

**1999 SENATE INDUSTRY, BUSINESS AND LABOR
SB 2096**

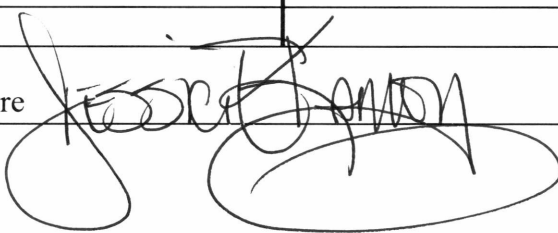
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2096

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 12, 1999

Tape Number	Side A	Side B	Meter #
1	x		2245-End
1		x	1-242
Committee Clerk Signature 			

Minutes:

SENATOR MUTCH opened the hearing on SB 2096. Committee members present were: Sens. D. Mutch, H. Sand, J. Klein, K. Krebsbach, J. Heitkamp, and V. Thompson. Senator Deb Mathern was absent.

JENNIFER GLADDEN, EXECUTIVE DIRECTOR OF JOB SERVICE IN NORTH DAKOTA testified in support of SB 2096 (see testimony).

SENATOR MUTCH The State Tax Department would transfer 60% of the withholding from that individual employee's salary.

JENNIFER GLADDEN Yes 60% would go to pay off the state loan for the reimbursement.

SENATOR MUTCH Now the employee may be entitled to receiving more or all of the withholding money back if he wasn't working for this particular company.

JENNIFER GLADDEN The tax follows a new position. It wouldn't affect the individual.

SENATOR MUTCH You're taking the withholding out of the employee's salary, right?

JENNIFER GLADDEN I'll ask a tax representative to give information on that.

JOE BECKER, TAX DEPARTMENT When they hire the new employees they withhold tax from their wages as usual. When the employer submits that money to the tax department we transfer the associated funds to the treasurer for this program. The employee and employer see no change. We are just putting these withholdings in a special fund and the treasurer takes care of them.

SENATOR MUTCH Then the tax department would lose the money.

JOE BECKER The state is not essentially getting the tax money from those new positions.

SENATOR MUTCH Somebody's losing it because the employee is going to get the money he's entitled to that's been withheld from his wages. Who's going to take the hit?

JOE BECKER You're correct, the state will not collect those dollars that have been taken from a new position.

SENATOR MUTCH We should have a fiscal note.

SENATOR MUTCH closed the hearing on SB 2096.

Committee discussion took place on January 20, 1999.

SENATOR KREBSBACH moved to amend the bill. SENATOR KLEIN seconded her motion.

The motion was successful with a 7-0-0 vote.

SENATOR KREBSBACH motioned for a do pass as amended action on SB 2096.

SENATOR SAND seconded her motion. The motion was successful with a 5-2-0 vote

SENATOR SAND will carry the bill.

The enactment of this bill will provide for a self-finance option under the North Dakota New Jobs Training Program. Employers electing the self-finance option may be reimbursed an amount up to 60% of the allowable state income tax withholding generated from the new job positions created and identified in a final agreement. Currently 100% of the allowable state income tax withholding goes to cover the cost of principal and interest on loans or repayable grants obtained by the employer to cover start-up training costs. Under this bill, 40% of the allowable state income tax withholding would go into the general fund. Assuming the creation of 1000 permanent full-time new jobs at the beginning of the biennium, paying a wage of \$7.50 per hour plus benefits within the first year of employment, a total of \$546,000 in allowable state income tax withholding would be generated over the ten year life of the project. The state fund would get \$218,000 while qualified employers would receive \$327,000 of this amount over the life of the project. Using the assumption that 1000 new jobs would be created and covered under a cost reimbursement option each year and that the total projected state income tax withholding would be generated equally over the 40 quarters of each project. The General Fund impact would increase each year as the number of projects increase:

	1999-2001	Biennium	\$65,520
2001-03	Biennium	\$152,880	
2003-05	Biennium	\$240,240	
2005-07	Biennium	\$327,600	
2007-09	Biennium	\$414,960	
All Following	Bienniums	\$436,800	

FISCAL NOTE

(Turn original and 10 copies)

Bill/Resolution No.: SB 2096 Amendment to: _____

Requested by Legislative Council Date of Request: 12-30-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: The enactment of this bill will provide for a self-finance option under the North Dakota New Jobs Training Program. Employers electing the self-finance option may be reimbursed an amount up to 60% of the allowable state income tax withholding generated from new job positions created and identified in a final agreement. Currently 100% of the allowable state income tax withholding goes to cover the cost of principal and interest on loans or repayable grants obtained by the employer. Under this bill 40% of the allowable state income tax withholding generated would go into the general fund. Estimating the creation of 1000 permanent full-time new jobs at \$7.50 per hour a total of \$546,000.00 in

2. State fiscal effect in dollar amounts: (SEE BACK)

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	-0-	-0-	+218,400	-0-	+218,400	-0-
Expenditures:	-0-	-0-	-0-	-0-	-0-	-0-

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium: -0-

b. For the 1999-2001 biennium: -0-

c. For the 2001-03 biennium: -0-

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem

Typed Name WAYNE G. KINDEM

Department JOB SERVICE NORTH DAKOTA

Phone Number 328-3033

Date Prepared: 1/5/99

Narrative (cont.)

allowable state income tax withholding would be generated. The state general fund would get \$218,400.00 of this amount, while qualified employers would receive \$327,600.00 to off start-up training costs.

Date: 1/20/99
 Roll Call Vote #: 2096

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

Senate INDUSTRY, BUSINESS, & LABOR Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By KREBSBACH Seconded By SAND

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Heitkamp		X			
Senator Mathern	X	X			
Senator Thompson		X			

Total (Yes) 45 No 32

Absent 0

Floor Assignment SAND

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

REPORT OF STANDING COMMITTEE

SB 2096: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2096 was placed on the Sixth order on the calendar.

Page 1, line 2, after "training" insert "; and to amend and reenact subsection 2 of section 52-02.1-03 of the North Dakota Century Code, relating to cost reimbursement for new jobs training"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Subsection 2 of section 52-02.1-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The North Dakota income tax withholding on wages paid by the employer to each new employee participating in a project must be credited from the withholding payments made by the employer pursuant to section 57-38-60. The tax commissioner shall transmit the equivalent credit payment amount to the state treasurer to be allocated to a special fund for payment to the department, community, or both, as the case may be, of principal and interest on loans issued pursuant to section 52-02.1-04, or for reimbursing employers participating in the cost reimbursement option provided in section 2 of this Act. All moneys deposited in the fund are hereby appropriated for the purposes of this section. When the principal and interest on the loans have been repaid or the employer's self-financed training costs have been reimbursed, the employer credits must cease and any money received after the loans have been repaid must be remitted by the tax commissioner to the general fund of the state."

Page 1, underscore lines 6 through 14

Renumber accordingly

1999 SENATE APPROPRIATIONS

SB 2096

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2096

Senate Appropriations Committee

Conference Committee

Hearing Date February 1, 1999

Tape Number	Side A	Side B	Meter #
1	X		2200-3688
Committee Clerk Signature <i>Kathryn C. Kottelerock</i>			

Minutes:

SENATOR NETHING: Opened the hearing on SB2096; A BILL FOR AN ACT TO CREATE AND ENACT A NEW SECTION TO CHAPTER 52-02.1 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO COST REIMBURSEMENT FOR NEW JOBS TRAINING; AND TO AMEND AND REENACT SUBSECTION 2 OF SECTION 52-02.1-03 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO COST REIMBURSEMENT FOR NEW JOBS TRAINING.

TONY GRINDBERG: State Senator District 41, Fargo to testify in support of SB2096 (meter 2215-2400). SB2096 is an extension of the new jobs training bill that was passed during the 1993 Legislative session. It was an idea that was borrowed from the State of Iowa. It allows economic development projects. This bill allows organizations to self-fund this effort. Legislation in 1993 required individual organizations to go to a local lending institution, take out a loan, sizable number of hires, training then through a process the Tax Department and the North Dakota Job Service that note was repaid to the local institution. This bill allows that to continue and/or an organization can self-fund that. One challenge for some companies, was how they treat it on their books from accounting standards. This bill attempts to make it more user friendly.

JENNIFER GLADDEN: Executive Director of Job Service North Dakota to testify in support of SB2096 (testimony attached (meter 2520-2833)).

SENATOR NETHING: Please tell us what's going on here.

JENNIFER GLADDEN: The new jobs training program currently requires a loan. What we are asking in this bill is the company would not be required to take out a loan in order to access the withholding payment back to the company to allow them to bring new jobs in and train the people for those jobs. It's a North Dakota new jobs training program that's quite unique. It gives us one more card to play with when we're talking about companies coming into the area and State. It has been very well received. Some companies are telling us that they have the money, can we have a part is not the full benefit. 60% would be reimbursed.

