

1999 HOUSE APPROPRIATIONS

HB 1020

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

House Appropriations Committee
Education and Environment Division

Conference Committee

Hearing Date January 19, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-55
1		x	0-18.0
Committee Clerk Signature <i>Cathy Davis</i>			

Minutes:

CHAIRWOMAN WENTZ called the hearing for HB 1020 to order with all members present. HB 1020 is a bill for an act to provide an appropriation for defraying the expenses of the state board for vocational and technical education.

1A: 0.6 MEL OLSON, Director for the State Board of Vocational and Technical Education, testified on behalf of the board in favor of the bill. (See attached testimony.)

1A: 25.8 DAN ROOD, JR., Richland County Vo-Tech Director, testified in support of the bill. He discussed inter-agency cooperation and collaboration. He expressed concern about the labor shortage of qualified people in the state.

1A: 35.8 DALE ANDERSON, Lobbyist 138 and President of the Greater North Dakota Association, testified in support of the bill and workforce training. He referred to HB 1443, which had been referred to the House Education Committee.

1A: 45.0 EDDIE DUNN, North Dakota University Systems, testified in support of the bill, noting that NDUS highly values the relationship it has with Vo-Tech education. (See attached testimony.)

1A: 47.0 DUANE BOEHM, Farmer/rancher, testified in support of the bill, saying that Farm Management education has helped him in decision-making as a farm and ranch manager.

1A: 48.7 REP. AARSVOLD asked where farmers would go for help if there were no Farm Management program available. Mr. Olson said they provide services to anyone referred by Farm Credit Services so that anyone can have access to the program.

Page 2

House Appropriations, EE Div

HB 1020, January 19, 1999

1A: 54.2 HARVEY HERSLEP, Director of the Small Business Management (SBM) program at MiSU, testified in support of the bill. (See attached testimony.)

1B: 9.9 JERYLYN SCHEPP, Lansford, ND, testified in support of the bill. She said that as a participant in a SBM class she found the education very valuable.

1B: 11.3 VERN FREDERICK, Adult Farm Management teacher from Flasher, ND, testified in support of the bill. He said that the program is a valuable program to the state and that it should be enhanced if at all possible. He also said that we need to keep farm businesses going or the state will lose it's rural community.

1B: 13.9 JAMES MOENEFF, Lobbyist 334 and Coordinator for the Commission on the Future of Agriculture, testified in support of the bill. He supports the proposed \$585,000 enhancement for Adult Farm Management and also the \$315,000 line item for Vo-Tech teachers' summer education.

1B: 17.6 Chairwoman Wentz adjourned the hearing on HB1020.

General Discussion

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

Date February 12, 1999			
Tape Number	Side A	B Side	Meter #
1	x		0-8.2
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

HB 1020

CHAIR WENTZ called the meeting to order.

1A: 2.2 CHAIR WENTZ made a motion to remove \$1 million from the Vocational Education budget. The motion was seconded by Rep. Lloyd.

1A: 2.5 REP. MONSON asked for clarification as to why this motion was made. Chair Wentz explained that the \$1 million was for the GNDA. HB 1443 had permissive language allowing \$1 million for this program. To be consistent, the money must be taken out of the Voc-Ed budget.

1A: 3.4 A voice vote was taken and the motion carried with 7 yeas and 0 nays.

1A: 3.6 CHAIR WENTZ reviewed the budget and stated that \$1/2 million is for restoration and \$1 million is new monies.

1A: 5.4 REP. BOEHM asked how much of the money goes to higher ed and to other groups. Joe Morissette, Legislative Council, said that it is at the discretion of the Voc-Ed department. Roughly 95% goes to secondary education, and the rest goes to higher education institutions.

1A: 6.6 REP. NICHOLS made a motion to cut the budget by \$400,000. The motion was seconded by Rep. Lloyd. A voice vote was taken and the motion carried with 7 yeas and 0 nays.

1A: 7.9 REP. NICHOLS made a motion for a Do Pass as amended. The motion was seconded by Rep. Aarsvold. A roll call vote was taken and the motion carried with 6 yeas and 1 nay. Rep. Nichols will carry the bill to the full committee.

CHAIR WENTZ adjourned the meeting.

General Discussion

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

Date February 15, 1999			
Tape Number	Side A	B Side	Meter #
1	x		50.7-end
1		x	0-7.4
Committee Clerk Signature <i>Cesey Davis</i>			

Minutes:

HB 1020

CHAIRMAN DALRYMPLE opened discussion on HB 1020.

1A: 51.5 REP. NICHOLS presented the budget for the State Board for Vocational-Technical Education, along with the proposed amendments.

1B: 0.3 REP. NICHOLS made a motion to adopt amendment 0101 to HB 1020. The motion was seconded by Rep. Wentz.

1B: 0.7 REP. GULLESON asked about taking out \$1 million in training grants, and how that relates to HB 1443. Rep. Byerly said that the structure is in place in HB 1443. Chairman Dalrymple responded that state participation was removed, but the board can still get funds elsewhere.

1B: 4.0 A voice vote was taken and the motion carried.

1B: 4.8 REP. NICHOLS made a motion for a Do Pass as amended. The motion was seconded by Rep. Wentz. A roll call vote was taken and the motion carried with 13 yeas and 7 nays. Rep. Nichols will carry the bill to the House floor.

Date: 2-12-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

House Appropriations Committee

Subcommittee on Education and Environment

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DP as amended

Motion Made By Nichols

Seconded By Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Chairperson Janet Wentz	✓				
Vice Chairman Ed Lloyd	✓				
Rep. Ole Aarsvold	✓				
Rep. James Boehm	✓				
Rep. Al Carlson		✓			
Rep. David Monson	✓				
Rep. Ronald Nichols	✓				

Total (Yes) 6 No 1

Absent _____

Floor Assignment Nichols

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

Date: 2-15-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

House Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 0101

Action Taken DP as amended

Motion Made By Nichols Seconded By Wentz

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) 13 No 7

Absent _____

Floor Assignment Nichols

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

REPORT OF STANDING COMMITTEE

HB 1020: Appropriations Committee (Rep. Dalrymple, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "2,718,940" with "2,688,484"

Page 1, line 13, replace "25,188,522" with "23,788,522"

Page 1, line 16, replace "29,337,866" with "27,907,410"

Page 1, line 17, replace "15,745,712" with "15,733,019"

Page 1, line 18, replace "13,592,154" with "12,174,391"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 270 - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,718,940	(\$30,456)	\$2,688,484
Operating expenses	567,192		567,192
Equipment	60,000		60,000
Grants	25,188,522	(1,400,000)	23,788,522
Adult farm management	445,760		445,760
Postsecondary education grants	357,452		357,452
Total all funds	\$29,337,866	(\$1,430,456)	\$27,907,410
Less special funds	<u>15,745,712</u>	<u>(12,693)</u>	<u>15,733,019</u>
General fund	\$13,592,154	(\$1,417,763)	\$12,174,391
FTE	28.50	0.00	28.50

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	INCREASE HEALTH INSURANCE COST	DELAY MARKET SALARY INCREASE TO JANUARY 1, 2001	REMOVE FUNDING FOR WORK FORCE TRAINING GRANTS	REDUCE FUNDING FOR VOCATIONAL EQUIPMENT AND TRAINING GRANTS	TOTAL HOUSE CHANGES
Salaries and wages	(\$35,175)	\$8,268	(\$3,549)			(\$30,456)
Operating expenses						
Equipment						
Grants				(\$1,000,000)	(\$400,000)	(1,400,000)
Adult farm management						
Postsecondary education grants						
Total all funds	(\$35,175)	\$8,268	(\$3,549)	(\$1,000,000)	(\$400,000)	(\$1,430,456)
Less special funds	<u>(15,352)</u>	<u>3,631</u>	<u>(972)</u>			<u>(12,693)</u>
General fund	(\$19,823)	\$4,637	(\$2,577)	(\$1,000,000)	(\$400,000)	(\$1,417,763)

House changes narrative:

This amendment makes the following changes:

Reduces salary increases to two percent in July 1999 and two percent in July 2000.

Increases salaries and wages to reflect increased health insurance costs.

Delays until January 1, 2001, implementation of a market salary increase for the director. This salary adjustment will provide an increase of approximately \$162 per month for the last six months of the biennium.

Removes the recommended \$1 million general fund appropriation for customized work force training grants.

Reduces from \$1,575,000 to \$1,175,000 the recommended general fund appropriation for grants for the purchase of vocational education equipment, training of vocational educators, or the operation of small business management programs.

1999 SENATE APPROPRIATIONS

HB 1020

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. ENGROSSED HB 1020

Senate Appropriations Committee

Conference Committee

Hearing Date 2/25/99; 3/30/99

Tape Number	Side A	Side B	Meter #
1		x	4744 - end
2	x		0 - 5228
3/30/99 1	1758-2075		
Committee Clerk Signature <i>Gaudia Anderson</i>			

Minutes:

SENATOR NAA DEN: Opened the hearing on engrossed HB 1020; a BILL for an Act to provide an appropriation for defraying the expenses of the state board for vocational and technical education.

MEL OLSON: State Director of the State Board for Vocational and Technical Education, testified in support of HB 1020. (testimony attached) (tape 1, side B 4744-end; tape 2, side A 0-910)

SENATOR NAA DEN: There was a \$1.4 million dollar reduction in the House version, was that reduced from the Governor's budget?

MEL OLSON: That is exactly right.

SENATOR NAA DEN: In what areas?

MEL OLSON: \$1M to fund the work force training system and \$400,000 to reduce the line item that deals with equipment and training and so forth.

SENATOR HOLMBERG: The workforce training initiative, the House reduced work force 2000 money out of Job Service, did they put that in some other bill?

MEL OLSON: The \$1M was not reinstated anywhere.

SENATOR HOLMBERG: The Farm Management program fees, how is that relationship been with the agencies that now put the money through you.

MEL OLSON: The system is working well for us.

Page 2

Senate Appropriations Committee

Bill/Resolution Number HB1020

Hearing Date February 25,1999

SENATOR ANDRIST Does your agency make any effort to develop partnerships and some foundation funding to expand these Farm Management programs? (tape 1053)

MEL OLSON We do have a foundation. There are a lot of partners and they should be involved in that.

SENATOR BOWMAN: Are you competing against higher ed to provide the same type of service through the vocational aspect rather than a regular class? Is there a program in higher ed that is taking money away from your program? (tape 1150)

MEL OLSON I do not believe so. We work closely with the colleges and especially 2 year colleges. We're responsible for post-secondary programming, and that is closely scrutinized so not in the vocational area at least.

SENATOR GRINDBERG The tightness of all available dollars, the shortage and all of the requests and you know there is another bill in to allow another option for our task force, would you or your agency support a combination of both? (tape 1315)

MEL OLSON A combination of ways to fund the program is that what you're talking about?

SENATOR GRINDBERG Correct.

MEL OLSON Yes, I think we'd look positively at finding some way of doing that.

SENATOR ROBINSON The reduction in the grant line item. You did talk about the \$1M on the workforce training development initiative. Now, the other \$900,000 for new and expanded programs, what was the rationale in the House, was it strictly a fiscal issue?

MEL OLSON I do not know what occurred in the House. No one from the House approached me to talk about the budget. We testified at the appropriation's meeting. I never met with the subcommittee. The \$1M was taken out of the workforce training system, \$400,000 was taken out of the grants line item. We're asking for \$900,000 because that just isn't enough dollars to do what we need to do, and so we're asking to have the \$400,00 reinstated and an additional \$500,000 in the grant line.

SENATOR TALLACKSON The vocational center in Grafton is the core of activity in our community and this cut of a million dollars is going to cripple them in their workforce training in Farm Management. To me it is very important that we get that back in there. (tape 1565)

DAN RUUD Vocational Director at Richland County, Wahpeton, testified in support of HB 1020. We cooperate with other schools and colleges. The dollars that are put into the state vocational budget go farther in helping school districts work collectively than any other educational agencies. (tape 1612)

JEFF NEHRING, Farmer from Bottineau, testified in support of HB1020. He presented how adult farm management classes have helped him succeed in his farming operation.

SENATOR BOWMAN How much do you pay a year for this service?

JEFF NEHRING I pay \$450 a year.

RANDY NICHOLS, Stanley, testified in support of HB 1020, and noted how the Adult Farm Management Program has helped with his farming operation. (attachment #2A & 2B) (tape 2327-2572)

SENATOR NAA DEN Is there a duplication of services with this and the extension service programs?

RANDY NICHOLS No, I don't believe so.

SENATOR NAA DEN Should this be continued?

RANDY NICHOLS Farmers are at different levels, once they learn more on the programs, they can quit them.

DALE ANDERSON, Stanley, testified in support of HB 1020. Attachment showing financial information from this program. (attachment #3)

ROGER RIERSON, Chairman of the Task Force and Flint Communications, testified in support of HB 1020. (testimony attached #4) (tape 2970-3335)

GARVIN STEVENS, UND Williston, testified in support of HB 1020. The workforce training program is expanding and is a key to the future. (Attachment #5A, B, C) (tape 3335-4039)

SENATOR KRINGSTAD Give an example of how you have accessed workforce training funds.

GARVIN STEVENS We have worked with Job Service and the Economic Development Board. Workforce 2000 has been very crucial.

EDDIE DUNN, University Systems, testified in support of HB1020. The two year campuses have asked me to speak on their behalf and to request reinstatement of \$1M in the budget for workforce training.

HARVEY HERSLIP, Small Business Management Instructor of Minot State University, testified in support of HB1020. The goal of the Small Business Management is to increase the amount of small businesses. (Attachments A, B, & C) (tape 4612-5150)

SENATOR ROBINSON Where does your funding come from?

HARVEY HERSLIP 58% comes from vocational education and 42% from fees we collect.

Page 4

Senate Appropriations Committee

Bill/Resolution Number HB 1020

Hearing Date February 25, 1999

3/30/99

SENATOR NAADEN CLOSED the hearing on engrossed HB 1020.

(3/30/99)

TAPE 1, A, 1758-2075

SENATOR NETHING: Reopened the hearing on engrossed HB 1020.

SENATOR HOLMBERG: Presented and explained amendments #98020.0203, and moved do pass.

SENATOR GRINDBERG: Seconded the motion.

ROLL CALL: Unanimous Voice Vote approved adoption of amendments.

SENATOR HOLMBERG: Moved do pass engrossed HB 1020, as amended.

SENATOR NAADEN: Seconded the motion.

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

CARRIER: SENATOR HOLMBERG

SENATOR NETHING: Closed the hearing on engrossed HB 1020.

Date: 3/30/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Engrossed HB 1020

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 98020.0203

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 Kræuter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) VOICE VOTE PASSED No _____

Absent _____

Floor Assignment Senator _____

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

Date: 3/30/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. Engrossed HB 1020

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

✓ Legislative Council Amendment Number 90020.0203

Action Taken DO PASS AS AMENDED

Motion Made By Senator HOLMBERG Seconded By Senator NAADEN

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 1020, 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 1020 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "445,760" with "545,760"

Page 1, line 16, replace "27,907,410" with "28,007,410"

Page 1, line 18, replace "12,174,391" with "12,274,391"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 270 - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,718,940	\$2,688,484		\$2,688,484
Operating expenses	567,192	567,192		567,192
Equipment	60,000	60,000		60,000
Grants	25,188,522	23,788,522		23,788,522
Adult farm management	445,760	445,760	\$100,000	545,760
Postsecondary education grant	357,452	357,452		357,452
Total all funds	\$29,337,866	\$27,907,410	\$100,000	\$28,007,410
Less special funds	<u>15,745,712</u>	<u>15,733,019</u>		<u>15,733,019</u>
General fund	\$13,592,154	\$12,174,391	\$100,000	\$12,274,391
FTE	28.50	28.50	0.00	28.50

Detail of Senate changes to the House version:

	INCREASE ADULT FARM MANAGEMENT GRANTS	ADD FUNDING FOR GRANTS FOR MARKETING CLUBS	TOTAL SENATE CHANGES
Salaries and wages			
Operating expenses			
Equipment			
Grants			
Adult farm management	\$50,000	\$50,000	\$100,000
Postsecondary education grants			
Total all funds	\$50,000	\$50,000	\$100,000
Less special funds			
General fund	\$50,000	\$50,000	\$100,000

Senate changes narrative:

This amendment makes the following changes:

Increases grants for the adult farm management program by \$50,000.

Adds \$50,000 to the adult farm management line item for grants to create and expand marketing clubs as adjuncts to farm management programs, as provided in House Bill No. 1434.

1999 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1020

1999 CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

Appropriations Committee

Conference Committee

Hearing Date April 6, 1999

Tape Number	Side A	Side B	Meter #
3	x		0-30.0
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

CHAIRMAN CARLSON opened the conference committee on HB 1020. Members present: Sen. Holmberg, Sen. Grindberg, Rep. Carlson, Rep. Lloyd, Rep. Nichols. Absent was Rep. Tallackson.

3A: 0.0 REP. CARLSON explained the House amendments.

3A: 0.8 SEN. HOLMBERG explained the Senate amendments, and how they were interconnected with HB 1434. (See handout).

3A: 2.1 SEN. GRINDBERG said that the Senate had made a \$50,000 to APUC in HB 1019 to put in this bill.

3A: 2.7 SEN. HOLMBERG said that Adult Farm Management programs are not statewide. They had asked for \$585,000. The House saved \$400,000. The Senate thought \$50,000 more to the program would help. The NW and NE areas of the state are really lacking in the program.

3A: 4.0 MEL OLSON, Director of Vocational Technical Education said they would appreciate the additional \$50,000, which would help finance an additional program.

3A: 4.7 REP. CARLSON asked if additional staff would be hired. Sen. Holmberg said these additional funds would not be for FTEs.

3A: 7.1 REP. NICHOLS said that the marketing clubs are getting into lots of new crops and practices.

3A: 7.7 MR. OLSON added that they currently served 800 farm families with Adult Farm Management.

3A: 8.8 SEN. HOLMBERG moved that the House accede to the Senate amendments. The motion was seconded by Rep. Nichols.

3A: 9.1 REP. CARLSON reviewed that this would be down \$1.3 million from the Executive budget.

3A: 10.2 REP. LLOYD asked where the money was coming from for marketing clubs. Sen. Holmberg replied that it is coming from ED&F.

3A: 11.9 A roll call vote was taken and the motion failed. Rep. Carlson, no; Rep. Lloyd, no; Rep. Nichols, yes; Sen. Holmberg, yes; Sen. Grindberg, yes.

