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HB 1218

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1218

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: January 18, 2007

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Committee Clerk Signature

Morgan Rennie

Minutes:

Matt Klein: *The bill before you, HB 1218, comes approached by the State Electrical Board. Their attorney for this board has put this bill together. I took it to legislative council to get it fit into the right format. There are two reasons for this. One of them is reciprocity. Our electricians, when they go to Wyoming, if we don't have continuing education they don't accept them. That is happening in so many boards and commissions because you have to have continuing education. The second reason is the training and the taking of the tests was getting to be a problem without further education. There is a lot of failure involved and with some changes in the entire electrical system, some gentleman that had been in the business for 40 years were not familiar with the technology. There are people here who are completely familiar with it, and I will let them answer the detail questions.*

Eugene Cross: Testimony Attached.

Rep. Haas: The curriculum materials that you use, do they all come from the Bureau of Apprenticeship and Training? And who teaches the classes?

Eugene Cross: The classes are a wide variety. Wahpeton Science, Independent Electrical Contractors Association. All the State Electrical Board is going to do is receive the results of the training that we are asking. They are not going to be hands on.

Rep. Haas: You did with once exception.

Eugene Cross: Do the people that provide the training, do they use materials from them?

Rep. Boehning: Do the students have to pay for the 144 hours if they are at Wahpeton for the 2 year degree?

Eugene Cross: The apprentice is going to have to make an agreement with his employers, in my opinion anyone who goes to school in ND, if they get their education. The funding right now does not ask for it.

Rep. Boehning: Are they still going to have to take more classes if they get their degree? I know a lot of electricians, and I know there is a problem out there. 144 hours, isn't that quite a few days of work that they are going to have to miss? They aren't even getting paid that well, maybe \$10-\$12 if they are lucky.

Eugene Cross: The amount that the apprentice is being paid are getting more and more. If they have a commitment to be an electrician, sometimes you have to pay the price.

Rep. Wolf: I'm a little bit confused. In your bill you say that journeyman electricians need 8,000 hours of experience is what you want this to be changed to. In your testimony you are asking for 576 hours total (144/year) plus the 8,000. So what exactly are you asking for?

Eugene Cross: The apprenticeship has to go through hands on work at a minimum amount of 8,000 hours. That is about three or four years.

Rep. Wolf: Do you want more than 8,000 hours?

Eugene Cross: Yes, the 8,000 hours is what they are doing now for up to four years. They are not doing the work, and showing it on the tests. We need more of them to take the test and pass it.

Rep. Haas: Its 8,000 hours, in addition to qualify the apprentice to take a test and become a journeyman, they need outside and classroom instruction and that is where the 144 hours comes in.

Rep. Wolf: So that is the part on the bill?

Rep. Haas: The State Electrical Board would make that requirement. This simply authorizes them to do it.

Rep. Potter: In your testimony you said that the training that each apprentice should be getting on the job is getting less each year with the demand on the construction industry. Could you explain that a little bit more?

Eugene Cross: I've seen change in the last 7-10 years where the bottom line is that the contractors are getting the job done as fast as they can. Each business does their own thing and the bottom line in my opinion is they are just hurrying up to get the job done.

Rep. Weiler: What is the status currently in ND of electricians? Do we have a shortage, surplus?

Eugene Cross: I believe there is a shortage. We need more licensed electricians out there.

Rep. Weiler: If we have a shortage why are we trying to make it more difficult to get their journeyman electrician? I do understand the education and stuff, though.

Eugene Cross: One journeyman worked by himself for a long time. When he is watching over 2 or 3 apprentices that the state requires, he is hands on in a way. The journeyman doing the work can't really go quick. If they have more training they will be more responsible. They will be able to work better by themselves.

Rep. Amerman: Part of your concern in your testimony was about the continuance training and is it necessary because of the new technology that is coming on so fast. Now if you take a journeyman that has been out of school for a long time, longer than an apprentice, right? So an

apprentice might have a better idea of some of this new technology because maybe they just got done with it. One of my questions is right now do journeyman have to take upgrading training?

