

**NORTH DAKOTA LEGISLATIVE COUNCIL
WORKFORCE COMMITTEE
ROOM 370, RICHARD H. BARRY HALL
NORTH DAKOTA STATE UNIVERSITY
FARGO, NORTH DAKOTA
WEDNESDAY, MAY 26, 2010**

SENATOR TONY GRINDBERG, CHAIRMAN

JIM HIRSCH – DIRECTOR, THE DIVISION OF WORKFORCE DEVELOPMENT

Mr. Chairman and members of the Workforce Committee, my name is James Hirsch, Director of the Workforce Development Division, with the North Dakota Department of Commerce.

I am going to use a PowerPoint to present my report and testimony to you today. I am also providing written testimony to support my presentation.

Today, I am going to provide an overview of the North Dakota Workforce Development Council, an update on the North Dakota Talent Strategy, and discuss impacts of Section 5, SB 2016, Workforce 2020.

The North Dakota Workforce Development Council (NDWDC) is a twenty-five member, Governor appointed advisory board which is mandated by federal legislation in order for the State to receive funding under the Workforce Investment Act of 1998. The Council has nine business members. The Chair of the Council is Mr. T. J. Russell with Cloverdale Foods. **(See Attachment I)**

The Council is a strategic partner in North Dakota's Economic and Workforce Development Systems. The role of the Council is to:

- To recommend policy and continuous improvements to the workforce delivery system; and
- Plan and provide oversight for the federal funded workforce programs.

North Dakota's delivery system consists of eight State Agencies, administering over twenty-two separate federal and state funded programs (Commerce, Job Service ND, Department of Public Instruction, Career & Technical Education, University System, Department of Human Services, Department of Corrections & Rehabilitation, and Workforce Safety Insurance). In addition, Tribal and other non-state agencies administer additional programs that target specific segments of the population.

We all use common terminology such as workforce development, workforce training, and employability development, but each program speaks a different language. Many times we all have our own definitions for these terms.

The North Dakota Workforce Delivery System must be viewed as a holistic system and not as a system of individual agencies and programs. Under a holistic system's approach, the Federal and State funded programs are integrated to provide greater leveraging and maximization of the available resources. The programs delivered by the delivery system partners work best and are most effective when there is full coordination, collaboration, and integration of resources.

The role of the NDWDC in working with the North Dakota Delivery System is to:

- Be the champion for workforce issues across the State;
- Be the State's change agent;
- Be the State's convening agent; and
- Be the State's accountability agent.

In August 2006 the NDWDC hosted a Joint Planning Retreat which resulted in adoption of the North Dakota Talent Strategy. The Strategic Planning Retreat was attended by members of the North Dakota Workforce Development Council, North Dakota Youth Development Council, North Dakota State Commission on National and Community Service, and State Legislators.

The North Dakota Talent Strategy serves as the architectural backbone to direct the activities of State Agencies who deliver education, workforce training, and employability development services in support of the Economic Development Plan for North Dakota.

The North Dakota Talent Strategy identified the role of the workforce delivery system in North Dakota to “Prepare the Workforce”. Considerations for doing this include:

- **Workforce Intelligence** is basis for all decisions.
- **Career Promotion** needs to complement Career Information.
- **Move to a demand driven service delivery model** (concentrate on target industry clusters).
- **Expand the workforce participation rate** (customized service delivery approaches).
- Provide **timely, customized workforce training** to meet business demands.
(Provide what is needed, when it is needed).

The Strategy identified **Ten** Areas of Continuous Improvement for the Council and Division to build on coordination and collaboration with business and organized labor.

The foundation for the North Dakota Talent Strategy includes: 1) coordination and collaboration by State Agencies and system partners; and 2) all decisions are made based on quantitative and quantitative workforce intelligence.

The goals of the North Dakota Talent Initiative are: 1) to increase the quantity and quality of the workforce; 2) transition from a workforce model to a talent force model which is focused on skill development; and 3) reduce unemployment in areas of the State which are above the state average.

The Initiative has three supporting pillars which include: 1) talent expansion, 2) talent attraction, and 3) talent retention.