3A: 12.9 REP. LLOYD asked about the wording "expand marketing clubs". Sen. Holmberg replied that they must be created first.

3A: 13.6 REP. NICHOLS said this could be a very positive area. \$50,000 out of APUC provides for this program. This is a critical time to begin the process. They were able to save \$400,000. Putting \$50,000 back would give a positive opportunity for new clubs. It is tough to coordinate meetings when traveling 100+ miles.

3A: 15.5 SEN. HOLMBERG said there are positive changes occurring within Vo-Tech education. They would wisely spend the money.

3A: 18.5 REP. LLOYD moved to provide \$50,000 from APUC to create and expand marketing clubs, and not to increase Adult Farm Management grants. The motion failed for lack of a second.

3A: 19.3 REP. NICHOLS said that the farmers pay fees for using the program. He asked if enough money was available to start one or two of the programs. Mr. Olson said no.

3A: 21.7 REP. LLOYD asked if the \$50,000 were available, if they would rather use it for the current programs. Mr. Olson replied that they would probably start another Adult Farm Management program.

3A: 23.2 REP. CARLSON said that \$13.5 million of general fund dollars are committed to this. To add another \$50,000 into something that has already been funded is not necessary.

3A: 25.2 KAREN BORR, OMB said that \$225,000 in special funds are in the program. Mr. Olson said that out of \$445,000, part of the funds go to Farm Management for Profit.

3A: 26.0 REP. LLOYD asked if \$219,000 in general funds are in Adult Farm Management. Karen said yes.

3A: 27.2 REP. LLOYD asked where the \$220,958 is at. Mr. Olson said he will obtain the information.

The meeting was adjourned.

1999 CONFERENCE COMMITTEE MINUTES

BILL/RESOLUTION NO. 1020

Appropriations Committee

Conference Committee

Hearing Date April 8, 1999

Tape Number	Side A	Side B	Meter #
1	x		Blank
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 1020

CHAIRMAN CARLSON opened the meeting on SB 1020.

MEL OLSON, State Director for Vocational Technical Education said that the \$219,000 out of the line item is general funds.

REP. CARLSON asked if the \$50,000 for marketing clubs is all new money. Mr. Olson said that it was.

SEN. HOLMBERG said he was part of a committee that put \$250,000 back into the general fund, and this would be a great place for \$50,000.

REP. CARLSON said that Sen. Wanzek gave him a beg speech about the marketing clubs. He would agree to the \$50,000 for the marketing clubs, but not to the \$50,000 for Adult Farm Management.

SEN. HOLMBERG said that Adult Farm Management has a positive impact and it should be statewide. The Northwest area is very underserved and is struggling. The Senate feels very strongly on that. The Senate would have agreed to put in more, but the committee felt that \$50,000 would give them the opportunity to expand their programs.

REP. NICHOLS said he knows about the Northwest area of the state. The instructor has taken people from far away, to total in excess of 50 farmers and ranchers. He hoped the conference committee would consider the \$50,000.

REP. LLOYD asked if all clubs are in existence already. Steve Zimmerman replied that two clubs are newly organized, those being Carrington and Wahpeton. The effort with this money would be to expand. Rep. Lloyd continued by asking how much money has been spent getting organized. Mr. Zimmerman replied that a lot of volunteer time has been put in by the instructors.

REP. LLOYD asked how much would be spent for each club. Mr. Zimmerman replied that the first year they would use \$29,000 and the second year they would use the remaining \$21,000. Rep. Lloyd continued by asking if other marketing clubs in existence were contacted to see if they need help. Mr. Zimmerman said they were not.

REP. LLOYD said he had been to the club in Northwood. The group got together and put up their own money for it knowing the need. Mr. Zimmerman said this would be quite similar to investment clubs.

SEN. HOLMBERG said the public has the opportunity to comment on the state moving into this by attending hearings. In the Senate, the committees were very impressed by attendance at the hearings.

SEN. GRINDBERG moved that the House accede to the Senate amendments. Sen. Tallackson seconded the motion. A roll call vote was taken and the motion failed.

SEN. GRINDBERG moved that the Senate recede from its amendments and adopt amendments to provide \$50,000 for marketing clubs and an additional \$30,000 for Adult Farm Management. Rep. Nichols seconded the motion. A roll call vote was taken and the motion failed.

The meeting was adjourned

Date: 4-8-99
Roll Call Vote #: 1

1999 CONFERENCE COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1020

House Appropriations

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken He accede to Sen. am

Motion Made By Grindberg Seconded By Tallackson

Representatives	Yes	No	Senators	Yes	No
Carlson		X	Holmberg	X	
Lloyd		X	Grindberg	X	
Nichols	X		Tallackson	X	

Reps. (Yes) 1 No 2

Sen. (Yes) 3 (No) _____

Floor Assignment _____

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

FAILS

File

(Bill Number) 1020 (, as (re)engrossed):

Your Conference Committee

For the Senate:	<u>4-6</u>	<u>4-8</u>	For the House:	<u>4-6</u>	<u>4-8</u>
<u>Holmberg</u>	X	X	<u>Carlson</u>	X	X
<u>Grindberg</u>	X	X	<u>Lloyd</u>	X	X
<u>Tallackson</u>		X	<u>Nichols</u>	X	X

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from) the (Senate/House) amendments on (SJ/HJ) page(s) 941 - 942

and place _____ on the Seventh order.

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

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

((Re)Engrossed) 1020 was placed on the Seventh order of business on the calendar.

DATE: 04/08/99

CARRIER: Carlson

LC NO. 98020 . 0304 of amendment

LC NO. 98020 . 0200 of engrossment

Emergency clause added or deleted _____

Statement of purpose of amendment _____

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Holmberg, Grindberg, Tallackson and Reps. Carlson, Lloyd, Nichols) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 0941-0942, adopt further amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on page 1091 of the House Journal and pages 941 and 942 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 14, replace "445,760" with "525,760"

Page 1, line 16, replace "27,907,410" with "27,987,410"

Page 1, line 18, replace "12,174,391" with "12,254,391"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 270 - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

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	\$2,718,940	\$2,688,484		\$2,688,484	\$2,688,484	
Operating expenses	567,192	567,192		567,192	567,192	
Equipment	60,000	60,000		60,000	60,000	
Grants	25,188,522	23,788,522		23,788,522	23,788,522	
Adult farm management	445,760	445,760	\$80,000	525,760	545,760	(\$20,000)
Postsecondary education grants	<u>357,452</u>	<u>357,452</u>		<u>357,452</u>	<u>357,452</u>	
Total all funds	\$29,337,866	\$27,907,410	\$80,000	\$27,987,410	\$28,007,410	(\$20,000)
Less special funds	<u>15,745,712</u>	<u>15,733,019</u>		<u>15,733,019</u>	<u>15,733,019</u>	
General fund	\$13,582,154	\$12,174,391	\$80,000	\$12,254,391	\$12,274,391	(\$20,000)
FTE	28.50	28.50	0.00	28.50	28.50	0.00

Detail of Conference Committee changes to the House version:

	INCREASE ADULT FARM MANAGEMENT GRANTS	ADD FUNDING FOR GRANTS FOR MARKETING CLUBS	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses			
Equipment			
Grants			
Adult farm management	\$30,000	\$50,000	\$80,000
Postsecondary education grants			
Total all funds	\$30,000	\$50,000	\$80,000
Less special funds			
General fund	\$30,000	\$50,000	\$80,000

Conference Committee changes narrative:

This amendment makes the following changes:

- Increases grants for the adult farm management program by \$30,000 (\$20,000 less than the amount added by the Senate).
- Adds \$50,000 (which was included in the Senate amendments) to the adult farm management line item for grants to create and expand marketing clubs as adjuncts to farm management programs, as provided in House Bill No. 1434.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

HB 1020

**Department 270 - State Board for Vocational and Technical Education
House Bill No. 1020**

	FTE Positions	General Fund	Other Funds	Total
1999-2001 Executive Budget	28.50	\$13,592,154	\$15,745,712	\$29,337,866
1997-99 Legislative Appropriations	29.50	11,516,023	14,247,597	25,763,620
Increase (Decrease)	(1.00)	\$2,076,131	\$1,498,115	\$3,574,246

Major Items Affecting State Board for Vocational and Technical Education 1999-2001 Budget

	General Fund	Other Funds	Total
1. Decreases equipment due to nonrecurring equipment purchases during the 1997-99 biennium	(\$48,000)		(\$48,000)
2. Provides funding to continue the 1997-99 salary level	(629)	\$60,640	60,011
3. Increases salaries and wages for a salary equity increase for the director position based on a survey conducted by the Central Personnel Division (The House reduced this amount by \$3,549, of which \$2,577 was from the general fund)	3,371	1,272	4,643
4. Eliminates 1 FTE administrative secretary II position	(30,146)	(16,232)	(46,378)
5. Provides funding for grants to higher education institutions, vocational centers, and other entities for customized training and technical assistance to new and expanding businesses (The House removed this funding)	1,000,000		1,000,000
6. Provides funding for grants to high schools, vocational centers, and higher education programs to upgrade equipment and provide training to vocational educators (the executive recommendation indicated that the funding could also be used to continue the small business management program which was funded at \$99,237 from the state general fund for 1997-99 but was not included in the agency's 1999-2001 base budget request) (The House reduced this amount by \$400,000, to \$1,175,000)	1,575,000		1,575,000
7. Changes funding source for vocational and technical education program grants to schools to reflect additional federal funds available and reductions to meet the 95 percent budget request requirement	(395,519)	449,984	54,465
8. Reduces general fund grants to higher education vocational and technical education programs from \$368,600 in 1997-99 to \$357,452 in 1999-2001	(11,148)		(11,148)
9. Eliminates the small business management grant program (the executive recommendation indicated that a portion of the funding provided for equipment and training grants to schools could be used to continue the small business management program)	(99,237)		(99,237)
Increases Job Training Partnership Act grants from \$151,243 in 1997-99 to \$175,000 in 1999-2001		23,757	23,757
11. Increases mine health and safety training grants from \$88,906 in 1997-99 to \$125,000 in 1999-2001		36,094	36,094
12. Increases school-to-work grants from \$4,009,225 in 1997-99 to \$4,890,742 in 1999-2001		881,517	881,517

Major Legislation Affecting the State Board for Vocational and Technical Education

- House Bill No. 1434 - This bill provides that one of the duties of the State Board for Vocational and Technical Education is to create and expand marketing clubs as adjuncts to new and existing farm management programs
- Senate Bill No. 2341 - This bill provides that within its 1999-2001 biennium appropriation, the State Board for Vocational and Technical Education shall provide funding to cooperate with the Board of Higher Education to expand the curricula of and participation in the adult farm management program

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
HB1020 VOCATIONAL EDUCATION	SALARIES AND WAGE	2,718,940	2,688,484	30,456-	0	0+	0+
	OPERATING EXPENSE	567,192	567,192	0+	0	0+	0+
	EQUIPMENT	60,000	60,000	0+	0	0+	0+
	GRANTS	25,188,522	23,788,522	1,400,000-	0	0+	0+
	GRANTS - POSTSECO	357,452	357,452	0+	0	0+	0+
	ADULT FARM MANAGE	445,760	445,760	0+	0	0+	0+
	TOTAL	29,337,866	27,907,410	1,430,456-	0	0+	0+
270	SPECIAL FUNDS	15,745,712	15,733,019	12,693-	0	0+	0+
	GENERAL FUND	13,592,154	12,174,391	1,417,763-	0	0+	0+
BILL TOTAL	TOTAL	29,337,866	27,907,410	1,430,456-	0	0+	0+
HB1020	SPECIAL FUNDS	15,745,712	15,733,019	12,693-	0	0+	0+
	GENERAL FUND	13,592,154	12,174,391	1,417,763-	0	0+	0+

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 270 - STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

HOUSE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,718,940	(\$30,456)	\$2,688,484
Operating expenses	567,192		567,192
Equipment	60,000		60,000
Grants	25,188,522	(1,400,000)	23,788,522
Adult farm management	445,760		445,760
Postsecondary education grants	357,452		357,452
Total all funds	\$29,337,866	(\$1,430,456)	\$27,907,410
Less special funds	15,745,712	(12,693)	15,733,019
General fund	\$13,592,154	(\$1,417,763)	\$12,174,391
FTE	28.50	0.00	28.50

Detail of House changes to the executive budget includes:

	REDUCE COMPENSATION PACKAGE TO 2/2	INCREASE HEALTH INSURANCE COST	DELAY MARKET SALARY INCREASE TO JANUARY 1, 2001	REMOVE FUNDING FOR WORK FORCE TRAINING GRANTS	REDUCE FUNDING FOR VOCATIONAL EQUIPMENT AND TRAINING GRANTS	TOTAL HOUSE CHANGES
Salaries and wages	(\$35,175)	\$8,268	(\$3,549)			(\$30,456)
Operating expenses						
Equipment						
Grants				(\$1,000,000)	(\$400,000)	(1,400,000)
Adult farm management						
Postsecondary education grants						
Total all funds	(\$35,175)	\$8,268	(\$3,549)	(\$1,000,000)	(\$400,000)	(\$1,430,456)
Less special funds	15,352	3,631	(972)			(12,693)
General fund	(\$10,823)	\$4,637	(\$2,577)	(\$1,000,000)	(\$400,000)	(\$1,417,763)

House changes narrative:

This amendment makes the following changes:

Reduces salary increases to two percent in July 1999 and two percent in July 2000.

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

FEBRUARY 19, 1999

Increases salaries and wages to reflect increased health insurance costs.

Delays until January 1, 2001, implementation of a market salary increase for the director. This salary adjustment will provide an increase of approximately \$162 per month for the last six months of the biennium.

Removes the recommended \$1 million general fund appropriation for customized work force training grants.

Reduces from \$1,575,000 to \$1,175,000 the recommended general fund appropriation for grants for the purchase of vocational education equipment, training of vocational educators, or the operation of small business management programs.

**TESTIMONY ON HOUSE BILL 1020
HOUSE APPROPRIATIONS COMMITTEE
JANUARY 19, 1999**

Madam Chair and members of the committee, my name is Mel Olson. I am the State Director of the State Board for Vocational and Technical Education. These are very challenging times but at the same time very exciting times to be involved in Vocational-Technical Education. The job market is changing rapidly and there is a growing demand for skilled workers of all types—particularly those in the information technology and health careers areas.

I will discuss the challenges and needs with you and then ask your support in meeting those challenges, but first I want to take just a couple minutes to tell you about some of the exciting things that are happening in vocational technical education.

We have had the opportunity to be involved in a number of interesting, exciting initiatives and activities throughout the biennium. Most of these initiatives are the result of partnering activities with business, industry and other agencies. Last year we had the opportunity to hear first-hand the educational concerns of the people of North Dakota as we traveled around the State of North Dakota holding public meetings as part of the Enhancing Growing North Dakota project sponsored by the Department of Economic Development and Finance. The need for expanded access to vocational technical education opportunities came through loud and clear in most localities. The summary report from that activity clearly defined the need for more access to vocational-technical education across the state.

Here are some of the other exciting initiatives that we have been involved in this past year that we believe will have a very positive impact on education for our young people. (1) We partnered with the Center for Innovation in Instruction at Valley City State University and other organizations to secure a major grant to be used to train all the teachers throughout the state to effectively use technology in teaching. This is a 7.3 million-dollar, five-year grant that will provide the technology training for teachers that is badly needed throughout the state. (2) We partnered with Valley City State University to secure a 1.3 million-dollar grant and put together the plans to establish a state-of-the-art technology education department at Valley City State University. We believe this high-tech, futuristic approach to preparing

teachers will not only go a long way toward solving the technology education teacher shortage in the state of North Dakota, but will attract technology education teachers and perspective technology teachers from throughout the country. (3) We have partnered with the two-year colleges and the Cisco Corporation to provide instruction on how to design, install and maintain computer-networking systems. This is a rapidly growing information technology employment opportunity. (4) We also had an opportunity to work with Greater North Dakota and a group of the state's leaders to design a plan for developing a World-Class Workforce in our state.

The funding bill that resulted from the 1997 session of the legislature included the intent..."that the state board for vocational and technical education cooperate with other state agencies and private organizations to provide workforce training programs in a manner that will allow statewide access to the programs and improve the agency's ability to coordinate and implement workforce training programs in anticipation of future workforce training needs."

A number of these partnering activities have readily assisted the SBVTE in carrying out that intent. The Enhancing Growing North Dakota project provided us with an insight into the training needs that exist throughout the state, and the plan for DEVELOPING A WORLD CLASS WORKFORCE TRAINING SYSTEM IN NORTH DAKOTA developed by the task force has formulated a plan for addressing those needs.

The information provided to you is a "Business Plan" our agency has developed to better focus our efforts throughout the next biennium, and the insert is backup information for my testimony on HB1020.

The "Business Plan" identifies:

**The Mission of the State Board for Vocational and Technical Education
Programs and Services Provided to Our Citizens
Numbers of Students Served
A New Investment Summary
Breakdown of Individual Requests**

I will provide the background information relating to the SBVTE budget, and the rapidly expanding role vocational-technical education will play in

preparing individuals with the skills necessary to be successful in today's world. Other individuals in attendance will provide more detailed information regarding the specific needs of the individual programs throughout the state.

I believe that as leaders and planners it is essential that we are proactive--that we analyze future workforce needs and provide educational opportunities that allow the population to be appropriately prepared for the real world that exists today and the world that will exist into the future. *"We need to skate to where the puck will be--not where the puck has been."* I would, therefore, like to refer you to the chart on the front of the Business Plan. You can see that significant change has occurred in the makeup of the workforce and why it is so important that we find a way to better motivate and better prepare a larger segment of today's citizens. I believe the way we can accomplish that is to make education more relevant. To more closely tie education to the skills and knowledge to prepare for a career. THAT IS WHAT VOCATIONAL-TECHNICAL EDUCATION DOES.

Twenty years ago—even ten years ago there was a large "safety net" of unskilled jobs for those who were not successful in the secondary education system. That "safety net" no longer exists. We need to find a better way to serve that 50% of the students who fall in the middle. This is a new responsibility for our educational system--a responsibility that we are not meeting very well at the present time. We have traditionally concentrated a major portion of our resources and effort in the secondary schools on the 30% of the students who are the most successful in our current academic model. The last few years we have also concentrated a major portion of our resources on those who are academically challenged and left this middle group "the forgotten half" to fend for themselves.

