennium. These businesses will create 808 new jobs in pay ranges from \$8.00 per hour to \$15.00 per hour. A tentative commitment of Workforce 2000 funding in the amount of \$300,000 has been made to support these start-ups.
- Nine businesses are strongly looking at locating to North Dakota early next biennium. These nine businesses would create 2,714 new jobs in pay ranges from \$7.50 per hour to \$12.00 per hour. If half of these businesses do finalize plans to locate to North Dakota, approximately \$407,000 in Workforce 2000 funding would be needed to support commitments made in proposals provided to them.

☞ Any cut in funding from the current level would severely impact on the program's effectiveness in the area of job retention, business expansion and recruitment of new business to the state.

NORTH DAKOTA NEW JOBS TRAINING PROGRAM

The 1993 Legislative Assembly enacted into law the "North Dakota New Jobs Training Program."

This state-funded work force training program provides for a state income tax withholding credit equal to the state income tax withholding projected to be generated from new jobs created. To qualify, the employer must either be locating to the state or expanding employment within the state. New jobs created which qualify under a project developed between Job Service North Dakota and the employer must pay a minimum of \$7.50 per hour plus benefits within the first 12 months of employment.

To access funding, the employer obtains a grant or loan from a city, local development corporation, commercial or private lender. The loan or grant covers the costs of work force training and program administration identified in the project agreement between the employer and Job Service North Dakota. The grant or loan and interest are repaid through state income tax withholding credits generated from the new job positions created. State income tax withholding credits can be captured for up to ten years or until the loan is repaid, whichever comes first. A signed Preliminary Agreement or Final Agreement must be in place prior to the start date of any employees to be included under the project.

To date, the North Dakota New Jobs Training Program has 32 active projects. These projects cover creation of 4,029 new jobs.

Project Number	Company	City	Number of New Jobs
001-94	Unisys	Bismarck	134
002-94	Cargill	Fargo	214
003-95	Integra Casting USA	Cando	109
004-95	Integrity Windows	Fargo	101
006-95	Noble Games	Bismarck	84
007-95	FBS Card Services	Fargo	573
008-95	Glenmac, Inc.	Jamestown	30
009-96	ProGold	Wahpeton	139
010-96	Alloway Industries	Fargo	58
011-96	Phoenix International	Fargo	29
012-96	I.C. Systems	Fargo	99
013-96	AgAir	Valley City	131
014-98	Global Electric Motorcar	Fargo	55
015-96	North Central Data Coop	Mandan	82
017-96	AGSCO Inc.	Grand Forks	10
018-96	American Federal Bank	Fargo	31
019-96	Loeering Mfg. Inc.	Casselton	8
020-98	Grafton Windows & Doors	Grafton	85
021-96	Dacotah Marketing	Minot	555
022-97	Grafton Window/Doors	Grafton	67
023-97	Community First Service Corp	Fargo	58
024-99	Community First Service Corp	Fargo	46
025-97	Centro, Inc.	N. Liberty, IW	5
026-97	Tecton Products	Fargo	13
027-97	Dakota Aircraft Corp	Grand Forks	159
028-97	Sykes Enterprises	Bismarck	821
029-97	Integrity Windows	Fargo	66
030-96	Phoenix International	Fargo	69
031-96	Corporate Technologies	Fargo	24
033-96	McNeilus Steel	Fargo	20
034-96	Great Plains Software	Fargo	84
035-97	Acme Electric	Grand Forks	70

The total state income tax withholding allowed for the 32 projects in effect is \$6,606,984.75. This is the amount allowed over the ten-year period of each project. The withholding is generated from the creation of 4,029 new job positions.

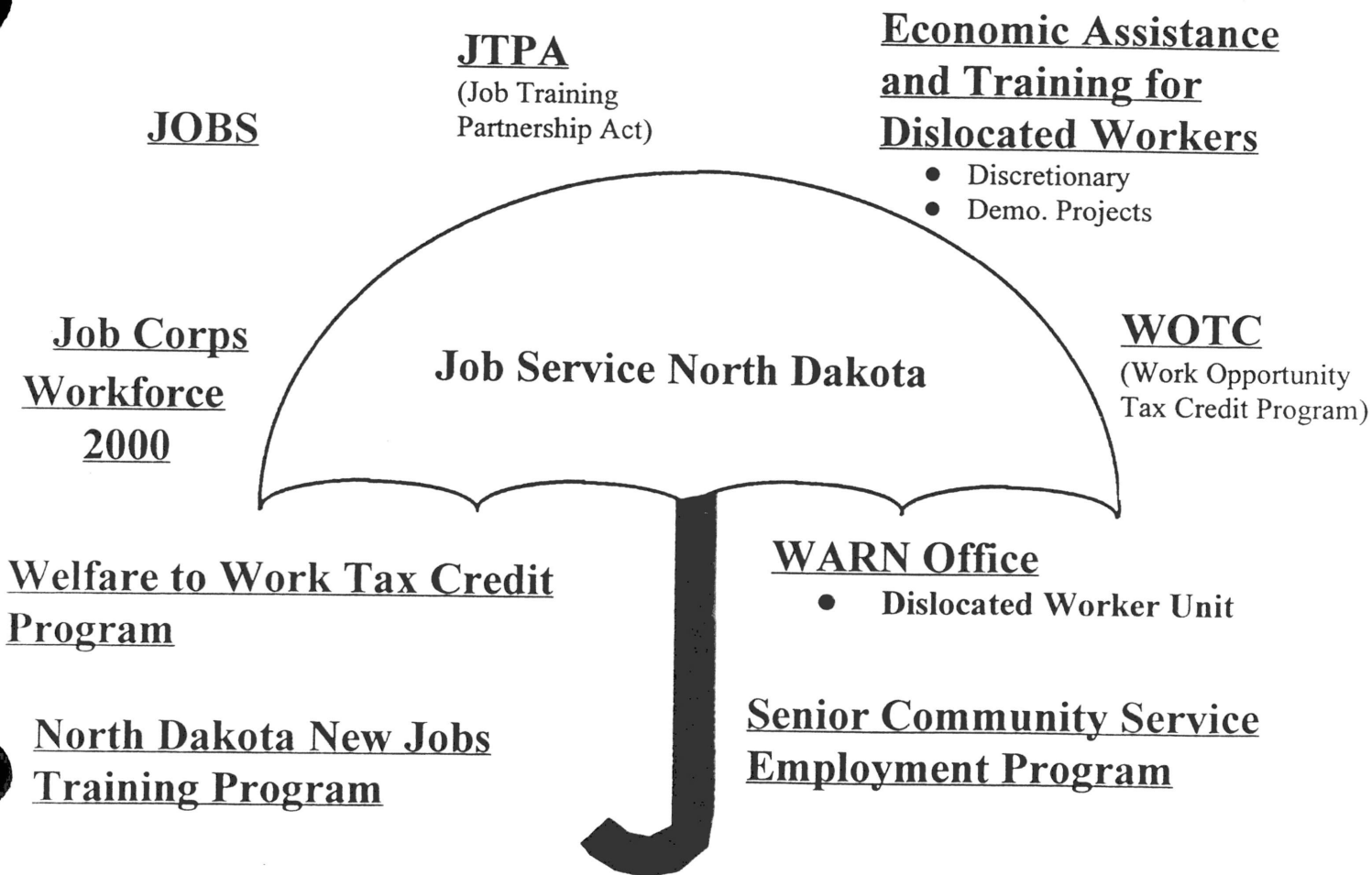
Total payroll, based on the entry level wage, is \$84,078,491 for the ten-year project period. Using the North Dakota Input-Output Economic Projection Model 1989, used by NDSU, total payroll is multiplied by 3.2853. This results in a total economic impact, over the ten years of the projects, of \$276,223,066.52. After subtracting the withholdings allowed under the Projects, the net Gain is \$269,616,081.77.

The State postpones the initial receipt of allowable state income tax withholding on the new job positions created, but the state does receive the immediate benefit of sales tax, property tax, gas tax revenues, etc. from the purchases made by individuals filling the new job positions. The State also receives the state income tax, sales tax, property tax and gas tax revenues as a result of the economic multiplier affect on those spin-off new job positions created.

JOB SERVICE NORTH DAKOTA'S ROLE IN DELIVERY OF WORK FORCE TRAINING

Job Service North Dakota is an umbrella agency. In addition to the Workforce 2000 and the New Jobs Training Program, Job Service administers a number of federally funded work force training programs.

The integration of these federal and state funded work force training programs maximizes the assistance to both North Dakota workers and North Dakota employers in meeting the skill requirements to compete in global economy.



Job Service North Dakota has a statewide delivery system. This service delivery network provides an ability to disseminate information and provide access to work force training programs by all employers and residents of the state regardless of their geographic location.

The type of training which can be provided through funding under the various federal and state work force training programs include the following:

➤ **CUSTOMIZED TRAINING**

Customized training programs are designed to provide specific technical and occupational skills training so individuals may acquire the necessary competencies to perform the duties and responsibilities that are required for employment with a specific employer. Customized training can be provided as a pre-employment service as long as the employer agrees to give hiring preference to individuals completing the training. Cost of curriculum development, instructional staff, facilities, etc., can be provided for under funding from one of the programs administered by Job Service North Dakota.

➤ **CLASSROOM TRAINING**

Classroom training can be provided for both occupational skill development and basic or remedial skills. Normally, this training takes place within an established course curriculum offered through a secondary or postsecondary training institution. Tuition costs, books, fees, and supplies can be paid for through one of the programs administered by Job Service North Dakota.

➤ **ON-THE-JOB TRAINING**

On-the-job training is conducted at the employer's place of business and is designed to enable an employee to learn the necessary job skills in order to qualify for a particular occupation. On-the-Job Training Programs can be written for a maximum of six months in duration. Employers receive up to a 50 percent reimbursement of the employee's hourly wage for the extraordinary costs they incur in providing the training.

➤ **TECHNICAL/OCCUPATIONAL UPGRADING**

These programs are designed to provide currently employed individuals with necessary technical and occupational competencies to remain current in their positions. Training is normally required as a result of the introduction of new technologies or work methods into the workplace. This training can be provided through the use of industry trainers, workshops, in-service training, or through secondary or postsecondary training providers. Cost of instructors and material can be covered under one of the programs administered by Job Service North Dakota.

The designation of Job Service North Dakota as administrative entity for state work force training programs accomplishes several goals:

1. Provides one stop for employers and economic development professionals to access funding assistance for work force training.
2. The state programs complement the federal work force training programs. They allow for maximum flexibility and the most efficient use of resources to meet work force training needs. State-funded work force training programs are used as a last resort and fill gaps which federal programs are unable to meet.
3. Allows for flexibility to quickly respond to employer's requests. In emergency situations, contracts with employers to provide work force training funding have been negotiated and approved in the same day.

4. Job Service North Dakota, itself, does not do any direct training. Funding from the federal and state programs is used to purchase training or to reimburse the employer for training costs which they incur. This includes contracting for training directly with a secondary, postsecondary, or vocational education system, or, under Workforce 2000, allowing the employer to contract directly for those services to obtain state-of-the-art technology training.