Eugene Cross: Yes they do. Every year the state requires us to get your licensed renewed. You have to prove at least 8 hours of continuing education. If you don't have 8 hours you will not get your license renewed.

Rep. Froseth: It seems to me like you are going to be putting all apprentices in the same category. There must be a certain percentage of apprentices now that pass the journeyman's license with the training and experience that they are required at this time. Isn't that in fact going to penalize the ones able to move forward. Some people learn faster than others. In that point you are going to penalize the ones that can pass the test.

Eugene Cross: We see a wide variety of apprentices. There are different entities. What the ratio is and how they pass the test is something we look at.

Rep. Dahl: For those folks who already have the degree, can we exempt them from these 144 hours?

Eugene Cross: I would not be in favor of that. You get good training, you need on hand training. The path you take is very important and the experience you get is also very important. It works hand in hand. More training they get, the better prepared they will be. I am in favor of them doing the hours.

Rep. Schneider: It seems that the purpose of this legislation is to increase training and to have more people pass the test. Are you concerned with accidents and other types of hazards under the current training?

Eugene Cross: I am not privileged to that information, and I would have to talk with Don.

Don Offerdahl: Testimony Attached.

Rep. Haas: Did I just hear you say that if you take a two year course as an electrician in Wahpeton that it will substitute for some of your time as an apprentice?

Don Offerdahl: That is correct.

Rep. Haas: 2,000 hours?

Don Offerdahl: We have in our standards that are 2,000 hours for 2 years at Wahpeton. Rather than having 8,000 hours of practical experience they only have to work 6,000 hours.

Rep. Haas: So is that an agreement that you have with the Bureau of Apprenticeship and Training?

Don Offerdahl: When you go to the Bureau, we aren't affected by them at all. That is a private provider and they set up what they want to provide for training, what the rules should be, and their local committees. One time they had to do three years, another time in the last 20 years it was two years of more apprenticeship. Every provider is different on that.

Rep. Amerman: I want to get this straight. The bill will have no effect on an apprentice that is already registered because of the date. Say I've already been an apprentice for a year, the next 3 years I don't have to take this extra training?

Don Offerdahl: Yes that is what the bill means. If you indicated they went to school. This year I would say that we have about 100 students graduating from the State College of Science. Some are going into the electrical industry is about 50 kids a year. We need more there. There is roughly 150 when I was going through it.

Rep. Froseth: I guess I would still like to follow up on my previous question. The requirements for the test don't change. If you are having a 55-60% of your apprentice students that pass the test. Aren't they in fact being penalized if they have to take another 500 some hours of training.

Don Offerdahl: What you put into something is what you're going to get out of it. I don't think we are penalizing them. There are people that are doing that now. About 500 of the 1268

apprentices that are presently registered, are already doing that. We are asking to make it mandatory. They are going to learn more than what is on that test. They are going to be more productive, they will learn more theory. That is going to bring costs down for the consumers because when they come do the job they can do it more productively.

Rep. Schneider: Do you see a decrease in safety under the current regulations? Or is the sole purpose of this legislation to simply see more electricians pass the test?

Don Offerdahl: When you come into safety, there is no requirement that we know of unless it's from Workers Comp. that requires them to take safety classes. There are certain properties and organizations in ND that will take the training. Part of the apprenticeship was in safety courses and what to do and what not to do.

Rep. Froseth: What is the average difference in salary between an Apprentice and a Journeyman?

Don Offerdahl: I would leave that to some who are going to testify later. They can give you more accurate information.

Rep. Boehning: How do we compare with other states around us like MN, SD, and MT for the 8,000 hours of training? Is that pretty much the same?

Don Offerdahl: 8,000 hours is a pretty good standard. Of the 17 states that are involved with it, we all have the 8,000 hours. Most of them are going to that now.