Vocational-Technical Education has changed dramatically from what a lot of people still perceive it to be. At the secondary level it is no longer shop and home ec. At the postsecondary level curriculum and offerings are constantly changing to meet the demand of business and industry. Technology has changed all of that.

Vocational Technical Education provides students with career exploration activities. Students actually get to experience how technology is applied in business and industry. They have an

opportunity to experience the need for well-developed academic and technical skills.

Vocational Technical Education's combination of classroom instruction, hands-on experiences and worksite-based learning compliment the various learning styles of the students.

Vocational Technical Education's clear connection to careers enhances relevancy of concepts being taught and improves learning.

Vocational Technical Education provides students with specific skills that enhance student's opportunities whether entering the workforce or going on to additional education and training.

The administration of Vocational Technical Education at the post-secondary level has reorganized under the CTEC umbrella allowing the two-year college CEO's to meet together and plan for better addressing the student's needs. This subcabinet, of which I am a member, focuses on partnering and improving their responsiveness to the citizen's needs.

People in business and industry have, for a number of years, recognized the value of vocational-technical education and the need for additional programs. Parents, students, and educators are beginning to recognize that need. Our agency has had a large number of requests for funding new and expanded programs over the past few years. We certainly appreciated the additional funding that was provided during the last legislative session, which enabled us to fund a number of new and expanded programs during the last two years. However, that money was not enough to equitably fund all the requested programs, and resulted in a decreased funding level to all programs statewide.

As funding levels decrease, school administrators typically continue to keep the programs in place, but are forced to cut back on extended contracts, cut back on the purchase of modern equipment, and provide less training opportunities for their instructors. All of this results in the stagnation of programs and classes being taught with outdated equipment without access to the latest teaching strategies.

Our agency's inability to convince policymakers of the need for additional resources has resulted in an almost flat funding level for the past 15 years. This coupled with the fact that we are a minimum funded state for federal funding has had a negative impact on the instructional programs for secondary, postsecondary, and adult students. As a result, we are far behind most other states when it comes to providing access to vocational-technical education programs.

As I originally stated, we have many exciting things happening in vocational technical education, but we need your help to address the following challenges:

Instructional equipment and technology in many of the programs at the secondary and postsecondary level has not been replaced for many years, and has, therefore, become badly outdated. Not since 1980 have there been significant state funds available for the purchase of equipment and technology. (Training with the use of ten-year-old technology is of little value.)

In our enhancement package we are asking for \$2,000,000 to provide funding to assist in the upgrading of vocational technical equipment in high schools, vocational centers, postsecondary programs, and high-tech consortiums.

Extended teacher contracts have been shortened or eliminated in many cases. Those actions result in a lack of time and training to keep instructors performing at state-of-the-art levels. Funds for quality curriculum improvement projects and professional development activities have been greatly curtailed. (Many of the technicians our institutions train receive far more retraining in a year on the job than the instructors who taught them do in many years.)

We are asking for \$750,000 to restore some of those extended contracts and provide the training necessary so vocational-technical educators can renew their skills and strategies and so they can effectively incorporate today's technology into their teaching. Many times new technology and equipment is purchased but resources and time are not provided allowing instructors to effectively incorporate the technology and equipment into their instruction.

Adult vocational-technical education services have been decreased in order to maintain secondary and postsecondary programs. Adult Farm Management funding has been reduced at a time when there is a demand to expand the programming. Many of the Adult Farm Management instructors are forced to enroll far more clients than they can effectively serve to make their programs cash flow. Many of the Adult Farm Management instructors are using outdated technology that will not access software currently being used in the industry.

We are asking that you provide an additional \$585,000 to restore the funding that will allow Adult Farm Management instructors to: (1) reduce their enrollment to the point where they can effectively work with their clients, (2) meet the demand for additional programs throughout the state, (3) allow instructors to update their computers to be compatible with today's software, and (4) provide for the expansion of the curriculum to include marketing education for farmers. (Recommendation of Commission on Agriculture)

Rapid changes in workforce training needs brought about by the expanding use of technology has caused people from business, and industry, from government, and from the organizations involved in designing and providing training activities to take a close look at what is happening in this state and to see how the system can be improved. Even though the Customized Training Network provided training to more than 10,000 workers last year, the system lacks resources, coordination, and direction to meet the state's needs.

In response to those concerns, Eddie Dunn, the Executive Director of CTEC organized a delegation of the state's leaders (including legislative leaders) that visited one of the best workforce training systems in the country at Kirkwood College in Cedar Rapids, Iowa. That group then met to begin the process of designing a world-class workforce training program for North Dakota. The Greater North Dakota Association volunteered to take the leadership role in designing and promoting this system. Details of the plan will be provided later in a bill being introduced by GNDA.

The final result is a great plan that has resulted from many hours of research and determination on the part of a large group of determined individuals who believe in North Dakota and its future. I am proud to

have had the opportunity to be very much involved in the process from the beginning and to serve on the steering committee for the project. The task force has determined that state funding for the administration and coordination of the project is crucial to the system's success. The group also identified the need for a "revolving fund" to be established for the purpose of providing start-up funds for the various projects.

This plan for assuring a high-skilled workforce is crucial to the future economic well being of the state and I encourage your support. Detailed information regarding the Workforce Training Plan will be provided in legislation to be introduced later in the session by GNDA. Because of the State Board for Vocational and Technical Education's responsibility relating to coordinating workforce training, the \$1,500,000 request for funding the project has been included in our budget. The \$1,000,000 for administration and coordination is substantiated by the Business Plans developed by each of the four two-year colleges that are charged with primary responsibility in the defined service region, and the \$500,000 request is for funds to establish the "revolving fund".

Small Business Management programs were among the programs eliminated as a result of the Governor's 95% budget requirements. Management training is an essential service that must be continued if we are concerned with business retention and expansion in today's business environment. Small businesses are the backbone of our rural communities and once those businesses are forced to close, no one replaces them.

I have met with representatives from the Small Business Development Center, Small Business Administration, and the University of North Dakota and put together a plan to restore this valuable service to the small businesses of North Dakota. We are proposing that the programs be managed by the Small Business Development Center that is located at UND. The actual programs will be located in the business service centers in each of the locations.

The joining of Small Business Management programs with the Small Business Development Centers is a natural that will result in better services to customers. We are asking that \$200,000 be appropriated

to restore SBM programs throughout the state. That money will serve as matching money from the federal level. Those funds, in addition to the revenue received from fees charged to the customers will support the program.

HB 1020
2/25/99

#1A

Mel Olson

**TESTIMONY ON HOUSE BILL 1020
SENATE APPROPRIATIONS COMMITTEE
FEBRUARY 25, 1999**

Mr. Chairman and members of the committee, my name is Mel Olson. I am the State Director of the State Board for Vocational and Technical Education. These are very challenging times but at the same time very exciting times to be involved in Vocational-Technical Education. The job market is changing rapidly and there is a growing demand for skilled workers of all types--particularly those in the information technology and health careers areas.

I will discuss the challenges and needs with you and then ask your support in meeting those challenges. But first I want to take just a couple minutes to tell you about some of the exciting things that are happening in vocational technical education and how the focus of vocational-technical education has changed as a result of the impact of technology.

We have had the opportunity to be involved in a number of interesting, exciting initiatives and activities throughout the biennium. Most of these initiatives are the result of partnering activities with business, industry and other agencies. Last year we had the opportunity to hear first-hand the educational concerns of the people of North Dakota as we traveled around the State of North Dakota holding public meetings as part of the Enhancing Growing North Dakota project sponsored by the Department of Economic Development and Finance. The need for expanded access to vocational technical education and workforce-training opportunities came through loud and clear in most localities. The summary report from that activity clearly defined the need for more access to vocational-technical education and workforce training across the state.

Here are some of the other exciting initiatives that we have been involved in this past year that we believe will have a very positive impact on education for our young people. (1) We partnered with the Center for Innovation in Instruction at Valley City State University and other organizations to secure a major grant to be used to train all the teachers throughout the state to effectively use technology in teaching. This is a 7.3 million-dollar, five-year grant that will provide the technology training for teachers that is badly needed throughout the state. (2) We partnered with Valley City State University to secure a 1.3 million-dollar grant and put together the plans to

establish a state-of-the-art technology education department at Valley City State University. We believe this high-tech, futuristic approach to preparing teachers will not only go a long way toward solving the technology education teacher shortage in the state of North Dakota, but will attract technology education teachers and perspective technology teachers from throughout the country. (3) We have partnered with the two-year colleges, secondary schools and the Cisco Corporation to provide instruction on how to design, install and maintain computer-networking systems. This is a rapidly growing information technology employment opportunity. (4) We also had an opportunity to work with Greater North Dakota Association and a group of the state's leaders to design a plan for developing a World-Class Workforce in our state.

The information provided to you include a "Business Plan" our agency has developed to better focus our efforts throughout the next biennium, and the inserts include backup information for my testimony on HB1020.

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Numbers of Students Served
A New Investment Summary
Breakdown of Individual Requests**

I will provide the background information relating to the SBVTE budget, and the rapidly expanding role vocational-technical education will play in preparing individuals with the skills necessary to be successful in today's world. Other individuals in attendance will provide more detailed information regarding the specific needs of the individual programs throughout the state.

I believe that as leaders and planners it is essential that we are proactive--that we analyze future workforce needs and provide educational opportunities that allow the population to be appropriately prepared for the real world that exists today and the world that will exist into the future. *"We need to skate to where the puck will be--not where the puck has been."* I would, therefore, like to refer you to the chart on the front of the Business Plan. You can see that significant change has occurred in the makeup of the workforce and why it is so important that we find a way to better motivate

and better prepare a larger segment of today's citizens. I believe the way we can accomplish that is to make education more relevant. To more closely tie education to the skills and knowledge to prepare for a career. THAT IS WHAT VOCATIONAL-TECHNICAL EDUCATION DOES.

Twenty years ago—even ten years ago there was a large “safety net” of unskilled jobs for those who were not successful in the secondary education system. That “safety net” no longer exists. We need to find a better way to serve that 50% of the students who fall in the middle. This is a new responsibility for our educational system—a responsibility that we are not meeting very well at the present time. We have traditionally concentrated a major portion of our resources and effort in the secondary schools on the 30% of the students who are the most successful in our current academic model. The last few years we have also concentrated a major portion of our resources on those who are academically challenged and left this middle group “the forgotten half” to fend for themselves.

Vocational-Technical Education has changed dramatically from what a lot of people still perceive it to be. At the secondary level it is no longer shop and home ec. At the postsecondary level curriculum and offerings are constantly changing to meet the demand of business and industry. Technology has changed all of that.

Vocational Technical Education provides students with career exploration activities. Students actually get to experience how technology is applied in business and Industry. They have an opportunity to experience the need for well-developed academic and technical skills. This connection of education to careers makes education more relevant and increases motivation.

Vocational Technical Education's combination of classroom instruction, hands-on experiences and worksite-based learning compliment the various learning styles of the students.

Vocational Technical Education provides students with specific skills that enhance student's opportunities whether entering the workforce or going on to additional education and training.

The administration of Vocational Technical Education at the post secondary level has reorganized under the College Technical Education Council umbrella allowing the two-year College CEO's to meet together and plan for better addressing the student's needs. This sub-cabinet, of which I am a member, focuses on partnering and improving their responsiveness to the citizen's needs.

As technology has impacted the workforce, vocational-technical education has focused more on the training and retraining needs of the adult population.

People in business and industry have, for a number of years, recognized the value of vocational-technical education and the need for additional programs. More and more parents, students, and educators are also beginning to recognize that need. Our agency has had a large number of requests for funding new and expanded programs over the past few years. We certainly appreciated the additional funding that was provided during the last legislative session, which enabled us to fund a number of new and expanded programs during the last two years. However, that money was not enough to equitably fund all the requested programs, and resulted in a decreased funding level to all programs statewide.

As funding levels decrease, school administrators typically continue to keep the programs in place, but are forced to cut back on extended contracts, cut back on the purchase of modern equipment, and provide less training opportunities for their instructors. All of this results in the stagnation of programs and classes being taught with outdated equipment without access to the latest teaching strategies.

Our agency's inability to convince policymakers of the need for additional resources has resulted in an almost flat funding level for the past 15 years. This coupled with the fact that we are a minimum funded state for federal funding has had a negative impact on the instructional programs for secondary, postsecondary, and adult students. As a result, we are far behind most other states when it comes to providing access to vocational-technical education programs.

As I originally stated, we have many exciting things happening in vocational technical education, but we need your help to address the following challenges:

Instructional equipment and technology in many of the programs at the secondary and postsecondary level has not been replaced for many years, and has, therefore, become badly outdated. Not since 1980 have there been significant state funds available for the purchase of equipment and technology. (Training with the use of ten-year-old technology is of little value.)

Extended teacher contracts have been shortened or eliminated in many cases. Those actions result in a lack of time and training to keep instructors performing at state-of-the-art levels. Funds for quality curriculum improvement projects and professional development activities have been greatly curtailed. (Many of the technicians our institutions train receive far more retraining in a year on the job than the instructors who taught them do in many years.)

We are asking for \$1,500,000 to provide funding to assist in the upgrading of vocational technical equipment in high schools, vocational centers, post secondary programs, and high-tech consortiums, and to provide the time and resources required to adequately train our instructors.

Funding for Adult Farm Management programs has been reduced at a time when there is a demand to expand the programming. Many of the Adult Farm Management instructors are forced to enroll far more clients than they can effectively serve to make their programs cash flow. Many of the Adult Farm Management instructors are using outdated technology that will not access software currently being used in the industry.

We are asking that you provide an additional \$585,000 to restore the funding that will allow Adult Farm Management instructors to: (1) reduce their enrollment to the point where they can effectively work with their clients, (2) meet the demand for additional programs throughout the state, (3) allow instructors to update their computer technology to be compatible with today's software, and (4) provide for the expansion of the curriculum to include marketing education for farmers. (Recommendation of Commission on Agriculture)

Access to workforce training has become essential to business and industry in today's environment. Even though the Customized Training Network provided training to more than 14,000 workers last year, those involved recognize that the system lacks the resources, coordination, and direction to meet the state's needs.

In response to those concerns, a task force was formed to conduct research to determine what needed to be done to improve the workforce training system in our state. The Greater North Dakota Association took the leadership role in formulating a task force to design and promote the system. Details of the plan are included in HB 1443, which passed the house minus the \$1,000,000 appropriation for the plan that was initially included in HB 1020.

The task force produced an excellent plan for addressing the state's workforce needs. A plan that resulted from much cooperation and compromise on the parts of many of the entities involved. I am proud to have had the opportunity to be very much involved in the process from the beginning and to serve on the steering committee for the project. You would have been proud of the cooperative spirit that existed in an attempt to meet this important need for the citizens of North Dakota.

The task force has determined that state funding for the administration and coordination of the project is crucial to the systems success, however, and I urge you to reinstate the \$1,000,000 that was included in the Governor's budget. The group also identified the need for a "revolving fund" to be established for the purpose of providing start-up funds for the various projects.

This plan for assuring a high-skilled workforce is crucial to the future economic well being of the state and I encourage your support. Detailed information regarding the Workforce Training Plan is included in HB 1443. Because of the State Board for Vocational and Technical Education's responsibility relating to coordinating workforce training, the \$1,000,000 request for funding the project has been included in our budget. I urge you to reinstate the \$1,000,000 for administration and coordination of the system that was included in the Governor's budget.

Small Business Management programs were among the programs eliminated as a result of the Governor's 95% budget requirements. Management training is an essential service that must be continued if we are concerned with business retention and expansion in today's business environment. Small businesses are the backbone of our rural communities and once those businesses are forced to close, no one replaces them

I have met with representatives from the Small Business Development Center, Small Business Administration, and the University of North Dakota and put together a plan to restore this valuable service to the small businesses of North Dakota. We are proposing that the programs be managed by the Small Business Development Center that is located at UND. The actual programs will be located in the business service centers in each of the locations.

The joining of Small Business Management programs with the Small Business Development Centers is a natural that will result in better services to customers. We are asking that \$200,000 be appropriated to restore SBM programs throughout the state. That money will serve as matching money from the federal level. Those funds, in addition to the revenue received from fees charged to the customers will support the program.

Bill # 1434
\$50,000 Appropriation

NB1020
Conf Comm
4-6-99

Distribution:

YEAR 1

\$5,000. Curriculum Development ¹
7,200. 6 Regional Marketing / Planning workshops @ \$1,200 each ²
15,000. Maximum 20 locations @ Minimum \$750 ³
1,800. Reserve/ Misc. Expense ⁴
\$29,000.

YEAR 2

\$13,000. Maximum 20 locations @ Minimum \$650
7,200. 6 Regional Marketing / Planning workshops @ \$1,200 each ²
800. Reserve/ Misc. Expense
\$21,000.

TOTAL

\$29,000. Year 1
\$21,000. Year 2
\$50,000.

Narrative:

YEAR 1

Curriculum Development ¹ would begin with an organizational meeting of the 4 regional Adult Farm Management coordinators, 2 state staff, 3 representatives of industry, 2 representatives from NDSU Extension, and up to 2 additional AFM instructors whom have worked with Ag Marketing Club organization in the past. A second meeting of the coordinators, state staff, and extension service would be used to finalize curriculum. A third meeting of the coordinators, state staff, and extension service would be used upon completion of the first year to review and modify curriculum.

It is intended that all local Ag Marketing Clubs would organize within a 1 month period of time. During the second month of organization, 6 regional workshops (6 *Regional Marketing/Planning workshops @ \$1,200 each* 2) presented by market professionals would be made available for the new and for prospective clientele. *These workshops would also be made available in the second year.*

The distribution of Ag Marketing Club local startup funds (Maximum 20 locations @ Minimum \$750³), would require application demonstrating need, a budget and a sequential plan of action for each organizing sight. These applications would be reviewed by state staff for acceptance as defined by the curriculum committee. Startup funds *not* distributed in the first round of applications would be distributed based on need above the \$750 expressed in the original application and/or amended requests for funding.

Year two continuation distribution would follow the same requirements and descriptors used in Year one.