ROLE OF WORKFORCE 2000 AND NORTH DAKOTA NEW JOB TRAINING PROGRAM

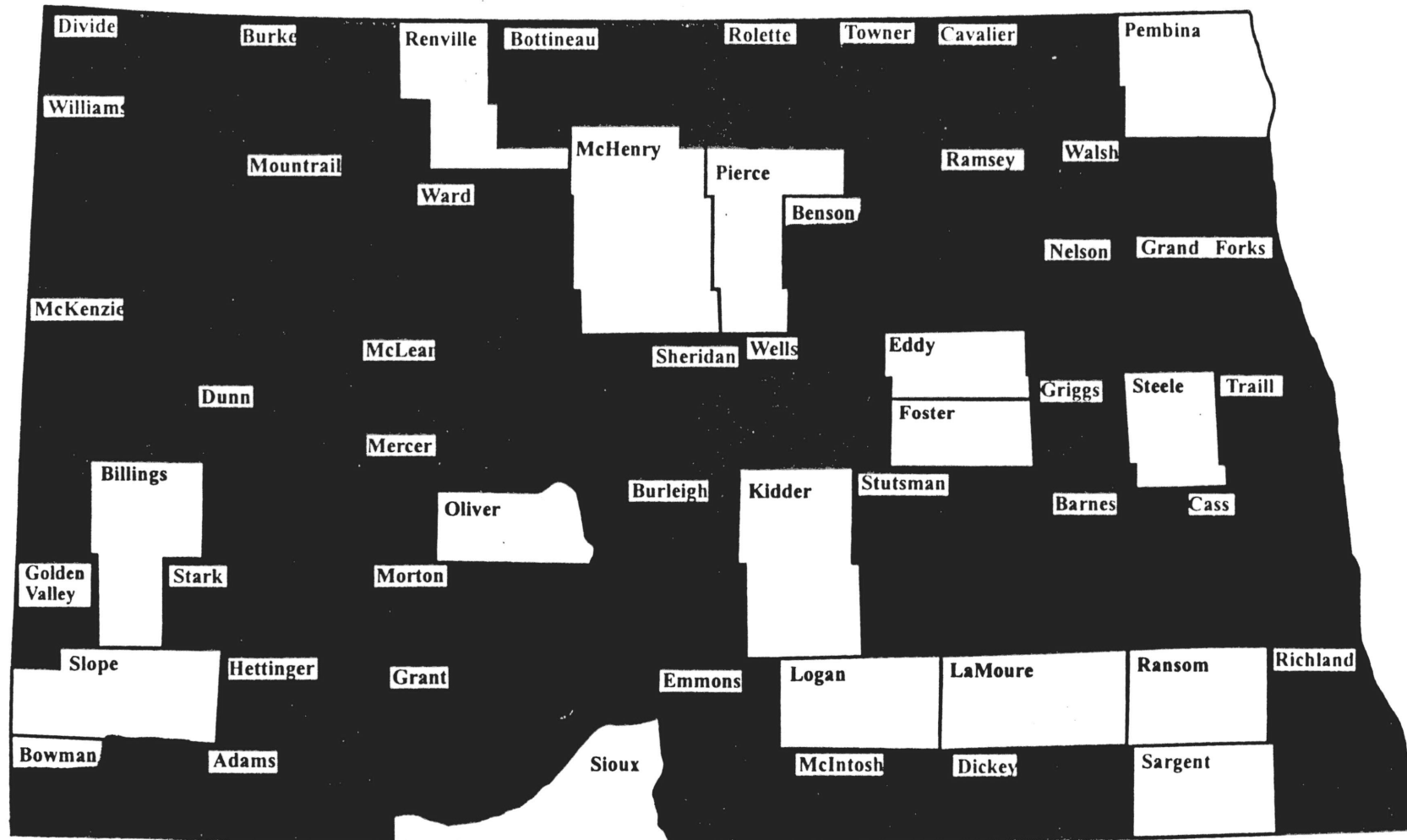
Work force availability and work force training are important components when attracting new businesses to the state. Work force availability and work force training are also major considerations for employers who are planning business startups or business expansion.

Job Service North Dakota works directly with economic development professionals from across the state in responding to businesses expressing an interest in locating and/or expanding business operations in the state of North Dakota.

North Dakota has a distinct advantage over a number of other states for employers accessing work force training funds. Because Job Service North Dakota administers the majority of the federal work force training programs, Job Service North Dakota is able to provide for one stop for both worker recruitment and accessing the range of federal and state-funded work force training programs. In other states, employers would be dealing with several different agencies to access the same services and funding sources. The mix of programs and fund sources allows Job Service North Dakota to effectively respond to requests by employers for the provision of adequately trained workers.

Attachment I: Workforce 2000 Approved Projects by County and City

Job Service North Dakota Workforce 2000 Projects 1997 - 1999 Biennium



Counties that have had a Workforce 2000 Project during 1997-1999 Biennium

**WORKFORCE 2000
CONTRACTS
1997-1999 BIENNIUM**

CITY	CONTRACTOR	PROJECT TITLE	PARTICIPANTS	AVERAGE WAGE
ADAMS COUNTY				
Hettinger	Transcription Limited	Medical Transcription	10	\$7.00
BARNES				
Valley City	AgAir Manufacturing	Welding/Blueprint	220	\$9.71
BENSON COUNTY				
Fort Totten	Sioux Manufacturing Corp.	ISO 9000	73	\$19.70
BOTTINEAU COUNTY				
Bottineau	Dakotah Development LLC	Insurance Licence	19	\$6.20
BOWMAN COUNTY				
Bowman	Eddie's Diesel	Diesel Certification	1	\$10.50
	Western Way Depot	Franchise Training	2	\$7.50
BURLEIGH COUNTY				
Bismarck	Transcription Limited	Medical Transcription	10	\$7.00
"	Dakota Aero Manufacturing	Aircraft Manufacturing	2	\$12.75
"	Missouri Valley Calibration	ISO 9000	5	\$9.84
"	Melroe Company	Grade Training	53	\$18.84
"	Dakota Development	Insurance License	14	\$9.00
"	Baptist Home Inc.	Physical Assessment	18	\$10.00
CASS COUNTY				
Arthur	Arthur Good Samaritan	Physical Assessment	3	\$11.52
Fargo	Mid American Aviation	ISO 9000	9	\$14.22
"	Navigation Technologies	GWS-97 Training	50	\$9.77
"	Associated General Contractors	Construction Training	104	\$13.88
"	Integrity Windows	Statistical Process Trng.	135	\$8.72
"	Sheet Metal Workers	Upgrade Training	51	\$9.07
"	Gremada Industries Inc.	Machine Shop Oper. Prograrr	15	\$10.56
"	Phoenix International	Upgrade Training	225	\$20.21
"	Global Electric MotorCars	Electrical Traction/Software	16	\$16.50
"	Bethany Homes	Physical Assessment	10	\$13.43
"	Case Corporation	Cell Manufacturing Trng.	280	\$17.36
"	Cobra Hose	ISO 9000	5	\$7.54
"	Crary Company	Powder Paint Processing	1	\$16.35
CAVALIER COUNTY				
Langdon	Transcription Limited	Medical Transcription	10	\$7.00

**WORKFORCE 2000
CONTRACTS
1997-1999 BIENNIUM**

DICKEY COUNTY

Ellendale	Fargo Assembly Co.	Wire Harness Training	25	\$5.71
Oakes, ND	Compact Technologies	CNC/Computer/Welding	41	\$13.17
	Performance Centers, Inc.	Teleservice	80	\$6.00

DIVIDE COUNTY

Crosby	Transcription Limited	Medical Transcription	9	\$7.00
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DUNN COUNTY

Killdeer	Killdeer Manufacturing	ANSI Standards/Software	40	\$13.55
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EMMONS COUNTY

Linton	Rosenbluth International	Pre-Employment	80	\$6.08
"	Transcription Limited	Medical Transcription	10	\$7.00

Golden Valley

Beach	Transcription Limited	Medical Transcription	10	\$7.50
"	Walz Trucking	Truck Technology	2	\$14.25
"	West Plains Implement	Lubricant/Filtration	5	\$7.25

Grand Forks County

Grand Forks	L M Glasfiber	Start Up Training	70	\$7.50
"	Bergstrom Electric	Computer Training/Apprent.	70	\$17.35
"	Dakota Aircraft Corp.	Mfg. Composite Fiberglass	100	\$8.64
"	J.R. Simplot	Continual Improvement	305	\$9.40
"	American Woods Inc.	Start Up Training	13	\$11.57
"	Melby Construction	Carpentry Upgrade	6	\$11.13
"	Strata Corporation	AS400 Hardware & Software	53	\$16.96
"	R & R Contracting	Software Training	4	\$20.25
"	Longview Fibre Company	Supervisory & Manuf. Equip.	50	\$8.18
"	Conte Luna Foods	Pasta Manufacturing	50	\$10.20
"	Magnus Trucking	Asbestos & Lead Abatement	3	\$19.00
"	RDO Foods Company	Technology Upgrade	135	\$9.50

GRANT COUNTY

New Leipzig	Transcription Limited	Medical Transcription	10	\$7.00
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GRIGGS COUNTY

Cooperstown	Dynamics Marketing	Insurance Licensure	48	\$7.00
"	Cooperstown/Griggs Economic	Computer Competencies	24	\$7.50

**WORKFORCE 2000
CONTRACTS
1997-1999 BIENNIUM**

MCINTOSH COUNTY

Ashley	TechLink	Software Training	35	\$6.46
"	Transcription Limited	Medical Transcription	4	\$7.00
Lehr	Fargo Assembly Co.	Wire Harness	15	\$5.81

MCKENZIE COUNTY

Mandaree	Mandaree Electronics	ISO 9000	13	\$8.63
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MCLEAN COUNTY

Garrison	Dakotah Development LLC	Insurance License	15	\$6.51
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MERCER COUNTY

Hazen	Transcription Limited	Medical Transcription	10	\$7.00
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MORTON COUNTY

Mandan	North Central Data Coop	Progress Training	95	\$14.57
"	Northern Plains Equipment	Spader/Training	3	\$11.54
"	Quam Petroleum Service	HASMAT	3	\$10.31

MOUNTRAIL COUNTY

Stanley	Transcription Limited	Medical Transcription	8	\$7.50
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NELSON COUNTY

Michigan	Fargo Assembly	Wire Harness	22	\$5.67
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RAMSEY COUNTY

Devils Lake	Dakota Sportswear	Customer Services	14	\$7.71
	Dakota Aero Manufacturing	Aircraft Welding	18	\$7.50

RICHLAND COUNTY

Wahpeton	PrimeBoard	Hydraulics I MFGT 150	1	\$15.00
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ROLETTE COUNTY

Belcourt	Uniband	Upgrade	29	\$11.50
	Dynaband LLC	Phone Center	140	\$8.65
Rolla	Arrow Tech	ISO 9000	15	\$12.68
	Transcription Limited	Medical Transcription	10	\$7.00
Belcourt	Turtle Mountain Band of Chip.	Tire Recycling	2	\$7.50

**WORKFORCE 2000
CONTRACTS
1997-1999 BIENNIUM**

SHERIDAN COUNTY

McClusky	Credico Inc.	Collections	12	\$6.00
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STARK COUNTY

Belfield	Belfield Automative Supply	Heavy Duty Truck Parts	9	\$6.00
Dickinson	Steffes & Sons	ISO 9000	101	\$10.38
	St. Luke's Home	Physical Assessment	12	\$13.14
	Remco Software Inc.	Trouble Shooting	5	\$10.23
	Letvin Equipment Co.	Precision Farming & Seed	6	\$17.53
	West River Business	Pre-Employment Trng.	23	\$3.18
	Rosenbluth International	Travel Reservations	100	\$6.00
	Reiter Welding	MSHA Training	5	\$8.51
	Transcription Limited	Medical Transcription	7	\$7.50
	West River Business Center	Pre-Employment	25	\$6.00
	Charboneau Car Center	Lease-Link Software	2	\$16.29
	Westwind Consulting Center	Power Point	3	\$12.44