SENATOR NETHING: A new strategy and as a person taking advantage of the new legislation, we don't have to show the loan on the books.

JENNIFER GLADDEN: There isn't actually a loan. We would setup an account so the money they used to train the people in those new jobs would be used like a self-grant. The grant would be repaid up to 60% through the withholding of those new jobs.

SENATOR ST. AUBYN: The Fiscal note talks about an increase in revenues in the General Fund but, isn't this a Special Fund?

JENNIFER GLADDEN: The increase in the Fiscal note reflects the 40% allowable State Income Tax that would be generated to the General Fund. Compared to the loan or grant program that now doesn't carry that 40% return. Now all of the withholding from the new jobs is withheld and paid back to that company for the training costs.

SENATOR BOWMAN: The amendments that were proposed for SB2096, what do they do that's different than the bill?

JENNIFER GLADDEN: It clarifies the language to address the sections in the Tax Code that weren't very clear when we originally drafted the bill.

SENATOR BOWMAN: Do you support the amendment then?

JENNIFER GLADDEN: Absolutely, anything we can make clearer for the Tax Department is helpful to us.

JILL WEIGEL: Individual Income Tax Supervisor for the Office of State Tax Commissioner (meter 3325-3505). I'm here to answer any questions you may have. From our standpoint, the amendments are added primarily because the original language of the bill only addressed when there was a loan. We want to make sure any moneys that are the new employees withholding are available to be reimbursed back to a company who is under this reimbursement option that Job Service has proposed. The fiscal note is jobs that North Dakota did not have without the Jobs Training program in place. That's withholding that is new to the State. In the previous language of the bill, or previous law, this withholding was completely paid back to the employers. The State never saw the withholding in it's coffers. Under this addition to the bill, we now will have 40% coming into the coffers, 60% going back to the Employer under the reimbursement program. You are going to see an increase in revenue simply because we're keeping some of the withholding that typically went back to the employer in the program, that's now only going to go 60% back to the Employer under the reimbursement program.

Meter 3562-3665

SENATOR NETHING: Called for the motion on SB2096.

SENATOR SOLBERG: Moved a Do Pass on SB2096.

SENATOR KRINGSTAD: Seconded the motion.

ROLL CALL: 12 YEAS; 0 NAYS; 2 ABSENT & NOT VOTING.

Yeas: Nething; Naaden; Solberg; Lindaas; Tallackson; Tomac; Robinson; St. Aubyn; Holmberg; Kringstad; Bowman; Andrist.

Absent & Not Voting: Krauter Grindberg.

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

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2096, AS ENGRASSSED

Senate APPROPRIATIONS Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By SENATOR SOLBERG Seconded By SENATOR KRINGSTAD

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) 12 No 0

Absent 2

Floor Assignment DO PASS

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

REPORT OF STANDING COMMITTEE (410)
February 1, 1999 4:33 p.m.

Module No: SR-20-1631
Carrier: Sand
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2096, as engrossed: Appropriations Committee (Sen. Nething, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed SB 2096 was placed on the Eleventh order on the calendar.

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2096

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2096

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 3-02-99

Tape Number	Side A	Side B	Meter #
1		x	28.6
3	x		42.8 - end
3		x	0 - 1.2
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

SB 2096 Relating to cost reimbursement for new jobs training.

Chairman Berg called the hearing to order.

Sen. Tony Grindberg, on behalf of Job Service ND, introduced and testified in support of the bill.

New businesses coming into the state can use this program.

Jim Hirsh, Job Service ND, testified in support of the bill.

(see written testimony)

Berg explained that what the basic intent here is to sell financing.

Hirsh said a training plan must be used to off set training and other costs.

Chairman Berg closed the hearing on the bill.

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number Sb 2096

Hearing Date 3-2-99

Tape 3, side A. Meter No. 42.8

Chairman Berg opened the discussion of SB 2096.

The committee talked at length about what the bill would do.

Rep. Keiser made a motion for a Do Pass.

Rep. Froseth second the motion.

End of side A, tape 3. Start side B.

The roll call vote was 15 yea, 0 nay.

The motion carried.

The bill was re-referred to Appropriations.

Rep. Koppang will carry the bill.

Date: 3-2-99
Roll Call Vote #: _____

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2096

House Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass re refer to appropriations

Motion Made By Keiser Seconded By Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman Berg	/		Rep. Thorpe	/	
Vice Chairman Kempenich	/				
Rep. Brekke	/				
Rep. Ekstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 15 No 0

Absent _____

Floor Assignment Koppang

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

REPORT OF STANDING COMMITTEE (410)
March 2, 1999 4:55 p.m.

Module No: HR-37-3894
Carrier: Koppang
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2096: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2096 was rereferred to the Appropriations Committee.

1999 HOUSE APPROPRIATIONS

SB 2096

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2096

House Appropriations Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-44.2
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

SB 2096 - A bill for an act to create and enact a new section to chapter 52-02.1 of the ND Century Code, relating to cost reimbursement for new jobs training; and to amend and reenact subsection 2 of section 52-02.1-03 of the ND Century Code, relating to cost reimbursement for new jobs training.

CHAIRMAN DALRYMPLE opened the hearing on SB 2096.

1A: 0.5 SEN. TONY GRINDBERG presented the bill and testified in support of it.

1A: 4.7 REP. GULLESON asked what would happen if the jobs were no longer in place. Sen. Grindberg replied that if companies do not meet their commitments they have to make up the difference to pay back the note.

1A: 6.7 JENNIFER GLADDEN, Executive Director of Job Service ND, testified in support of the bill. (See testimony.)

1A: 9.7 REP. LLOYD asked if the \$7.50 minimum has changed since 1993. Ms. Gladden replied that it went to \$7.50 in 1995.

1A: 12.2 REP. BYERLY asked how often an employer can take advantage of this, whether it is an ongoing thing or it can max out. Jim Hirsch, JSND, responded that employers can enter into new projects or modify the existing contract. The maximum length of one project is 10 years.

1A: 20.8 REP. HUETHER asked how much time it takes to train people for these jobs. Mr. Hirsch said that it varies by the job position and the company. Some will train for 4-26 weeks, while there are apprentice positions that will train from 3-4 years.

1A: 22.2 REP. TIMM asked if any businesses have started since 1993 that have gone out of business or just quit the program. Mr. Hirsch said that none have started and quit. If that were to happen, steps would be taken to terminate the project and any outstanding loans would be the liability of the business.

1A: 41.2 VIVIAN GWIN, Treasurer of Dakota Aero Manufacturers, testified in support of the bill. (See testimony.)

CHAIRMAN DALRYMPLE closed the hearing on SB 2096.

General Discussion

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

Date March 26, 1999			
Tape Number	Side A	B Side	Meter #
3	x		0-5.0
Committee Clerk Signature <i>Roxanne Kone</i>			

Minutes:

Chairman Dalrymple opened the discussion on Senate Bill 2096.

3A: .4 Rep. Byerly moved for a DO NOT PASS. Rep. Lloyd 2nd the motion.

3A: .7 Chairman Dalrymple brief explanation of bill: tax credit for business that creates a job on principle and interest of loan. The bill would expand that whether financing is involved or not. Discussion on fiscal note.

3A: 2.4 Rep. Hoffner commented on support of bill and funding for job training. New jobs equals new tax payers.

3A: 2.8 Rep. Delzer commented he hopes the committee would vote for a do not pass. The program has done some good already and has to go through a third party.

3A: 3.5 On a Roll Call Vote the motion carried. 14 voting YES, 4 voting NO, 2 voting ABSENT.

Carrier: Rep. Delzer

Date: 3-26-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2096

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By BYERLY Seconded By LLOYD

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		
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					
Hoffner		X			
Huether	X				
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) ~~13~~ 14 No 4

Absent 2

Floor Assignment DELZER

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

REPORT OF STANDING COMMITTEE (410)
March 26, 1999 3:58 p.m.