The funds held in reserve (Reserve/ Misc. Expense 4) would be used based on the following priority list:

- 1. Expenses incurred by the State Board for Vocational & Technical Education in the organizing and implementation of this program.**
- 2. Coordinator and staff expenses occurring during the investigative phase of curriculum development. (i.e. workshops, clinics, purchase of curriculum from other states, visitations, etc.)**
- 2. Additional funds needed for Curriculum Development to include printing and distribution.**
- 3. Additional Expenses incurred in the presentation of regional marketing workshops.**
- 4. Local Club organization.**



HB 1020
2/25 #4
Roger Reierson

Task Force for Improving Workforce
Development and Training

**STATEMENT BY ROGER REIERSON, CHAIRMAN, TASK FORCE
FOR IMPROVING WORKFORCE DEVELOPMENT AND TRAINING
AND PRESIDENT, FLINT COMMUNICATIONS, FARGO REGARDING
ENGROSSED HB 1020, NORTH DAKOTA SENATE
APPROPRIATIONS COMMITTEE, FEBRUARY 25, 1999.**

Chairman Nething and members of the Senate Appropriations Committee. I am Roger Reierson, Chairman, Task Force for Improving Workforce Development and Training and President, Flint Communications, Fargo. Thank you for this opportunity to provide testimony regarding engrossed HB 1020. Engrossed HB 1020 provides an appropriation to the State Board for Vocational and Technical Education.

HISTORICAL PERSPECTIVE

During the past 10 years, the North Dakota Legislature has enacted a large number of successful measures to help North Dakota be more competitive in a new, global marketplace. Dr. David Birch told the North Dakota Business Conference in November 1997, in assessing the progress North Dakota has made since 1986 said that "You've done a remarkable job of changing your future," - "creating over 40,000 jobs." However, you have a new challenge: "to build a world-class workforce."

Subsequently, a task force was formed to work on the new challenge. The Task Force consisted of 31 state leaders representing the governor's office, legislative leadership from both parties, business, education and government.

This diverse group spent six months examining North Dakota's workforce training system, researching the best practices of other states and soliciting advice and assistance from one of the premier workforce training systems.

In cooperation with...

College Technical Education Council • Customized Training Network • Department of Economic Development & Finance • Department of Human Services
Greater North Dakota Association • Job Service North Dakota • North Dakota State Board for Vocational Technical Education • North Dakota University System
North Dakota Workforce Development Council • Office of the Governor • State Legislative Leadership • Vision 2000 Leadership

Based on their research, the group concluded that: (1) North Dakota's workforce training system is fragmented, underdeveloped, duplicative and incapable of meeting the current and rapidly changing workforce training needs and (2) major changes are urgently needed for business and industry in all regions of the state to remain viable and competitive. The task force developed a plan that the task force believes will meet the workforce training needs of North Dakota business and industry.

BUILDING A WORLD-CLASS WORKFORCE

The outcome of this diverse, visionary group is impressive.

The new workforce training system being developed in North Dakota involves a major change in how workforce training will be provided. The new system is built around a single goal and four key components. The goal of the new plan to provide business and industry with the most competitive workforce in the nation.

The new plan defines four primary success characteristics for workforce training found among successful programs around the country. They are defined service regions, primary responsibility, financial support and collaborative relationships.

The detailed recommendations for the new delivery system are included in the plan first presented during the North Dakota Business Conference on November 17, 1998, and which has been distributed to you and your legislative colleagues during the past two months.

IMPLEMENTATION

The recommendations to implement the new delivery system were to be considered by North Dakota State Board of Higher Education and the North Dakota Legislature. The items requiring legislative debate and action is contained in HB 1443, which was amended in the House of Representatives by deleting section 8

providing for an appropriation of \$1 million to the State Board for Vocational and Technical Education. The purpose of the funds is for contracting with institutions of higher education assigned primary responsibility for workforce training to provide the framework for workforce training in North Dakota - (HB 1020). The North Dakota Board of Higher Education took positive action on the proposals in their area of responsibility.

FINANCIAL SUPPORT

Financial support is one of the four success factors identified in the plan. There is a wide array of funding mechanisms being used among states with successful workforce training programs. The most successful training programs have a combination of funding involving the state, local, education, and business and industry. Specific recommendations in the plan regarding financial support include:

- 1. The state should participate in funding the training regions.**
- 2. Local, public and private financial support is desirable.**
- 3. A revolving loan fund for "training program start-up funds" should be established.**
- 4. Employers should be charged a fee for training.**
- 5. The workforce training system to be established should be given maximum flexibility to develop and operate.**

The four two year colleges assigned primary responsibility for workforce training developed business plans for the Task Force. The business plans identify statewide training needs, budgets for the 1999-2001 and 2001-2003 bienniums, and service regions. The current and projected levels of investments in workforce training by the four two year colleges are presented in Attachment 3. The four two year colleges do not receive state or funds for training divisions.

The \$1 million from the state general fund is essential to provide the framework for workforce training in North Dakota. This

represents only about 25 percent of all revenue and funds for the for the four two year colleges for the 1999-2001 biennium.

Governor Schafer placed a high priority on workforce training during his budget address. Governor Schafer stated: "Companies need specialized- training resources in this state. The Greater North Dakota Association coordinated a task force from education, business, government and industry to design the necessary plan."

Governor Schafer continues: "It's a good plan - a plan that builds on the existing resources of our higher education system. The workforce development system will foster partnerships between business and education and make our universities more responsive to the demands of the marketplace."

Schafer concluded: "I strongly recommend funding this plan.

It's ignite this initiative and start training North Dakotans for the jobs of the future." Governor Schafer recommended \$1 million in new general funding for workforce training in the State Board for Vocational and Technical Education Budget, HB 1020 for the 1999-2001 biennium.

The need for a more accessible, responsive workforce training system is so great that the diverse, broad-based Task Force was able to move to consensus. The next step is the commitment of state general fund dollars.

The Task Force supports the Board for Vocational and Technical Education's request to reinstate \$1 million funding for workforce training grants removed through amendment number 98020.0101 to HB 1020, discussed by Mr. Olson.

Thank you Chairman Nething and members of the Senate Appropriations Committee for this opportunity to testify on behalf of the Task Force for Improving Workforce Development and Training regarding engrossed HB 1020. I welcome your questions.

ATTACHMENT 3. Summary of Revenue Items in Campus Budgets

	Current	Expansion Projections			
	FY99	FY00	FY01	FY02	FY03
Training Rev:					
BSC	\$156,100	\$206,300	\$256,700	\$298,800	\$345,000
NDSCS	\$341,700	\$425,000	\$480,000	\$570,000	\$660,000
UND-LR	\$70,630	\$100,000	\$165,000	\$220,000	\$300,000
UND-W	\$82,000	\$135,000	\$150,000	\$200,000	\$230,000
TOTALS	\$650,430	\$866,300	\$1,051,700	\$1,288,800	\$1,535,000
Region Funds:					
BSC	\$0	\$125,000	\$125,000	\$125,000	\$125,000
NDSCS	\$0	\$110,000	\$120,000	\$145,000	\$165,000
UND-LR	\$0	\$53,880	\$111,350	\$113,438	\$86,431
UND-W	\$0	\$59,000	\$69,300	\$79,500	\$84,800
TOTALS	\$0	\$347,880	\$425,650	\$462,938	\$461,231
Instit. Funds:					
BSC	\$70,000	\$34,900	\$35,900	\$37,000	\$38,100
NDSCS	\$197,500	\$39,100	\$40,300	\$41,500	\$42,800
UND-LR	\$51,740	\$48,000	\$50,000	\$52,000	\$54,000
UND-W	\$38,871	\$32,400	\$33,300	\$34,300	\$35,400
TOTALS	\$358,111	\$154,400	\$159,500	\$164,800	\$170,300
State Funds:					
BSC	\$0	\$130,000	\$130,000	\$175,500	\$175,500
NDSCS	\$0	\$180,000	\$180,000	\$243,000	\$243,000
UND-LR	\$0	\$100,000	\$100,000	\$135,000	\$135,000
UND-W	\$0	\$90,000	\$90,000	\$121,500	\$121,500
TOTALS	\$0	\$500,000	\$500,000	\$675,000	\$675,000
BIENIUM TOTAL			\$1,000,000		\$1,350,000
All Rev. & Funds:					
BSC	\$226,100	\$496,200	\$547,600	\$636,300	\$683,600
NDSCS	\$533,200	\$754,100	\$820,300	\$999,500	\$1,110,800
UND-LR	\$122,370	\$301,880	\$426,350	\$520,438	\$575,431
UND-W	\$120,871	\$316,400	\$342,600	\$435,300	\$471,700
TOTALS	\$1,008,541	\$1,868,580	\$2,136,850	\$2,591,538	\$2,841,531
State Funds %:					
BSC	0%	26.2%	23.7%	27.6%	25.7%
NDSCS	0%	23.9%	21.9%	24.3%	21.9%
UND-LR	0%	33.1%	23.5%	25.9%	23.5%
UND-W	0%	28.4%	26.3%	27.9%	25.8%
TOTALS	0%	26.8%	23.4%	26.0%	23.8%

HB 1020
2/25

+ 5*

Garvin Stevens

Northwest North Dakota Workforce Training

Business Plan

Workforce Training System in North Dakota

What is workforce training?

Workforce training is a way to provide training to businesses and their employees. It is:

Customer driven, responding to requests of business;

Responsive to the needs of the communities of northwest North Dakota;

Time sensitive, offering training when needed;

Flexible, providing training in a manner appropriate to the businesses involved;

Quality driven, assuring businesses and industries the best possible training for their employees and themselves; and

Accountable, responding to an advisory board as well as service recipients regarding the effectiveness of the training.

Who will benefit from workforce training?

Business and industry will know who to contact for training, receive customized training to fit their needs, and keep their employees up-to-date in their workforce skills;

Colleges and universities working together will extend their current outreach to the workforce;

Employees will enhance their knowledge and skills and may receive college credit, thus increasing their employability; and

Communities will be better able to keep businesses and attract new business.

Why will UND-Williston be assigned responsibility for workforce training?

Successful workforce training programs in other states have focused on two-year colleges for training coordination. To respond to the needs in all areas of the state, four geographic regions were selected, with UND-Williston serving the northwest region (State Planning Region 1 & 2). UND-Lake Region will be assigned the northeast region, ND State College of Science the southeast region, and Bismarck State College the southwest region.

Will being a workforce training provider change what is taught at UND-Williston?

No. Being a workforce training site will expand the work UND-Williston already does in reaching out to business and industry to provide training.

How will it be paid for?

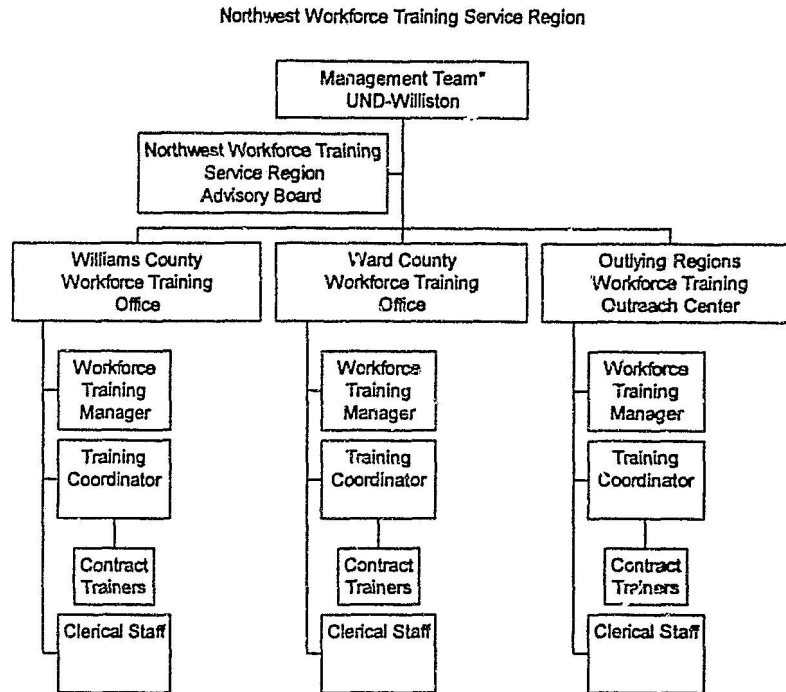
Financial support will be from a combination of state, local, institution and private sources.

Why will UND-Williston change its name to Williston State College?

With the emphasis on placing the tasks of workforce training projects with two-year institutions, UND-Williston will become an independent college. The name change reflects that status.

Organizational Chart

The Northwest Workforce Training Service Region will house staff in Williston and Minot to serve those communities and the surrounding areas. The outlying areas within the quadrant will be served by the office in closest proximity, with the possibility of establishing satellite facilities in the future.



* Positions covered by the institution.

Key Staffing

The key people directly involved in delivering the workforce training services include workforce training managers, training coordinators, and clerical staff. The Northwest region will initiate service with two new positions for workforce training managers and two new positions for support staff. By the fourth year of the initiative there will be one additional workforce training manager.

1. Workforce Training Manager

We will begin with two workforce training managers, to be increased to three managers by FY

02. The duties of these managers will include:

- Working directly with business/industry to serve as a
 - Broker: broker training services to those businesses/industries
 - Catalyst: serve as a catalyst between UND-W and businesses/industries to assure development of needed training packages
 - Packager: put together the needed training packages, matching business/industry needs with training programs, facilitators and other resources.
 - Advocate: serve as an advocate for businesses/industries to assure their training needs are articulated and given appropriate attention and consideration

- Working with the economic development offices and chambers of commerce in state planning regions I and II to develop tools to best serve the businesses and industries in our area in providing training programs for employers and employees

2. Training Coordinator

We will initially have two half-time training coordinators to provide support services for the Northwest Service Region. The job duties of the support staff will include:

- Working with the workforce training managers to coordinate business/industry requests with training providers
- Providing logistical support such as
 - Developing and maintaining lists of possible trainers and their areas of expertise,
 - Arranging facilities for training, and
 - Writing contracts with trainers/businesses.

3. Contract Trainers

Trainers will be selected based on qualifications for the training to be provided. While campus instructors will be invited to provide training for the project, it is anticipated most training will be done by adjunct staff from the private sector. In developing lists of potential training providers we will work with others in the training field, including North Dakota colleges and universities, Vocational/Technical centers and the private sector to assure competent, effective training providers.

4. Clerical Support

Two half time clerical support staff will provide office support for the activities of the Northwest Service Region.

Expansion Plan

	Current	FY 2000	FY 2001	FY 2002
Coordinator, Workforce Readiness	X			
Clerical Support	X			
Small Business Management	X			
Workforce Training Manager Williams-Ward Counties		X		
½ Training Coordinator/ ½ Clerical Support Williams-Ward Counties		X		
Workforce Training Manager Mountrail-McKenzie-Bottineau Counties		X		
½ Training Coordinator/ ½ Clerical Support Mountrail-McKenzie-Bottineau Counties		X		
½ Training Coordinator Divide, Burke, Renville, McHenry, Pierce			X	
Workforce Training Manager Divide, Burke, Renville, McHenry, Pierce				X
½ Clerical Support Divide, Burke, Renville, McHenry, Pierce				X

UND-WILLISTON WORKFORCE TRAINING

STATEMENT OF REVENUES, EXPENSES AND FUNDING SOURCES

	Current	Expansion								
	FY99	FY00	FY01	FY02	FY03					
Revenues										
Direct Training Revenues	\$ 70,000	\$ 135,000	\$ 150,000	\$ 200,000	\$ 230,000					
Small Business Mgmt Revenues	12,000									
Total Revenues	\$ 82,000	\$ 135,000	\$ 150,000	\$ 200,000	\$ 230,000					
Expenses:										
Direct:										
Direct Training Expenses	\$ 49,000	\$ 94,500	\$ 105,000	\$ 140,000	\$ 161,000					
Overhead:										
Salaries & Wages		FTE	FTE	FTE	FTE					
Workforce Training Manager	\$	\$ 78,000	2.0	\$ 80,600	2.0	\$ 124,000	3.0	\$ 127,800	3.0	
Workforce Training Coordinator	8,800	0.3	39,000	1.3	55,700	1.8	57,400	1.8	59,100	1.8
Clerical Support		23,400	1.0	24,000	1.0	37,200	1.5	38,300	1.5	
Administration	31,000	0.6	32,400	0.6	33,300	0.6	34,300	0.6	35,400	0.6
Small Bus Mgmt Coord.	20,000	1.0								
Total Salaries & Wages	\$ 59,800	1.9	\$ 172,800	4.9	\$ 193,600	5.4	\$ 252,900	6.9	\$ 260,600	6.9
marketing	\$ 3,000		\$ 12,600		\$ 15,000		\$ 18,000		\$ 23,000	
Travel	1,000		6,000		8,000		8,000		9,000	
Office/Prof Develop	2,000		5,500		6,000		6,400		8,100	
Total Operating Expenses	\$ 6,000		\$ 24,100		\$ 29,000		\$ 32,400		\$ 40,100	
Total Expenses	\$ 114,800		291,400		327,600		425,300		461,700	
Operating Profit (Loss)	\$ (32,800)		\$ (156,400)		\$ (177,600)		\$ (225,300)		\$ (231,700)	
Division Start Up Costs	-		(25,000)		(15,000)		(10,000)		(10,000)	
Net Profit (Loss)	\$ (32,800)		\$ (181,400)		\$ (192,600)		\$ (235,300)		\$ (241,700)	
Funding Sources to Cover Net Profit (Loss)										
Business/Industry/Community	-	59,000	69,300	79,500	84,800					
Institutional Funds	38,871	32,400	33,300	34,300	35,400					
State General Fund	\$ -	\$ 90,000	\$ 90,000	\$ 121,500	\$ 121,500					
Total Funding Sources	\$ 38,871	\$ 181,400	\$ 192,600	\$ 235,300	\$ 241,700					
Total Funds Distribution										
Direct Training Revenue	71%	43%	44%	46%	49%					
Community/Region Funds	0%	19%	20%	18%	18%					
Institutional Funds	34%	10%	10%	8%	8%					
State General Fund	0%	28%	26%	28%	26%					
	105%	100%	100%	100%	100%					

HB 1020
2/25/99

18

Mel Olson

EXCITING PARTNERSHIPS

TEACHING WITH TECHNOLOGY: The State Board for Vocational and Technical Education partnered with the Center for Innovation in Instruction from Valley City State University and other organizations to secure a major grant to be used to assist in the training of all teachers throughout the state in the effective use of technology in teaching. The five-year grant for 7.3 million dollars is designed in a train-the-trainer concept that will bring technology training directly to the local schools.

TECHNOLOGY EDUCATION PROGRAM: The State Board for Vocational and Technical Education partnered with Valley City State University to secure a 1.3 million dollar grant to design a state-of-the-art technology education teacher preparation department. The high-tech, futuristic approach to preparing technology teachers will not only assist in solving the teacher shortage in North Dakota but will attract technology education teachers and perspective technology education teachers from throughout the country.