Rep. Boehning: The other states in your compact, are they going to be required their apprentices have the 144 hours as well?

Don Offerdahl: One of the things when we look at that is that I want to clean up our backyard and make better electricians here rather than having the other states. I think it's a positive enforcement. OR, ID, UT, WY, MT, AK, and NH are doing this with their apprenticeship training. Are the minimum standards here going to provide the same training that the

organizations that are going four hours a night. They come at 7 and leave at 11. That has been the standard for years doing that.

Rep. Boehning: So the other states haven't locked in the contract to require the 144 hours?

Don Offerdahl: No they don't.

Rep. Boehning: How many of those do require it?

Don Offerdahl: About half and half.

Rep. Boehning: So in other words we aren't doing this because we have to?

Don Offerdahl: Two of the states have bowed out. We want to be proactive and be prepared for that. I want more knowledgeable people.

Rep. Boehning: What is it going to cost the electrician if they don't have internet? Is it going to cost him his weekends? What is available for them?

Don Offerdahl: They can do it locally. The NDSCS has correspondence for online classes. There will be more apprenticeship training. One gentleman that is going to testify is already lining up to do this. We are going to put a place in Jamestown.

Rep. Boehning: What do they do when you get into SW ND, where are the classes going to be held

Don Offerdahl: That was our concern several years ago, the online that most people have and the correspondence, we can provide the same service.

Rep. Amerman: Is the journeyman test a standard test that is the same throughout the US?

Don Offerdahl: We look at other states' tests. We try to have the same categories. The questions were taking out of a group of questions that all the states have submitted to one state to keep in a group. We can use the same questions as pretty much everyone.

Rep. Karls: Would you explain for the benefit why reciprocity is the way it is for electricians?

Don Offerdahl: The reciprocity was brought in and we have done this for years since we

joined a multi state group rather than having the individual agreements. Work gets slow here, they have to go travel and find income for their families. Back in 1987 most of them were traveling. They couldn't find work. This was set up back then that there is a system for the workers in case that happens. The increase in the workforce in ND makes it easier for people from those states to come to ND and come to work.

Rep. Amerman: Can you explain the qualifications you are putting in?

Don Offerdahl: When you have reciprocity you want to have the language from the law that allows the administrative rules say that it is equivalent to what you do.

Rep. Meier: What two states bowed out?

Don Offerdahl: Idaho and Oregon.

Scott Porsborg: *(Attorney for ND State Electrical Board). I assisted in drafting HB 1218. The overall purpose of the bill needs to make the apprenticeship training mandatory. It may be helpful to explain the purpose. Without that phrase the bill requires all apprentices after a certain date receive training. In addition of the clause, other training and four other trainer qualifications approved by the board allows the electrical board to implement administrative rules to lob other training or experience to satisfy this requirement as well. That leads into some of the questions that were asked. The issue of whether or not the training at other schools for an electrical engineering degree for instance would be equivalent to this PATH training is an issue that the board is going to address along with the industry. The Administrative Rules process is well stated to getting industry comment and having very input on what is appropriate and equivalent to this training. The reason that this clause is important relates to reciprocity with other states as well. 43-09-25 is the statute that deals with reciprocity. It says that we will reciprocate with other states when the applicant provides proof that the qualifications of the applicant or both equal to the qualifications with similar licenses.*

Some states currently have apprenticeship training and some states don't. The olden language requires that someone applying for a journeyman's license by reciprocity in ND have received that training. This would be true if someone was a journeyman for 16,000 hours if he wasn't from a state that required mandatory apprenticeship training, he arguably would be required to take apprenticeship training before he could get that license. That is why we added that clause in the end of that proposed amendment. That is why we added more qualifications in the amendment that we are proposing for the bill, just to give the board some flexibility. Along with the industry to determine what they feel is equivalent to this training, so that if someone comes in and have something equivalent, whether being a Technical degree, and Electrical engineering degree, or a lot of experience doing heavy duty electrical work. The board can, along with the industry, define rules, and be fair to those from other states.

