

2009 SENATE EDUCATION

SB 2086

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2086

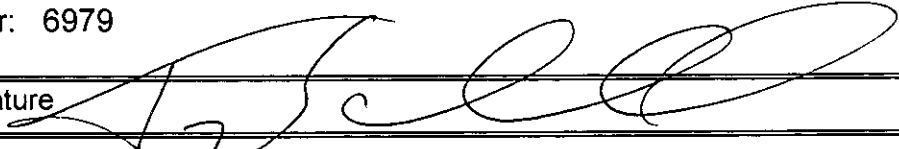
Senate Education Committee

Check here for Conference Committee

Hearing Date: January 14, 2009

Recorder Job Number: 6979

Committee Clerk Signature


Troy Schuchard

Minutes:

Chairman Freborg opened the hearing on SB 2086. All members present.

Francis Ziegler, Director of the North Dakota Department of Transportation, testified in support of SB 2086. (See attachment #1)

Senator Flakoll moved for a DO PASS on SB 2086. **Senator Taylor** seconded.

The vote was 5-0. **Senator Taylor** will carry.

REPORT OF STANDING COMMITTEE

SB 2086: Education Committee (Sen. Freborg, Chairman) recommends DO PASS
(5 YEAS, 0 NAYS, ABSENT AND NOT VOTING). SB 2086 was placed on the
Eleventh order on the calendar.

2009 HOUSE EDUCATION

SB 2086

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2086

House Education Committee

Check here for Conference Committee

Hearing Date: March 4, 2009

Recorder Job Number: 10170

Committee Clerk Signature

Carmen Hart

Minutes:

Mike Sandal, Human Resources Director, ND Department of Transportation, appeared.

(See Attachment 1.)

Vice Chair Lisa Meier: How much funding is in the DOT budget for increase?

Mike Sandal: Right now it is \$40,000.

Vice Chair Lisa Meier: Has that been decreased or was that the original appropriation?

Mike Sandal: That is the original appropriation. That is what is limited in current statue. That is all we put into our budget for this program.

Rep. Phillip Mueller: 20 ½%--why are we losing that kind of money and personnel out of the department?

Mike Sandal: In certain fields that are highly competitive, yes we are especially right now when you consider what is happening in the western part of the state with some of the oil exploration. Engineering techs are a limited supply and the salaries that are being provided to those individuals fresh out of college are very marketable. It is just beyond what we can offer and we are just losing people.

Rep. Phillip Mueller: You referenced it on your testimony that you started this scholarship or some forms of scholarship for certain areas in 2005. Certainly Mr. Ziegler wouldn't have started out in some scholarship in 2005.

Mike Sandal: Yes. That was just a block of time to give you some reference numbers. We started this program back in 1957-1958.

Rep. Bob Hunsakor: You talked about a student goes to college for four years and then begins working with your institution and then they have four years to pay the commitment back. What happens if they quit after two years?

Mike Sandal: If an individual were to quit before their commitment was paid back to the North Dakota Department of Transportation, we work with them for repayment plan. They are required to pay it back in a certain period of time that we negotiate, and they pay back the total remaining amount with 6% interest. We currently have two people who fall into that situation that we are collecting money from.

Rep. Jerry Kelsh: You talked about \$20,000 a year. Now you are asking for unlimited authority. Do you have a larger amount in your budget or where will those funds come from if this is passed and you don't have any more in your budget?

Mike Sandal: If we don't have any more in our budget, that would be our limitation. What this would allow us to do is to request in our budget package additional dollars for your approval if we see that there is additional need and that will come in here to put students into this program. Right now we are limited in our request by the statute.

Rep. Dennis Johnson: Do you seek these students or how are they aware of these scholarships available? How many numbers are you looking for?

Mike Sandal: We have an application packet that we distribute to the North Dakota universities for our students to look at who may be interested in this type of a program. Students who are interested can apply. We have a committee within the DOT that looks at the students and based upon the number of students that we need for any given period of time will, based on criteria that we have in the committee, select certain students for the program.

One of the things that we strongly encourage is that in the interim, during the summer, that these grant students work for the North Dakota Department of Transportation on various projects throughout the state so that they cannot only see what the DOT is about but gain some experience within the DOT and then when their education is completed, we have students who have some good basic understanding in operations and can hit their job running.

Rep. Dennis Johnson: That type of employment is considered part of their tenure with the DOT as far as the Rule of 85 and all the benefits that go with?

Mike Sandal: They are temporary employees. They can make contributions on their own behalf towards Rule of 85 if they would to so choose.

There was no opposition.

The hearing was closed.

Rep. Karen Karls made a motion for a **Do Pass**. **Rep. David Rust** seconded the motion.
DO PASS. 14 YEAS, 0 NAYS. **Rep. Karen Karls** is the carrier of the bill.

Date: 3-4-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2086

House Education Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Rep. Karls Seconded By Rep. Rust

Representatives	Yes	No	Representatives	Yes	No
Chairman RaeAnn Kelsch	✓		Rep. Lyle Hanson	✓	
Vice Chairman Lisa Meier	✓		Rep. Bob Hunsakor	✓	
Rep. Brenda Heller	✓		Rep. Jerry Kelsh	✓	
Rep. Dennis Johnson	✓		Rep. Corey Mock	✓	
Rep. Karen Karls	✓		Rep. Phillip Mueller	✓	
Rep. Mike Schatz	✓		Rep. Lee Myxter	✓	
Rep. John D. Wall	✓				
Rep. David Rust	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Karls

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

REPORT OF STANDING COMMITTEE (410)
March 4, 2009 1:07 p.m.