CISCO NETWORKING PROJECT: The State Board for Vocational and Technical Education is partnering with the secondary schools, the two-year colleges and the Cisco Corporation to provide students with instruction on how to design, install and maintain local and wide-area computer networks. SBVTE has been designated the Cisco Academy Training Center for the State of North Dakota and works with the Center for Innovation in Instruction in providing training and follow-up for the instructors throughout the state.

DESIGNING A WORLD-CLASS WORKFORCE TRAINING SYSTEM: The State Board for Vocational and Technical Education has had an opportunity to work with the Greater North Dakota Association and a group of the state's leaders to design a plan for developing a world-class workforce training system for North Dakota. This system will be delivered through many of the vocational-technical education programs in the colleges, universities, and secondary schools in the state.

PREPARING STUDENTS WITH SKILLS NEEDED IN TODAY'S WORLD

(We need to skate to where the puck will be—not where it has been!)

THE ISSUE: Rapid and profound change is transforming the American workplace from the boardroom to the shop floor. Automation is displacing low-skilled and unskilled jobs; however, those jobs are being replaced by safer, more challenging and better paying jobs that require a higher level of skills.

THE CHALLENGE: To employ the teaching methods and strategies designed to better motivate and better prepare a larger segments of the state's citizens.

THE SOLUTION: Vocational-Technical Education is positioned to meet that challenge. Making education more relevant is a major contributor to increased motivation and learning. Applying what is taught, cooperative education, work-site based teaching, job shadowing, and apprenticeships are some of the current practices that research shows motivates learners. These are the teaching and learning strategies that vocational-technical education routinely employs.

**NEW & EXPANDED PROGRAMS
FUNDED WITH GENERAL FUND DOLLARS
For Fiscal Years 1998 & 1999
State Board for Vocational and Technical Education**

Fiscal Year 1998 - New Programs

Arthur	Office Education
Belfield	Agriculture
Des Lacs	Office Education
Devils Lake - LAVTC	Health
Fletcher	Family & Consumer Sciences
Fort Totten	Diversified Occupations
	Family & Consumer Sciences
	Health
	Business & Office Technology
Leeds	Business & Office Education
Linton	Vocational Guidance
Mandan - NDYCC	Building Trades
McVie	Health
Minot	Electronics
New Rockford	Vocational Guidance
New Town	Local Administration
Parshall	Agriculture
Robinson	Agriculture
South Heart	Agriculture
	Family & Consumer Sciences
Underwood	Business & Office Technology
Upham	Agriculture
Valley City - VCAVTC	Principles of Technology
	Graphic Arts
Wahpeton - RCAVTC	Agriculture
	Shared Auto Equipment
West Fargo	Building Trades

Fiscal Year 1998 - Expanded Programs

Bottineau - MSU	Adult Farm Management
Grafton - NVAVTC	Vocational Guidance
Jamestown - JVAVTC	Business & Office Technology
Kindred	Agriculture
Mandan	Family & Consumer Sciences
	Business & Office Technology
Minot	Agriculture
	Drafting
New Town	Trade & Industry
	Family & Consumer Sciences
Walhalla	Business & Office Technology

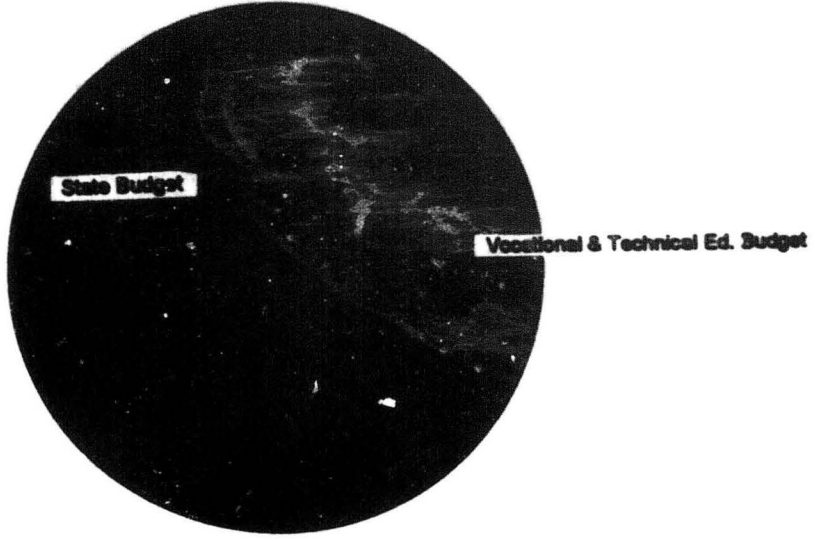
Fiscal Year 1999 - New Programs

Bismarck	Business & Office Technology
Bowman	Family & Consumer Sciences
Casselton	Technology Education
Dickinson	Construction Technology
Garrison	Guidance
	Ag- Adult Farm Management
Mandan	Health
	Drafting
Oakes - SEAVTC	Health
	CISCO Academy
Tuttle/Pettibone	Technology Education
Walhalla	Technology Education

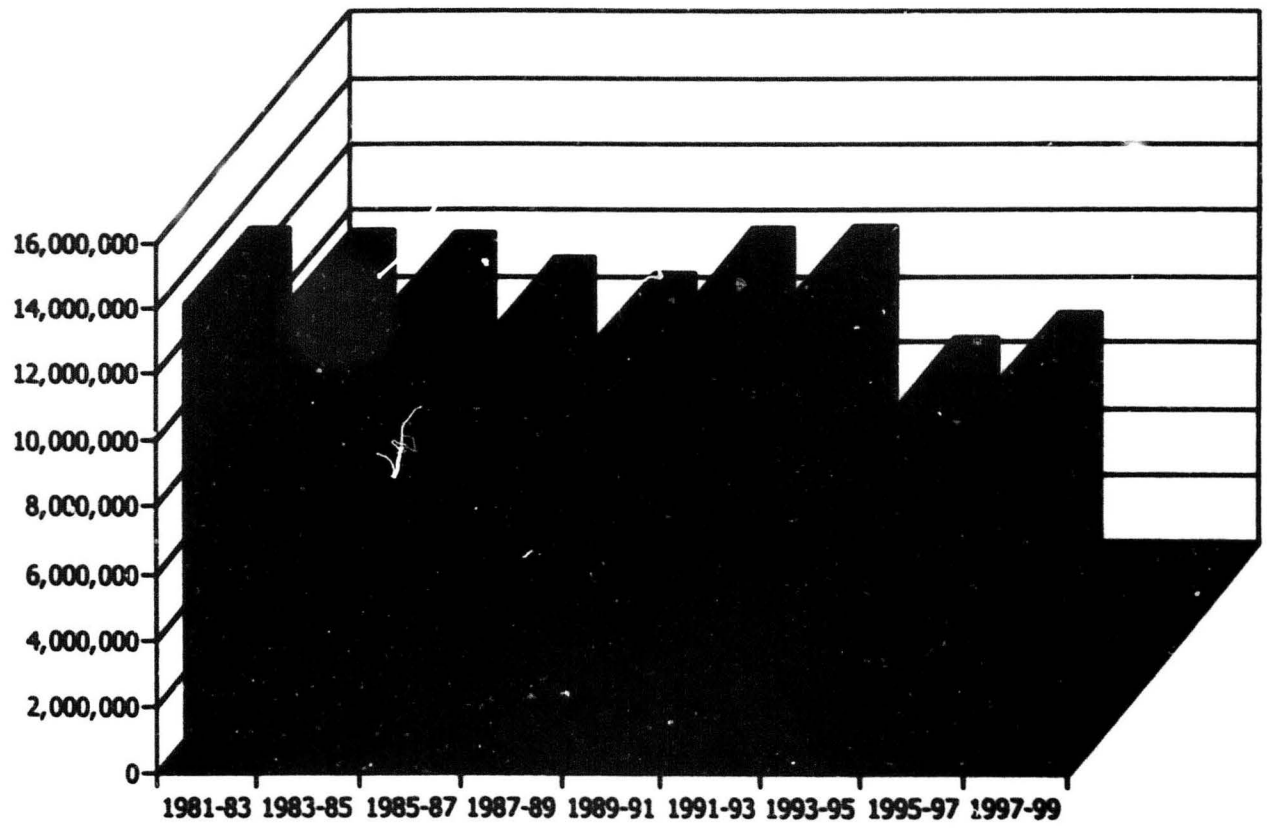
Fiscal Year 1999 - Expanded Programs

Belcourt	Auto Mechanics
Bismarck	Agriculture
	Health
Bowman	Agriculture
Devils Lake - LAVTC	Guidance
Solen	Family & Consumer Sciences

Rapidly Changing Workforce Creates Need for More Vocational-Technical Education (State Contributions to Programming Remains Flat)



Approximately 1% of State Budget Expended for Vocational-Technical Education



The significant decrease in state funding for the 1995-97 biennium and beyond resulted in part from a \$2,986,429 transfer to the North Dakota University System.

State Funding for Vocational-Technical Education has not increased significantly since 1980, in spite of growing needs for skill training and increasing enrollments.

State Board for Vocational and Technical Education
(Number of Programs and Students Served)

Secondary Programs

83	Agriculture Education	4,349	Students
70	Business and Office Technology	9,940	Students
111	Family and Consumer Sciences	10,685	Students
77	Technology Education	8,832	Students
106	Trade, Technical, and Health Careers	4,172	Students
124	Vocational Guidance	22,185	Students
19	Marketing Education	1,534	Students
11	Diversified Occupations Programs	130	Students

Postsecondary Programs

10	Agriculture Education	487	Students
3	Business and Office Technology	1,144	Students
7	Family and Consumer Sciences	160	Students
58	Trade, Technical, and Health Careers	2,619	Students
5	Vocational Guidance	5,557	Students
10	Marketing Education	395	Students

Adult Programs

848	Adult Part-time and Industry Training	13,319	Enrollees
20	Adult Farm Management	843	Enrollees
9	Farm Management for Profit	188	Enrollees
2	Small Business Management	65	Enrollees

**STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION
BIENNIUM BUDGET ANALYSIS**

	<i>97-99 Current <u>Biennium Budget</u></i>	<i>99-01 Executive Biennium Budget <u>Recommendation</u></i>	<i>Engrossed House Bill <u>Number 1020</u></i>	<i>99-01 Enhanced Biennium <u>Budget Request</u></i>
<i>Grants</i>	21,619,356	25,188,522	23,788,522	25,688,522
<i>Adult Farm Management</i>	445,760	445,760	445,760	1,030,760
<i>Small Business Management</i>	99,237	-0-	-0-	200,000
<i>Grants-Postsecondary</i>	368,600	357,452	357,452	357,452
<i>Salaries & Wages</i>	2,567,463	2,718,940	2,688,484	2,718,940
<i>Operating Expenses</i>	555,204	567,192	567,192	567,192
<i>Equipment</i>	108,000	60,000	60,000	60,000
<i>Total Line Items</i>	<u>\$25,763,620</u>	<u>\$29,337,866</u>	<u>\$27,907,410</u>	<u>\$30,622,866</u>
<i>General Funds</i>	\$11,516,023	\$13,592,154	\$12,174,391	\$14,877,154
<i>Federal Funds</i>	\$14,021,639	\$15,519,754	\$15,507,061	\$15,519,754
<i>Special Funds</i>	\$ 225,958	\$ 225,958	\$ 225,958	\$ 225,958

SUMMARY OF ACTIONS REQUESTED

Support the Governor's recommendation for increase in salaries

Support the HB 1020's recommendation for operating expenses

Support the HB 1020's recommendation for equipment

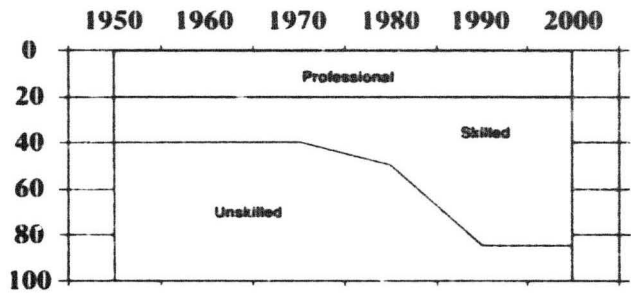
Increase the HB 1020's recommendation in the Grants Line item by \$1,900,000 to include the amounts needed to fund new and expanded programs, training time for instructors, equipment and technology update, and the new Workforce Training Initiative.

Increase the HB 1020's recommendation for the Adult Farm Management line item by \$585,000 to reinstate the reduction in reimbursement, to expand services throughout the state; to provide compatible technology, and to provide support for expanding the curriculum to include marketing education.

Reinstate the special line item of \$200,000 for Small Business Management

2/25/99

Dramatic changes in the workforce demand that we find ways to better motivate and better prepare a larger segment of the population...



...VOCATIONAL-TECHNICAL EDUCATION PROVIDES THE SOLUTION.

*Jobs of the Future
For North Dakotans*

OUR MISSION

North Dakota and the nation are currently experiencing a healthy economy. Credit for that can be attributed to the leaders, past and present, for choosing to invest in economic incentives. We are asking you to expand that investment.

The workplace is constantly changing, and so are the demands placed upon those who work there. More than 50% of America's employers say they cannot find qualified applicants for positions. This is why we need to address the mismatch between the skills of today's students and the skills they need for the workplace.

This business plan is about preparing North Dakotans to succeed in today's workplace. If we are serious about increasing the per capita income in this state, we must invest in the education and training of our citizens. A well-prepared labor force is the key to helping current businesses and industries we have and to recruiting new ones in the future.

In short this plan is designed to help pave the way for better jobs for the citizens of North Dakota and improved economic prosperity for the state.

Sincerely,



Mel Olson
State Director

OUR MISSION...work with others to provide all North Dakota citizens with the technical skills, knowledge, and attitudes necessary for successful performance in a globally competitive workplace.

THE NORTH DAKOTA SYSTEM DELIVERS...

A Comprehensive Secondary Program

Allows students to learn in a relevant, hands-on environment
Serves 35,000 students in 457 programs throughout the state
Provides vocational-technical education in six area vocational and technology centers

Efficient and Effective Postsecondary Programs

Serves more than 4,600 students at six campuses throughout the State

Programs are offered in:

Agribusiness	Office Education
Trade & Industry	Health Occupations
Marketing Education	Occupational Home Economics

A wide Array of Adult Education Opportunities

Partner with North Dakota University System to provide Customized Training to more than 10,000

Part time Adult short courses to more than 2,000

Adult Farm Management skills to more than 1,000

Small Business Management Programs in four planning regions

Guidance Services and Services to Special Populations

Vocational Guidance to 20,000 secondary and 4,500 postsecondary students

Educational Equity and Single Parent Programs

Six programs are offered at three correctional facilities

NEW INVESTMENT

North Dakota has invested wisely in education and training and has a number of excellent programs in place. The workplace, however, is changing rapidly in the areas of technology and organization, and we must designate additional resources to meet that demand. What distinguishes a competitive firm, a competitive state, or a competitive nation from the rest is the quality of its "workforce."

To maintain peak productivity, the workforce must be highly skilled and must be equipped with new equipment and new processes - from the latest automated equipment to teamwork and analysis. *This means our focus must be on customizing training, retraining teachers, upgrading equipment, upgrading curriculum, and redesigning many of the education and training practices.*

There must be an enhancement of basic skills and academic education. State-of-the-art education and training requires increased investment. A small increase in investment now will yield many future benefits for North Dakota.

We are encouraging you to increase investment in the following area:

ECONOMIC AND WORKFORCE DEVELOPMENT - to compete globally

- Customized Training for New and Expanding Businesses
- Small Business Management
- Adult Farm Management

MODERNIZATION AND RETOOLING - to keep up with the changing workplace

- Training and Updating Instructors
- Modernization of Equipment and Technology

MODERNIZATION OF DELIVERY SYSTEM - to provide equal opportunity and decrease duplication

- Program Expansions to Serve the Entire State

MODERNIZATION AND

*Equipment for High-Tech Consortiums,
Comprehensive High Schools, and Postsecondary Programs*

New Funding
Request

\$4,500,000
~~\$2,000,000~~ (50/50 matching funds)

Funding Purpose

To provide funding to upgrade vocational-technical equipment in comprehensive high schools, vocational centers, postsecondary programs, and high-tech consortiums.

Problem/Issue

Many vocational programs in the comprehensive high schools, postsecondary programs, and high-tech consortiums have a lack of equipment and materials, and much of what they have is badly outdated and needs to be modernized.

Results

Training with the use of 10-year-old technology is of little value. Modern, updated equipment is essential to effective vocational-technical classes.

Performance
Measurements

Bring comprehensive school programs and high-tech consortium programs up to industry standards over the next two bienniums.

Potential Benefits

Retention, Completion, and Placement Rates
Field Staff Evaluations

Equipment in twenty-five percent of the high-tech consortiums, comprehensive high schools, and postsecondary programs will be upgraded during each of the next four years.

MODERNIZATION AND

Staff Training for individuals in High-Tech consortiums, Postsecondary Vocational-Technical Programs, and Comprehensive High Schools

New Funding Request

~~\$750,000~~

Funding Purpose

To provide the necessary time and training to the vocational educators of the comprehensive high schools, postsecondary programs, and the high-tech consortiums to enable them to effectively incorporate the new high-tech equipment, and more effective teaching strategies into the curriculum.

Problem/Issue

Many times, new equipment and materials are purchased in educational facilities without providing for the necessary training to incorporate its usage into the lessons in an effective, efficient manner. The resources would be used to assist in providing the necessary training in the schools who receive the equipment funding.

Results

Necessary training would be provided to incorporate the new technology in the manner necessary to bring the programs up to industry standards.

Performance Measurements

Retention, Placement and Completion Rates
Field Staff Evaluations

Potential Benefits

Teaching staffs of schools who receive high-tech equipment grants would receive the training necessary to efficiently and effectively incorporate the use of the new technology in preparing people for the workforce.

ECONOMIC

Customized Training for New and Expanding Businesses

New Funding Request

\$1,000,000
~~\$1,500,000~~

Funding Purpose

To provide for the coordination of customized training at postsecondary campuses, vocational centers and other delivery points. To provide training and technical assistance to the coordinators statewide. To provide a fund to use for upfront money for start-up costs in quick response situations.