The accountability metrics for the talent initiative include:

1. Net populations gains across the State;
2. Increase in annual income;
3. Increase in labor force participation rates; and
4. Increase in program participant retention rates in North Dakota.

The North Dakota Talent Strategies main focus is on:

- Retention of ND Higher Education Students (in-state & out-of-state)
- Attract Alumni & former residents back to ND
- Engaging underutilized, underemployed, & low wage population groups
- Continue to engage baby boomers in the workforce
- Recruit out-of-state talent
- Use of Legal Immigration, Temporary Foreign Workers & Refugees

Both the 2007 and 2009 Legislative Sessions adopted many of the tenets of the North Dakota Talent Strategy. A summary of legislation supporting the continuous improvement areas identified in the North Dakota Talent Strategy is summarized below:

“Ensure **Council and Division Leadership** in attracting, retaining, and expanding talent”

- **54-60-09. Formalized the Role of the Workforce Development Division:**
 1. Actively monitor local, regional, and national private and public workforce development initiatives.
 2. Develop and implement the state's talent strategy.
 3. Develop and implement a statewide intelligence coordination strategy.
- **54-60-19. Requires Development of a Unified State Plan:**
 1. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.

“Develop a **Dynamic Workforce Intelligence System**”

- **54-60-09. Formalized a Workforce Intelligence Coordination Strategy**
 1. Develop and implement a statewide intelligence coordination strategy.
 - Workforce Intelligence Council was chartered in 2007

- Membership: Data Analysts from State Agencies, Private Sector, Partners and Stakeholders.
- The Workforce Intelligence Council meets quarterly. A Steering Committee meets monthly.
- Workforce Intelligence Studies
- Workforce Intelligence Studies completed include:
 - Community Labor Availability Studies
 - Industry Sector Workforce/Skill Needs Assessments
 - Oil and Natural Gas Workforce & Skill Needs Assessments
 - Information Technology Workforce & Skill Needs Assessments.
 - North Dakota Economic & Workforce Context Report
 - Nursing Graduate Study

“Focus on **workforce improvement, preparation and lifelong learning** by improving the quality and quantity of training and education”

- **54-60-22. Workforce Enhancement Council - Grants.**

- Provides funds to Commerce to afford grants to State Colleges to be used to create or enhance training programs that address workforce needs of private sector companies.
 - Industry must be a full partner to the initiative and provide a \$1 for \$1 match.
 - **Bismarck State College** - Energy Training and Development, Line Worker, Welding Partnership, Electronics and Telecommunications Programs.
 - **Williston State College** - Petroleum Safety and Technology Center, and Automotive Diagnostic Certification Center Programs.
 - **North Dakota State College of Science** - Transportation & Construction Advanced Tech, Automation Integration for Precision Machining, and Transportation Initiative.

– **Lake Region State College - Wind Energy Technician Training**

“Increase the labor force participation rate and expand the available talent pool”

- Legislature provided State General Funds to Job Service North Dakota to establish a single portal capturing all job postings on any web site for the State of ND.
 - FindJobsND.com
 - April 2010 over 10,794 job postings
- ND Dept. of Commerce efforts to bring back alumni and attract out-of-state talent:
 - North Dakota Ambassador Program
 - Workforce Relocation Program
 - Experience North Dakota Events

“Give emphasis to the emerging worker talent pipeline by focusing on young people”

- **54-60-18. Created Career Specialist initiative within Commerce.**
 - Function is to implement a program to assist public schools in promoting North Dakota career opportunities to students in grades nine through twelve.
- **54-60-17. Created internships, apprenticeships, and work experience opportunities initiative within Commerce.**
 - A program to increase use of internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in other initiatives/programs focused on youth:
 - AmeriCorps
 - Career Advisor’s
 - Jobs for Americas Graduates
 - Emerging Technologies
 - Learn & Serve America
 - Career Technical Centers
 - Technology Scholarships

“Build even stronger workforce system partnerships to increase efficiency, effectiveness, and accountability”

- **54-60-19. Requires a system of common performance accountability measures for the workforce system:**
 - The Division of Workforce Development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction.
 - Each partner of the state's workforce delivery system shall cooperate by providing the data and information necessary.
 - The common accountability data elements include:
 - Number of individuals trained or served;
 - Number who became employed as a result of each department's workforce development & training programs;
 - The state's investment;
 - The areas of occupational training provided;
 - The average annual salary of those employed; and
 - The average increase in earnings twelve months after completion of training.