Module No: HR-55-5764
Carrier: Delzer
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2096, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **DO NOT PASS** (14 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2096 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2096

Prepared by Job Service North Dakota
January 6, 1999

WORKFORCE 2000

and

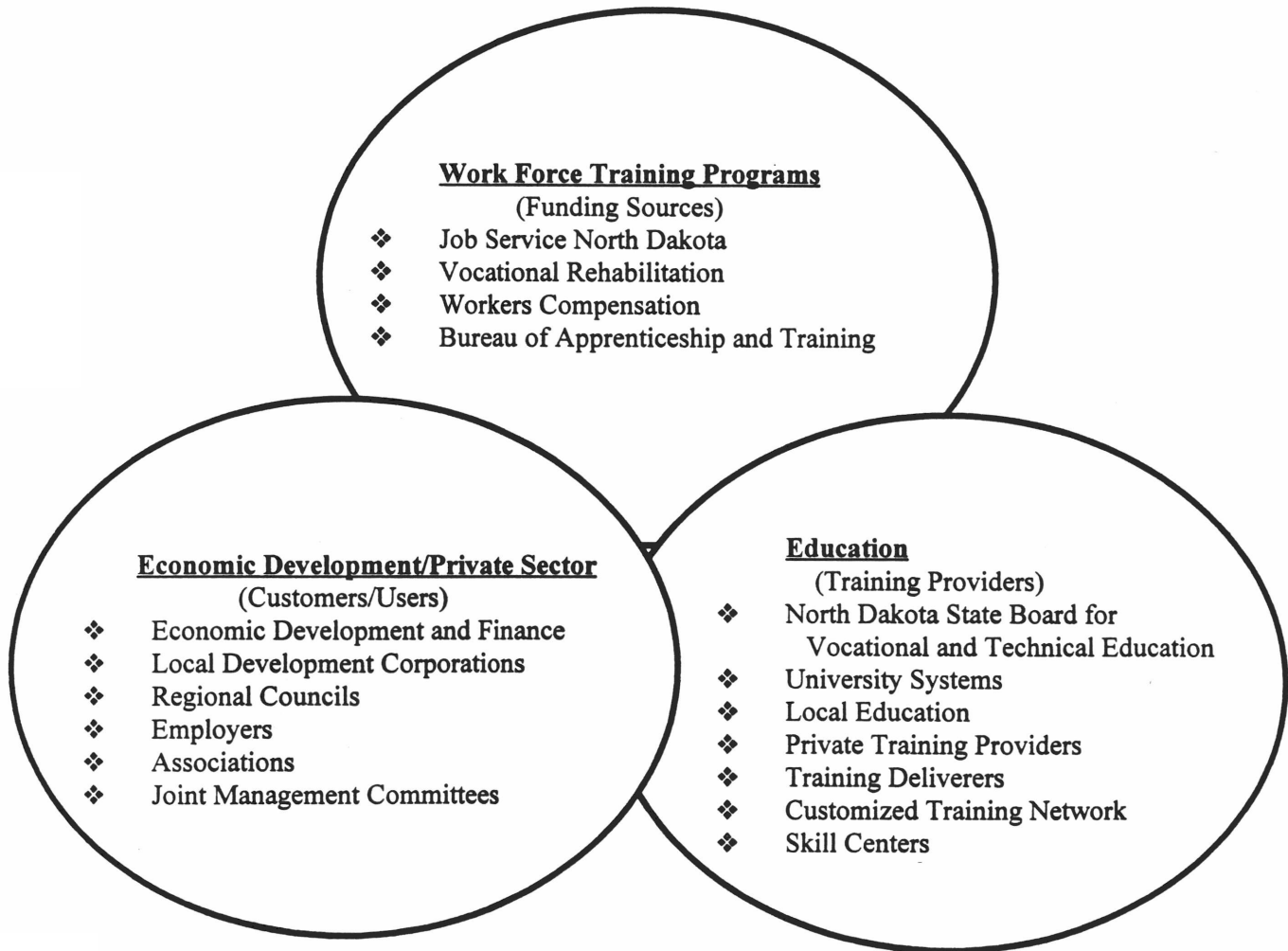
**NORTH DAKOTA
NEW JOBS TRAINING
PROGRAMS**

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

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

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

Workforce Development Partnership



HISTORY OF STATE WORK FORCE TRAINING PROGRAMS

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

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

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

WORKFORCE 2000

Workforce 2000 was enacted by the 1991 Legislative Assembly. This state-funded work force training program is designed to fill gaps in federally funded programs. Workforce 2000 provides a match to employers to help cover direct training cost when they provide retraining and upgrade training to their current work force in order to meet demands which are brought about by the introduction of new technologies and work methods.

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

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

The Workforce 2000 Program is a popular program with North Dakota business and industry, Economic Development Professional and North Dakota leaders. The program has received increased funding each biennium, going from its original funding level of \$75,000 for the 1991-1993 biennium to a funding level of \$1,850,754 for the current biennium. During this time, the number of Projects funded increased from fifteen during the 1991-1993 biennium to one hundred thirty-two projects through January 6, 1999, of the current biennium.

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

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

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

1997-1999 Biennium Funding

Funding \$1,850,734

To date, (January 6, 1999), 132 projects have been funded (Attachment I). These projects are providing upgrade and retraining to 4,398 individuals. Total training costs of projects funded to date are \$8.56 million. Workforce 2000 is providing \$1.43 million in match to help cover direct training costs associated with these projects. Employers are providing \$5.13 million in funding for these projects. The balance is being provided by communities, local development groups, the university system and tuition charges.

The average Workforce 2000 cost per participant is \$325. Rural projects have received funding commitments of \$471,000 or 33% of the total Workforce 2000 funds committed.

Workforce 2000 requires a match from employers. Workforce 2000 does not cover the full cost of training projects proposed by employers. Employers select the training provider who they believe can best deliver the training needed in the timeframe and to the specifications identified by them.

The state's University System and Customized Training Network are the training providers of choice by employers for thirty-seven of the projects currently funded by Workforce 2000. Local Education and Local Vocational Centers are the training provider of choice by employers for an additional nine projects currently funded by Workforce 2000 (Attachment II and III).

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

NORTH DAKOTA NEW JOBS TRAINING PROGRAM

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

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

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

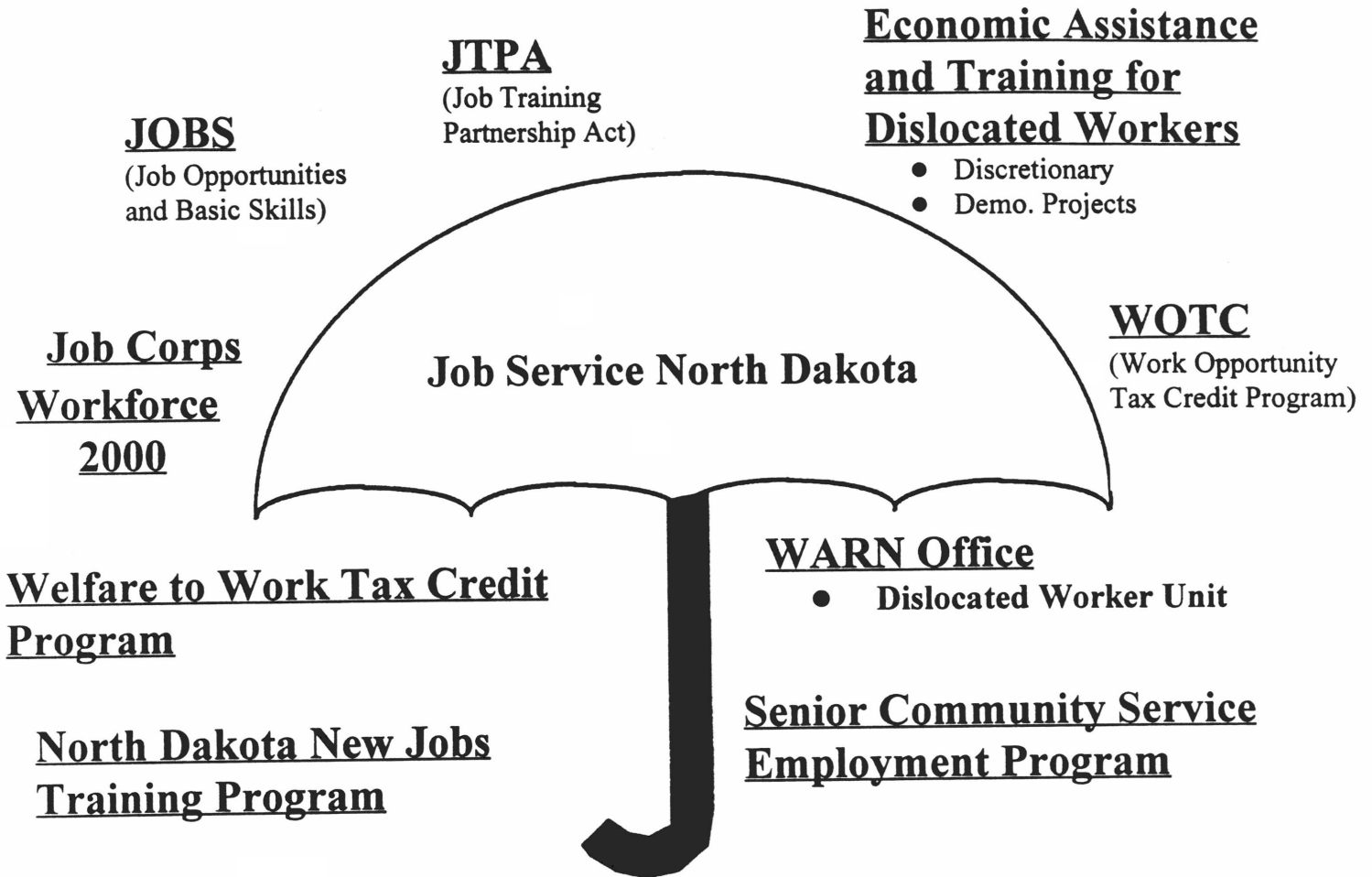
To date, the North Dakota New Jobs Training Program has 32 active projects. These projects cover creation of 4,029 new jobs.