Problem/Issue

Campuses and centers need up-front money to be able to respond to industry's training needs by assisting in the assessment of businesses' specific needs, developing the customized curriculum, securing the trainers, and organizing for the use of the facilities. Business and industry have demonstrated a willingness to pay for the actual training; however, resources are required to organize prior to the actual training.

Results

Increase wages of current jobs and attract new jobs to North Dakota. The requested funding will enable the agency to continue to arrange training commitments to all new and expanding firms.

Performance Measurements

Wage Increases
Job Retention and Expansion
Number of Training Activities Conducted
Number of Businesses Served
Customer Satisfaction Surveys
Program Growth

Potential Benefits

During the past two years, customized training has conducted more than 570 training activities for more than 10,000 individuals. Plans call for expanding this service.

ECONOMIC AND WORKFORCE DEVELOPMENT

Retention and Expansion of Small Business Management Programs

New Funding Request	\$200,000
Funding Purpose	To expand Small Business Management programs to serve all portions of the state.
Problem/Issue	Currently there are small business management programs in six of the eight regional planning areas, however, they are slated to be cut as a result of the mandated 5% budget reduction. Funds requested would provide the necessary match required for federal funds which, together would provide funding for statewide programming.
Results	To increase the profitability of business operation by providing the management and decision-making skills required of business people in North Dakota. To improve the economic conditions of rural North Dakota.
Performance Measurements	Decrease in Business Foreclosures and Forced Sales Increase in the Profitability of Businesses in the Affected Areas
Potential Clients	Small Business Owners and Managers

Expansion of Adult Farm Management Programs and Develop Marketing Curriculum

New Funding Request	\$385,000
Funding Purpose	To expand Adult Farm Management programs to serve all portions of the state. To support the expansion of the curriculum to include marketing education for farmers and to encourage the creation of marketing clubs. To align various agencies such as: vocational education, the extension service and the university system in developing educational services through electronic means.
Problem/Issue	The Commission on the Future of Agriculture has indicated the above requests are essential in addressing the need to increase farm and non-farm cooperation that supports thriving rural communities. Adult Farm Management programs need to be made available to areas of the state that currently do not have access to these services. Adult Farm Management programs have demonstrated a high degree of success can be attained by working with farm families to improve management and decision-making skills.
Results	To increase the profitability of farming by providing the management and decision-making skills required of farmers in North Dakota. To improve the economic conditions of rural North Dakota.
Performance Measurements	Decrease in Farm Foreclosures and Forced Sales Increase in the Profitability of Farms in the Affected Areas.
Potential Clients	Farm Families

NORTH DAKOTA CITIZENS WANT MORE ACCESS TO VOCATIONAL-TECHNICAL EDUCATION

*...increased access to vocational-technical education and training
is essential to North Dakota's economic future.*

*Citizens Response (1997-98)
Enhancing Growing North Dakota Meetings*

*...need to redesign the higher education system to more fully
embrace career and technical education and the needs of
non-traditional, place-bound students.*

*Citizen's Response (1996-97)
Bush Foundation Study of Higher Education*

NORTH DAKOTA STATE BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

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Telephone: 701-328-3180
Website: www.voteched.state.nd.us

UND-Williston Workforce Training

UND-Williston has been very active in workforce training in 1996, 1997 and 1998. One example of this is a customized training program in medical transcription for Transcriptions, Ltd. with corporate headquarters in Marlton, New Jersey and operating 70 regional service centers throughout the United States. In addition, Transcriptions, Ltd. has established a service center in Williston which employs nine people. In 1996, 1997 and 1998 the college trained approximately 241 transcriptionists who work out of their home. The training is intensified and lasts from 10 weeks to 18 weeks. The training has been completed in the following communities:

Williston (customized training-58; regular college program-26)
Minot (19)
Ashley (8)
Beach (10)
Hettinger (10)
Tioga (10)
Crosby (10)
New Leipzig (10)
Bismarck (10)
Dickinson (20)
Sidney, Montana (20)

In the last months of 1998 the college completed training programs in Linton (10), Hazen (10) and Kenmare (10).

Starting in January 1999 the training will be carried out in the following communities:

Stanley (7)
Rolla (10)
Langdon (10)
Regent (10)
Elgin (10)
Hettinger (10)
Plentywood, Montana (10)

Later this spring the program will be moved to Fargo Tech Training Center, Jamestown and Grand Forks.

Payroll for the Williston Center is now at about 2½ million dollars. Medquest is the parent company for Transcriptions, Ltd. and they have purchased Medical Records Corporation. MRC was the largest medical transcription company in the nation.

- ◆ **created a workforce development position and program**
- ◆ **expanded services for students with disabilities**
- ◆ **expanded the co-op education program**
- ◆ **dedicated addition of resources to customize training, continuing education and outreach**
- ◆ **created community tech lab to better serve business and industry in the Williston Basin, state and region**
- ◆ **new program offered the Spring semester 1999 titled Computer System Specialist with two options which are the Systems Analyst and Computer Support Specialist**

OUTREACH EDUCATION & TRAINING PROGRAMS

Fall 1998

BOTE 171: Medical Terminology	21 enrolled students
BOTE 299: Medical Transcription	39 enrolled students*

***these students may be included in Transcriptions Ltd count**

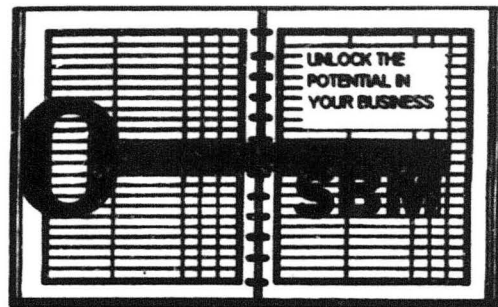
Spring 1999

BOTE 171: Medical Terminology	51 enrolled students
BOTE 172: Medical Terminology	8 enrolled students
BOTE 299: Medical Transcription	5 enrolled students

HB 1020
2/25/99

46 2

SENATE APPROPRIATIONS COMMITTEE



SMALL BUSINESS MANAGEMENT

BY

**HARVEY C. HERSLIP, DIRECTOR
SBM MINOT STATE UNIVERSITY**

SMALL BUSINESS MANAGEMENT

North Dakota survives on the existence of small businesses. In fact, 99% of all businesses in ND are classified as small business. Therefore, they make up the economic impact of our state and nation. Job creation is one of the significant contributions of the small business sector. From the White House Conferences on Small Businesses the experts predicted that the number of new jobs created by small businesses is 95% of all jobs. The small businesses of our nation provide for 53.5% of all sales. They also rank 4th in the world in the production to the Gross National Product.

MISSION STATEMENT

The mission of the Small Business Management program (SBM) is to provide long-term educational assistance to small businesses in order to improve organizational, management, and operational skills, thus increasing the success rate for small businesses in our area. The goal for the program is to not only educate and support its participants, but also to recruit and support the non-traditional small business owner including women, minorities, and people with disabilities.

PROGRAM DESCRIPTION

The SBM program is designed to assist the business person in understanding the unique aspects of their own business and in gaining the appropriate tools and knowledge that are necessary to render timely and competent management decisions—all to ensure that the business succeeds.

Every year small businesses are started with entrepreneurial dream of self-reliance and independence. However, all too often the dream fades as those same businesses close their doors due to lack of management skills. The failure rate for small businesses is 50% to 75%. The goal of the SBM program is to increase the success rate for small business owners including those in rural communities.

The success ratio for the small businesses that have been enrolled in the SBM program in the state has been at 90%. The Minot program has been in existence for about four year and the success ratio is 100%. This clearly demonstrates that by equipping small business owners with the skills they need, their businesses can beat the odds to survive and thrive in today's competitive market.

Besides helping the business remain open, the SBM program helps reduce the risk of being self-employed, increases the opportunities for increased income, provides new employment options for others—all to help the owner meet their family and business goals.

The SBM program is one of information, counseling, and educational assistance. The program is coordinated and delivered on a three-year basis to persons presently operating a small business.

The purpose of the three-year Small Business Management program is to help the business professional improve the effectiveness of their business operation and help them to reach organizational goals through continued business education. This is accomplished by the design of the program to help business owners/managers better understand their customers, their products, and competition; and to better manage their time, money, employees, and other capital resources.

The SBM program is unique in that it is divided into two distinct curriculum activities. The first is the classroom situation where

topics of management are covered to meet the needs of the participants. The second part is individualized sessions with each business owner at his or her place of business. This is the ultimate hands-on laboratory, because the business owner can discuss individual problems confidentially. The entire program is designed to fit into the business operator's working schedule. The schedule of a small business owner usually does not allow for continuing education in a formalized setting such as college.

The educational focus of the program covers various management topics including records, financial statements, cash flow, profit planning, business projecting, computer technology, internet marketing, and a special emphasis on managing and improving business profits.

In the Small Business Management program, the analysis of the student's own business is a vital tool in making management decisions. The real-life situation is a key factor in keeping the instruction relevant to each student's individual and family needs.

Some of the other designed benefits to the participants are:

- A. Receive software developed by the instructor for use in developing financial analysis.**
- B. Help the owners understand how to read the analysis of their business.**
- C. Greater ability to adapt to change in response to predicted trends.**
- D. Increased knowledge to technical aspects of the business operation.**
- E. Improved ability to recognize the use and value of auxiliary services and agencies in the operation and management of the business.**
- F. Increased sense of civic responsibility to the welfare of the whole community.**
- G. Established network of fellow entrepreneurs/managers through acquaintance in the SBM program.**

This comprehensive Small Business Management program helps improve the economy on local state, and national levels, because businesses are surviving, in many cases due to educational assistance provided by the SBM program. These businesses are creating and maintaining needed jobs and economic opportunities for many North Dakotans.

Recently the SBM program conducted a statewide survey of businesses that have participated in the program, to help gather information regarding their perception of the benefits they received and recommendations for future program development. The following are some of the results of the survey supporting the effectiveness of the SBM program:

- 1. Seventy percent of the business surveyed indicated that their income had increased.**
- 2. Thirty-seven percent indicated an increase of employees.**
- 3. Eighty-eight percent indicated a moderate to extensive benefit to the survival of their business.**
- 4. Ninety-nine percent indicated the SBM program has been effective to very effective for their business.**

The SBM program is open to all business owners or operators, which lends itself to anti-racism and anti-sexism. There is an open admission for all small business professionals.

Women-owned businesses make-up 40-50% of the enrolled business.

Fifty-percent of the businesses are directly related to the farming industry.

SMALL BUSINESS MANAGEMENT

STATE-WIDE SURVEY

OBJECTIVES OF THE SURVEY

This evaluation includes the following objectives:

- A. To assess the perceived value of the program to SBM enrollees.
- B. To determine specific economic benefits of the program for SBM enrollees.
- C. To identify enrollees recommendations for program improvements.

The overall objective of this study is to provide Small Business Management program Coordinators and Administrators with information regarding perceptions, benefits received, and recommendations for future program development

PROFILE SECTION

A. Length of enrollment?

	<u>Number</u>	<u>Percentage</u>
Less than 1 year	19	14.96
1 year	17	13.4
2 years	29	22.8
3 years or more	62	48.8

B. Gender?

	<u>Number</u>	<u>Percentage</u>
Female	71	55.5
Male	57	44.5

C. Type of Business?

	<u>Number</u>	<u>Percentage</u>
Retail	66	41.3
Wholesale	11	6.9
Service	60	37.5
Construction	12	7.5
Manufacturing	11	6.9

D. How many years have you operated your business?

	<u>Number</u>	<u>Percentage</u>
Less than 1 year	8	6.3
1-5 years	49	38.6
5-10 years	28	22.
over 10 years	42	33.1

E. Approximate gross sales volume during the past year? (in thousands of dollars)

	<u>Number</u>	<u>Percentage</u>
0-49.9	8	6.3
50-99	29	28.8
100-249	32	25.2
250-4990	23	18.1
500-1 million	14	11.
over 1 million	6	4.7

F. Including yourself on the average how many people does your business employ?

646 Total Average 5

SURVEY SECTION

1. Since your participation in the SBM program, has your business income:

	<u>Total</u>	<u>Percentage</u>
Increased	87	69.6
Remained approximately the same	31	24.8
Decreased	7	5.6

2. Since you enrolled in the SMB program, has the number of people employed:

	<u>Total</u>	<u>Percentage</u>
Increased	42	37.2
Decreased	2	1.8
Remained the same	69	54.3

3. What business topic(s) in the SMB program have been most beneficial?

- **Formation of charts of accounts and their proper use.**
- **Reports and their use.**
- **Accounting principals**
- **Financial record keeping, analysis**
- **Sales - type - location**
- **Bookkeeping**
- **Ledger help**
- **Marketing**
- **Business Plan**
- **Quarterly reports**
- **How to record charges and credit cards**
- **Employee management**
- **P & L's - Balance sheets (preparing and understanding)**
- **Income - Disbursements**
- **Setting up budgets and procedures**
- **Tax preparation**
- **Dealing with customers, customer relations**
- **Help from instructor solving problems**
- **How to run and manage a business**
- **Turning your inventory**
- **Projection of costs, sales, report needs**
- **Cost analysis**
- **Customer service**
- **Collections**
- **Rate structure**
- **On-site visits**
- **Networking**
- **Class participation**
- **Pitfalls to look out for and opportunities to take a look at, evaluate and decide if it fits your business and personality**
- **Everything discussed is needed to round the program out for the benefit of the various businesses in class**
- **Refresher course on all elements**
- **Advertising**
- **National and regional trends**
- **Displaying**
- **Professional development**
- **Difficult to list a single topic, it has all been very beneficial**
- **Governmental regulations, management, meeting challenges, finance, banking practices**
- **Employees manual**

- **Business policy**
- **Everything! Well delivered. Instructor really knows business.**
- **Looking at expansion**
- **Advice to hire a bookkeeper saved me money and time**
- **Debt to equity ratio**
- **Learning how to be a manager and think and act like a manager.**
- **Thinking outside my normal perception.**
- **Trying new ideas, planning ahead, forecasting.**
- **Setting up books on computer and listing accounts**
- **Communicating with other small business owners and potential owners**
- **Computers**
- **One on one meetings**
- **Understanding corporations and taxes**
- **Bidding and estimating**
- **Leases**
- **Buying and selling a business**
- **Involving family members in the business**
- **Bankruptcy - instructor helped us save our business**
- **Partnerships**
- **Margins**
- **Locations**
- **Sizing the competition**
- **Gross profit and gross margins**
- **Market niches**
- **Bill collecting**
- **Capital investment/depreciation**
- **Relating business profit to personal taxes**
- **Legal formation and taxes**
- **Cash needs**
- **Government red tape**
- **Bank reconciliation**
- **Year-end closing**
- **Reading accountant's reports**
- **Understanding the difference between S Corp and C Corp**
- **Recognizing different customer niches**
- **Patents**
- **Finance charges and collections**
- **Help with advertising brochures**
- **Lease negotiating**
- **Display**
- **Planning**
- **Difference between corporation and one-owner business**
- **Comparing with previous year**

4. To what degree have the coordinator on-site visits to your firm been beneficial?

	<u>Total</u>	<u>Percentage</u>
None	0	
Limited	3	2.3
Moderate	28	21.8
Extensive	97	75.8

Please write comments:

- Helps to keep us updated on what new law changes or business ideas there are.
- Very helpful
- Instructor has helped me set up a complete accounting program which is a service I was paying for before.
- Checking records to see what products or services are making a profit or not and discussion on why.
- Some of the things done could have been off site, but on-site was helpful.
- The visits were usually unexpected and therefore not much got accomplished.
- Most of the points about marketing have already been figured out by the time the coordinator comes again.
- Instructor makes monthly visits
- Most of the instruction I received happened here.
- So convenient.
- Looks at and helps personalize information. Applies info to your specific business.
- Many recommendations were given as to arrangement of merchandise, plus intensive help with record keeping.
- To specifically help us think through the last class ideas and apply to our business. Instructor has excellent ideas and so much experience to offer us.
- Instructor gets a much clearer view of your business and knows what areas need work.
- Good concept.
- On-site visits allow the business the opportunity to address concerns specific for their type of business.
- We discussed condensing and expanding retail and remodeling. I don't think I would have had he not encouraged.
- Instructor can give you insight with the on-site visits. He sees your operation work.
- Pushed me to be more focused, to plan, to look ahead, to keep my records up. I think things through more now.
- Assistance very helpful. Instructor is able to adapt to my problems and needs. He challenges me and I need it.
- I just joined and haven't opened yet, but I think in the future it will be extensive.

- Unless I would lead the meeting with a specific questions or topic, these meetings have been rather general. I would prefer them to be more specific to my business.
- It's great having help. Instructor knows business.
- Chance to follow-up on areas from class. We work on many items that we haven't brushed on yet.
- Got me on track. Helped me get them corrected. Provides many ideas and challenges me.
- Instructor's on-site visits are very beneficial and looked forward to by all of us. His "third party" insight is a fantastic way to see your business from another point of view.
- This is the most beneficial aspect of the program.
- Helped me get financials for bank. Instructor very interested in helping. Thanks!
- Sensitive subjects can be discussed extensively.
- We appreciate the 1-on-1 visits where we could work confidentially on projects. Would highly recommend these classes to any business.
- The on-site visits reinforced everything that was taught in class. It also helped correct areas that you had made mistakes in.
- Instructor spends a lot of time with us, giving us new ideas, showing us different things on our paperwork. He's a big help.
- As a business we need input from someone who sees our business from the outside.
- Instructor has helped me out tremendously with special projects, such as computerizing my business, tax laws, employment.
- This is probably the most valuable part of the program. It custom tailors the program to your needs.
- Instructor was able to see things at our business we might look at (evaluate), expand, drop, and other suggestions. His knowledge was invaluable.
- Helped set up inventory file
- Walked me through so I knew it and can do it. Worked on important things to me.
- Because our start-up is extremely slow the one-on-one is harder because we have no daily business place, however, for the office organization, setting up record keeping it is great.
- It makes you aware of how important your record keeping is. If you don't have that help you have no idea where your at. So with the visits we are kept aware off what we have to do to succeed.
- Instructor is very supportive and informative.
- Helped a lot in getting our computer programming operational.
- The on-site visits would be much more beneficial if I was more prepared when the instructor comes.
- This is an area that has helped with many specific, individual problems and questions.
- Got my bookkeeping in order. Gave me lots of marketing ideas.
- It seems I'm always calling for help.
- We switched from using a CPA to doing our own books.
- Would have been lost without instructor. Wish he could have come more than once a month.
- Knew so much and if he didn't know he seemed to know who to contact.
- We talk a lot about marketing and inventory control.
- Helped me find software for my Mac computer.
- Learned so much about reading financial reports.