“Improve the workforce system interface with employers and targeted industry trade associations”

- **54-60-19. Formalize the division's role in leading innovation to improve the workforce system's response.**
 - Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.
- Formal Interface Initiatives:
 - North Dakota Business Resource Alliance
 - Business Associations, Trade Organizations, Organized Labor Roundtables

Tenets of the North Dakota Talent Strategy adopted by the 2007 and 2009 Legislature compliments and builds on the workforce training legislation adopted in previous sessions.

There are still areas which need attention and focus.

North Dakota has a number of opportunities to expand on “Home Grown” Talent. These opportunities include actively engaging:

- North Dakota’s Underemployed and Low Wage Workforce. (30% + of current workforce);
- School Dropouts (Prevention & Recovery at Secondary – Postsecondary Level);
- American Indian Populations;
- New Americans & Refugees (English as a Second Language);
- High School Youth (Expand access to Career & Technical Programs in rural schools)

The North Dakota Legislature has a number of opportunities to positively impact on the talent pipeline in North Dakota. Some of these considerations include:

- Expand access to both basic and job skill training for at-risk youth.
- Fund Adult Learning Centers to support GED & postsecondary academic prep with emphasis on satellite services/distance education.
- Pilot an “Emerging Technology Competency Certification Training Program” which targets the underemployed and unemployed in rural communities (Mechanical, Hydraulic, Pneumatic, Electrical, and Computer Foundation Skills).
- Expand access to Career and Technical Education programs in areas not served by a Career and Technical Education Center.
- Expand the HB 1400 scholarships to include GED recipients.
- Create a new program to allow underemployed and low-wage workers access to short-term skill upgrade training (CDL, Welding, Etc).
- Support continuation of the three Jobs for America’s Graduates pilots and to expand the number of pilots by an additional three schools in the next biennium.

SB 2016, Section 5, Workforce 2020 - Job Service North Dakota Appropriations Bill

In March, 2010 the Commerce Senior Management Team was advised by Job Service North Dakota that Workforce 2020 applications were being placed on hold unless the application was from a business that was creating new or expanding job opportunities.

SB 2016, SECTION 5, WORKFORCE 20/20 FUNDING states.... “Fifty percent of the **workforce 20/20 funding** in Section 1 of this Act must be used to support projects for new or expanding businesses in North Dakota”.

CHAPTER 52-08.1 NORTH DAKOTA WORKFORCE 20/20 PROGRAM - 52-08.1-03.

States.... “Job Service North Dakota shall encourage training assistance for a company that manufactures or otherwise produces a product. However, the class of occupations eligible to receive training through such a company is not limited to manufacturing or production”.

In today’s economy the century code and the appropriations language set up conflicting requirements & goals. The language presents challenges to effective use of funds and integration of programs within the system.

The **North Dakota New Jobs Training Program** Enacted in 1993 – is the primary tool to provide incentives to new and expanding primary sector businesses that are creating new jobs in North Dakota.

The **Workforce 2000 (2020) Program** Enacted in 1991 is the primary tool to provide incentives to North Dakota business to invest in training for their incumbent workers to help foster growth and competition of North Dakota’s workforce.

The main program differences are:

- Workforce 2000 (2020):
 - Main purpose was to respond to the workforce training needs of ND business by offsetting the cost of retraining and upgrade training for incumbent workers.
- North Dakota New Jobs Training:
 - Main purpose was to provide incentives for new job creation by primary sector business either locating to or expanding in the State.

In today's economy most primary sector businesses are trying to maintain. New business starts and expansions have declined. Existing businesses are retooling and changing work methods to become more productive. Many manufacturing businesses have begun to introduce LEAN Principals to improve efficiency and productivity.

The language in Section 5 of SB 2016 is preventing the use of WF 2020 to provide a timely response to the training applications being submitted by existing employers who are not expanding their employment base. This is potentially impacting continued employment for many workers.