Module No: HR-39-4034
Carrier: Karls
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2086: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2086 was placed on the
Fourteenth order on the calendar.

2009 TESTIMONY

SB 2086

SENATE EDUCATION COMMITTEE
January 14, 2009
10:15 a.m. – Missouri River Room

Attachment # 1

North Dakota Department of Transportation
Francis Ziegler, Director

SB2086

Good morning, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT). Thank you for giving me the opportunity to present information to you today. I'm here to request your consideration and support of Senate Bill 2086.

NDCC 24-02-42 currently authorizes the Director of the Department of Transportation to establish grants of financial aid for students in undergraduate coursework in those areas which meet the needs and mission of the Department of Transportation. These students enter into a contract with the department requiring that each student receiving a grant, shall upon graduation accept employment with NDDOT for a period of time at least equal to the time the student received financial aid benefits. If the student does not accept employment, the grant must be paid back.

The current statute specifies the amount of financial aid the Department of Transportation can provide to students. Total departmental expenditures from highway operating funds are limited to twenty thousand dollars annually. Individual students may not receive a grant of financial aid in any one year exceeding two thousand dollars or total aid exceeding six thousand dollars. These amounts have not kept pace with increases in educational costs. When originally implemented, the two thousand dollar limit covered most of the annual tuition costs.

Senate Bill 2086 would remove these amounts and allow NDDOT to provide financial aid up to the yearly tuition of the in-state institution in which the student is enrolled. Individual students would not be limited to six thousand dollars of maximum aid. Total departmental expenditures would be determined by the department director based upon available funding.

Due to competitive pressures and low salaries, the department has struggled to recruit and retain employees in engineering positions. The department has experienced turnover rates as high as 28.5 percent in one engineering technician classification. Additionally, over 25 percent of employees in current engineering classifications will meet the rule of 85 (or have met the rule of 85) within the next five years allowing them to receive retirement benefits. This will further increase the need to fill engineering positions.

The financial aid grant program has been a strong recruitment tool and a great success for NDDOT. The department has provided educational grants to 24 students enrolled in programs such as engineering technology, civil, or construction engineering since spring semester 2005. Some of the department's top administrators were beneficiaries of this program and have stayed with the NDDOT their entire careers. For example, three in the executive team, Tim Horner, Grant Levi and I were all scholarship recipients from the DOT.

Thank you for your continued support in our efforts to recruit and retain qualified employees.

HOUSE EDUCATION COMMITTEE
March 4, 2009
9:00 a.m. – Pioneer Room

North Dakota Department of Transportation
Mike Sandal, Human Resources Director

SB 2086

Good morning, Ms. Chairman and members of the committee. I'm Mike Sandal, Human Resources Director for the North Dakota Department of Transportation (NDDOT). I'm speaking in behalf of Francis Ziegler, who was unable to attend today's hearing. Thank you for giving me the opportunity to present information to you today. I'm here to request your consideration and support of Senate Bill 2086.

NDCC 24-02-42 currently authorizes the Director of the Department of Transportation to establish grants of financial aid for students in undergraduate coursework in those areas which meet the needs and mission of the Department of Transportation. These students enter into a contract with the department requiring that each student receiving a grant, shall upon graduation, accept employment with NDDOT for a period of time at least equal to the time the student received financial aid benefits. If the student does not accept employment, the grant must be paid back.

The current statute specifies the amount of financial aid the Department of Transportation can provide to students. Total departmental expenditures from highway operating funds are limited to twenty thousand dollars annually. Individual students may not receive a grant of financial aid in any one year exceeding two thousand dollars or total aid exceeding six thousand dollars. These amounts have not kept pace with increases in educational costs. When originally implemented, the two thousand dollar limit covered most of the annual tuition costs.

Senate Bill 2086 would remove these amounts and allow NDDOT to provide financial aid up to the yearly tuition of the in-state institution in which the student is enrolled. Individual students would not be limited to six thousand dollars of maximum aid. Total departmental expenditures would be determined by the department director based upon available funding.

Due to competitive pressures and lower than average industry salaries, the department has struggled to recruit and retain employees in engineering positions. The department has experienced turnover rates as high as 28.5 percent in one engineering technician classification. Additionally, over 25 percent of employees in current engineering classifications will meet the rule of 85 (or have met the rule of 85) within the next five years allowing them to receive retirement benefits. This will further increase the need to fill engineering positions.

The financial aid grant program has been a strong recruitment tool and a great success for NDDOT. The department has provided educational grants to 24 students enrolled in programs such as engineering technology, civil, or construction engineering since spring semester 2005. Some of the department's top administrators were beneficiaries of this program and have stayed with the NDDOT their entire careers. For example, three in the executive team, Tim Horner, Grant Levi and Francis Ziegler were all scholarship recipients from the DOT.

Thank you for your continued support in our efforts to recruit and retain qualified employees.