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

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

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

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



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

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

➤ **CUSTOMIZED TRAINING**

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

➤ **CLASSROOM TRAINING**

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

➤ **ON-THE-JOB TRAINING**

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

➤ **TECHNICAL/OCCUPATIONAL UPGRADING**

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

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

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

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

ROLE OF WORKFORCE 2000 AND NORTH DAKOTA NEW JOB TRAINING PROGRAM

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

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

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

Attachment I: Workforce 2000 Approved Projects

Attachment II: Workforce 2000 Project training delivered through university systems

Attachment III: Workforce 2000 training delivered through secondary and postsecondary schools

WORKFORCE 2000
STATE FUNDED JOB TRAINING PROGRAM
APPROVED PROJECTS
1997-1999 BIENNIUM
AS OF JANUARY 6, 1999

CONTRACT NUMBER	PROPOSER	CODE	RURAL	PROJECT TITLE	WORKERS TRAINED	BUDGET TOTAL	WORKFORCE 2000	FEDERAL	EMPLOYER	ND NEW	OTHER	AVERAGE
								WORKFORCE PROGRAMS		JOB TRAINING		COST PER TRAINEE
WF-01-98	ARROW TECH		X	ISO 9000	15	\$ 9,452.00	\$ 3,768.00	NO	\$ 5,684.00	NO	\$ -	\$ 251.20
WF-02-98	STEFFES & SONS MFG			ISO9000	91	\$ 69,114.00	\$ 17,560.00	NO	\$ 50,554.00	NO	\$ -	\$ 192.97
WF-03-98	DURA TECH INDUSTRIES			ISO9000	65	\$ 29,850.00	\$ 8,001.00	NO	\$ 21,849.00	NO	\$ -	\$ 123.09
WF-04-98	LUCAS AERO SPACE	2		MANUFACTURING TECHNOLOGY	120	\$ 370,611.00	\$ 23,954.06	YES	\$ 346,656.94	YES	\$ -	\$ 199.62
WF-05-98	MARBURGER ENTERPRISES	1		AIRCRAFT PARTS MFG	2	\$ 12,650.00	\$ 5,450.00	NO	\$ 7,200.00	NO	\$ -	\$ 2,725.00
WF-06-98	TRANSCRIPTION LIMITED	2		MEDICAL TRANSCRIPTION	10	\$ 49,062.00	\$ 3,441.69	NO	\$ 44,620.31	NO	\$ -	\$ 344.17
WF-07-98	NIESS ENTERPRISES			MICROSOFT	4	\$ 7,533.00	\$ 427.50	NO	\$ 7,105.50	NO	\$ -	\$ 108.88
WF-08-98	ST. LUKE'S HOME			PHYSICAL ASSESSMENT	12	\$ 6,647.00	\$ 895.00	NO	\$ 5,752.00	NO	\$ -	\$ 74.58
WF-09-98	AGAIR MANUFACTURING	1	X	WELDING/SUPERVISORY	220	\$ 89,698.00	\$ 30,995.00	YES	\$ 58,703.00	YES	\$ -	\$ 140.89
WF-10-98	MARVIN WINDOWS	1	X	WINDOW MFG	90	\$ 307,152.00	\$ 54,000.00	YES	\$ 253,152.00	YES	\$ -	\$ 600.00
WF-11-98	NIESS ENTERPRISES			SMARTCAM SOFTWARE	2	\$ 4,420.00	\$ 2,000.00	NO	\$ 2,420.00	NO	\$ -	\$ 1,000.00
WF-12-98	NORTH CENTRAL DATA COOP	2		PROGRESS TRAINING	11	\$ 17,900.00	\$ 4,000.00	NO	\$ 13,900.00	YES	\$ -	\$ 363.64
WF-13-98	BERGSTROM ELECTRIC, INC.			COMPUTER TRAINING	23	\$ 6,000.00	\$ 2,555.00	NO	\$ 3,445.00	NO	\$ -	\$ 111.09
WF-14-98	DACOTA MARKETING & RESEARCH	2		ORACLE SOFTWARE	4	\$ 21,888.00	\$ 7,704.25	YES	\$ 14,183.75	YES	\$ -	\$ 1,926.06
WF-15-98	DAKOTA AIRCRAFT CORP	1		FIBERGLASS APPLICATION	100	\$ 549,048.00	\$ 83,972.00	YES	\$ 465,076.00	YES	\$ -	\$ 839.72
WF-16-98	MID-AMERICA AVIATION			ISO 9000	9	\$ 24,860.00	\$ 7,161.00	NO	\$ 17,699.00	NO	\$ -	\$ 795.67
WF-17-98	J. R. SIMPLOT COMPANY			UPGRADE TRAINING	305	\$ 405,600.00	\$ 115,196.73	NO	\$ 290,403.27	NO	\$ -	\$ 377.69
WF-18-98	GOOSENECK IMPLEMENT COMPANY		X	ELECTRONIC	6	\$ 5,800.00	\$ 2,100.00	NO	\$ 3,700.00	NO	\$ -	\$ 350.00
WF-19-98	MANDAREE ELECTRONICS		X	ISO 9000	13	\$ 28,330.00	\$ 6,603.00	NO	\$ 19,727.00	NO	\$ 3,205.00	\$ 507.92
WF-20-98	TECHLINK	1	X	SOFTWARE TRAINING	35	\$ 12,400.00	\$ 7,560.00	YES	\$ 4,840.00	YES	\$ -	\$ 216.00
WF-21-98	KILLDEER MOUNTAIN MFG		X	PROPOSAL WRITING	2	\$ 48,820.00	\$ 14,000.00	YES	\$ 32,820.00	NO	\$ -	\$ 7,000.00
WF-22-98	NORTH CENTRAL DATA COOP	2		PROGRESS TRAINING	8	\$ 30,050.00	\$ 4,000.00	NO	\$ 26,050.00	YES	\$ -	\$ 500.00
WF-23-98	SHEA TECHNOLOGIES	1	X	COMPUTER TECHNOLOGY	7	\$ 7,900.00	\$ 2,400.00	YES	\$ 5,500.00	YES	\$ -	\$ 342.86
WF-24-98	SYKES ENTERPRISES INC.	1		COMPUTER TECHNOLOGY	106	\$ 12,441.00	\$ 12,441.00	YES	\$ -	NO	\$ -	\$ 117.37
WF-25-98	UNIBAND		X	UPGRADE TRAINING	29	\$ 108,269.00	\$ 6,200.00	NO	\$ 100,069.00	NO	\$ -	\$ 213.79
WF-26-98	COMPACT TECHNOLOGIES	2	X	CNC	8	\$ 9,064.50	\$ 2,072.00	NO	\$ 6,992.50	NO	\$ -	\$ 259.00
WF-27-98	DAKOTA SPORTSWEAR	2	X	CUSTOMER SERVICE	14	\$ 7,318.00	\$ 2,600.00	NO	\$ 4,718.00	NO	\$ -	\$ 185.71
WF-28-98	COMPACT TECHNOLOGIES	2	X	COMPUTER TRAINING	13	\$ 240.00	\$ 240.00	YES	\$ -	NO	\$ -	\$ 19.46
WF-29-98	KILLDEER MOUNTAIN MFG		X	ANSI STANDARD	34	\$ 30,012.00	\$ 7,028.00	YES	\$ 22,984.00	NO	\$ -	\$ 206.71
WF-30-98	SOARING EAGLE			SEWING MACHINE	20	\$ 21,230.00	\$ 3,500.00	NO	\$ 17,730.00	NO	\$ -	\$ 175.00
WF-31-98	NAVIGATION TECHNOLOGIES	2		GWS-97	50	\$ 164,960.00	\$ 24,000.00	NO	\$ 140,960.00	NO	\$ -	\$ 480.00
WF-32-98	ASSOC OF GENERAL CONTRACTORS			CONSTRUCTION TECHNOLOGIES	104	\$ 21,770.00	\$ 350.00	NO	\$ 21,420.00	NO	\$ -	\$ 3.37
WF-33-98	DACOTA MARKETING & RESEARCH			INTERNET	5	\$ 26,957.00	\$ 6,475.00	NO	\$ 20,482.00	YES	\$ -	\$ 1,295.00
WF-34-98	FARGO ASSEMBLY COMPANY	2	X	WIRE HARNESS	25	\$ 28,099.72	\$ 4,630.67	YES	\$ 21,469.05	NO	\$ -	\$ 185.23
WF-35-98	AMERICAN WOODS, INC.	1		FURNITURE ASSEMBLY	13	\$ 19,109.00	\$ 2,360.00	YES	\$ 16,749.00	YES	\$ -	\$ 181.54
WF-36-98	FARGO ASSEMBLY COMPANY	1	X	WIRE HARNESS	22	\$ 80,996.64	\$ 14,512.96	YES	\$ 66,483.68	NO	\$ -	\$ 659.68
WF-37-98	FARGO ASSEMBLY COMPANY	1	X	WIRE HARNESS	40	\$ 74,396.96	\$ 13,700.64	YES	\$ 60,696.32	NO	\$ -	\$ 342.52
WF-38-98	REMCO SOFTWARE, INC			NT 4.0 TROUBLE SHOOTING	5	\$ 4,218.00	\$ 1,750.00	NO	\$ 2,468.00	NO	\$ -	\$ 350.00
WF-39-98	INTEGRITY WINDOWS	2		ZENGER MILLER	135	\$ 146,667.50	\$ 48,000.00	YES	\$ 98,667.50	YES	\$ -	\$ 355.56
WF-40-98	DACOTA MARKETING & RESEARCH			MAS 90 SOFTWARE	3	\$ 10,949.00	\$ 2,950.00	YES	\$ 7,999.00	NO	\$ -	\$ 983.33
WF-41-98	SHEET METAL WORKERS JATC			APPRENTICESHIP/JOURNEYMAN	51	\$ 93,315.00	\$ 11,277.13	NO	\$ 82,037.87	NO	\$ -	\$ 221.12
WF-42-98	TRANSCRIPTION LIMITED	2	X	MEDICAL TRANSCRIPTION	4	\$ 21,241.00	\$ 5,608.50	NO	\$ 500.00	NO	\$ 14,512.50	\$ 1,402.13
WF-43-98	TELEPHONE A T & S		X	t1 AND DATA CURCUITS	46	\$ 95,319.00	\$ 33,760.00	NO	\$ 61,559.00	NO	\$ -	\$ 733.91
WF-44-98	NIESS ENTERPRISES			ISO 9000	7	\$ 56,778.00	\$ 9,953.00	NO	\$ 46,825.00	NO	\$ -	\$ 1,421.86
WF-45-98	DAKOTA MARKETING & RESEARCH			DISASTER RECOVERY	2	\$ 5,157.50	\$ 1,700.50	NO	\$ 3,457.00	YES	\$ -	\$ 850.25
WF-46-98	GREMADA INDUSTRIES, INC.	2		MACHINIST	15	\$ 49,381.00	\$ 8,400.00	YES	\$ 39,981.00	YES	\$ -	\$ 560.00
WF-47-98	DAKOTA AERO MANUFACTURERS	1	X	AIRCRAFT RE-MANUFACTURING	2	\$ 87,500.00	\$ 20,108.34	YES	\$ 77,391.66	YES	\$ -	#####
WF-48-98	PHOENIX INTERNATIONAL	2		UPGRADE TRAINING	85	\$ 10,122.00	\$ 3,060.00	YES	\$ 7,062.00	YES	\$ -	\$ 36.00
WF-49-98	TRANSCRIPTION LIMITED	2	X	MEDICAL TRANSCRIPTION	0	\$ -	\$ -		\$ -		\$ -	\$ #DIV/0!
WF-50-98	KILLDEER MOUNTAIN MFG		X	MRP II INSTALLATION	2	\$ 7,923.50	\$ 2,990.00	YES	\$ 4,933.50	NO	\$ -	\$ 1,495.00
WF-51-98	NORTH CENTRAL DATA COOP	2		PROGRESS TRAINING	15	\$ 33,250.00	\$ 5,000.00	NO	\$ 33,250.00	YES	\$ -	\$ 333.33
WF-52-98	LETVIN EQUIPMENT COMPANY			PRECISION FARMING & SEEDING	6	\$ 8,872.00	\$ 4,425.00	NO	\$ 4,447.00	NO	\$ -	\$ 737.50
WF-53-98	KILLDEER MOUNTAIN MFG		X	SURFACE MOUNT TECHNOLOGY	2	\$ 15,188.00	\$ 7,593.00	YES	\$ 7,593.00	YES	\$ -	\$ 3,796.50
WF-54-98	OPPEGARD'S INC.		X	PRECISION FARMING & SEEDING	4	\$ 8,328.00	\$ 2,155.50	NO	\$ 4,172.50	NO	\$ -	\$ 538.88
WF-55-98	NORTHERN PLAINS EQUIPMENT			TOTAL MANAGEMENT	1	\$ 2,540.00	\$ 1,270.00	NO	\$ 1,270.00	NO	\$ -	\$ 1,270.00
WF-56-98	MISSOURI VALLEY CALIBRATION			ISO 9000	5	\$ 18,798.00	\$ 7,688.00	NO	\$ 9,100.00	NO	\$ -	\$ 1,539.60