Workforce Training Incentives that work are investments. They provide a Return on Investment for the:

- Employer
- Worker
- State

Mr. Chairman, this concludes my testimony. I would like to have Ms. Maren Daley, Executive Director from Job Service North Dakota provide an analysis of the impact of Section 5, SB 2016.

Thank you!

THE NORTH DAKOTA WORKFORCE DEVELOPMENT COUNCIL
ATTACHMENT I **2009-2010**

NAME	CATEGORY	APPOINTMENT
Mr. Jim Walker Missouri Slope Labor Council 520 Gary Avenue Bismarck ND 58501 701-223-9594 jrwalk41@msn.com	Organized Labor and Professional Groups	July 1, 2008 – June 30, 2011 (Executive Committee) (Planning Committee)
Mr. Alvin “Butch” Brandt Organized Labor 617 6 th Street Wyndmere ND 58081 701-439-2557 butch_b42@hotmail.com	Organized Labor and Professional Groups	July 1, 2005 - June 30, 2011
Mr. David Farnsworth Great River Energy 2875 Third Street SW Underwood, ND 58576-9659 Phone: 701-442-7002 dfarnsworth@GREnergy.com	Business – Region VII	May 6, 2008 - June 30, 2011 (Executive Committee)
Ms. Candice Dietz Preference Personnel 2600 9 th Avenue SW Fargo ND 58103 701-293-6905 candice@preferencepersonnel.com	Business – Region V	July 1, 2007 - June 30, 2010 (Planning Committee)
Mr. Shane Goettle, Commissioner North Dakota Department of Commerce P.O. Box 2057 Bismarck ND 58502-2057 701-328-7284 sgoettle@nd.gov	State Agency – Commissioner	Open-ended
Ms. Jane Priebe, Director Wahpeton Economic Development P.O. Box 490 Wahpeton, ND 58074 701-642-8559 janep@wahpeton.com	Community Group - (Economic Development)	July 1, 2007 - June 30, 2010 (Planning Committee)
Mr. Paul Steffes Steffes Corporation 3050 Hwy 22 North Dickinson ND 58601 701-483-5400 psteffes@steffes.com	Business – Region VIII	July 1, 2007 - June 30, 2010 Terry will take Pauls place effective July 1, 2010
*Mr. Terry Saul Steffes Corporation 3050 Hwy 22 North Dickinson ND 58601 701-483-5400 tsaul@steffes.com	Business – Region VIII Alternate:	July 1, 2010 - June 30, 2013

Ms. Marsha Krotseng, Vice Chancellor North Dakota University System 600 East Boulevard Ave, Dept. 215 Bismarck ND 58505-0230 701-328-2979 marsha.krotseng@ndus.edu	State Agency – University Systems	Open-ended
Dr. David Gipp, President United Tribes Technical College 3315 University Drive Bismarck ND 58504 701-255-3285 Ext. 8 dmgipp@aol.com	Community Group - (Vocational Education)	July 1, 2007 - June 30, 2010 (Planning Committee)
Mr. David Kemnitz, President ND AFL-CIO 1323 East Front Avenue Bismarck ND 58504 701-223-0784 dkemnitz@ndaflcio.org	Organized Labor and Professional Groups	July 1, 2006 - June 30, 2012 (Executive Committee)
Ms. Maren Daley, Executive Director Job Service North Dakota 1000 East Divide Avenue Bismarck ND 58502-5507 701-328-3030 mdaley@nd.gov	State Agency	Open-ended Ex-Officio (Executive Committee) Ex-Officio (Planning Committee)
Mr. Wayne L. Kutzer, State Director Department of Career & Technical Education 600 East Boulevard Avenue, 15 th Floor Bismarck ND 58505-0610 701-328-2259 wkutzer@nd.gov	State Agency	Open-ended (Executive Committee) Ex-Officio (Planning Committee)
Ms. Rosella Grant Organized Labor 1006 West Capitol Avenue Bismarck ND 58501 701-426-2284 grantrosella@hotmail.com	Organized Labor and Professional Groups	July 1, 2008 – June 30, 2011
Mr. Leo Cummings, 477 Administrator Three Affiliated Tribes North Segment Community Board Box 391 Newtown ND 58763 701-627-4756 program477@restel.net lcummings@mhanation.com	Community Group	July 1, 2007 - June 30, 2010 (Planning Committee)
Mr. T. J. Russell, President/CEO Cloverdale Foods, Inc. 3015 34 th Street NW Mandan, ND 58554 701-663-9511 Ext. 217 tjr@cloverdalefoods.com	Business – At Large Chairperson	July 1, 2008 - June 30, 2011 CHAIRPERSON (Executive Committee)

