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ROLL NUMBER

DESCRIPTION

3025

2007 HOUSE INDUSTRY, BUSINESS AND LABOR

HCR 3025

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3025

House Industry, Business and Labor

Check here for Conference Committee

Hearing Date: **6 February 2006**

Recorder Job Number: **2966**

Committee Clerk Signature



Minutes:

Vice Chairman Johnson opened the hearing of HCR 3025.

Representative Mary Ekstrom, District 11, introduced the resolution. (Testimony Attached.)

Representative Thorpe: I know there are two things that affect our out migration--low pay scale and high taxes.

Representative Ekstrom: There are a whole series of statistics I could throw at the Committee. We have really good jobs here and we need to get people to move to ND rather than to congested city area. If we look at SD, IA, MN, WY and MT, they grew. We lost population. What are they doing differently? SD changed their corporate income tax. We have to look at everything that is different in every other state. Maybe it's an attitude. We do not promote ourselves the way we should. We don't think of our self image in a positive way.

Carlee McLoed of the Bismarck Mandan Chamber of Commerce spoke in favor of the resolution. (Testimony Attached.) (See also handout A)

Eddie Dunn, chancellor, ND University System testified in favor of the resolution. (Testimony Attached.)

Representative Kasper: In Fargo at NDSU we have Dr. Radke who does a lot of studies on population and projections. Has they ever looked at doing a study like this.

Chancellor Dunn: He has a lot of background information. The State Board of Higher

Education utilizes Dr. Radke for our orientation session and every two or three years he participates in our retreat to provide information. There is no question he could provide a lot of the information for this. I don't know if he will be able identify some of those opportunities or ideas that might make the real difference. One of the initiatives that have come out of the Round Table was to use higher education to attract out of stators to come in to attend college and then track what happens to them. Across the state about 30% of our graduates stay in the state. There is a major strategy there that can bring students in and add to that knowledge base. I think we have to do a better job of providing jobs for existing ND students. If they go elsewhere after graduation, the chance of return is even less. The Round Table has phenomenal things in terms of contributing to North Dakota's economy and helping connect higher education to the private sector; but there is a feeling that we need to take the Round Table to another level. That group is looking at where to do that and quite honestly they are coming down very clearly on this whole issue of capital development. They are the kind of people who can make a great contribution to the work force in this state and to help drive the economy and create new jobs. The SBHE uses the Round Table as their primary advisory group.

Representative Thorpe: Is there an opportunity for the Round Table to go around the state and have some meetings.

Dunn: Are you thinking about a contribution of ideas or are you talking about representation on the round table.

Representative Thorpe: Either, or both.

Dunn: There has been an attempt to get individuals representing all areas of state. They look at opportunities and needs to add people.

Leroy Volk, injured worker: I worked out of state and I worked around. The trouble is I can

go across the state line and work and draw unemployment in the winter time for longer weeks and higher benefits. ND has lower weeks and lower pay. Look at MT, the same thing. All over you get more benefits than you do here. In MN if you work 35 hours, you are considered full time there. Here they don't consider you full time at 39 hours. You are sitting and trying to figure out how to bring people into this state, look at what you are doing. You ain't giving no benefits, you ain't paying nothing else, you're raising the taxes, people are moving out. Unemployment is higher. The cost of living is just about as high here as it is any where else. I'm an injured worker—I know. I've worked around the state and the countryside. You don't want to believe us when we tell you something. It goes in one side and right out the other. If you would treat us equal, you might get somewhere in this state.

There being no further testimony, Vice Chairman Johnson closed the hearing of HCR 3025.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3025

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: February 7, 2007

Recorder Job Number: 3026

Committee Clerk Signature



Minutes:

Chair Keiser opened the hearing on HCR 3025.

Rep. Johnson: I move a do pass.

Gruchalla: Second.

Rep. Johnson: The focus has changed over the last interim, and it's now more on developing workforce. I think it is something we need to keep looking at in developing workforce, and we need to move on that, and keep working on that.