Pam Fuhrer: *I am with the Independent Electrical Contractors. I'm going to kind of explain the apprenticeship program that comes along with our association. It is a four year program. The apprentices go to class one night a week, August – May, they go for four hours a night. And the preferences they have are either a Master Electrician or a Journeyman Electrician. The people that pay for the class are either the contractor or the student. Usually the contractor helps pay for it, and the student may get reimbursed. In the apprenticeship program they have to know CPR, first aid, they have to go through safety, they learn the series and the code behind their 8,000 hours of training they do in their four year period. Apprenticeship training goes hand in hand with the stuff they receive while they are training. We have had some questions about what apprenticeship really is. When you are registered you have to prove to the US Department of Labor program. That means that we have some standards in apprenticeship that is approved by the US Department of Labor. Those standards of apprenticeship, all of the contractors, all of the students, have to be held to those standards. It*

gives them skills, it helps them keep track of their hours, it tells them what they have to do, we have to do so much safety, and everything has to be held to the standards of apprenticeship. If you haven't seen the standards of apprenticeship, there is a general one online, it's one that most programs follow the same thing. There has been a lot of questions about when they get done and what do they do now. We get a student who has gone through technical school. We contract or hire them. They still have, if they are registered with the DAT, they still have to go through training. That is part of it. We in turn give them a test when they first come into the program. They do a test and they can test out certain parts of the program. Then they end up in class and finish up their apprenticeship training. It is training approved by the Bureau of Apprenticeship and Training. If they follow this they will have a good four year guideline for training purposes.

Rep. Karls: Where are you located?

Pam Fuhrer: Independent Electrical Contractors for North Dakota and South Dakota. I'm located in Pierre, South Dakota but we have training in both ND and SD. We have nine different locations.

Rep. Boehning: Pam you say that they have class from August – May. Is this all on-site training?

Pam Fuhrer: Our training is classroom training. We bring them into a classroom setting. They have an actual instructor. We do have a few that are working and can't make it and they can take training by correspondence. Our curriculum is set up so that they can do that, but there are certain guidelines that they have to meet. They have to come into the classroom every so often. Their labs are in the classroom, their tests are in the classroom.

Rep. Boehning: There are a lot of electricians that work out of town. Are these classes held during the week or on weekends? When are they being held?

Pam Fuhrer: Our classes are being held in the evening.

Rep. Boehning: So in other words if I'm living in Fargo but I'm in Beulah or some place working as an apprentice, how would I take classes if I was out of town?

Pam Fuhrer: What would happen is through the correspondence system he would be given an instructor and a textbook. Then he will correspond with the instructor and do his work out of the curriculum. Then the contractor that you are working for agrees that every so often you would have to come back and do the tests and such. These are members of ours so there is no reason they wouldn't let you.

Rep. Boehning: Are all the contractors from ND a member of your organization?

Pam Fuhrer: No

Rep. Boehning: How many are members of your organization?

Pam Furher: We have about 30 contractors with about 400 electricians under them.

Rep. Boehning: You have 30 companies in your organization? So how many organizations are in the state of ND?

Pam Furher: The other treaty that I know of in ND is you have Wahpeton.

Rep. Boehning: How many electrical companies are in the state?

Pam Furher: We have probably about 60 total.

Rep. Boehning: So that is about roughly half of the electricians?

Pam Furher: I don't know how many we do have but there may be more or less. I just don't know.

Rep. Schneider: What are the pass rates of the journeyman test of the apprentices that go through your program?

Pam Fuhrer: When we have checked into our pass rate it is between 90% and 95%.

