

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Tuesday, the fifth day of January,
one thousand nine hundred and ninety-nine**

HOUSE BILL NO. 1443
(Representatives Dorso, Byerly, Koppang)
(Senators Kringstad, Robinson, Traynor)

AN ACT to create and enact five new sections to chapter 52-08 of the North Dakota Century Code, relating to work force training; to amend and reenact subsection 6 of section 15-10-01 and subsection 13 of section 15-10-17 of the North Dakota Century Code, relating to name changes of institutions of higher education; to repeal section 15-11-02.1 of the North Dakota Century Code, relating to supervision of the college at Devils Lake; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 6 of section 15-10-01 of the North Dakota Century Code is amended and reenacted as follows:

6. The following ~~junior colleges and off-campus educational center~~: Bismarck state college, ~~university of North Dakota~~ - Lake Region state college, and the ~~university of North Dakota~~ - Williston center state college.

SECTION 2. AMENDMENT. Subsection 13 of section 15-10-17 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

13. To establish a retirement program as an alternative to chapter 15-39.1 for employees of institutions under its control, subject to the following guidelines:
 - a. Benefits under the program ~~shall~~ must be provided through annuity contracts purchased by the board but which ~~shall~~ become the property of the participants;
 - b. The cost of the annuity contracts ~~shall~~ must be defrayed by contributions made pursuant to rules of the state board of higher education;
 - c. Eligible employees appointed before July 1, 1973, shall participate in the alternate retirement program only by their individual election. When the electing eligible employee is a member of the teachers' fund for retirement, the employee's assessments and employer's contributions together with interest credited at the current rate for one-year certificates then being paid by the Bank of North Dakota ~~shall~~ must be transferred to the employee's account in the alternate program. ~~Such~~ The election shall must be made ~~prior to~~ before July 1, 1980, and shall relinquish all rights the eligible employee or the employee's beneficiary may have to benefits provided in chapters 15-39 and 15-39.2;
 - d. Employees of Bismarck state college and ~~university of North Dakota~~ - Lake Region state college coming under the jurisdiction of the board who are members of the teachers' fund for retirement may elect ~~prior to~~ before July 1, 1985, to continue membership in the teachers' fund for retirement in lieu of the alternate retirement program. If an employee does not elect to continue membership in the teachers' fund for retirement, membership in that fund will terminate and the employee will become a member of the alternate retirement program established by the board effective July 1, 1985. An employee of ~~the above named~~ these colleges who becomes a member of the alternate retirement program may elect ~~prior to~~ before July 1, 1985, to have the employee's assessments and employer's contributions in the teachers' fund for retirement with interest transferred by the board of trustees of the teachers' fund for retirement to the employee's account in the alternate retirement program. If an employee elects to transfer the employee's assessment and employer's contributions

together with interest to the alternate retirement program, the employee relinquishes all rights the employee or the employee's beneficiary may have to benefits provided in chapters 15-39, 15-39.1, and 15-39.2; and

- e. Employees of institutions under the control of the state board of higher education who are members of the public employees retirement system and who become entitled to participate in the alternate retirement program are entitled to a special annuity purchase in the alternate retirement program in accordance with this subdivision. An eligible employee who consents to have that employee's contribution included is entitled to have that employee's contribution and employer's contribution, with interest, in the public employees retirement system fund, used by the retirement board of the public employees retirement system to purchase for that employee an annuity in the alternate retirement program in lieu of any other rights under the public employees retirement fund. However, before the employer's contribution may be used for an annuity purchase, the employee's combined years of service with the public employees retirement system and the alternate retirement program must equal or exceed the years of service necessary to be eligible for retirement benefits under the public employees retirement system. An employee who transferred from the public employees retirement system ~~prior to~~ before March 30, 1987, and who received a refund of that employee's contribution is entitled to have the employer's contribution, with interest, used to purchase an annuity even if that employee did not purchase an annuity in the alternate employee program with the employee's contribution. If an employee makes the election allowed under this subdivision, that employee relinquishes all rights the employee or any of the employee's beneficiaries may have had to benefits provided under chapter 54-52.