STUTSMAN COUNTY

Jamestown	Dura Tech Industries	ISO 9000	75	\$12.00
	Lucas Aero Space	CAD CAM Training	120	\$15.03
	Central Sales	Total Managment	1	\$9.00
	Lucas Western Inc.	Machinist Training	10	\$6.20
	AVIKO USA LLC	Ammonia Training	1	\$9.75

TOWNER COUNTY

Cando	Integra Castings USA	ISO 9000	124	\$8.49
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TRAILL COUNTY

Hillsboro	Oppegard's Inc.	Precision Farming	4	\$17.55
	American Crystal Sugar	New Technology	92	\$19.08

WALSH COUNTY

Grafton	Marvin Windows	Windows & Doors	90	\$7.03
	Shea Technologies	Computer Competencies	7	\$7.20

WARD COUNTY

Kenmare	Gooseneck Implement	Electrician Electronics	6	\$11.68
	Lakeside Performance	Electron Catalog	2	\$5.50
	Transcription Limited	Medical Transcription	11	\$7.50
Minot	Niess Enterprises	Microsoft Training	76	\$10.20
	Dacotah Marketing	Oracle Software	17	\$15.00
	Sykes Enterprises	Computer Technologies	106	\$7.00
	Soaring Eagle Outerwear	Sewing Machine Operation	20	\$5.15
	Minot Milling Company	Milling Theory	7	\$16.78
	Magic City Irplement	Total Dealership Mgmt.	3	\$8.50

**WORKFORCE 2000
CONTRACTS
1997-1999 BIENNIUM**

WELLS COUNTY

Fessenden	Dakotah Development	Insurance Licensure	12	\$6.27
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WILLIAMS COUNTY

Ray	Medical Arts Press	Pre-Employment	11	\$8.49
Williston	Marburger Enterprises	Aircraft Part Mfg.	2	\$7.00
	Transcription Limited	Medical Transcription	10	\$7.50

STATEWIDE CONTRACTORS

Sheet Metal Workers Consolidat	Apprenticeship Training	122	\$9.80
Telephone AT & S Program	Telephone Upgrade/Apprent.	96	\$9.00
Burlington Northern	OS/2	12	\$21.46
United Association of Plumbers	Apprenticeship Training	350	\$11.62

workforce
2000

**Making Employee
Training Affordable**



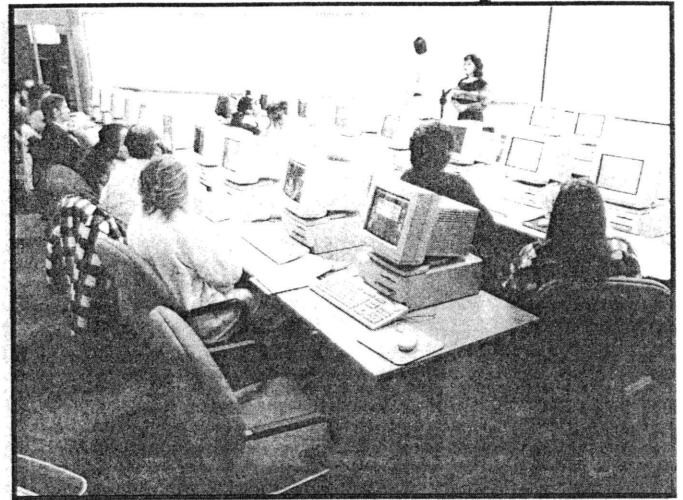
Administered by Job Service North Dakota

A VALUABLE RESOURCE

for North Dakota Businesses

As employers in North Dakota implement new technology and work methods, the need for highly skilled workers is increasing. Workforce 2000 is a state-funded program that assists in meeting these demands.

Since its enactment by the 1991 North Dakota Legislature, the Workforce 2000 Training Fund has helped employers provide retraining and upgrade training to support the introduction of new technologies and work methods into the workplace. Often this results in high-wage and high-skill jobs that enhance the economy and benefit workers through increased earning potential and employment opportunities.



OBJECTIVES

of the Training Program

Workforce 2000 provides funding assistance to employers for current workers and new employees. First, companies can access assistance to help upgrade the skills of current workers when new technologies and/or work methods are introduced or when training is required for continued employment. Second, it is available to companies that are expanding or locating to the state to help with training new employees. These objectives will help communities attract and retain companies and make North Dakota a better place to work, live, and do business.

Training funded under Workforce 2000 is limited to North Dakota residents who are or will be employed in the state. Workforce 2000 is a funding source to assist in reducing the cost of training. Customized training suited to the specific needs of the company is available through North Dakota's customized training network, state universities and colleges, and the state's local vocational centers.

Funds are available regardless of the company's size. Equitable access to funds is provided to both urban and rural areas. Workforce 2000 requires a minimum of paperwork and provides a good return on the public investment. Projects must emphasize job skill and basic skill training.

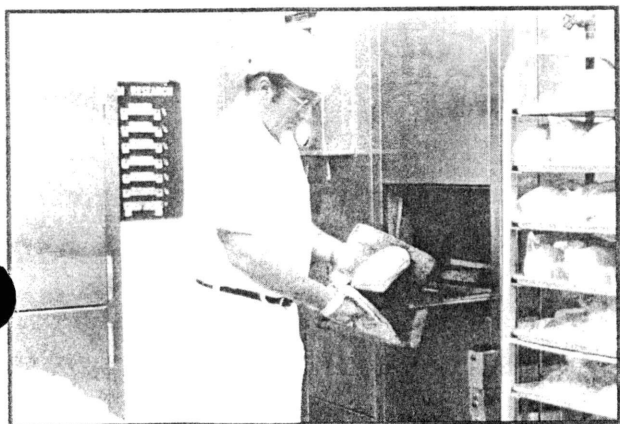
IT'S EASIER THAN YOU THINK *To Get Funding*

Businesses and industries that bring new revenue to the state by selling a majority of products and services outside of North Dakota will be given priority for funding. Businesses that sell products or services in the local area are eligible, but need to demonstrate compelling economic benefit to the community or state.

Small companies or those located in rural areas are especially encouraged to participate. All businesses making requests for Workforce 2000 funding assistance are asked to participate in the cost of training. In-kind contributions can be considered matching funds. These can include: training space, equipment, or supplies; employee wages and fringe benefits while in training.

REQUIREMENTS *for Training Projects*

- 1.** Projects must emphasize job skill training or basic skill training. Only training for permanent jobs or occupations which have significant career opportunities and require substantive instructions will be considered for funding.
- 2.** For projects that train new employees for business expansion and startups, trainees who successfully complete training must be given priority in hiring by the participating business.
- 3.** If the occupation for which training is being conducted is covered by a collective bargaining agreement, union concurrence is required.
- 4.** 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.
- 5.** Costs for training needs assessments and the preparation of an application are the responsibility of the company.



- 6.** Only direct training costs can be reimbursed under Workforce 2000 and can include the following:
 - a. Instructor wages, per diem and travel
 - b. Tuition and registration fees
 - c. Curriculum development and training materials
 - d. Lease of training equipment and training space
 - e. Miscellaneous direct training costs

Requirements continued on next page.

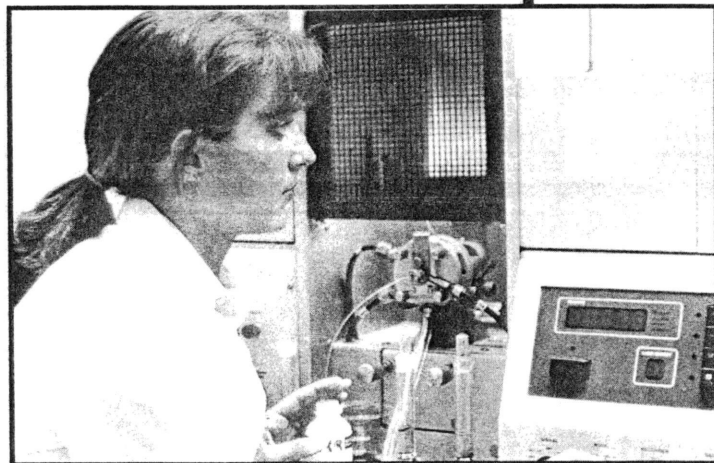


7. Workforce 2000 funds cannot be used to reimburse employee salaries, fund in-house trainers, purchase equipment, software or non-expendable supplies.
8. All Workforce 2000 grants will be based on a cost reimbursement of those actual costs expended and identified in the contract.
9. For each project approved for funding, the company will be required to submit a report identifying individuals participating in the training program. Follow-up reports on those individuals who participated in Workforce 2000 funded training will be submitted by the employer 90 days, 180 days, and 365 days after training.

APPLICATION *Process*

Requests for information or Workforce 2000 funding applications should be submitted to:

Manager
Customer Service Area V
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58506-5507
Phone: 701-328-2843
Fax number: 701-328-2414



APPLICATION REVIEW *Process*

Job Service North Dakota will score applications according to specified criteria. Scored applications will be ranked and reviewed by the Workforce 2000 Advisory Committee. The members represent Job Service North Dakota, Economic Development and Finance, State Board for Vocational and Technical Education, Greater North Dakota Association, Small Business Development Center, private business, organized labor and local development associations. The committee will investigate the applicability of other training program options and make funding recommendations to the executive director of Job Service North Dakota, who makes final decision.

**JOB
SERVICE
North Dakota**  CSA V
JSND 4008 (R 1-99)

Job Service is an equal opportunity
employer/program provider.
Auxiliary aids and services are available.

N O R T H D A K O T A

New Jobs Training Program

*No-Cost Job Training
for New and Expanding
Businesses*



Administered by Job Service North Dakota

Program

Overview and Mission

The North Dakota New Jobs Training Program provides incentives to businesses and industries that are creating new employment opportunities through business expansion or relocation to the state. The program provides a mechanism for companies to secure no-cost funding to help offset the cost of training new employees for business expansion and/or startup. The program was established by the 1993 North Dakota Legislature.

North Dakota New Jobs Training Program Funding Assistance

Under the New Jobs Training Program, the business obtains funds in the form of a loan or repayable grant. The loan can be obtained from a commercial lender, local development corporation, Bank of North Dakota, or other qualified lender. Repayable grants could be issued by the state, a city, or a local development corporation.

The loan or grant, plus interest, is repaid through the capture of the state income tax withholding generated from the new job positions that are created. *The withholding credit is based on the new job position and not individuals in the position.* The new job position may have any number of individuals in the position during the life of the project. State income tax withholding can be captured for up to a 10-year period, or until the loan is repaid, whichever comes first.



Your **Business** may Qualify

If your business is locating to the state or is a business that is expanding, you may qualify for funding. The initial criteria is that the business must be a "primary sector" business, defined as one that adds value to a product, process or export service, resulting in the creation of new wealth, excluding production agriculture. Eligible new job positions that can be included under a North Dakota New Jobs Training agreement must pay at least \$7.50 per hour, plus benefits, by the end of the first year of employment.