Barry Dutton: *United States Department of Labor. I thought that maybe I could clarify some of these questions. I seem to be the one that no one knows exists. Hopefully I can answer some of your questions. I'm not going to speak in favor or opposed to this. I will just tell you that our position in apprenticeship is what we do is go out and solicit businesses and electrical contractors and apt them to design an accordance with us and their instructors whether it be the IBEW or the other electrical contractors, or the NDSCS. We develop sub standards of which are basically a contract between us and the employer that says we will hire people to teach this. Once we go ahead and do that they decide who hey are going to use as a provider. I don't care who they use. The nation wide standard for electricians is 8,000 hours to clarify that. Once a person completes the journeyman's program it has nationwide reciprocity. So once a person completes the Bureau of Apprenticeship and Training program, they can go to any state in the US and work that recognizes that. Once the program is done I go out to different contractors and employers and tell them what the standards of the program are, and what we set forth.*

Russ Carlgard: *NDSCS. We do a lot of apprenticeship training. I just want to tell you a little bit about our program. I want to make a comment that this is a great opportunity to build a 21st century work force. You talked about a lot of work force training issues and stuff. To me it's an opportunity. In the state of MT, our apprentices, take course work from us. One of the questions that comes up is how can I do correspondence. Our students in Montana have a mechanism that we can put into the state of ND. They take the correspondence course 24/7. They can go on the internet and take the electrical courses. When you are done with the course in MT you have to get out of job service and take a test. The value of that test is not the test itself, but knowing there's a test. You can't hire your best buddy to help you out because*

it's a photo id. We put a lot of integrity into our curriculum. I think there were some questions as to the cost. It will probably cost you \$1,800 for the four years. You can do that when you're on the job site. We have 9 of the finest electrical instructors on site in our electrical program. One of the things I heard was about the Advisory Board membership. There is so much out there, so much change. I guess I say I think it's a good thing that the apprentice takes something in between the time to where he is graduated and goes onto his own. What happens is a student goes out who hasn't taken any training and has somehow found a loophole, goes in and fails the test. He's been out there working for two years. He has forgotten it. I think that is basically what I want to bring forward to you, is the fact we are available 24/7. We are willing to serve when the need comes up.

Rep. Schneider: As I understand the reciprocity, most other states have an 8,000 hour requirement.

Don Offerdahl: That is correct.

Rep. Schneider: What happens under the current regulations when you pass a journeyman's test and then later surpass that 8,000 hour requirement?

Don Offerdahl: You would have to have the 8,000 hours to take the exam.

Rep. Schneider: I guess what I'm getting at is that other states have more stringent requirements for reciprocity. What happens if you meet our requirements, and perhaps at another date meet the other states'?

Don Offerdahl: No there is no problem. Under our agreement they have to follow our states licenses'. If they fail to, we send a notice to that state and ask them why. If we don't get it clarified then it goes to the whole 17 state committee and they have 30 days to respond to that.

Rep. Schneider: So if I was a licensed journeyman electrician under the current standard and they wanted me to get the state that hired me, can I take the classroom after the reciprocity?

Don Offerdahl: If you decide right now you want to go do Idaho, we would need a reciprocity agreement with them. Then what their statute says you got to have 16,000 hours of practical experience and take their test. Oregon has the same thing. They are allowing people to come in with the apprenticeship and more practical experience.

Rep. Wolf: If you go thought eh BAP training, do you have reciprocity in the whole US?

Don Offerdahl: I don't know. That issue has never been brought up with the other states. They don't know the local rules that apply. We aren't doing it, and I don't know of any other states that are.

Doreen Riedman: ND Association of Builders. Our governmental affairs committee has reviewed this piece of legislation and supports it. We do represent a number of trained electricians.