WF-57-98	INTERGA CASTINGS USA L L C	X	ISO 9000	105	\$ 27,625 00	\$ 12,900 00	YES	\$ 14,725 00	YES	\$ -	\$ 122 88
WF-58-98	PHOENIX INTERNATIONAL	2	UPGRADE TRAINING	116	\$ 347,830 00	\$ 55,993 00	NO	\$ 291,837 00	YES	\$ -	\$ 482 70
WF-59-98	MELBY CONSTRUCTION		CARPENTRY UPGRADE	6	\$ 14,495 00	\$ 580 70	NO	\$ 13,914 30	NO	\$ -	\$ 96 78
WF-60-98	DACOTAH MARKETING & RESEARCH		MICROSOFT VISUAL BASIC	2	\$ 8,438 00	\$ 4,250 00	YES	\$ 4,188 00	YES	\$ -	\$ 2,125 00
WF-61-98	CENTRAL SALES INC		TOTAL MANAGEMENT	1	\$ 2,805 00	\$ 1,270 00	NO	\$ 1,535 00	NO	\$ -	\$ 1,270 00
WF-62-98	CREDICO, INC	1 X	CREDIT COLLECTION	6	\$ 25,000 00	\$ 2,394 62	YES	\$ 22,605 38	YES	\$ -	\$ 399 10
WF-63-98	PHOENIX INTERNATIONAL	2	UPGRADE TRAINING	32	\$ 22,400 00	\$ 11,520 00	YES	\$ 10,880 00	YES	\$ -	\$ 360 00
WF-64-98	NORTH CENTRAL DATA COOP	2	PROGRESS TRAINING	9	\$ 21,850 00	\$ 4,000 00	NO	\$ 17,850 00	YES	\$ -	\$ 444 44
WF-65-98	WEST RIVER BUSINESS CENTER	2	PRE-EMPLOYMENT	23	\$ 11,600 00	\$ 5,151 00	YES	\$ 6,449 00	NO	\$ -	\$ 223 98
WF-66-98	STRATA CORPORATION		COMPUTER UPGRADE	53	\$ 97,290 00	\$ 34,400 00	NO	\$ 62,890 00	NO	\$ -	\$ 649 06
WF-67-98	COMPACT TECHNOLOGIES	X	WELDING	8	\$ 168 00	\$ 168 00	YES	\$ -	NO	\$ -	\$ 21 00
WF-68-98	LAKESIDE PERFORMANCE INC	X	ELECTRONIC CATALOG	2	\$ 3,657 00	\$ 1,306 00	NO	\$ 2,351 00	NO	\$ -	\$ 653 00
WF-69-98	DYNAMICS MARKETING, INC.		TELECOM INSURANCE CERT	16	\$ 9,700 80	\$ 3,840 00	NO	\$ 5,860 60	NO	\$ -	\$ 240 00
WF-70-98	MAGNUS TRUCKING/CONSTRUCTION	X	ASBESTOS/LEAD ABATEMENT	3	\$ 6,290 00	\$ 2,350 00	NO	\$ 3,940 00	YES	\$ -	\$ 783 33
WF-71-98	ARTHUR GOOD SAMARITAN CENTER	X	PHYSICAL ASSESSMENT	3	\$ 1,454 88	\$ 225 00	NO	\$ 1,229 88	NO	\$ -	\$ 75 00
WF-72-98	BURLINGTON NORTHERN		OS/2	12	\$ 12,000 00	\$ 4,200 00	NO	\$ 7,800 00	NO	\$ -	\$ 350 00
WF-73-98	DAKOTAH DEVELOPMENT L L C	2 X	INSURANCE LICENSE	15	\$ 3,540 00	\$ 1,500 00	YES	\$ 2,040 00	YES	\$ -	\$ 100 00
WF-74-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	9	\$ 16,221 00	\$ 4,696 23	NO	\$ 1,623 00	NO	\$ 8,677 00	\$ 521 80
WF-75-98	GLOBAL ELECTRIC MOTORCAR	1	SOFTWARE TRAINING	9	\$ 23,121 00	\$ 17,216 00	YES	\$ 5,905 00	YES	\$ -	\$ 1,912 89
WF-76-97	SIOUX MANUFACTURING	X	ISO 9000	73	\$ 30,611 12	\$ 8,248 00	NO	\$ 22,363 12	NO	\$ -	\$ 112 99
WF-77-98	LUCAS WESTERN, LLC	2	MACHINIST	10	\$ 90,000 00	\$ 17,555 42	NO	\$ 62,444 58	NO	\$ -	\$ 1,755 54
WF-78-98	ROSENBLUTH INTERNATIONAL	1 X	PRE EMPLOYMENT	80	\$ 48,000 00	\$ 24,000 00	YES	\$ 24,000 00	YES	\$ -	\$ 300 00
WF-79-98	BETHAMEY HOMES		PHYSICAL ASSESSMENT	10	\$ 4,391 00	\$ 600 00	NO	\$ 3,791 00	NO	\$ -	\$ 60 00
WF-80-98	PHOENIX INTERNATIONAL	2	UPGRADE TRAINING	32	\$ 106,080 00	\$ 21,035 00	YES	\$ 85,045 00	YES	\$ -	\$ 657 34
WF-81-98	NIESS ENTERPRISES	2	CAMM PRODUCTION	5	\$ 22,793 00	\$ 5,700 00	NO	\$ 17,093 00	YES	\$ -	\$ 1,140 00
WF-82-98	ROSENBLUTH INTERNATIONAL	2	TRAVEL CONSULTANT	100	\$ 281,500 00	\$ 30,000 00	NO	\$ 231,500 00	NO	\$ -	\$ 300 00
WF-83-98	CREDICO, INC	1 X	COLLECTION	6	\$ 13,745 00	\$ 4,885 00	YES	\$ 8,860 00	YES	\$ -	\$ 814 17
WF-84-98	DYNAMICS MARKETING, INC.	X	INSURANCE LICENSE	16	\$ 10,344 00	\$ 1,600 00	NO	\$ 8,744 00	NO	\$ -	\$ 100 00
WF-85-98	R & R CONTRACTING		SOFTWARE TRAINING	4	\$ 22,066 00	\$ 6,705 00	NO	\$ 15,361 00	NO	\$ -	\$ 1,676 25
WF-86-98	INTERNATIONAL ASSOCIATIO OF BRI		IRONWORKER UPGRADE	120	\$ 32,500 00	\$ 15,800 00	NO	\$ 16,700 00	NO	\$ -	\$ 131 67
WF-87-98	INTEGRA CASTING, USA L L C	X	FOUNDRY UPGRADE	19	\$ 88,025 00	\$ 26,750 00	YES	\$ 61,275 00	YES	\$ -	\$ 1,407 89
WF-88-98	UNITED ASSOC OF PLUMBERS		APPRENTICESHIP/JOURNEYMAN	350	\$ 47,525 00	\$ 12,450 00	NO	\$ 35,075 00	NO	\$ -	\$ 35 57
WF-89-98	MINOT MILLING COMPANY	1	MILLING THEORY	7	\$ 75,747 97	\$ 13,553 40	NO	\$ 62,194 57	NO	\$ -	\$ 1,936 20
WF-90-98	MEDICAL ARTS PRESS	1 X	PRE EMPLOYMENT	40	\$ 48,389 45	\$ 18,389 68	YES	\$ 29,999 77	YES	\$ -	\$ 459 74
WF-91-98	RIETER WELDING		MSHA CERTIFICAITON	5	\$ 900 00	\$ 400 00	NO	\$ 500 00	NO	\$ -	\$ 80 00
WF-92-98	DAKOTAH DEVELOPMENT L L C	X	INSURANCE LICENSE	12	\$ 3,620 00	\$ 1,070 00	YES	\$ 2,550 00	YES	\$ -	\$ 89 17
WF-93-98	NORTH CENTRAL DATA COOP		PROGRESS TRAINING	13	\$ 33,850 00	\$ 4,000 00	YES	\$ 29,850 00	YES	\$ -	\$ 307 69
WF-94-98	DYNABAND LLC	1 X	PRE EMPLOYMENT	135	\$ 46,432 99	\$ 19,481 10	YES	\$ 26,951 89	YES	\$ -	\$ 144 30
WF-95-98	DYNAMICS MARKETING, INC.	X	INSURANCE LICENSE	16	\$ 11,344 00	\$ 1,600 00	NO	\$ 9,744 00	NO	\$ -	\$ 100 00
WF-96-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 5,900 00	NO	\$ 1,200 00	NO	\$ 10,250 00	\$ 590 00
WF-97-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 5,900 00	NO	\$ 1,200 00	NO	\$ 10,250 00	\$ 590 00
WF-98-98	CASE CORPORATION		CELL TRAINING	280	\$ 202,850 00	\$ 48,400 00	NO	\$ 154,450 00	NO	\$ -	\$ 172 88
WF-99-98	BERGSTROM ELECTRIC, INC.		APPRENTICESHIP/JOURNEYMAN	47	\$ 17,670 00	\$ 8,835 00	NO	\$ 8,835 00	NO	\$ -	\$ 187 98
WF-100-98	GLOBAL ELECTRIC MOTORCAR	1	ELECTRICAL TRACTION MOTOR	1	\$ 6,890 00	\$ 3,000 00	YES	\$ 3,890 00	YES	\$ -	\$ 3,000 00
WF-101-98	DURATECH		PROENGINEER	10	\$ 391,981 00	\$ 57,690 00	NO	\$ 334,291 00	NO	\$ -	\$ 5,769 00
WF-102-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 3,600 00	NO	\$ 1,200 00	NO	\$ 12,550 00	\$ 360 00
WF-103-98	COBRA HOSE, INC	2	ISO 9000	5	\$ 26,671 00	\$ 9,110 00	NO	\$ 17,561 00	NO	\$ -	\$ 1,822 00
WF-104-98	NIESS ENTERPRISES		MITSUBISHI WIRE EDM CERT	1	\$ 1,158 00	\$ 510 00	NO	\$ 648 00	NO	\$ -	\$ 510 00
WF-105-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 3,600 00	NO	\$ 1,200 00	NO	\$ 12,550 00	\$ 360 00
WF-106-98	NORTH CENTRAL DATA COOP		EXTREME PROGRESS	5	\$ 13,350 00	\$ 2,500 00	YES	\$ 10,850 00	NO	\$ -	\$ 500 00
WF-107-98	GLOBAL ELECTRIC MOTORCAR	1	R&D FUNDING	6	\$ 3,763 50	\$ 834 00	YES	\$ 2,929 50	YES	\$ -	\$ 139 00
WF-108-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	11	\$ 17,350 00	\$ 3,600 00	NO	\$ 1,200 00	NO	\$ 12,550 00	\$ 327 27
WF-109-98	LONGVIEW FIBRE COMPANY	1	SUPERVISORY/MANUFACTURING	50	\$ 105,612 00	\$ 27,041 00	YES	\$ 78,571 00	NO	\$ -	\$ 540 82
WF-110-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 3,600 00	NO	\$ 1,200 00	NO	\$ 12,550 00	\$ 360 00
WF-111-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	10	\$ 17,350 00	\$ 3,600 00	NO	\$ 1,200 00	NO	\$ -	\$ 360 00
WF-112-98	AMERICAN CRYSTAL SUGAR	2 X	TECHNOLOGY UPGRADE	92	\$ 90,000 00	\$ 20,000 00	NO	\$ 70,000 00	NO	\$ -	\$ 217 39
WF-113-98	DAKOTAH DEVELOPMENT L L C	2 X	INSURANCE LICENSE	19	\$ 4,448 00	\$ 1,900 00	NO	\$ 2,548 00	NO	\$ -	\$ 100 00
WF-114-98	BELFIELD AUTO SUPPLY CO.	X	HEAVY DUTY TRUCK PARTS	9	\$ 4,104 00	\$ 615 00	NO	\$ 3,489 00	NO	\$ -	\$ 68 23
WF-115-98	CRARY COMPANY		POWER PAINT	1	\$ 1,804 00	\$ 450 00	NO	\$ 1,354 00	NO	\$ -	\$ 450 00
WF-116-98	NIESS ENTERPRISES	2	SOLIDWORKS 98	2	\$ 1,998 00	\$ 500 00	NO	\$ 1,498 00	NO	\$ -	\$ 250 00
WF-117-98	AVIKO USA L L C	2	AMMONIA TRAINING	1	\$ 2,570 00	\$ 1,045 00	NO	\$ 1,525 00	NO	\$ -	\$ 1,045 00
WF-118-98	DAKOTAH MARKETING		CREDIT CARD COLLECTION	1	\$ 7,144 00	\$ 795 00	YES	\$ 6,349 00	YES	\$ -	\$ 795 00
WF-119-98	QUAM PETROLEUM		HASMAT	3	\$ 11,318 00	\$ 3,000 00	NO	\$ 8,318 00	NO	\$ -	\$ 1,000 00
WF-120-98	NORTH CENTRAL DATA COOP	2	PROGRESS TRAINING	6	\$ 33,850 00	\$ 3,000 00	NO	\$ 30,850 00	YES	\$ -	\$ 500 00