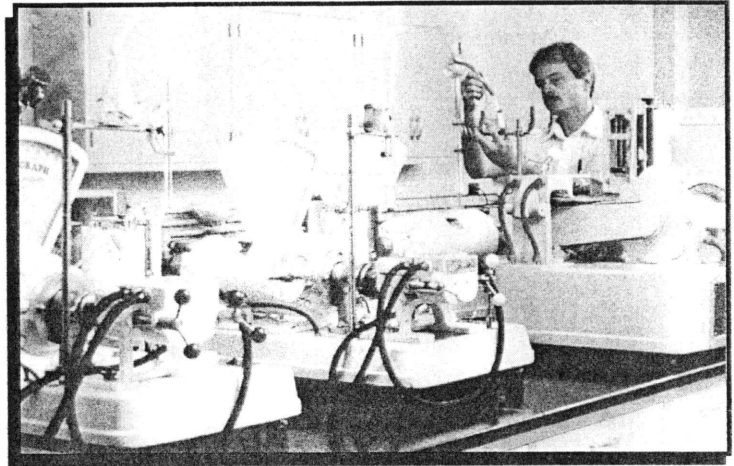
Other qualifying criteria include:

- ✘ Businesses locating to the state must create a minimum of five new jobs. Expanding businesses must increase the level of employment by at least one employee.
- ✘ Your business must not be closing or reducing its operations in one area of the state and relocating the same operation to another part of the state.
- ✘ Your business must have an economically and socially desirable purpose.

Calculation of **State Income Tax Withholding Credit**

The amount of state income tax withholding available to a project is based on:

- ✘ The number of new positions created.
- ✘ The wage rate paid to individuals filling the new job positions.
- ✘ A withholding formula, provided by the North Dakota State Tax Department, is applied to the actual annual salary of the new jobs being created.
- ✘ The formula considers the individual's average tax liability, using a varying number of exemptions.
- ✘ The formula is applied to the annual gross wages of the new jobs created and is then multiplied by the number of new positions in each pay category.
- ✘ This figure is then multiplied by 10, the maximum number of years of the project, to establish the maximum state income tax withholding available under a North Dakota New Jobs Training Project.



Determining the loan amount:

1. The employer provides the lender with the amount of state income tax withholding available.
2. Based on the interest rate charged and draw-down schedule established by the employer, the lender amortizes the total amount of state income tax withholding back to determine the loan amount.

Early Repayment

If the employer creates the number of new jobs identified in the North Dakota New Jobs Training Agreement, at the wage rates projected, most loans will repay themselves in less than the 10-year project period. Early repayment takes place when:

- ✘ Average tax liabilities are used to calculate the amount of state income tax withholding credit available, but the actual withholding reported is used to credit loan repayments.
- ✘ Most individuals have more state income tax withheld than their actual tax liability.
- ✘ The agreement does not build in salary increases during the 10-year period, resulting in larger withholdings.

Repayment **Terms**

- ✘ Employers must file a Form F306 quarterly state income tax withholding report with the North Dakota State Tax Department. Form F306 identifies the quarter ending date, project number, and the total amount of North Dakota state income tax withheld during the quarter from wages paid to employees who fill qualified new job positions.
- ✘ The qualified new job position number, the name and Social Security number of the employee filling the new job position, and the amount of North Dakota state income tax withheld during the quarter for the employee are also required.

After receipt and verification of Form F306, the North Dakota State Tax Department will transfer the amount of the new jobs credits from withholding to a special fund set up and administered by the state treasurer. A check will be drawn on the special account payable to the lender identified in the agreement. This transfer will be made by the third working day of the third month following the end of the calendar quarter. For the first quarter, this will occur in June; the second quarter in September; the third quarter in December; and the fourth quarter in March.



Loan **Proceeds**

There are no limitations on the use of these funds. The loans received under the New Jobs Training Program can be used by employers for whatever purpose they wish.

The project will be monitored to insure that the number of new job positions agreed to in the Final Agreement are actually created and that these new job positions are paid at least a minimum of the wage specified in the agreement.

Application **Process**

Requests for information on the New Jobs Training Program should be submitted to:

Manager, Customer Service Area V
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58506-5507
Phone: 701-328-2843 • Fax number: 701-328-2414

JOB SERVICE
North Dakota

CSA V
JSND 4006 (R 1-99)

Job Service is an equal opportunity employer/program provider.
Auxiliary aids and services are available.



PHOENIX
INTERNATIONAL

January 12, 1999

Jack Dalrymple
House Appropriations Committee, Chairman
State Capital
Bismarck, ND 58501

RE: Appropriations House Bill 1017/Workforce 2000

Dear Mr. Dalrymple:

I am writing in support of the Workforce 2000 job training program that our company has utilized and greatly benefited from in the current biennium. Phoenix International continues to be an industry leader in technology development and provides a variety of customers with advanced technological high quality products. The quality of our products we manufacture comes from the technical training, education and skills our employee's possess. The Workforce 2000 program assists with the continued technical training needed to utilize the talents of everyone to create a company that is recognized as both a leader in the electronic control board industry as well as in the state of North Dakota.

We hope that the North Dakota Legislator and Governor Schafer support the additional funding and realize the importance that the Workforce 2000 program provides in assisting with the continued growth and development of North Dakota businesses. We look forward to your continued support and approval of our training and development efforts.

Sincerely,

Sally Bosh
Vice-President/Controller



Proponent Testimony for HB 1017
House Appropriations Human Resources Committee
January 13, 1999

Mr. Chairman, members of the Appropriation Committee,

My name is Joy Johnston. I am the Executive Director of the Manufacturers and Processors Division of the Greater North Dakota Association. This morning I am testifying in favor of HB 1017 on behalf of GNDA, its divisions and the Economic Development Association of North Dakota.

The Greater North Dakota Association is the North Dakota Chamber of Commerce. GNDA is the voice of business and principal advocate for positive change for North Dakota.

The Economic Development Association of North Dakota, formerly known as the Industrial Development Association, has a membership of professional developers, banks, utility companies and other entities committed to enhancing the standard of living of North Dakotans by encouraging economic development opportunities. GNDA is a member of the Economic Development Association of North Dakota.

I am also privileged to be a member of the Workforce 2000 Advisory Committee.

In particular, I would like to address the state funds for the Workforce 2000 appropriation of \$2 million. The executive budget recommendation of \$2 million equals the requested amount from the 1997-99 biennium that ultimately ended with an appropriation of \$1.85 million.

Workforce 2000 is a worthwhile investment. The Workforce 2000 program is truly North Dakota investing in North Dakota. Being a member of the advisory committee that recommends training grant dollars to qualified applicants, it is truly exciting to see North Dakota recognizing the need and committing the time and dollars to upgrade and enhance our workforce.

Workforce training and development are priority items this session. Workforce 2000 has been providing some of the assistance needed for a long time. The legislature should be commended for its foresight and vision when it created Workforce 2000. Workforce 2000 has enhanced the competitive position of North Dakota businesses in the global marketplace. It needs to continue.

The Workforce 2000 advisory committee has a broad-based membership of the public and private sector. We see a variety of projects, be they urban and rural, large and small that positively impact the economy of North Dakota.

The Workforce 2000 advisory committee is a good steward of the funds entrusted to the program. We look at a variety of criteria when making recommendations on an application. And by looking at the performance results tracked, I hope you will agree that Workforce 2000 is very successful.

What is it that the advisory committee is looking for?

1. The training must tie into the viability of the business.
2. Training is expensive. But the Workforce 2000 advisory committee desires significant commitment on behalf of the business to pay for training costs. We do not do "freebies." The grant from Workforce 2000 covers only a part of the costs of training.
3. The advisory committee believes a business knows best where and who should deliver the upgrade training. However, we do strongly encourage the use of qualified training programs available in North Dakota. The NDSCS Customized Training Program for ISO 9000 certification is a prime example of a quality program available in North Dakota for companies needing the certification to compete in the global marketplace.
4. The results of the enhanced training should not only positively impact the bottom-line of the business, they should positively impact the wages paid to trained employees. The advisory committee wants to see wage increases post training.
5. The statute also requires a portion of the funds be expended in rural projects. I am pleased to report that we don't worry about meeting the "rural project threshold." Innovative training applications come from rural areas all the time.

I would also like to extend my appreciation to Job Service North Dakota, Director Jennifer Gladden and Workforce 2000 Director Jim Hirsch for making the advisory committee an involved, "hands-on" committee. The committee meets monthly but the projects can't always wait. Customer service to the applicant is paramount to the success of Workforce 2000. In fact, we brag about the immediate response and simple application process. It would be easy to bypass the advisory committee when these "emergency" project deadlines appear. Jim and his assistant, Donna Stoltz, make sure the advisory committee receives the application and requests input from all of us. We may only have a day or two to respond, but the level of communication extended by Jennifer, Jim and Donna is extraordinary.

As you can tell by my testimony, being a member of the Workforce 2000 advisory committee is a fun job. The training projects are progressive and the result of the training certainly enhances economic picture of North Dakota. Workforce 2000 is a worthwhile investment.

Please recommend a "do-pass" for HB1017 with an appropriation for Workforce 2000 at \$ 2 million.

J.R. SIMPLOT COMPANY

3630 Gateway Drive
Grand Forks North Dakota 58203

Background Information:

The J.R. Simplot Company Corporate Food Group Headquarters is in Boise, Idaho.

The potato plant has been in Grand Forks since the early 60's. We have been a Simplot Facility since 1981.

The Simplot Plant in Grand Forks has been on a strong steady growth pattern. We are considered the "Benchmark Plant" in the Food Group Operation with annual production exceeding +450 million pounds of processed potato products from french fries to mashed potatoes. We process over 9 million hundred weight of potatoes annually.

One of our major customer at Grand Forks is McDonalds French Fries. We currently supply approximately 200 million pounds of McDonalds fries to the regions of Detroit, Cleveland, Toledo, St Louis, Indianapolis, Louisville centers. With the upgrade of Line 1, scheduled for the summer of 1999, we will be increasing our McDonalds fry capabilities by an additional 150 million pounds for the upcoming seasons.

The majority of our employees live in North Dakota. The majority, over 70%, of our spuds are grown in North Dakota; and we purchase a lot of our supplies and services from North Dakota businesses.

Our plant operates 24 hours a day, seven days a week. Our operation has four process lines that run 300-315 days season from early August through late July - truly a year round operation.

The plant employees about 550 people on average. That includes 45 staff and 500 hourly employees.

We continue to expand and improve the plant facilities. We just completed a new 4 million-dollar expansion on our raw receiving operation. Our next major capital expenditure will be 18 million dollars this summer to upgrade our line one fry line to make it Mac Fry capable.

Henry Fietzek
Operations System Manager
(701) 780-7830

WORKFORCE 2000 PROGRAM

The Workforce 2000 Program has been the major part of our training program for the last year. The plant has been faced with several uphill battles the past few years. Some of these challenges are have included:

1. Our high employee turnover rate. (As shown on the next page). These turnovers are caused by several different factors but the '97 flood was a major factor.
2. Super low unemployment rate in our community.
3. The fact we are a 24 hour, 7 day a week operation puts a lot of pressure on employees. Especially those working off-shifts and getting weekdays off.
4. Heavy construction volume in the Grand Forks community due to flood.