- Visits are productive.
- Assistance was invaluable.
- Good suggestions on store layout and traffic
- Got us off on the right track.
- We use an in-house office manager. Excellent assistance for her.
- Helped me read reports and showed me it wasn't feasible to be in business anymore.
- Excellent help with loan papers and computerized accounting.
- Instructor tried to make sure I understood the consequences of my decisions.
- Been able to stop some family disagreements about partnerships.
- Government paperwork was made much easier.
- I am handicapped from car accident. Took longer for me.
- Best part of program.
- Helped me see I wasn't making any money.
- Helped find a new tax accountant.
- Reports are a breeze now.
- The best teacher I've had in my life.
- Started in our home and went to a shop.
- I was a long way from the instructor's office and he came out to assist me.
- I get more done than ever and have time to spare.

To what degree have the classes been of benefit?

	<u>Total</u>	<u>Percentage</u>
None	2	1.6
Limited	11	8.9
Moderate	61	49.6
Extensive	49	39.8

Please write your comments:

- I have been unable to attend.
- Need more information on sales.
- Made very little use of classes offered.
- Discussions and how other businesses handled similar situations was helpful.
- I found most of the classes were difficult to attend due to scheduling conflicts.
- Aids in setting up correct bookkeeping, income tax records, filling out sales tax forms, profit and loss, and balance sheets.
- Very informative
- They have helped us to know more about our business and what if any changes we need to make to be successful.

- **It has helped to get my mind thinking processes through and giving consideration to situations that may arise, when these are actually in practice then the benefit will be extensive.**
- **Good information, ideas, techniques. I try to make everyone of them.**
- **Helped to discuss with other businesses.**
- **Have not been attending the last few years as an advanced student.**
- **Gave us a resource group to gather information from. Put the entire perspective of small business before us to evaluate and analyze.**
- **They are good for the knowledge let, but the office visit rounds the program out and clears the picture.**
- **Classes can show practical applications and solutions discussed or dealt with at the classroom level.**
- **Instructor has a wealth of information about every aspect of business.**
- **Beneficial. It's good to hear other people's problems or concerns and point of view.**
- **As of right now I would say moderate, but it is moving toward extensive.**
- **Awareness was heightened in crucial areas, practical help was given, managers are challenged to apply information and put it to use.**
- **It was the classes that helped me keep on track with the direction that I wanted the business to move.**
- **Our way to thinking about business was changed with new focuses and goals.**
- **The overall awareness and education.**
- **Very informative, discussion good, excellent materials.**
- **Great for idea building.**
- **The classes are such a benefit to us. The handouts, surveys, updates and newsletters help us evaluate our own business and performance. Relating to others in class is insightful.**
- **Good classes and shouldn't miss any. Seems like it is difficult to make at times but seems like classes should be longer for materials I use.**
- **I planning much more. Many things were developed as I should've. Planning taken is tremendous in helping.**
- **The classes really help you manage your business rather than let your business just drift along. They teach you, give you the tools needed to guide your business forward.**
- **Have only had 3 classes but I really enjoy them and think that in the future they will be extensive. Very helpful.**
- **Always a topic I need and is important. Handouts are good. Best is the pieces for planning that are given at each class.**
- **Interesting. Ball of information, tips and ideas. Great for discussing problems with others. I use the workbook materials.**
- **I don't think anybody knows everything. I learn in every class.**
- **Helped salvage my business during the 80's after the oil pulled out.**
- **When we started in management we knew zero, now we are beginning to feel like we are getting a grasp on the management things because of our SBM classes.**
- **Since we are an unusual business and no employees there was much not able to apply. Found what we could use most helpful.**
- **Helped with loan application process. Made us aware of not just getting the work done but managing as well.**

- Good presentations. Very informative. Good networking with classmates. Motivating.
- We can talk to other small business owners and discuss things that have worked or not worked for us.
- I might not have known where to get the information we learned in class. The videos and helpful and have a lot of info and good information.
- Especially the class on negotiating a lease.
- Most classes retail/wholesale oriented.
- Classes on government regulations were of immense help.
- Always looked for suggestions from class members
- Have attended some classes on some topics twice to understand them better.
- Made some good contacts with people.
- We got some very good leads from people in class.
- Not a lot of classes on manufacturing.
- Some topics were more retail oriented and weren't applicable to the construction industry.
- I have been able to apply our classes to our business so well.
- Not all classes pertained to the insurance business but they were still interesting.
- Should have attended more than I did.
- Relevant topics.

6. What do you believe should be the length of time for participation in the SMB program?

	<u>Total</u>	<u>Percentage</u>
1 year	2	1.6
2 years	21	16.4
3 years	50	39.1
continuous	55	42.9

7. Do you believe the SBM program provides services that are not available in other educational offerings?

	<u>Total</u>	<u>Percentage</u>
Yes	61	64.9
No	1	
Don't know	32	36.1

8. How do you rate the effectiveness of the SBM Program?

	<u>Total</u>	<u>Percentage</u>
Very Effective	79	62.2
Effective	47	37.
Ineffective	1	.8

9. To what degree would you recommend participation in the SBM Program to another individual engaged in business?

	<u>Total</u>	<u>Percentage</u>
Strongly Recommend	84	65.6
Recommend	44	34.4
Not Recommended		

10. Are there any additional comments you wish to make about the program?

- RE: #6 - I think that after a person has become able to comprehend most things being taught in the program, then maybe fewer visits would be better idea.
- Any person starting a new business or people with existing businesses need help in accurate record keeping.
- At the time our instructor seemed to understand accounting principals. We had no idea what purchasing journals even looked like, let alone how to keep one. Both my wife and I had a very hard time understanding our instructor.
- I feel the coordinator should make more frequent on-site visits and work closer with the accounting to begin with to get the person feeling more at ease with the journal. More push needs to be made here.
- Would like to have a fully developed accounting system with less data entry and quicker reporting. Need help to eliminate old inventory, improve cash flow.
- It's great and the instructor has been great.
- Keep it up!
- The most important thing would be to get new business started on the program before trouble gets them there.
- Instructor is terrific as instructor at UND-W
- Should be part of any State funding (reduced rate classes i.e. PACE). Is a good overall business management training.

- **The instructor has not forgotten us even though it's a few years since we took the classes. He stops in to see if everything is going o.k. Now that's something!!**
- **I think the books the instructor is putting together for us at each class applying the principals is great.**
- **It is a very good class. Also recommended that the owner's secretary also come to the classes.**
- **We wish we would have had the opportunity to be involved in the SBM program when we first started our business. We would strongly encourage new businesses and old to become involved.**
- **It is a class and support system that is definitely needed in any community. Instructor had an answer for everything.**
- **Instructor is the program without him the program would not be as effective. His experience in business gives you an insight.**
- **Sometimes I wish I could get it faster but I probably wouldn't make it if it met more often. I should do more with it. Helped keep me in business.**
- **I think the program is a great program of anyone who is beginning a business. There is so much a person doesn't know and it is a very helpful program. Anybody who wants to succeed in what they do and keep on the right track and get information and ideas from other business owners should be recommended to take this class.**
- **Comp. plan is very helpful to me.**
- **I don't want to miss a thing. Everything looks great. Don change a thing.**
- **Discussions with others is helpful. I'd probably be out of business if it weren't for class. Instructor is very interested in me and how my business does. He also challenges me to improve. Best program I've ever taken.**
- **I enjoy and benefit from this program so much that if was offered continuously I will enroll and attend as long as the business is in operation.**
- **Instructor is the reason we're in business today.**
- **Great investment. Everyone could benefit.**
- **Instructor is an excellent teacher. Knowledgeable. Works well with the class. Always builds confidence and self-esteem with his participants.**
- **Very beneficial to our business.**
- **The in-store visits are one of the highlights of my month. A person who will look at your business from the outside and give objective advice options.**
- **Without the training from the SBM class the company would have bone bankrupt within the second year. Thanks.**
- **The SBM program does provide services unavailable in other educational offerings. Considering the percentage of failed small businesses and the number of small businesses in ND it is logical to put efforts into this area of education. Managers appreciate the services and communities benefit from the results.**
- **I think the program is a great help with a small business. Instructor is a great teacher and I look forward for the rest of the year to learn anything that can help make business life more profitable.**

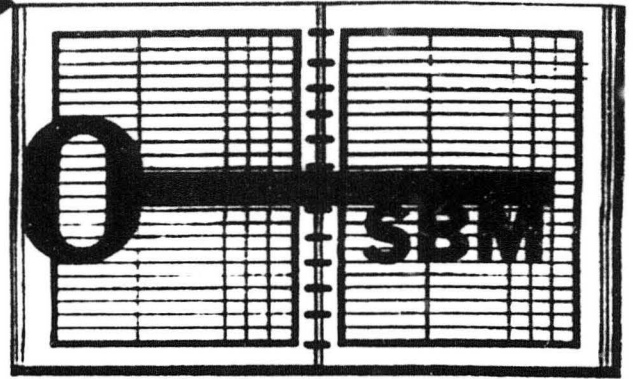
- **I think including a segment about "Giving a Presentation" would benefit our business. Our SBM instructor introduced me to a computer program that is great at preparing presentations. Maybe even have the enrollees prepare and present a presentation to the entire class and have the class grade or provide support and suggestions.**
- **The SBM program has helped me be more aware of myself and my business decisions. I feel confident that my business will prosper thanks to SBM and the instructor.**
- **I enjoy the program but the information seems to come at me too fast. With all the good information available from the program once a month for 3 years just isn't fast enough.**
- **SBM program is a very good program for the small business community. There is not much help out there for the little guy and it seems the big business just consumes everyone eventually.**
- **I believe this program has re-assured our business of the right direction we are heading. I think a graduate should be allowed to stay in touch and be given on-going contacts and direction to help future directions of their business.**
- **It's worth the time, effort and money.**
- **We use the material as an ongoing reference library. Our instructor continues to be a resource, interested and concerned. The on-site visits allows for a tailored class to our specific business needs, pitfalls and strengths.**
- **Should have gotten in sooner. I need the training and help. I'm not alone.**
- **Once I see the whole picture from startup to success I will feel confident. At this point I am excited at putting together our functional manuals and getting systems into place for the test of making a business with a growing profit margin and an increasing parameter.**
- **I feel that this is a program that should not be cut. Sometimes it's a lifeline for new business to get information we didn't know how to get. We get help with our accounting. No one likes to do book work but you learn how vital it is to your business to know exactly what you have. Marketing is a must in these classes. You get ideas you didn't think of before. Thank you for having this class out there and you would do a lot of people a great disservice if it's cut.**
- **I have really enjoyed my classes and being able to participate with others involved in business. The instructor has been wonderful to work with.**
- **It's a great program and instructor is extremely helpful.**
- **Has been beneficial and very informative in setting up bookkeeping, accounting and marketing.**
- **Wish I had gone thru the program before starting my own business.**
- **I really enjoy the opportunity to visit and exchange ideas with other participants starting and growing businesses.**
- **I cannot express enough the help that has come from meeting with other small business people and the communication of ideas this has produced. The knowledge and help of the instructor in taxes, financial and accounting and general business information has been extremely helpful to me.**
- **I'm a one man manufacturer and seller. Got a lot of good ideas of where and how to sell my product.**
- **We were enrolled for three years and then five years later we re-enrolled when we computerized. We've been enrolled ever since.**

- I still use the instructor to help me close out the books every year.
- Thinking of selling my business. Will definitely be calling for advice.
- Used SBM to select a computer and software for our business.
- One of the best business decisions I ever made.
- Where do you begin. Every aspect of operation was covered. A great teacher, a great consultant, and a great friend.
- Just recently asked for help on pay plans.
- Very professional assistance. Sometimes seemed to know more than our tax accountant.
- Got what I needed in less than a year. Everything is working fine.
- Confirmed my feelings that the business was not profitable enough to keep operating.
- We have used SBM for 8 years and 3 family businesses.
- Instructor was very helpful when I bought out my partner.
- Steps in determining price I still use.
- My present business partner had owned another business and recommended that I enroll in SBM. It was a good decision.
- After five years decided to downsize my salon to just myself and get rid of employee headaches.
- Had a small vending business that wasn't large enough to make it worth my while. Decided to quit and liquidate.
- Thinking of reupping because we have anew computer.
- Wish we would have gotten involved sooner. We feel much more confident now.
- We recently sold the business and have started a new one in Oregon.
- Instructor was there when I needed him.
- I had worked for a business that was enrolled in program. When I went into business for myself I made sure I contacted the instructor.
- Instructor helped save our business when he helped us with disaster loan application.
- I've sent two other firms to talk to instructor and have them enrolled.
- If we had taken classes earlier possibly we would have done better.
- Have only been enrolled 9 months but it is well worth the cost.
- I had never touched a computer before enrolling in the class. Now I'm lost without it.
- Have owned a restaurant for 17 years. Have learned more about the operation in this last year than the previous 16.

HD 1020

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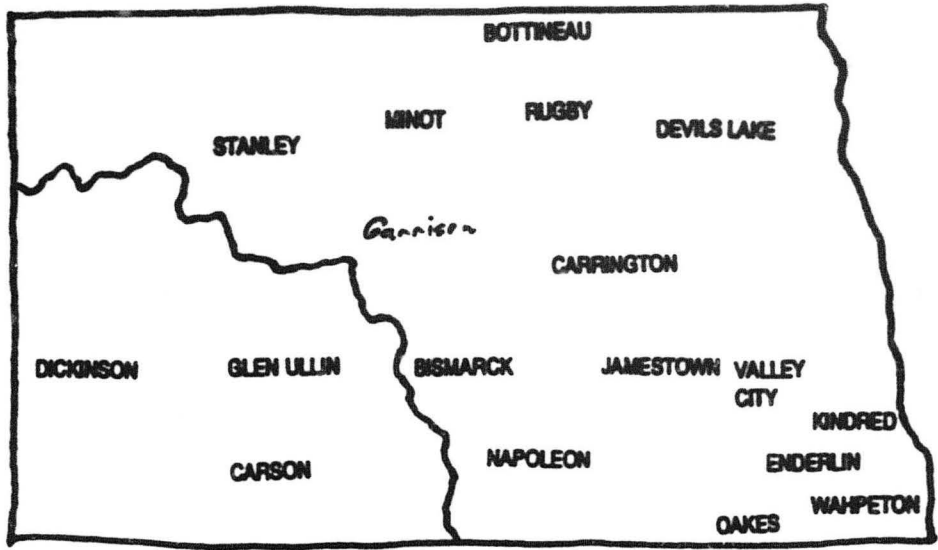
NORTH DAKOTA VOCATIONAL AND TECHNICAL EDUCATION

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2/25/99

3

Location of Farm Business Management Education Programs in North Dakota

DALE ANDERSON
STANLEY



SCHOOLS AND INSTRUCTORS PARTICIPATING

SCHOOLS	INSTRUCTORS
Bismarck (BSC)	Mark Holkup
Bottineau (MSU)	Rueben Mayer
Carrington High School	Steve Metzger
.....	
Carson High School	Vern Frederick
Devils Lake (UND-LR)	Jay Olson
.....	Ray Sletteland
Dickinson (DVC-HS)	Jerry Tuhy
Enderlin High School	Virgil Dagman
Glen Ullin High School	Vernon Boeshans

SCHOOLS	INSTRUCTORS
Jamestown (JVAVTC)	Marvin Knell
.....	Connie Ova
Kindred High School	Ron Smithberg
Minot High School	Tom Hanson
Napoleon High School	Ron Willardsen
Oakes (SEAVTC)	Robert Schaefer
Rugby High School	Allen Graner
Stanley High School	Dale Enerson
Valley City (VCAVTC)	Shawn Steffen
Wahpeton (NDSCS)	Keith Torgerson

*In Cooperation with
The North Dakota State Board for
Vocational and Technical Education*

NORTH DAKOTA FARM BUSINESS MANAGEMENT EDUCATION PROGRAMS
1997-98

FINPACK: FINAN 1998 Financial Analysis
Center For Farm Financial Management
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er: [REDACTED]

[REDACTED]
Powers Lake, ND
Description: 08 Financial Analysis
File: [REDACTED]
Date: February 22, 1999

*** ACCURACY CHECKS ***

CASH FLOW CHECK

Beginning cash balance	10,931	Ending cash balance	10,279
Gross cash farm income	152,432	Total cash farm expense	122,215
Capital sales		Farm capital purchases	55,583
Nonfarm income	5,788	Nonfarm cap purchases	-
Money borrowed	140,857	Principal payments	89,519
Gifts and inheritances	-	Gifts, other outflows	-
Beg nonfarm savings	17,433	Ending nonfarm savings	16,786
(A) Total cash inflows	327,441	(B) Subtotal cash outflows	294,382

Apparent money used for family purposes	(A-B)	33,059
Household capital purchases	(-)	-
Income tax and social security	(-)	83
Apparent family living expense	(=)	32,976
Family living expenses reported	(-)	32,962
Discrepancy	(=)	14

LIABILITIES CHECK

Beginning liabilities		71,802
Money borrowed	(+)	140,857
Principal payments	(-)	89,519
Change in accounts payable	(+)	-600
Ending liabilities calculated	(=)	122,540
Ending liabilities reported	(-)	122,542
Discrepancy	(=)	-2

*** PROFITABILITY *****

		Cost	Market
(J) Net farm income	(I+K)	29,633	18,668
Labor and management earnings	(J-L)	10,042	-1,540
Rate of return on farm assets	(O/P)	4.4 %	1.7 %
Rate of return on farm equity	(Q/R)	3.0 %	-0.4 %
Operating profit margin	(O/S)	11.4 %	4.7 %
Asset turnover rate	(S/P)	38.3 %	37.3 %

(K) Change in market valuation			-10,965
(L) Interest on farm net worth	(R* 6%)	19,591	20,208
(M) Farm interest		8,908	8,908
(N) Value of operators labor & mgt		20,000	20,000
(O) Return on farm assets	(J+M-N)	18,541	7,576
(P) Average farm assets		423,684	433,967
(Q) Return on farm equity	(J-N)	9,633	-1,332
(R) Average farm net worth		326,512	336,795
(S) Value of farm production		162,080	162,080