Wyatt Zahn: *President of ND Electrical Contractors Association. They have asked me to come and speak in behalf of this bill. We do support this HB 1218. We believe that apprenticeship training will only happen with the time enforced in the training, left to the individual companies. It's not happening to the degree to the degree that the industry needs. ND Electrical Contractors Association is one of our primary purposes to continue to improve our industry. Apprenticeship training is one of those things that will help. I would like to take this opportunity to thank Don Offerdahl and the State Electrical Board for being so active in this matter. ND is one of the most progressive states with requiring electrical licenses. There are many, many states that don't even require licensing. There are not a lot of states at this time that do require apprenticeship training. It is my viewpoint that it is not just because of other states including our neighbor states that don't require apprenticeship training. We do not need to stay in mediocrity in any of this. Another thing is, is that I interviewed my apprentice. A couple of months ago I got a couple of them together and I interviewed them. I tried to paint as bleak of*

picture as I could. I told them that this was going to be every Wednesday night, 6-10 pm, it is going to cost you money out of your pockets. I painted a black picture. They got all fired up. They wanted to know when it started, they wanted this. When I was listening to this I had to decide if I was for or against. I chose to do for. I have a responsibility to my decision and I also have concerns. One of the things I want to point out is that me and my constituents, our customers is where the rubber meets the road on this deal. We listened to a lot of testimony with a lot of people. Whatever happens here does not affect them directly. This affects me and my constituents very directly. I will give you an example. We have a member on our board that has an Electrical Contracting business in Lignite, ND. He has a terrible time just getting an apprentice hired. He has gone to the local high schools to try to talk kids into going into a Tech school, come home, and buy his business form him. He has a tough time even getting feedback. Now when we throw the required apprenticeship training and this young kid knows that he has to go to tech school, come back, and take classes for four hours a night/week for four years. He is really thinking about it. Then the local place offers him a job where there is no licensing requirement, the pay is roughly equal, what choice do you think he is going to make? This young man can take the correspondence course. I've had a number of my employees take correspondence courses to apply to their training. We have a company policy that upon completion of the course, he is giving a certificate. We will then reimburse them for part of the course. I have never paid for one. The classes have never been completed. I have my doubts about correspondence courses. We are talking about individuals roughly 22-30 years old. They have a lot of things on their mind. If they can not get their act together before those 3-4 months before they take their journeyman's test and do their correspondence studies. We would be unrealistic in thinking they were going to do it for 142 hours per year. I have my doubts. I'm going to backup a little bit. My company has apprentices scattered from Wahpeton to Wilton. I

would like to have in house training. Due to distance constraints and other constraints I can not do this. But if other contractors in my area can get together and provide classroom training in Valley City, Jamestown, and Wahpeton, then my apprentices will get the training they need. I cannot do this alone. If I could have done it alone, it would be done. I have a problem with that. Addressing the cost of training, I heard it was \$1,800 for four years. The cost per year for classroom training is about \$1,000 a year. That will cost about \$2,000. That is going to be an additional cost of about 50 cents an hour. Somehow I have not noticed any amount of government appropriations or any amount of money being applied to this bill to help pay for this. Everyone is assuming that this is directly going to go somewhere. Somebody has got to pay for it. In other words if it's the apprentice, whether it's the contractor.

Rep. Boehning: I know in Fargo they are having a tough time finding apprentices. Do you think this is going to hinder this program?

Wyatt Zahn: I'm glad you asked that question. I do have some concern about the people that are willing to train. It's not a real large concern. My bigger concern is what is going to happen in the years 2012-2013. We are going to have a shortage if these people can't pass their tests.

Rep. Haas: Is there any more testimony in favor of HB 1218? Is there any opposition?

David Kemnitz: When I've heard this and thought about this, is that I think there needs to be some additional thought put into Lines 11-14. In the first instance my background and working, I think the bill is not conformed to proper drafting. In that line 11 after the word 'years', there should be additional commas. This should have its own subsection. We are talking about subsection 2 of journeyman electricians. Then we move to the apprenticeship qualifications which really don't fit there. That may be something that is confusing the issue on the opposition and performance at this time. I want you to remember that I understand the trade. I went to NDSCS. I understand that this it not just about what I do and how much I earn. It's about the