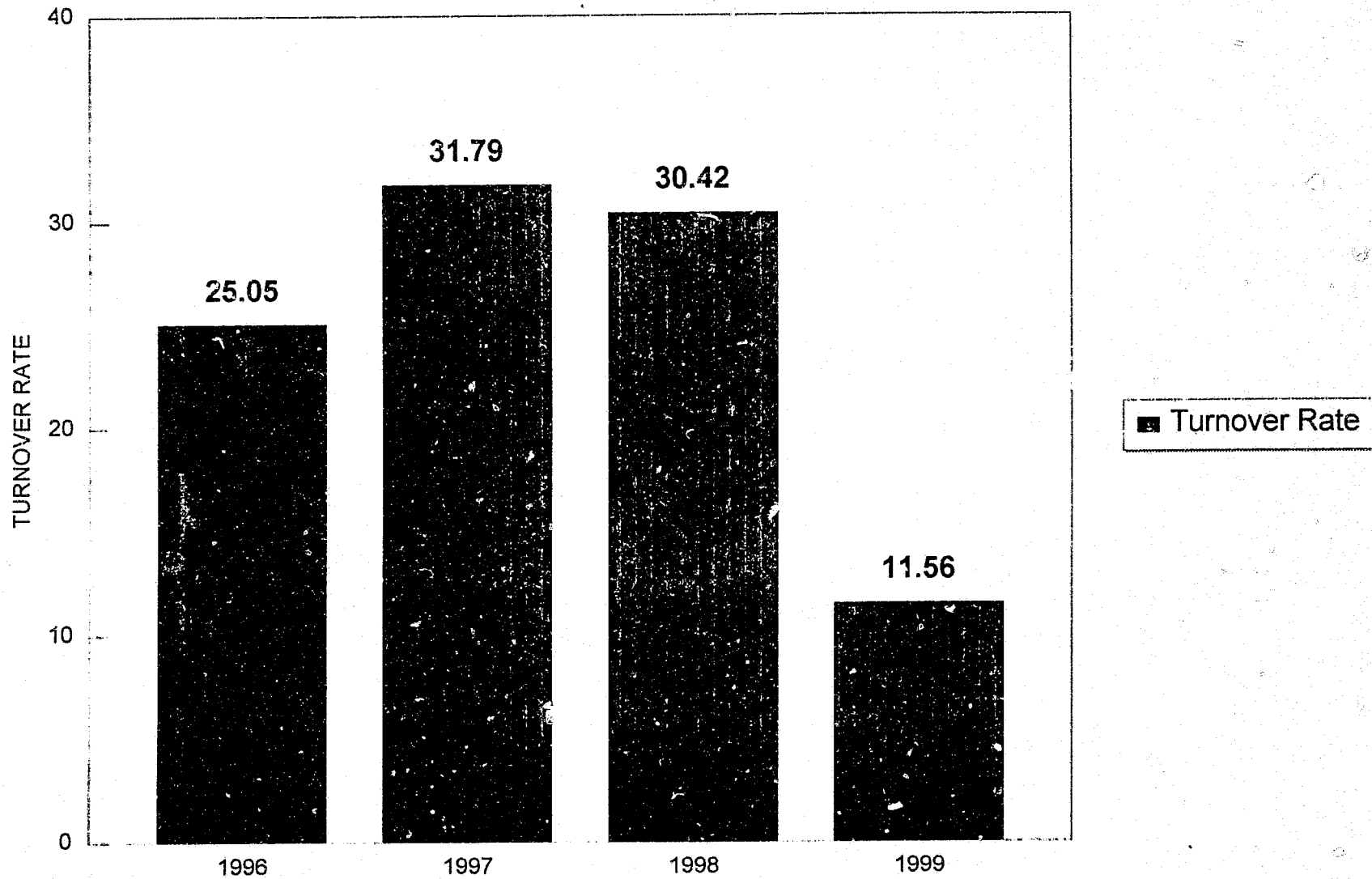
A special thanks goes to Jim Hursh and his staff at Job Services. They have been really good to work with on the Workforce 2000 Program.

Simplot Workforce 2000 Contract Status

Status	Trained	<u>439</u>
	Spent	<u>\$80,000</u>

Remain to spend of budget: \$48,000
By June 30, 1999

J.R. Simplot Co.
Turnover Rates



INSIDE:

- The Calendar (2B)
- Ann Landers (3B)

DAKOTA**SECTION**The Bismarck Tribune
Thursday, Jan. 14, 1999**B****Jobs will boost Watford City**LAUREN DONOVAN, *Bismarck Tribune*

Watford City may have found its own Hal Rosenbluth.

Pennsylvania businessman Rosenbluth is a local hero in Linton for the corporate travel reservation business and 175 jobs he brought there.

Nick Debronsky, partner in Cross Consulting Group of Burnsville, Minn., might achieve a similar status in the western region.

Cross Consulting plans by July to set up a computer programming center in Watford City, starting with 30 jobs and growing from there.

Debronsky and potential clients will be in Watford City Friday and Williston Saturday to interview people who are interested in the opportunity.

"We believe there are well-qualified candidates out there. That's why we want to have the open houses, to meet the individuals," he said. "Hopefully, the open houses will qualify the top candidates."

Some computer training is useful, but not required for all positions. Employees will learn to write computer language for specific clients, including possibly the state of North Dakota and another private North Dakota business, Debronsky said.

Burnsville in suburban Minneapolis has the population to support the venture. But the salary demand is too high.

"Computer programmers here get anywhere from \$80,000-90,000. That's why we can't open a facility in Burnsville," he said. "Our goal is to find people who are underskilled, skill them and give them decent jobs in places like Watford City."

The value is in finding people who are committed to an area and, once trained, won't be off in search of greener pastures. "The key is the lifestyle," Debronsky said. Cross Consulting last year opened a prototype branch in a northern Minnesota community, where employees are trained to write software programs for Northwest Airlines.

Trainee positions at Watford City will start at \$16,000 annually, and top earners

can anticipate salaries in the upper \$30,000s, he said. Future plans include a satellite branch at Williston.

Start-up costs will be in the half-million-dollar range, including building and computer hardware.

Gene Veeder, director for McKenzie County Economic Development, said his group has options on two buildings and will eventually choose one to give to Cross Consulting if it meets five-year employment goals.

Meanwhile, the venture is about 99 percent certain, Debronsky said.

"Everybody's waiting to see if we've got the workforce," Veeder said.

While Watford City is rich in natural beauty, it wasn't the city's good looks that attracted the attention of Cross Consulting.

Watford City, along with Grand Forks and Mayville in North Dakota and Lusk and Powell in Wyoming are designated as Centers of Excellence in Rural America.

Those centers, in a program partly financed and supported by the Western Governor's Association and state resources,

Company scouting for employees

Cross Consulting Group of Burnsville, Minn., along with potential clients for computer programming centers in western North Dakota, will be in Watford City and Williston to identify and interview potential employees. Open houses, which will include both information meetings and interview sessions, will be held from 6-9 p.m. Friday in the Commons area of the Watford City High School and from 11 a.m. to 3 p.m. Saturday at the Student Center of the University of North Dakota Williston.

are in the middle of a five-year project to build up technology infrastructure within the community.

"We're not missing first-rate telecommu-

nications that cities like Minneapolis have," Veeder says.

Put positively, it means that Watford City has used its CERA position to install a wireless telecommunication network and its own Web server, has telemedicine capability within its health-care services and helped start a certified software training program in the high school.

Other development financing options will be tapped, but Veeder said people, not just a building, are Watford's top priority.

"We said, 'Let's put money into the community and make it a model and people will be willing to come.' Incentives are the easy part to put together," Veeder said.

He anticipates that Cross Consulting will get better than a warm reception from employee hopefuls this week.

"It looks to me like it's going to boil over. We have 90 people who've already returned the surveys. I anticipate 90 to 100 people at Watford City and at Williston," said Veeder. "This is about the coolest thing I've ever been involved in."

City	population	City	population	City	population
Fargo	74,111	Linton	1,410	Wilton	728
Grand Forks	49,425	New Town	1,388	Wilton	728
Bismarck	49,256	Stanley	1,371	Wilton	728
Minot	34,544	Crosby	1,312	Dunseith	723
Dickinson	16,097	Rolla	1,286	Killdeer	722
Jamestown	15,571	Tioga	1,278	Mapleton	682
Mandan	15,177	Cooperstown	1,247	Turtle Lake	681
Williston	13,131	Kenmare	1,214	Edgeley	680
West Fargo	12,287	Beach	1,205	Towner	669
G Fks Air Base	9,343	Wishek	1,171	New England	663
Minot Air Force	9,095	Northwood	1,166	Horace	662
Wahpeton	8,751	Lincoln	1,132	Fessenden	655
Devils Lake	7,782	Walhalla	1,131	Milnor	651
Valley City	7,163	Ashley	1,052	Pembina	642
Grafton	4,840	Hankinson	1,038	Richardton	625
Beulah	3,363	Mott	1,019	Rolette	623
Rugby	2,909	Enderlin	997	Ray	603
Hazen	2,818	Burlington	995	Portland	602
Bottineau	2,598	Underwood	976	Harwood	590
Belcourt	2,458	Lamoure	970	Forman	586
Carrington	2,267	Velva	968	Gwinner	585
Harvey	2,263	Drayton	961	Westhope	578
Langdon	2,241	Parshall	943	Kindred	569
Lisbon	2,177	Mohall	931	Minto	560
Mayville	2,092	Napoleon	930	Maddock	559
Ellendale	1,798	Thompson	930	Mcville	559
Watford City	1,784	Glen Ullen	927	Strasburg	553
Oakes	1,775	New Salem	909	Finley	543
Bowman	1,741	Lakota	898	Leeds	542
Park River	1,725	Hebron	888	Stanton	517
New Rockford	1,604	Belfield	887	Kulm	514
Casselton	1,601	Fort Totten	867	Wyndmere	501
Hettinger	1,574	Surrey	856	Bowbells	498
Cando	1,564	Center	826	Mcclusky	492
Garrison	1,530	Hatton	800	Emerado	483
Cavalier	1,508	Lidgerwood	799	Gackle	450
Washburn	1,506	Elgin	765	St. Thomas	444
Hillsboro	1,488	Steele	762	Glenburn	439
Larimore	1,464	Wilton	728	Nече	434
Berthold	431	Wimbleton	275	Crystal	199
Fairmount	427	White Shield	274	Starkweather	197

Michigan	413	Sheyenne	272	Zeeland	197
Powers Lake	408	Regent	268	Bowdon	196
Minnewaukan	401	Page	266	Esmond	196
Arthur	400	Gilby	262	Mooreton	193
Medina	387	Grenora	261	Plaza	193
Carson	383	East Dunseith	260	Wildrose	193
St. John	368	Abercrombie	252	Goodrich	192
Mandaree	367	Reeder	252	Portal	192
Drake	361	Lansford	249	Kensal	191
Buxton	343	Adams	248	Lehr	191
Shell Valley	343	Lignite	242	Lehr	191
Hunter	341	Selfridge	242	Lehr	191
Manvel	333	Hazelton	240	Lehr	191
Edmore	329	Golden Valley	239	Rhame	186
New Leipzig	326	Tappen	239	Cogswell	184
South Heart	322	Granville	236	Cannon Ball	183
Sawyer	319	Tower City	233	Carpio	178
Flasher	317	Noonan	231	Walcott	178
Aneta	314	Tolna	230	Marion	169
Hoople	310	Bisbee	227	Sykeston	167
Leonard	310	Gladstone	224	Sanborn	164
Munich	310	Columbus	223	Taylor	163
Four Bears Vill:	309	Rock Lake	221	Argusville	161
Max	301	Petersburg	219	Galesburg	161
Fordville	299	Davenport	218	Streeter	161
Reynolds	299	Frontier	218	Tuttle	160
Reynolds	299	Alexander	216	Lankin	152
Reynolds	299	Des Lacs	216	Sheldon	149
Reynolds	299	Osnabrock	214	Forest River	148
Scranton	294	Grandin	213	Crary	145
Halliday	288	Rutland	212	Makoti	145
Zap	287	Reile'S Acres	210	Marmarth	144
Sherwood	286	Wing	208	Christine	140
Edinburg	284	Litchville	205	Fingal	138
Riverdale	283	Upham	205	Dodge	135
Hope	281	Buffalo	204	Mountain	134
Willow City	281	Hannaford	204	Milton	133
Anamoose	277	Pick City	203	Pisek	130
Butte	129	Briarwood	88	Alice	62
Dazey	129	Coleharbor	88	Pingree	61
Dunn Center	128	Robinson	87	Ross	61
Havana	124	Sarles	86	Spiritwood	61

January 14, 1999

HB 1017 Testimony

House Appropriations Committee, Human Resources Division
Representative Ken Svedjan, Chairman

Mr. Chairman and members of the Committee, my name is Bruce Bakke, Controller at North Central Data Cooperative (NCDC), in support of the Workforce 2000 program in HB 1017.