WF-121-98	SHEET METAL WORKERS #10		APRENTICESHIP/JOURNEYMAN	122	\$	106,337.06	\$	7,200.00	NO	\$	98,137.06	NO	\$	-	\$	59.02	
WF-122-98	WEST RIVER BUSINESS CENTER	2	PRE EMPLOYMENT	25	\$	10,725.00	\$	5,515.00	NO	\$	200.00	NO	\$	5,010.00	\$	220.60	
WF-123-98	EDDIE'S DIESEL	X	CERTIFICAION TRAINING	1	\$	2,146.00	\$	300.00	NO	\$	1,846.00	NO	\$	-	\$	300.00	
WF-124-98	CARBONNEAU CAR CENTER		LEASE LINK SOFTWARE	2	\$	1,980.00	\$	620.00	NO	\$	1,360.00	NO	\$	-	\$	310.00	
WF-125-98	COMPACT TECHNLOGIES	2 X	UPGRADE TRAINING	12	\$	15,648.00	\$	8,750.00	YES	\$	6,898.00	YES	\$	-	\$	729.17	
WF-126-98	TURTLE MOUNTAIN BAND OF CHIPPE	1 X	TIRE RECYCLING	2	\$	1,970.00	\$	1,170.00	NO	\$	800.00	NO	\$	-	\$	585.00	
WF-127-98	WESTWIND CONSULTING		SOFTWARE TRAINING	3	\$	1,753.50	\$	855.00	NO	\$	898.50	NO	\$	-	\$	285.00	
WF-128-98	CONTE LUNA FOODS	2	PASTA TECHNOLOGY	50	\$	236,220.00	\$	72,500.00	NO	\$	163,720.00	NO	\$	-	\$	1,450.00	
WF-129-98	TRANSCRIPTION LIMITED	2 X	MEDICAL TRANSCRIPTION	8	\$	17,350.00	\$	2,880.00	NO	\$	14,470.00	NO	\$	1,200.00	\$	360.00	
WF-130-98	TELEPHONE A T & S	X	APRENTICESHIP/JOURNEYMAN	50	\$	27,168.50	\$	12,870.00	NO	\$	14,298.50	NO	\$	-	\$	257.40	
WF-131-98	PRIMEBOARD, INC.	X	HYDRAULICS	1	\$	1,184.92	\$	172.42	NO	\$	1,012.50	NO	\$	-	\$	172.42	
WF-132-98	WALZ TRUCK REPAIR, INC.	X	TRUCK TECHNOLOGY	2	\$	50,200.00	\$	10,100.00	NO	\$	40,100.00	NO	\$	-	\$	5,050.00	
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TOTAL				4398	\$	8,558,856.81	\$	1,429,294.04		\$	5,129,562.77	\$	-	\$	103,304.50	\$	324.69