The board shall provide for the administration of the alternate retirement program and establish rules ~~therefor for the program~~ consistent with ~~the foregoing guidelines~~ this subsection. ~~Nothing in this~~ This subsection shall be construed in derogation of ~~does not~~ derogate any existing retirement programs approved by the board.

SECTION 3. A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

Institution to serve work force needs. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall establish a division or other unit within the institution to serve the work force needs of business and industry and to serve as a broker in arranging the delivery of training.

SECTION 4. A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

Work force training board - Formation. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall appoint a work force training board consisting of representatives from businesses, labor, and industries located within the institution's delivery area. The work force training board must consist of at least seven but no more than fifteen members and must include at least one representative from either an Indian-owned business, the tribal government, or the tribal colleges within the designated region.

SECTION 5. A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

Preparation of business plan - Revolving loans. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the work force training board. The work force training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. The state board of higher education may establish for each institution of higher education assigned primary

responsibility for work force training a revolving loan fund for work force training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 6. A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

Performance measurements for work force training. Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for work force training shall develop, in consultation with the work force training board, performance measurements for work force training. The measurements must include requirements for being time sensitive and results oriented and must determine how well the training needs of business and industry are being met.

SECTION 7. A new section to chapter 52-08 of the North Dakota Century Code is created and enacted as follows:

Work force training - Investment fee.

1. Except for employers with fewer than twenty-five employees and public and private elementary and secondary schools, job service North Dakota shall assess each employer a work force training investment fee of three one-hundredths of one percent of taxable wages paid by the employer to employees during each calendar year. The work force training investment fee is a fee separate from contributions made under chapter 52-04 and may not be deposited in the unemployment compensation fund. Job service shall assess the fee on an annual basis and may assess the fee in the same manner as it collects contributions and taxable wages reported by reimbursing employers under chapter 52-04. The work force training investment fee payments may not be included in computing unemployment compensation rates assigned to employers and may not be deducted by an employer from the wages of the employer's employees.
2. Funds collected under this section must be deposited in a work force training investment account and used to provide work force training programs at institutions of higher education that are assigned primary responsibility for work force training as defined by the state board of higher education. Administrative costs incurred by job service for collection of the work force training investment fee and for costs related to the establishment and maintenance of the work force training investment account must be paid from the work force training investment account. The funds may not be used by institutions of higher education for capital construction projects. The funds must be used to provide work force training, including operation and administration of a training division, acquisition of equipment, marketing, and program development. The institutions of higher education, job service, the work force 2000 advisory board and the tribal colleges in the state shall cooperate in addressing work force training needs in the state.
3. The state board of higher education shall establish up to four regions reflecting the geographical areas of work force training responsibility for the institutions of higher education eligible for funds under this section. Funds collected under this section must be allocated for use in the region of the state in which the funds were collected based upon covered employment, as defined by job service, in that region of the state.
4. Each institution of higher education providing a work force training program shall submit a report annually to the legislative council, the governor, the state board of higher education, the state board for vocational and technical education, and the North Dakota work force development council regarding the work force training programs receiving funds under this section.

SECTION 8. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$875,000, or so much of the sum as may be necessary, to the state board for vocational and technical education for the purpose of contracting with institutions of higher education assigned primary responsibility for work force training in this state for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 9. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$71,000, or so much of the sum as may be necessary, to job service North Dakota for the purpose of creating the collection structure and administering collection of the work force training investment fee for providing work force training programs under this Act, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. APPROPRIATION. There is hereby appropriated out of any moneys in the work force training investment account, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the state board for vocational and technical education for the purpose of contracting with institutions of higher education assigned primary responsibility for providing work force training programs under this Act, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 11. APPROPRIATION. There is hereby appropriated out of any moneys in the work force training investment account, not otherwise appropriated, the sum of \$40,000, or so much of the sum as may be necessary, to job service North Dakota for the purpose of administering the collection of the work force training investment fee for providing work force training programs under this Act, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 12. REPEAL. Section 15-11-02.1 of the North Dakota Century Code is repealed.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1443.

House Vote: Yeas 72 Nays 24 Absent 2

Senate Vote: Yeas 39 Nays 6 Absent 4

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1999.

Approved at _____ M. on _____, 1999.

Governor

Filed in this office this _____ day of _____, 1999,

at _____ o'clock _____ M.

Secretary of State