NCDC, located in Mandan, has been providing computer solutions to rural electric and telephone companies for 31 years. The company has seen significant growth over the last four years. Our customer base has grown to 180, a 50% increase, and we have added 77 employees for a total employee base of 197. This growth is attributed to having a quality product and providing excellent support to our customers.

Like all software companies, you are only as good as your **next** product. Thus, NCDC is in a continual cycle of research and development. We compete nationally for our customers, currently in 26 states, and to stay competitive, we must continue to offer the latest technologies available.

This competitive edge would not be possible without the competence, skill and strong work ethic of our employees. The staff of programmers and analysts at NCDC develop and maintain our software in "Progress", a fourth-generation programming language. Because most colleges and universities only offer programming courses up to a third-generation language, NCDC must provide the necessary training and retraining for our employees. The "Progress" training our employees receive enhances their skills, advancement potential and marketability.

NCDC is completing its most significant software development project at a cost of approximately \$5 million. The Workforce 2000 program has assisted us in training our employees for this project and during our recent rapid growth. NCDC strongly supports the Job Service Appropriations HB 1017.

Thank you.

January 14, 1999

To: North Dakota House Appropriations Committee

From: Russ Staiger, President
Bismarck-Mandan Development Association

Re: Testimony in support of House Bill 1017
Job Service of North Dakota Appropriation including Work Force 2000

Mr. Chairman and members of the House Appropriations Committee, this is to acknowledge that the Bismarck-Mandan Development Association fully supports the funding request of \$2.0 million for Work Force 2000.

In light of the historic low unemployment rates we are facing nationally as well as here in North Dakota, it is imperative that we have the ability to train or retrain employees for the continued job growth of our State.

This need for training is critical to our existing employers who are growing and from which an estimated 85% of our continuing economic growth comes from. Employers from all across the state face the same problem of a shortage of qualified workers. The potential employees are there in the ranks of the under employed, but they need to be trained to new job skills before they can be put to work

We also need the ability to train or retrain which Work Force 2000 provides in partnership with other key training programs like the New Jobs Training Act and JTPA to satisfy new business from outside North Dakota. Almost the very first thing I hear from out of state companies is: "Your unemployment rate is so low, we don't believe you can

provide the work force we need”.

We have to be able to respond with a positive answer that says we do have the potential employees and we have the capacity to train or retrain those future employees to meet your specific work force needs.

Work Force 2000 has become a lynch pin of our ability to do that critical training.

Without it, we will place our existing employers in a very difficult position to find and train the employees they need to continue the positive economic growth we have experienced. over the past several years. We will also cut off the kind of positive new growth we have seen state wide from new companies locating in our cities.

Please approve the funding request for Work Force 2000 which part of HB 1017.

TESTIMONY BEFORE HOUSE APPROPRIATIONS COMMITTEE,
HUMAN RESOURCES DIVISION – JANUARY 14, 1999

Thank you Mr. Chairman and members of the committee.

I am here in support of HB 1017.

My name is Vivian Gwin and I am treasurer of Dakota Aero Manufacturers. Our company opened its doors in Devils Lake in July of 1998. We are set up to remanufacture Twin Commander aircraft and install a newly certified engine that will substantially increase performance while decreasing operating costs.

Early in 1998 before our company was ready to begin operations, we recognized a small window of opportunity that would soon be gone. The original designer of the engine and the remanufacturing process (whose company is called MR RPM) was in Ohio preparing the prototype that would be used for our project, and he was in need of additional mechanics—mechanics that he would have to specifically train in the conversion process. This presented Dakota Aero a very fleeting opportunity to have staff trained. Our only problems were that we had no staff and we were not in a position financially to take advantage of this opportunity. MR RPM saw the benefit of developing a trained workforce for Dakota Aero and agreed to train and use our mechanics on the prototype and further agreed to reimburse us for salaries paid to our mechanics during this training period. We applied to Job Service ND for Workforce 2000 funding, and funds were made available to pay for instructor and employee travel costs.

The Workforce 2000 program also provided funds to UND-Lake Region for curriculum development for ongoing training.

Thanks to Workforce 2000, we were much better prepared to open our shop in July. We had mechanics in place with an understanding of the process involved. Those employees will in the future be helping train others. And together with UND-Lake Region, we will be able to develop the ongoing expertise to long-term basic and advance training capability at the local level.



Edward T. Schafer, Governor • Jennifer L. Gladden, Executive Director

1000 E Divide Ave • PO Box 5507 • Bismarck ND 58506-5507

January 27, 1999

Honorable Ken Svedjan
House of Representatives
House Appropriations Committee
Human Resources Division
State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58502

Dear Representative Svedjan:

During Job Service North Dakota's Appropriations hearing on House Bill 1017, Representative Jeff Delzer requested the total amount of state income tax withholding associated with the Projects under the North Dakota New Jobs Training Program.

The total state income tax withholding allowed for the 32 projects in effect is \$6,606,984.75. This is the amount allowed over the ten year period of each project. The withholding is generated from the creation of 4,029 new job positions.

The state income tax withholding is not meaningful by itself. Total payroll, based on the entry level wage, is **\$84,078,491** for the ten year project period. Using the North Dakota Input-Output Economic Projection Model 1989, used by NDSU, total payroll is multiplied by **3.2853**. This results in a total economic impact, over the ten years of the projects, of **\$276,223,066.52**. After subtracting the withholdings allowed under the Projects, the net Gain is **\$269,616,081.77**.

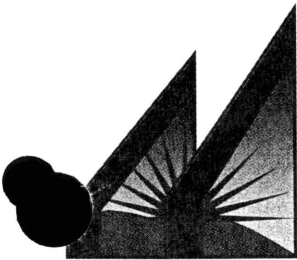
The State postpones the initial receipt of allowable state income tax withholding, but the does receive the immediate benefit of sales tax, property tax, gas tax revenues, etc. from the purchases made by individuals filling the new job positions. The State also receives the state income tax, sales tax, property tax and gas tax revenues as a result of the economic multiplier affect of these new job positions created.

If you have questions or would like additional information, please contact me or Jim Hirsch at 328-2843. Thank you!

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer L. Gladden".

Jennifer Gladden
Executive Director



**BISMARCK-MANDAN
DEVELOPMENT ASSOCIATION**

701-222-5530 • fax 701-222-3843 • 1-888-222-5497 info@bmda.org • www.bmda.org

February 4, 1999

To: Representative Ken Svedjan, Chairman
Appropriation Committee-Human Resource Division

From: Mr. Russell Staiger, President
Bismarck-Mandan Development Association

Re: Support for a "Do Pass" recommendation on HB 1017, including the appropriation line item for Work Force 2000, as originally presented.

This is to reconfirm the support of the Bismarck-Mandan Development Association for HB 1017 including the appropriation requested for Work Force 2000 (as originally presented).

Work Force 2000 has been one of the most successful programs available for structuring job training packages for companies both small and large. It has been successful because it has been left uncomplicated, which makes it easy to understand. Work Force 2000 in partnership with the other job training assistance programs like the New Jobs Training Act have made North Dakota highly competitive in our ability to provide job training assistance to existing companies as well new companies moving here.

The suggestion that there should be some sort of needs test applied would only begin to add a bureaucratic process to something which is working extremely well. There have been absolutely no problems in the management of the current Work Force 2000 program. To my knowledge, the program in partnership with the other job training programs have met all of the needs of employers. The program has certainly worked extremely well in Bismarck-Mandan.

This seems to be a situation where nothing is broke so there is no need to fix it. Please pass HB 1017 with the Work Force 2000 line item as originally presented.

Thank you for your support.

HIGH PLAINS • HIGH STANDARDS

400 East Broadway Avenue PO Box 2615 Bismarck, ND 58502

House panel supports workforce training bill

BRIAN WITTE
Associated Press Writer

Four North Dakota colleges would get a more prominent role in job training under legislation a House committee endorsed Wednesday.

The measure was changed to give more influence to the state's

American Indian colleges after Indian officials protested that they were being ignored.

The bill would implement a plan for two-year colleges, which would pay closer attention to giving business owners the kind of short-term training they need for their labor force.

Each of the four main colleges involved would serve one quadrant

in North Dakota. Each college would have an advisory board to field suggestions from businesses about their training needs.

At a hearing before the House

'99
Session

Education Committee, American Indian officials said the plan was a good idea, but asked why it didn't include them.

"If this bill is to provide the means — to train a first-class workforce — then it cannot train only one segment of its population," said Phyllis Howard, executive director of the North Dakota Association of Tribal Colleges.

HB 1017
3/8/99
Bruce Bakke

#4

March 8, 1999

HB 1017 Testimony

Senate Appropriations Committee
Senator David Nething, Chairman

Mr. Chairman and members of the Committee, my name is Bruce Bakke, representing North Central Data Cooperative (NCDC), located in Mandan, North Dakota. I am here today in support of the Workforce 2000 program in HB 1017.

NCDC has been providing computer solutions to rural electric and telephone companies for 31 years. We have seen significant growth over the last four years. Our customer base has grown to 180, a 50% increase, and we have added 82 employees for a total employee base of 202. This growth is attributed to having a quality product and providing excellent support to our customers.

Like all software companies, you are only as good as your next product. Thus, NCDC is in a continual cycle of research and development. We compete nationally for our customers, currently in 26 states, and to stay competitive, we must continue to offer the latest technologies available.

The staff of programmers and analysts at NCDC develop and maintain our software in "Progress", a fourth-generation programming language. Because most colleges and universities only offer programming courses up to a third-generation language, NCDC must provide the necessary training and retraining for our employees. The "Progress" training our employees receive enhances their skills, advancement potential and marketability.

NCDC is completing its most significant software development project to date, at a cost of approximately \$5 million. The Workforce 2000 program has assisted us in training our employees for this project and during our recent rapid growth.

Workforce 2000 adds to the incentive to create new jobs in Mandan. It has been accessible to us with a minimal amount of paperwork required. It has proven to be efficient, hassle-free and beneficial to NCDC. Workforce 2000 is a successful program.

NCDC is proud of the new jobs created in the fast-moving, high-tech industry we are in. The State of North Dakota can also share in that pride. Thank you for this opportunity and continued funding of the Workforce 2000 program.