CODES
1=NEW JOB CREATION START UPS
2=NEW JOB CREATION EXPANSION

OTHER:
WF-19-98 Tribal JTPA
WF-41-98 UND-WILLISTON, CITY OF ASHLEY
WF-74-98 UND-WILLISTON, CITY OF CROSBY, TUITION

RURAL: \$471,142.63 OR 33%

**SENATE BILL 2096
SENATE COMMITTEE
INDUSTRY, BUSINESS & LABOR
SENATOR DUANE MUTCH, CHAIRMAN
JANUARY 12, 1999
9:00 AM**

Mr. Chairman, members of the committee. My name is Jennifer Gladden, Executive Director, with Job Service North Dakota. Senate Bill Number 2096 adds a new section to 52-02.1 of the North Dakota Century Code, relating to a cost reimbursement option for new jobs training. Section 1, provides for a cost reimbursement option under the North Dakota New Jobs Training Program.

The North Dakota New Jobs Training Program was enacted by the North Dakota Legislature in 1993. It is a state-funded job training program designed to provide incentives to businesses who are expanding employment opportunities or locating new employment opportunities within North Dakota.

North Dakota New Jobs Training funds are now obtained by businesses in the form of a loan or repayable grant to cover the cost of training and program administration associated with the project start-up. The loan can be obtained from a commercial lender, local development corporation, Bank of North Dakota, or other qualified lender. Repayable grants could be obtained from the state, city, or local development corporation.

The loan or grant, plus interest, is repaid through the capture of the state income tax withholding generated from new jobs created and included in an agreement between the business and Job Service North Dakota. State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, whichever comes first.

We have heard from several companies (Sykes Incorporated, Navigation Technologies) that have located to North Dakota, that they would prefer the option of self-financing for the costs of new job training associated with their expansion and/or location to the state. Many companies do not want a loan or liability

reflected on their books. This specifically impacts those companies which are traded on the stock exchange. Currently, an employer must obtain a loan or repayable grant to access funding under the North Dakota New Jobs Training Program.

Under the cost reimbursement option, programs and services developed and coordinated by Job Service North Dakota provided to primary sector businesses found eligible for loans or grants under section 52-02-1-02 could also be provided to primary businesses which provide self-financing for new jobs training programs. Under this option, employers may be reimbursed an amount up to sixty percent of the allowable state income tax withholding generated from the new job positions and identified in the final agreement. Reimbursement under this option is made over a period not to exceed the ten-year period of the project. The agreement between Job Service North Dakota and the employer would have the same requirements under this new section.

Using the sixty percent reimbursement of the allowable state income tax withholding provides employers with an option to self-finance start-up training costs in lieu of obtaining a loan, while at the same time keeping the program competitive with those employers who are unable to self-finance start-up training costs. The self-financing option would spread the reimbursement for start-up training over a number of years, where as the loan or repayable grant could be received up-front. The sixty percent reimbursement would have a positive benefit to the state general fund by transferring 40% of the allowable state income tax withholding to that fund.

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



300 Dakota Aero Drive
Devils Lake, ND 58301-9631

Phone (701) 662-2376
Fax (701) 662-2372
E-mail: dakaero@stellarnet.com

January 9, 1999

The Honorable Duane Mutch, Chairman
Senate IB&L Committee
State Capitol
Bismarck, ND 58505

Re: Senate Bill 2096

Dear Senator Mutch:

As we discussed in our telephone conversation of last evening, I am writing to explain Dakota Aero's interest in the proposed legislation to provide a cost reimbursement option for employers who self-finance job training costs.

Dakota Aero opened its doors in Devils Lake on July 1, 1998. We currently have 11 employees and plan to increase to 30 by the end of the second year of operation. If the market remains steady, we plan to employ 45 people by the end of the third year and as many as 100 by the end of the fifth.

Our company is in the business of remanufacturing Twin Commander aircraft and installing a newly certified engine that will substantially increase performance and decrease cost of operation. This remanufacturing and reengining process is not known to even trained aircraft mechanics, and the only place for them to learn at this time is on the job. This means that a major limiting factor in our company's growth is the availability of specifically trained people.

SB 2096 addresses this problem in a very important way. As a startup company our collateral is stretched very thin, making it difficult or impossible to benefit from the ND New Jobs Training Program as it currently exists. SB 2096 would allow us to offset some of our training costs, thereby enhancing our chances for success.

I will be out of town and unavailable to testify at the hearing scheduled for January 12. However, should you deem it necessary to grant an extension, I would be most pleased to address your committee. I may be reached at my Bismarck office (phone 223-8363, fax 221-9641).

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Vivian Gwin".