Mr. Greg Allen Cavendish Farms 5855 3rd Street, SE Jamestown, ND 58401 701-252-5222 allen.greg@cavendishfarms.com	Business - Region VI	July 1, 2009 - June 30, 2012 (Executive Committee)
Mr. Lee Lampert, Principal Divide County High School 605 SE 4 Crosby ND 58730 701-982-3324 lee.lampert@sendit.nodak.edu	Community Group - (Secondary Education)	July 1 2008 – June 30, 2011
Mr. Jim Melland Sure Foot Corporation 2275 34 th St. #2 Grand Forks, ND 58201 701-775-9560 (w) 701-610-3787 (c) jim.melland@surefoot.net	Business-Region IV	July 1, 2008 – June 30, 2011
Ms. Valerie Fischer Department of Public Instruction 600 East Boulevard Avenue Bismarck ND 58505-0440 701.328.4138 vfischer@nd.gov	State Agency	Open-ended (Planning Committee)
Ms. Carol Olson, Executive Director Department of Human Services 600 East Boulevard Avenue Bismarck ND 58505-0250 701-328-2538 colson@nd.gov	State Agency Alternate:	Open-ended
Mr. Larry C. Skogen, Ph.D. President Bismarck State College 1500 Edwards Avenue P.O. Box 5587 Bismarck, ND 58506 701-224-5430 Larry.skogen@bsc.nodak.edu	Community Group - (Higher Education)	July 1, 2009 - June 30, 2012
Mr. David "White Thunder" Trottier Director, Human Resources Heart of America Medical Center, 800 Main Avenue South Rugby, North Dakota 58368-2198 Ph 701-776-5261 Ext 2391 dtrottier@hamc.com	Business – Region III	July 1, 2009 – June 30, 2012
Mr. Bruce Walker Coldwell Banker, 1 st Minot Realty 219 South Main Minot ND 58701 701-852-0136 Bruce@coldwellbanker.com	Business – Region II	July 1, 2008 – June 30, 2011 VICE-CHAIRPERSON (Executive Committee)

Ms. Jackie Velk, School Board Minot Public School District 1542 Cook Drive Minot ND 58701-5744 701-857-4771 velk@web.ci.minot.nd.us	Community Group	July 1, 2006 - June 30, 2012
Ms. Cathy Kruse GeoResources, Inc. P.O. Box 1505 Williston ND 58802-1505 701-572-2020 Ext. 113 cathyk@geoi.net	Business – Region I	July 1, 2008 – June 30, 2011 (Planning Committee)
EX-OFFICIO NON-VOTING		
Mr. James J. Hirsch, Director ND Workforce Development Council 1600 East Century Avenue, Suite 2 P.O. Box 2057 Bismarck ND 58502-2057 701-328-5345 jhirsch@nd.gov	Ex-Officio Member/No Vote	Open-ended (Executive Committee) (Planning Committee)
Mr. Scott J. Davis North Dakota Indian Affairs Commission State Capitol Building 600 East Boulevard Avenue 1st Floor, Judicial Wing - Room #117 Bismarck, ND 58505 (701) 328-2428 - office (701) 328-1537 - fax sjdavis@nd.gov	Ex-Officio Member/No Vote American Indians	Open-ended
Mr. Brager, Frank CSM NGND 3031 Sleepy Hollow Loop Bismarck, ND 58501 701-333-3013 701-214-0656 (Cell) fbrager50@bis.midco.net	Ex-Officio Member/No Vote Veterans	July 1, 2009 – June 30, 2012 (Veterans)

*Pending appointment July 1, 2010 to replace Paul Steffes