HB 1017
3/8/99
Joy Johnston

Proponent Testimony for HB 1017
Senate Appropriations Committee
March 8, 1999

Mr. Chairman, members of the Senate Appropriations Committee:

My name is Joy Johnston. I am the Executive Director of the Manufacturers and Processors Division of the Greater North Dakota Association. I am providing testimony in support of HB 1017 on behalf of GNDA, its divisions and the Economic Development Association of North Dakota.

Taking a cue from the hearing on HB 1019, I am limiting my testimony to what happens to Workforce 2000 if the Senate adopts the House amendments.

The first amendment made by the House was to reduce the Governor's recommended appropriation from \$2 million to \$1 million. The current biennium budget is \$1.85 million. Workforce 2000 funds are currently used for upgrade training and as part of the New Jobs Training package. If the current upward trend of the number of users of Workforce 2000 holds, Workforce 2000 will be out of cash by the end of the first year of the biennium. There will be nothing available in year 2.

Section 4 of Engrossed House Bill 1017 limits the uses of Workforce 2000 to expanding businesses, new jobs, recruited businesses, and for significant changes in technology or production projects. In a legislative session that has identified Workforce Training as a priority, this amendment contradicts the work already accomplished by this body when considering HB 1443 and SB 2404.

Why was section 4 initiated? My best understanding is the House Appropriations Subcommittee did not like the number and type of projects funded. As a member of the Workforce 2000 Advisory Committee, I was particularly interested in this discussion in both the subcommittee and full committee. The House was concerned not about the number projects funded, but the fact that the Workforce 2000 Advisory Committee didn't turn down more. The projects that come to the Advisory Committee are prescreened for eligibility. The forms for a Workforce 2000 request are available through local Job Service offices. Businesses are usually referred to Job Service by economic developers and banks. Job Service assists completion of the Workforce 2000 request. The Advisory Committee just doesn't see ineligible projects. However, that doesn't mean we recommend funding all requests. Job Service provided testimony to the House that about six projects were turned down. As a member of the Advisory Committee, I know we recommended not funding more than that -- we had 6 at the last meeting. But we are an Advisory Committee and our decisions are thus -- advisory. We can and are overridden.

There was also voiced concern that some of the projects were not appropriate. In particular we funded certification training for some small community nursing facilities. The certification was something now required by the state. The employees were trained to achieve the North Dakota certification with contribution by Workforce 2000. Do I regret that? No. The care facility was a major employer in a small community. The certification of the employees was necessary to the continued operation of the facility. The upgraded skills represented by the certification are recognized and portable for the employee. And the employees received a raise for achieving the certification.

Likewise there was concern that companies using the funds would have done the training anyway with or without Workforce 2000. The Advisory Committee does not require a financial means test. We ask but don't require proof. No business has extra resources to do all the training it would like. No business would submit private financial records. And we want them to say they would do the training anyway. One of the questions in the Advisory Committee's criteria is "does the business viability depend on training?" The answer had better be yes. Workforce 2000 should not be used for training that doesn't mean anything to a company or its employees.

As a member of the Workforce 2000 Advisory Committee, I admit to being very confused by section 4 of Engrossed House Bill 1017. NDCC 52-01.1-01 defines the uses of Workforce 2000. It is to be used for incumbent worker training. The current requirements are listed in NDCC 52-08.1-02. The requirements in section 2(a) state "Training can include only upgrade training or retraining of current workers in situations where training is required for continued employment or to trainees as long as the company gives successful graduates hiring priority." NDCC 52-08.1-03 does define priority industry requirements to include technology, but does not limited Workforce 2000 requirements to it.

Furthermore, in section 2 of 52-08.1-03, access to Workforce 2000 is encouraged for small companies and companies located in rural areas. Workforce 2000 is being accessed by small and rural businesses to provide the upgrade training reimbursement they would no longer be eligible for if the amendment passed by the House stands. The House did earmark \$100,000 of Workforce 2000 money for rural projects, down by 1/3 of the current biennium. However, if section 4 of the House amendments stands the reality is that unless the rural project creates new jobs or does some significant change in technology or production, it will not be eligible for Workforce 2000 assistance. It would stifle the very thing the original legislation encouraged when adopted in 1991. As I see it, if section 4 passes, there will be conflicting requirements for Workforce 2000 during the next biennium.

I urge the Senate Appropriation Committee to consider restoring Workforce 2000 to the governor's recommended request of \$2 million, add \$50,000 to the rural project use minimum and strike Section 4 of the engrossed bill.

WORKFORCE 2000 PROGRAM HB1017 **ROLE IN BUSINESS AND WORKER RETENTION**

1. Prior to 1991, North Dakota was one of a handful of states which did not have a state funded incumbent worker retraining program.
2. Recognition of the importance of incumbent worker training has received national attention and awareness as evidenced by the fact that all states now have some type of state funded incumbent worker training programs.
3. The National Governor's Association and the U. S. Department of Labor have sponsored studies and pilot programs to provide technical assistance to states in implementation of incumbent worker programs. (The North Dakota Workforce 2000 is one of the programs included in the NGA – Technical Assistance Guide)

The philosophy behind Workforce 2000 is that it is more cost effective to the state, the employer, and the worker to upgrade and train the worker to meet new skill demands brought about by the introduction of new technologies, new work methods or changes in regulations.

Example:

Case Manufacturing – Fargo The company made a change from assembling tractors to loaders. They did not need assemblers, but did need welders. Workforce 2000 helped to upgrade the assemblers to welders and thus allowed them to stay employed. (Case could have laid off the assemblers and hired welders)

Young Manufacturing – Grand Forks A metal stamping and fabricating business which has been around for twenty years. Press set up is time consuming. Today's market is for smaller jobs with a faster turn around (just in time delivery). The company is investing in a Laser Cutter. Staff will need to have upgrade training to operate the Laser Cutter. Workforce 2000 will be able to assist with some of the cost of training staff to operate the Laser Cutter.

Killdeer Mountain Manufacturing – Killdeer A electronics assembly company located in a small rural community. Several programs such as "Surface Mount Technology" have been provided to upgrade skills of current workers, allowing the company to take on additional work and the worker with increased in pay. Workforce 2000 helped with offsetting some of the costs associated with this upgrade training.

WORKFORCE 2000 AMENDMENT LANGUAGE

Section 4. Work Force 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for training to assist expanding businesses, new businesses creating new jobs, training which requires substantive instruction resulting from the introduction of new technologies or equipment, or training related to significant changes in business operations or production methods.

The above language would restrict use of work force 2000 funding to training, retraining and upgrade training.

Soft skill training, such as management and supervisory training, used to develop the current work force for supervisory and managerial positions within a business would **not be allowable activities under the above language.**



Edward T. Schafer, Governor • Jennifer L. Gladden, Executive Director

1000 E Divide Ave • PO Box 5507 • Bismarck ND 58506-5507

March 3, 1999

TE KENVILLE
MID AMERICA AVIATION INC
601 WEST MAIN AVE
WEST FARGO ND 58078

PLEASE INSURE
ALL SENATE APP
MEMBERS LISTED
BELOW RECEIVING
A COPY OF MY
SUPPORT MSG

SUBJECT: WORKFORCE 2000 JOB TRAINING PROGRAM

House Bill 1017, Job Service North Dakota Appropriations, is scheduled for a hearing on March 8 by the Senate Appropriation's Committee. The Job Service Appropriation bill contains funding for Workforce 2000 Program.

The Governor's request contained two million for the 1999-2001 biennium. The House of Representatives reduced funding to one million. We are hoping to get support from the Senate Appropriation Committee to restore the funding to the Governor's original request.

We would like your help in contacting the Senate Appropriation Committee to encourage them to restore full funding for Workforce 2000 Program. Members of the committee include:

David Nething-Chairman	Tony Grindberg	Rod St. Aubyn	Aaron Krauter
Pete Naaden	Ray Holmberg	Harvey Tallackson	Elroy Lindaas
John Andrist	Ed Kringstad	Larry Robinson	
Bill Bowman	Ken Solberg	Steve Tomac	

Phone Number: 1-888-635-3447 (toll free) or 701-328-3373 FAX: 701-328-1997

JENNIFER GLADDEN
EXECUTIVE DIRECTOR

GENTLEMEN: MID-AMERICA AVIATION HAVE UTILIZED THE WORKFORCE 2000 PROGRAM FOR TRAINING EMPLOYEES, AND BECOMING COMPETITIVE INTERNATIONALLY WITH ISO 9000 CERTIFICATION. THROUGH AND WITH THE WORK FORCE 2000 PROGRAM, IT IS AN EFFICIENT PROGRAM AND WELL RUN.

701/328-2825 (Voice) • 800/366-6888 (TTY Users - Relay ND) • 701/328-4000 (FAX)

PLEASE SIGNATURE (KOP)



Edward T. Schafer, Governor • Jennifer L. Gladden, Executive Director

1000 E Divide Ave • PO Box 5507 • Bismarck ND 58506-5507

The Honorable Ken Svedjan
Chairman Human Resources Division
House of Representatives Appropriations Committee
State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58502

Dear Representative Svedjan:

I want to provide corrections and clarification related to our discussion about the Federal Unemployment Tax Act (FUTA) and Credits Against the Federal Tax.

The Federal Unemployment Tax (FUTA) rate is 6.2% through calendar year 2007. The rate for 2008 and beyond will be 6.0%. The Federal Payroll base is \$7,000.

Federal Unemployment Tax Act provides for two credits against the Federal payroll tax:

- The normal credit - reduces the Federal tax owed by the amount an employer actually pays to the State's unemployment fund, up to a maximum of 5.4%
- The additional credit - also reduces the Federal tax for employers who pay reduced rates consistent with FUTA requirements (experience rating), again up to a maximum of 5.4%.

Example:

The tax rate (6.2%) times the amount of wages subject to tax (\$7,000) equals the gross Federal tax.

$$6.2\% \times \$7,000 = \$434$$

Deductions are allowed from the gross Federal tax for actual payments into State funds and other credits up to a maximum of 5.4%. Therefore, all employers subject to FUTA must pay a minimum of 0.8% on taxable wages.

FUTA Payroll Tax 6.2% X's \$7,000 = \$434

Maximum Allowable Credit -5.4% X's \$7,000 = \$378

Minimum Tax Owned by All
Employers subject to FUTA 0.8% X's \$7,000 = \$56

I hope this information helps clarify our statements on taxable wages and allowable credits.