Vivian Gwin
Treasurer

**SENATE BILL 2096
HOUSE OF REPRESENTATIVES
INDUSTRY, BUSINESS & LABOR COMMITTEE
REPRESENTATIVE RICK BERG, CHAIRMAN
MARCH, 2, 1999**

Mr. Chairman, members of the committee. My name is Jim Hirsch, Manager, Customer Service Area V, with Job Service North Dakota. Senate Bill Number 2096 adds a new section to 52-02.1 of the North Dakota Century Code, relating to a cost reimbursement option under the North Dakota New Jobs Training Program

The North Dakota New Jobs Training Program was established by the 1993 North Dakota Legislature. The program provides incentives to businesses who are creating new employment opportunities through business expansion or relocation to the State. The program provides a mechanism for companies to obtain funding to help off-set the cost of training new employees for business expansion and/or start-up. Eligible businesses under the program are “primary sector” creating at least one new job if expanding and five new jobs if a new start-up. New job positions must pay a minimum of \$7.50 per hour plus benefits within the first year of employment.

North Dakota New Jobs Training funds are obtained by businesses in the form of a loan or repayable grant. The loan or grant, plus interest, is repaid through the capture of the state income tax withholding generated from new jobs created. State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, whichever comes first.

In our negotiations, a number of companies have expressed their preference not to have a loan or liability reflected on their books. This primarily true of companies

which are publicly traded..

Under the cost reimbursement option, programs and services provided to primary sector businesses found eligible for loans or grants under section 52-02-1-02 could also be provided to primary businesses which provide self financing for new jobs training programs. Under this option employers may be reimbursed an amount up to sixty percent of the allowable state income tax withholding generated from the new job positions and identified in the final agreement. Reimbursement under this option is made over a period of not to exceed the ten-year period of the project. The agreement between Job Service North Dakota and the employer would have the same requirements under this new section.

Cost reimbursement provides employers with an option to self finance start-up training costs in lieu of obtaining a loan. The reimbursement for start-up training to employers would spread over a number of years, where as the loan or repayable grant could be received up-front. The sixty percent reimbursement would have a positive benefit to the state general fund by transferring 40% of the allowable state income tax withholding to that fund. Currently, 100% of the allowable state income tax withholding goes to cover principal and interest payments on loans or grants.

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

January 27, 1999

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

Dear Representative Svedjan:

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

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

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

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

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

Sincerely,

Jennifer Gladden
Executive Director

TESTIMONY BEFORE HOUSE APPROPRIATIONS COMMITTEE
IN SUPPORT OF SB 2096
MARCH 9, 1999

My name is Vivian Gwin and I am treasurer of Dakota Aero Manufacturers, a company that opened its doors on the Devils Lake airport in July of last year. We currently have 12 employees and plan to increase to 30 by the end of the second year of operation. If the market remains steady, we plan to employ 45 people by the end of the third year and as many as 100 by the end of the fifth.

Our company is in the business of modifying a line of twin-engine aircraft called Aero Commanders by completely rebuilding them and installing a newly certified engine that will increase their performance while decreasing their operating cost. This remanufacturing and reengining process is not known to even trained aircraft mechanics, and the only place for them to learn at this time is on the job. This means that a major limiting factor in our company's growth is the availability of specifically trained people.

SB 2096 addresses this problem in a very important way. The ND New Jobs Training Program as it currently exists only reimburses lenders. As a startup company our collateral is stretched very thin and we are unable at this time to obtain additional loans, making it difficult or impossible to benefit from this program.

This bill would allow us to offset some of our training costs, enhancing our chances for success, and could make the difference that will allow us to create 100 or more high-paying jobs in the Devils Lake area.

We strongly urge you to support SB 2096.

**SENATE BILL 2096
HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
REPRESENTATIVE JACK DALRYMPLE, CHAIRMAN
MARCH 9, 1999**

Mr. Chairman, members of the committee. My name is Jennifer Gladden, Executive Director, Job Service North Dakota. Senate Bill Number 2096 adds a new section to 52-02.1 of the North Dakota Century Code, relating to a cost reimbursement option under the North Dakota New Jobs Training Program

The North Dakota New Jobs Training Program was established by the 1993 North Dakota Legislature. The program provides incentives to businesses who are creating new employment opportunities through business expansion or location to the State.

The program provides a mechanism for companies to obtain funding to help off-set the cost of training new employees for business expansion and/or start-up.

Eligible businesses under the program are "primary sector" creating at least one new job if expanding and five new jobs if a new start-up. New job positions must pay a minimum of \$7.50 per hour plus benefits within the first year of employment.

North Dakota New Jobs Training funds are obtained by businesses in the form of a loan or repayable grant. The loan or grant, plus interest, is repaid through the capture of the state income tax withholding generated from the new job positions created.

State income tax withholding can be captured for up to a ten-year period or until the loan is repaid, whichever comes first.

In our negotiations, a number of companies have expressed their preference not to have a loan or liability reflected on their books. This primarily true of those companies who are publicly traded.

Under the cost reimbursement option, programs and services provided to primary sector businesses found eligible for loans or grants under section 52-02-1-02 could also be provided to primary businesses which provide self financing for new jobs training programs.

Under this option employers may be reimbursed an amount up to sixty percent of the allowable state income tax withholding generated from the new job positions created and identified in the final agreement.

Reimbursement under this option is made over a period of not to exceed the ten-year period of the project. The agreement between Job Service North Dakota and the employer would have the same requirements under this new section.

Cost reimbursement provides employers with an option to self finance start-up training costs in lieu of obtaining a loan. The reimbursement for start-up training to employers would be spread over a number of years, where as the loan or repayable grant could be received by the employer up-front.

The sixty percent reimbursement would provide a positive benefit to the state general fund by transferring 40% of the allowable state income tax withholding to that fund. Currently, 100% of the allowable state income tax withholding goes to cover principal and interest payments on loans or grants.

Mr. Chairman, I have included for your information a copy of a letter I sent to Representative Svedjan after a hearing before his subcommittee. This letter identifies the total amount of state income tax withholding for the thirty-two approved projects and the impact of the new job creation program on North Dakota's economy. There is also a program brochure which provides more detail about the program.

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

N O R T H D A K O T A

New Jobs Training Program

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



Administered by Job Service North Dakota

Program

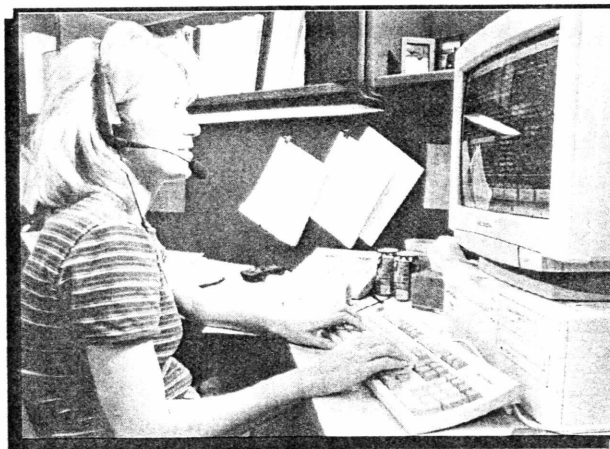
Overview and Mission

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

North Dakota New Jobs Training Program Funding Assistance

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

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



Your **Business** may Qualify

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

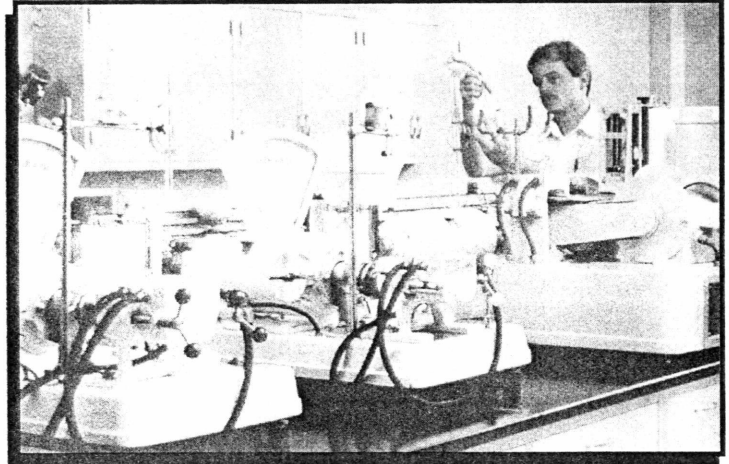
Other qualifying criteria include:

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

Calculation of **State Income Tax Withholding Credit**

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

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



Determining the loan amount:

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

Early Repayment

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

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

Repayment **Terms**

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

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



Loan **Proceeds**

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

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

Application **Process**

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

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



CSA V
JSND 4006 (R 1-99)

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