***** LIQUIDITY *****

		Cash	Accrual
Gross cash farm income	(C)	152,432	152,432
Inventory change-income items	(+)		-4,753
(T) Gross farm income	(=)	152,432	147,679
Cash farm expense	(D)	122,215	122,215
Inventory change-expense items	(+)		-1,567
(U) Total farm operating expense	(=)	122,215	120,648
Net farm operating income	(T-U)	30,217	27,031
Net farm income	(+)	5,788	5,788
Family living & taxes paid	(-)	33,059	33,059
(V) Available for principal payments	(=)	2,946	-240
Principal pymts on long term debt	(-)	3,337	3,337
(W) Available for intermediate debt	(=)	-391	-3,577
(X) Average intermediate debt		27,860	27,860
Yrs to turnover intermediate debt	(X/W)	999.0	999.0
Term debt coverage ratio		33 %	19 %
Operating expense as % of income	(U/T)	80 %	82 %
Interest as a % of income		6 %	6 %

***** SOLVENCY (Market) *****

		Begin	End
Total assets		475,745	520,578
Total liabilities		71,802	122,542
Net worth		403,943	398,036
Change in net worth			-5,907
Current percent in debt		42 %	61 %
Current & intermediate pct in debt		14 %	18 %
Long term percent in debt		29 %	45 %
Nonfarm percent in debt		- %	- %
Total percent in debt		15 %	24 %

***** CROP SUMMARY *****

Total acres owned	603
Total crop acres	1,497
Crop acres owned	117
Crop acres cash rented	1,363
Crop acres share rented	16
Total pasture acres	1,737

***** CROP YIELDS *****

	Acres	Yield
Durum Wheat		
Bill's 45.1	45.1	33.3 bu.
Bill's 30.1	30.1	39.9 bu.
Dick's m20	20.0	33.0 bu.
Dick's 6.4	6.4	39.1 bu.
Dick's 59.9	59.9	30.1 bu.
Home n17.0	17.0	40.5 bu.
Home 33.2	33.2	39.9 bu.
HomeN e38	38.0	29.9 bu.
HomeS 65.6	65.6	36.6 bu.
HomeSW 5.8	5.8	39.7 bu.
HomeSW e29.8	29.8	33.6 bu.
HomeSW w34.3	34.3	35.0 bu.
Larry's 9.2	9.2	35.9 bu.
Larry's 41.2	41.2	32.8 bu.
Moen ne35.3	35.3	34.0 bu.
Moen s16.3	16.3	33.7 bu.
Moen s35.5	35.5	33.8 bu.
Moen 29	29.0	33.6 bu.
Moen sw34.4	34.4	32.0 bu.
Moen sww41	41.0	34.1 bu.
MoenE 33.8	33.8	31.1 bu.
MoenE 28.6	28.6	30.8 bu.
MoenS 14.7	14.7	34.0 bu.
MoenS 31.6	31.6	34.8 bu.
MoenNW 8.0	7.3	34.2 bu.
MoenNW 18	17.3	30.1 bu.
MoenNW 45	41.9	33.9 bu.
Brendens16.4	16.4	47.6 bu.
Clover Hay		
Dick's 22.1	22.1	1.3 ton
Moen n10	10.0	2.3 ton
Moen s26.0	26.0	1.7 ton
MoenNW e36	36.0	1.9 ton
Canola		
Home 40.8	40.8	14.4 cwt.
Oats		
HomeN w39	39.0	48.7 bu.
Moen see37	37.7	61.0 bu.
Fescue Grass Hay		
Moen se36.8	36.8	2.1 ton
Alfalfa Hay		
Brian's 27.1	27.1	0.9 ton
HomeW 7.9	7.9	1.1 ton
HomeW 37.6	37.6	0.9 ton
HomeSW 27.5	27.5	1.1 ton

TOP ENTERPRISE ANALYSIS (continued) ***

	Fallow Moens 47 Cash Rent	Fallow Moens 8.2 Cash Rent	Durum Wheat Moens 14.7 Cash Rent	Durum Wheat Moens 31.6 Cash Rent	Durum Wheat Moens 8.0 Cash Rent	Durum Wheat Moens 18 Cash Rent	Durum Wheat Moens 45 Cash Rent	Clover Hay Moens 16 Cash Rent
RETURNS								
Acres	47.00	8.20	14.70	31.60	7.30	17.30	41.90	36.00
Unit			bu.	bu.	bu.	bu.	bu.	ton
Yield per acre	-	-	34.01	34.81	34.25	30.06	33.89	1.86
Share of production (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Value per unit	-	-	3.00	3.00	3.00	3.00	3.00	35.00
Total product value	-	-	102.04	104.43	102.74	90.17	101.67	65.14
Other crop income	-	-	-	-	-	-	-	-
Gross return per acre	-	-	102.04	104.43	102.74	90.17	101.67	65.14
DIRECT EXPENSES								
Seed	-	-	10.00	10.00	10.00	10.00	10.00	12.25
Fertilizer	-	-	7.21	7.22	12.60	12.60	12.58	-
Crop chemicals	2.40	2.44	17.82	17.82	17.95	15.61	15.66	2.39
Crop insurance	-	-	9.86	9.87	10.95	10.87	10.88	-
Custom hire	1.83	1.83	19.86	19.84	8.08	7.86	7.83	1.83
Land rent	15.00	15.00	14.97	15.00	15.07	15.03	14.99	15.00
Fuel & oil	2.52	2.52	2.52	2.52	2.52	2.52	2.52	3.37
Repairs	3.61	3.61	3.61	3.61	3.61	3.61	3.61	4.82
Operating interest	1.56	1.56	1.56	1.56	1.56	1.56	1.56	2.09
Total direct expenses	26.93	26.97	87.43	87.45	82.36	79.67	79.63	41.74
Return over direct expenses	-26.93	-26.97	14.61	16.98	20.38	10.51	22.04	23.40
OVERHEAD EXPENSES								
Labor	2.54	2.54	2.54	2.54	2.54	2.54	2.54	3.39
Machinery & bldg leases	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.06
Real estate taxes	-	-	-	-	-	-	-	-
Farm insurance	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.66
Utilities	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.21
Dues & professional fees	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.86
Interest on interm. debt	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.44
Interest on lng term debt	-	-	-	-	-	-	-	-
Machinery depreciation	8.17	8.17	8.17	8.17	8.17	8.17	8.17	10.89
Building depreciation	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.09
Miscellaneous	0.96	0.96	0.96	0.96	0.96	0.96	0.96	1.27
Total overhead expenses	14.16	14.16	14.16	14.16	14.16	14.16	14.16	18.87
Total expenses	41.09	41.12	101.58	101.60	96.51	93.82	93.79	60.61
Net return per acre	-41.09	-41.12	0.46	2.83	6.23	-3.65	7.88	4.53
OTHER INFORMATION								
Direct expense per unit	-	-	2.57	2.51	2.40	2.65	2.35	22.43
Total expense per unit	-	-	2.99	2.92	2.82	3.12	2.77	32.57
Net return per unit	-	-	0.01	0.08	0.18	-0.12	0.23	2.43
Breakeven yield per acre	-	-	33.86	33.87	32.17	31.27	31.26	1.73
Est. labor hours per acre	1.51	1.51	1.51	1.51	1.51	1.51	1.51	2.02
Lbr & mgt charge per acre	8.96	8.96	8.96	8.96	8.96	8.96	8.96	11.95
Net return over lbr & mgt	-50.05	-50.09	-8.51	-6.13	-2.74	-12.61	-1.08	-7.42

*** LIVESTOCK ENTERPRISE ANALYSIS -- Beef Cow-Calf ***

	Per Cwt. Produced		Per Cwt.		Whole Farm	
	Quantity	Value	Quantity	Value	Quantity	Value
RETURNS						
Beef Calves sold	132.74 lb.	91.38	527.21 lb.	362.91	54030.0 lb.	37743
Transferred out	31.96 lb.	20.72	126.92 lb.	82.31	13200.0 lb.	8560
Cull sales	32.62 lb.	12.60	129.57 lb.	50.05	13475.0 lb.	5205
Less purchased	-5.81 lb.	-12.71	-23.08 lb.	-50.48	-2400.0 lb.	-5250
Less transferred in	-91.51 lb.	-33.89	-363.46 lb.	-134.62	-37800.0 lb.	-14000
Inventory change	- lb.	25.42	- lb.	100.96	- lb.	10500
Total production	100.00 lb.	103.52	397.16 lb.	411.13	41305.0 lb.	42758
Other income	-	-	-	-	-	-
Gross return		103.52		411.13		42758
DIRECT EXPENSES						
Oats	3.39 bu.	3.39	13.47 bu.	13.47	1401.0 bu.	1401
Stover	232.42 lb.	1.86	923.08 lb.	7.38	48.0 ton	768
Hay, Mixed Alfalfa/Grass	883.67 lb.	17.67	3509.62 lb.	70.19	182.5 ton	7300
Hay, Native Grass	29.05 lb.	0.51	115.38 lb.	2.02	6.0 ton	210
Hay, Clover	433.36 lb.	7.58	1721.15 lb.	30.12	89.5 ton	3132
Hay, Small Grain	17.43 lb.	0.26	69.23 lb.	1.04	3.6 ton	108
Hay, Fescue Grass	334.10 lb.	5.85	1326.92 lb.	23.22	69.0 ton	2415
Protein Vit Minerals	4.84 lb.	1.16	19.23 lb.	4.62	1.0 ton	480
Pasture	1.59 aum	15.88	6.31 aum	63.08	656.0 aum	6560
Hay, CRP	535.04 lb.	6.69	2125.00 lb.	26.56	110.5 ton	2762
Protein Vit Minerals	8.23 lb.	0.82	32.69 lb.	3.27	1.7 ton	540
Protein Vit Minerals	5.57 lb.	1.78	22.12 lb.	7.08	1.1 ton	736
Veterinary		5.13		20.37		2113
Livestock supplies		1.31		5.22		543
Custom hire		1.56		6.20		645
Livestock leases		5.77		22.90		2382
Marketing		0.76		3.02		314
Fuel & oil		2.66		10.56		1099
Repairs		0.60		2.39		248
Total direct expenses		81.25		322.71		33562
Return over direct expenses		22.26		88.42		9190
OVERHEAD EXPENSES						
Hired labor		2.01		7.97		829
Farm insurance		1.56		6.19		644
Utilities		1.51		6.01		625
Dues & professional fees		0.51		2.02		210
Machinery depreciation		2.87		11.39		1185
Building depreciation		0.81		3.21		334
Miscellaneous		0.76		3.00		312
Total overhead expenses		10.02		39.80		4139
Total expenses		91.27		362.52		37701
Net return		12.24		48.63		5057
Est. labor hours per unit						
Labor & management charge		2.09		8.30		864
Net return over lbr & mgt		9.44		37.50		3900
		2.80		11.13		1157

*** LIVESTOCK ENTERPRISE ANALYSIS -- Beef Cow-Calf (continued) ***

OPERATIONAL INFORMATION			
Number of cows	104.0	Avg str/bull weaning wgt	733
Pregnancy percentage	96.2	Avg heifer weaning weight	661
Culling percentage	24.0	Lbs weaned/exposed female	655
Calving percentage	96.2	Feed cost per cow	252.04
Weaning percentage	94.2	Avg wgt/Beef Calf sold	685
Calves sold per cow	0.96	Avg price / cwt.	68.84
Calf death loss percent	3.8		

North Dakota Adult Farm and Ranch Business Management Education

"Teaching Knowledge That Works"

Where Do I Start?

- A system of good financial and production records is the basis of farm management education
- Analysis of the information provides the financial ratios, financial statements, and comparisons to similar sized farm operations in the area.

A Better Tomorrow Through Education Today!


- Good Managers Stay Ahead In the Business of Farming Through Continued Education.
- As the business of farming continues to change, the challenge becomes one of finding the best source of management education.
- Education tailored to fit your busy schedules, as close as your kitchen table

What You Learn...

- Financial Management skills can be learned and applied to your farming operation
- Understanding Income Statements, Balance Sheets, Cash Flow Planning, and related skills can help you succeed in your business.

What You Learn...

- Enterprise analysis skills help you determine the strengths and weaknesses of your business and use that information to make better decisions.



What You Learn...

- Keeping current with new marketing tools and sources of information is a never-ending process.
- Farm Mgmt. education helps you know your costs of production which are vital to making good marketing decisions.
- Satellite receivers and on-line computer information sources are used in teaching marketing concepts.

How You Learn...



- Individual instruction is used with each farm family to help solve individual problems.
- Confidential data remains that way

How You Learn....

- Scheduled group classes on subjects ranging from goal setting, recordkeeping, budgeting, enterprise analysis, marketing, computer skills, long range planning, and other timely topics are held.
- Participants learn not only from the instructor, but also from each other.

How You Learn...

- Farmers enrolled have access to their instructor by phone regarding their farm business.
- New technologies such as fax and e-mail are being used, along with using the internet to access farm management information from all over the world.

Can You Answer These?

- How much did it cost you to produce a bushel of wheat or a pound of beef???
- How much profit did you obtain on an accrual basis???
- What was your change in net worth last year???
- How much return are getting on your investment in your farm business???

Adult Farm Management Education

- Where Am I?
- Where Do I Want to Be?
- How Do I get There?
- If You Can't Answer These, the AFBM Education Program Can Help!!!

478 200

CITY

CITY	SERV_AREA	PROGRAM	LEVEL	ID	SOURCE	TOTAL_COST	TOTAL_SALARIES	TRAVEL	EQUIPMENT	OTHER	FEDERAL	STATE	LOCAL	
BOTTINEAU/MSU	AGRICULTURE	ADULT FARM MGMT	AD	368	S	47,887	27,837	24,016	2,320	0	1,682	0	27,837	28,160
		Sub Total				47,887	27,837	24,015	2,320	0	1,502	0	27,837	28,160
CARRINGTON	AGRICULTURE	ADULT FARM MGMT	AD	125	S	67,828	37,848	34,468	1,740	0	1,740	0	37,848	28,888
		Sub Total				67,828	37,848	34,468	1,740	0	1,740	0	37,848	28,888
CARSON	AGRICULTURE	ADULT FARM MGMT	AD	128	S	13,828	7,888	8,487	2,838	0	488	0	7,888	8,724
		Sub Total				13,828	7,888	8,467	2,838	0	488	0	7,888	8,724
DEVILS LAKE/ND	AGRICULTURE	ADULT FARM MGMT	AD	676	S	28,882	22,188	21,484	1,844	0	687	0	22,188	18,787
		Sub Total				28,882	22,188	21,484	1,844	0	687	0	22,188	18,787
DICKINSON	AGRICULTURE	ADULT FARM MGMT	AD	157	S	67,888	33,348	38,188	1,748	0	1,488	0	33,348	24,348
		Sub Total				67,888	33,348	38,156	1,748	0	1,450	0	33,348	24,348
ENDERLIN	AGRICULTURE	ADULT FARM MGMT	AD	206	S	24,333	14,113	11,846	1,748	0	528	0	14,113	18,238
		Sub Total				24,333	14,113	11,845	1,748	0	528	0	14,113	18,238
GARRISON	AGRICULTURE	ADULT FARM MGMT	AD	743	S	82,281	28,388	28,882	2,838	4,848	3,874	0	28,388	21,846
		Sub Total				82,281	28,388	28,542	2,838	4,848	3,874	0	28,388	21,846
GLEN ULLIN	AGRICULTURE	ADULT FARM MGMT	AD	291	S	28,881	22,848	18,282	2,818	0	1,844	0	22,848	18,818
		Sub Total				28,881	22,848	19,292	2,818	0	1,844	0	22,848	18,818
JAMESTOWN/JVVC	AGRICULTURE	ADULT FARM MGMT	AD	381	S	68,288	34,878	28,882	1,888	0	2,788	0	34,878	28,178
	AGRICULTURE	ADULT FARM MGMT	AD	400	S	17,888	17,888	0	0	0	17,888	0	17,888	0
	AGRICULTURE	ADULT FARM MGMT	AD	602	S	41,821	23,781	18,748	1,882	288	3,384	0	23,781	17,288
		Sub Total				117,836	76,438	48,547	3,888	288	33,689	0	78,438	42,488
KINDRED	AGRICULTURE	ADULT FARM MGMT	AD	414	S	47,878	27,881	24,227	2,328	0	1,844	0	27,881	18,878

CITY	SERV_AREA	PROGRAM	LEVEL	ID	SOURCE	TOTAL_COST	TOTAL SALARIES	TRAVEL	EQUIPMENT	OTHER	FEDERAL	STATE	LOCAL	
			Sub Total			47,570	27,591	24,227	2,320	0	1,044	0	27,591	18,979
MINOT														
AGRICULTURE		ADULT FARM MGMT	AD	324	S	42,053	24,920	22,080	1,100	0	870	0	24,920	16,054
			Sub Total			42,053	24,920	22,099	1,100	0	870	0	24,920	16,054
NAPOLEON														
AGRICULTURE		ADULT FARM MGMT	AD	564	S	23,630	13,705	12,255	870	0	600	0	13,705	8,925
			Sub Total			23,630	13,705	12,255	870	0	580	0	13,705	8,925
OAKES/SAVTC														
AGRICULTURE		ADULT FARM MGMT	AD	721	S	45,720	26,518	23,925	1,500	0	1,085	0	26,518	18,282
			Sub Total			45,720	26,518	23,925	1,500	0	1,085	0	26,518	18,282
RUGBY														
AGRICULTURE		ADULT FARM MGMT	AD	712	S	72,022	38,568	34,290	3,770	0	1,508	0	38,568	32,484
			Sub Total			72,022	38,568	34,290	3,770	0	1,508	0	38,568	32,484
STANLEY														
AGRICULTURE		ADULT FARM MGMT	AD	95	S	48,003	27,632	24,277	2,340	1,015	0	0	27,632	21,871
			Sub Total			48,003	27,632	24,277	2,340	1,015	0	0	27,632	21,871
VALLEY CITY/VC														
AGRICULTURE		ADULT FARM MGMT	AD	885	S	42,236	24,486	20,146	2,320	0	2,030	0	24,486	17,740
			Sub Total			42,236	24,486	20,146	2,320	0	2,030	0	24,486	17,740
* WAMPETON/NDSCS														
AGRICULTURE		ADULT FARM MGMT	AD	571	S	38,060	21,788	18,433	2,088	0	1,247	0	21,788	16,822
			Sub Total			38,060	21,788	18,433	2,088	0	1,247	0	21,788	16,822
			Grand Total			823,475	479,229	396,288	34,530	5,945	42,466	0	479,229	344,246

* They also receive another 23,000 Federal Civil Perkins funding