Sincerely,

Jennifer Gladden
Executive Director

un-
employ-
comp

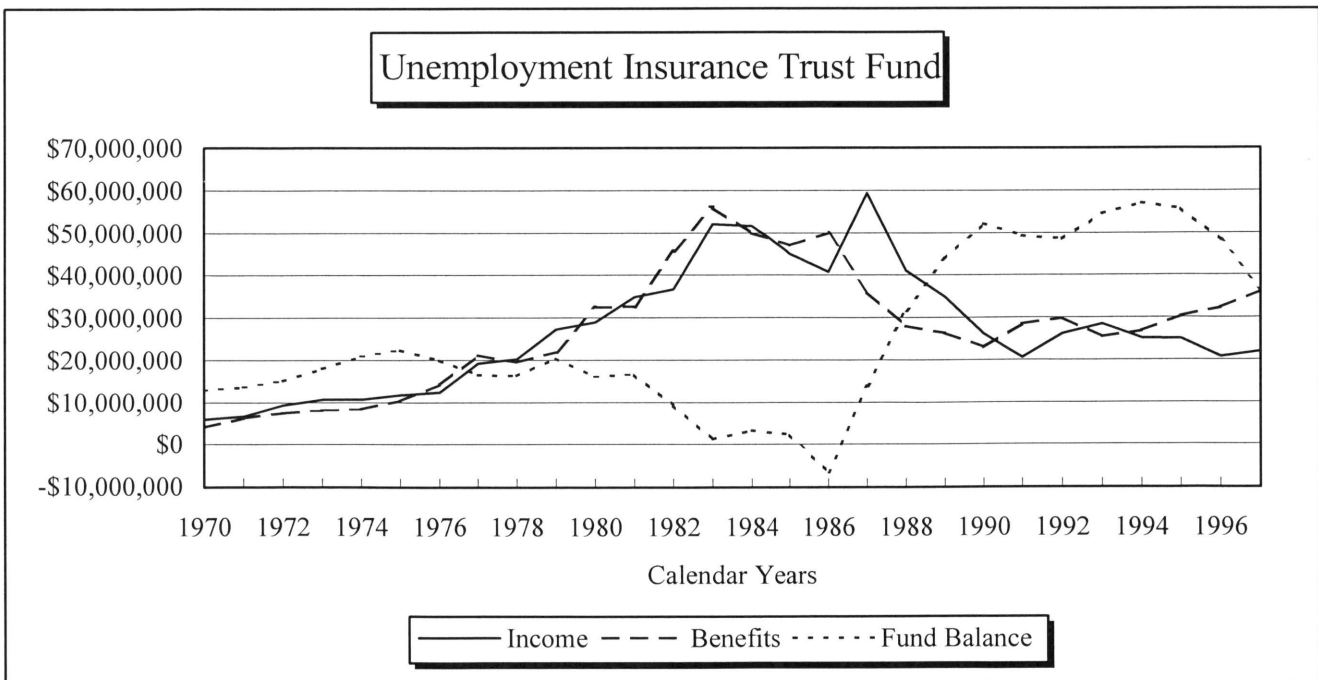
UNEMPLOYMENT INSURANCE TRUST FUND

Year	Income	Interest	Benefits	Fund Balance
1970	\$5,958,481	\$520,259	\$4,156,050	\$12,864,052
1971	6,698,856	622,659	6,219,257	13,569,664
1972	9,338,478	620,402	7,494,178	15,024,273
1973	10,713,040	748,033	8,117,709	17,989,880
1974	10,726,362	1,011,896	8,355,121	20,923,772
1975	11,789,887	1,169,970	10,452,827	22,379,779
1976	12,337,086	1,103,072	14,171,432	19,993,008
1977	19,259,233	1,067,396	21,143,060	16,495,329
1978	20,321,184	808,483	19,474,865	16,259,772
1979	27,261,668	958,651	21,868,084	20,437,277
1980	29,002,462	1,468,787	32,423,616	15,960,857
1981	34,840,629	1,285,780	32,609,507	16,632,470
1982	36,730,750	1,518,385	45,654,792	9,292,573
1983	52,073,599	545,925	55,953,148	1,236,166
1984	51,600,437	166,736	49,907,414	3,390,917
1985	44,996,074	261,443	47,091,883	2,305,934
1986	40,750,161	153,313	49,901,925	-6,624,164
1987	59,419,740	112,100	36,018,589	13,934,414
1988	41,139,949	1,514,610	27,957,813	31,732,999
1989	34,927,577	2,868,616	26,374,459	43,853,998
1990	26,256,077	3,977,358	22,970,340	52,171,181
1991	20,549,358	4,341,806	28,472,949	49,298,161
1992	26,271,111	3,829,737	29,840,942	48,527,517
1993	28,520,133	3,630,881	25,467,938	54,521,563
1994	25,108,174	3,620,421	26,804,577	57,051,198
1995	24,997,172	3,819,699	30,353,962	55,683,376
1996	20,709,398	3,614,242	32,339,839	48,200,976
1997	22,006,387	2,910,401	36,109,407	36,598,546

Source: ETA 2112 UI Financial Summary Transaction report.

Note: The Unemployment Insurance Trust Fund is administered by Job Service North Dakota. The contributions (unemployment taxes) collected from liable employers are deposited into the trust fund and unemployment benefits are paid from the fund. Any applicable interest is also deposited into the fund.

During the mid-1980's the trust fund was adversely affected due to very high payouts. Among the major reasons were the mining and construction industries downturn in North Dakota.



Job Insurance

JOB INSURANCE ACTIVITIES

WEEKLY JI DATA	Week Ending	Same Week	Year to Date**	Year to Date**	Total
	1-2-99	Year Ago	1999	1998	1998**
Initial Claims	866	764	12,612	9,755	30,469
-UI	857	760	12,506	9,649	29,922
-UCFE-UCX	9	4	106	106	547
Total Weeks Claimed	6,788	4,863	41,584	34,303	177,725
-UI	6,720	4,863	40,871	33,627	173,977
-UCFE-UCX	68	64	713	676	3,748
Benefits Paid	\$1,189,543	\$824,411	\$7,097,721	\$5,469,094	\$30,782,508
-UI	\$1,169,479	\$808,381	\$6,901,158	\$5,296,229	\$29,643,389
-UCFE-UCX	\$20,064	\$16,030	\$196,563	\$172,865	\$1,139,119
Trust Fund	\$34,673,385	\$36,581,403			
<i>(Available for Benefits)</i>					
QUARTERLY JI DATA	98-3	97-3	1998	1997	1997**
Nonmonetaries	3,091	4,062	13,186	14,540	14,540
-UI	3,014	3,997	12,914	14,277	14,277
-UCFE-UCX	77	65	272	263	263
Denials	2,338	3,101	9,378	10,201	10,201
-UI	2,292	3,055	9,210	10,040	10,040
-UCFE-UCX	46	46	168	161	161
Total Lower Appeals	271	425	1,463	1,624	1,624
Total Higher Appeals	63	76	322	328	328
<i>**Fiscal Year (October-September)</i>					

Accessibility Information

Last updated 1-8-99
ljablons@pioneer.state.nd.us



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Combined Audit
Unemployment Insurance/Workers Compensation

1. Total Unemployment Insurance Audits conducted in 1998 by Workers Compensation and Unemployment Insurance auditors.

556*

2. Combined Audits conducted by Unemployment Insurance auditors.

April 1998 through December 1998 = 189*

2. Average time to conduct a UI audit by Unemployment Insurance auditors.

Eight (8) hours

4. Average additional time to conduct a Combined Audit by Unemployment Insurance auditors.

Two and one-half (2 1/2) hours

5. Average time to conduct a Combined Audit by UC Field Representative.

Ten and one-half (10 1/2) hours

- * During the January - March quarter Workers Compensation and Unemployment Insurance auditors conducted the audits together. They conducted 110 Unemployment Insurance audits.

RECOMMENDATIONS LOCATOR AND SUMMARY

Agency Addressed: Job Service North Dakota

Rec. No.	Page No.	Recommendation Summary
1	19	JSND management should implement a complete electronic initial claims process.
2	20	JSND management should require unemployment claimants to utilize the Agency's voice response system.
3	21	JSND should consider implementing an electronic deposit system for the payment of unemployment benefits.
4	21	JSND should expand the training program for its employees to add further emphasis on the communication of goals, purposes and outcomes of the "Customer First Project".
5	22	JSND should determine the impact, if any, that full implementation of automation of the unemployment insurance claims and benefit systems could have on the State's unemployment insurance trust fund.
6	33	Phone registration for initial insurance claims should be implemented to reduce time lag from application to receiving benefits.
7	33	JSND should review their definition of "job attached status" and compare this with other states. Those claimants who are identified as job attached are not required to register for job placement and are not required to participate in job search activities.
8	34	JSND should implement procedures to further examine the average duration of unemployment insurance with comparable states, particularly South Dakota, in order to identify other potential reductions that could be gained.
9	35	An evaluation system should be put in place to track the progress of special services provided to those clients who are selected through the worker profiling system, in order to assure that clients are assisted in returning to the work force as soon as possible.
10	37	Appropriate personnel at the local offices should receive enhanced training regarding the more complete data entry of worker profiled clients and the services they receive.
11	37	JSND should review the eligibility requirements for seasonal workers compared to other states and determine what effect this would have on the trust fund balance if there were changes in eligibility.
12	49	JSND should examine their federal funding levels and trends; and how this will impact their service delivery and staffing concerns for the future.
13	54	JSND management should continue to refine its information technology planning process.
14	56	An overall manager of the IT function should be hired to improve the communication and direction of the IT staff.

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15	57	The IT manager should be given the latitude to restructure and streamline the setup of the IT Committee and the user staff liaisons.
16	58	JSND should begin the development of a business resumption plan as soon as possible.
17	59	Management should regenerate operations manuals for use by the system operators to document critical programs and restart procedures.
18	60	JSND management needs to evaluate the fire suppression capabilities in the main data processing equipment room, and to improve as needed.
19	60	JSND management should restrict access to the main computer equipment room.
20	61	Policies and procedures should be implemented which afford data stored in the LAN/WAN environment the same level of protection as is afforded to the data in the mainframe environment.
21	62	The office automation group should provide a standard letter template for users of word processing applications, desktop fax and e-mail to provide some level of standardization in communications leaving JSND.
22	63	JSND management should move all general ledger functions for all compatible funds to the SAMIS system.
23	64	Additional research should be done by JSND to explore the capabilities of the Natural reporting tool and its applicability to their reporting and data transfer needs.
24	65	JSND should consider reevaluating its plan to stretch the PC replacement process over a long time frame such as five years. The time frame should be aggressively accelerated until all 386 and 486 computers are replaced, all staff are connected to the network, and consistent software tools are in place.
25	67	Even if JSND does not accelerate the roll out of new PC technology, JSND should review the roll out plan to evaluate the selection of where the new technology is placed.
26	68	The configurations for standard PCs should be reevaluated to determine if the inclusion of CD-ROM drives are necessary additions to all machines.
27	70	The issue of technology support, particularly at JSND field offices, should be evaluated to identify alternatives for technical support. Therefore, the State Information Services Division could be considered as a support vehicle for all agencies throughout the State.
28	71	The self-registration pilot program should be implemented fairly aggressively in the other field offices to take advantage of efficiencies that may be gained through the reassignment of staff among the various customer service offices.

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Executive Summary

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Rec. No.	Page No.	Recommendation Summary
29	72	JSND should proceed with improving the current employer tax report electronic filing system and develop a PC-based system to encourage smaller employers to utilize electronic filing.
30	73	JSND management should explore a change from the current method of labor distribution to the use of a default allocation for each employee as allowed by the SAMIS processing system.
31	74	A simplified automated contact tracking capability should be implemented to enable staff to more easily record the date, time, type and description of outside contacts.
32	75	JSND is bringing its IT capabilities more in line with industry standards and should continue to evaluate options and select a future architectural direction. This evaluation should also consider multi-tiered and Internet-based alternatives in addition to a Client/Server system.
33	76	JSND should allow for the storage and retrieval of employer quarterly wage reports on an electronic database, which would be updated automatically through processing of electronic tax filings.
34	77	JSND should undertake a comprehensive study of its document work flow and processing practices, to determine the implementation potential of current document management technologies.
35*	78	Program Marketing-Workforce 2000 and New Jobs Training Program
36*	79	Cross-Training Matters
37*	79	Unemployment Insurance Trust Fund

*-Government Auditing Standards issued by the Comptroller General of the United States requires disclosure of any significant issues identified during an audit which were not in the originally agreed-upon scope of work. These three issues are identified in Chapter 6, as significant issues needing further study.