Rep. Ruby: I certainly don't oppose this, but isn't there something we can do that marks specifically proposed without saying in a way.

Rep. Keiser: I do recall Rep. Ekstrom did bring in a pilot project that we rejected, but it's related to this issue, so I support this.

Rep. Kasper: I think the goals of this resolution are worthy, however can you do anything with what you get out of it? Jobs bring people to ND, population occurs, growth occurs when people come and they have families that stay here. It's obvious to me that the way we continue to work on growing population, jobs, business, and creating a business plan that it's favorable for companies to come in this state, so I think this is a wasted study.

Rep. Zaiser: I support the goals of the study, but I would agree with Rep. Ruby, and Rep Kasper that these are the results of objectives of whether it's stealthy to workforce, paying them more money, bringing new jobs in, which higher paying jobs will bring in. Sometimes it acts in reverse, but I struggle with this, because this result doesn't have any objectives in it, but I don't think it will hurt.

Rep. Johnson: Right now there are good paying jobs in our state. The jobs are there for people; maybe we need to look at getting a way to find people to come here.

Rep. Amerman: I support this study.

Rep. Clark: I'll support it.

Rep. Zaiser: I think the one thing that we forget about when we talk about job development, and jobs are the quality of life, the culture that we have here in the state. I'm thinking an element that may come out of this is creating a climate.

Rep. Ruby: It doesn't say that they shall consider, or that they may consider, it says that the Legislative Council study costs go in there. So, it's pretty much a directive, the way I read it.

Rep. Keiser: I think you're correct.

Rep. Dietrich: That got me thinking back to HB 1027. Many elements of HB1027 were they were looking at possible methods of growing the population, and increasing available workforce, and I'd rather see the money spent in that arena where there is performance.

Roll call vote was taken. 11 Yeas, 3 Nays, 0 Absent, Carrier: Rep. Thorpe

Hearing closed.

Date: 2-7-07
Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3025

House Industry Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO Pass

Motion Made By Rep Johnson Seconded By Rep Gruchalla

| Representatives | Yes | No | Representatives | Yes | No |
|-----------------------|-----|----|-----------------|-----|----|
| Chairman Keiser | X | | Rep. Amerman | X | |
| Vice Chairman Johnson | X | | Rep. Boe | X | |
| Rep. Clark | X | | Rep. Gruchalla | X | |
| Rep. Dietrich | | X | Rep. Thorpe | X | |
| Rep. Dosch | X | | Rep. Zaiser | X | |
| Rep. Kasper | | X | | | |
| Rep. Nottestad | X | | | | |
| Rep. Ruby | | X | | | |
| Rep. Vigasaa | X | | | | |
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Total Yes 11 No 3

Absent 0

Floor Assignment Rep Thorpe

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

REPORT OF STANDING COMMITTEE

HCR 3025: Industry, Business and Labor Committee (Rep. Kelsner, Chairman)
recommends **DO PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).
HCR 3025 was placed on the Eleventh order on the calendar.

2007 SENATE INDUSTRY, BUSINESS AND LABOR

HCR 3025

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3025

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **March 13, 2007**

Recorder Job Number: **4980**

Committee Clerk Signature



Study on methods of growing ND population:

Representative Mary Ekstrom, District 11, Fargo - In Favor

TESTIMONY # 1 *Went over testimony Ends 6:08m*

Metropolitan area of Minneapolis St. Paul will grow to 680,000 MORE in the next 12 years.

That's greater than the population in ND. Weather is not that much different. Our area takes 109 minutes rather than 45 minutes to get to work. We are losing population, doing something wrong. Aging is a reality.

S Hacker: Do you think as legislators we make a difference in having an unwelcoming environment? The bills we've passed maybe aren't necessarily youth friendly?

Such as tanning, using their cell phones, what age they can drive at, and all the other piles of bills we have in this section. Would you be ok with an amendment onto this resolution in the youth living environment in ND?

Mary E: I think we are NOT youth friendly. A few years back in Fargo, we tried to establish a juice bar. This was so youth could go out and have a good time, listen to loud music. The city said, "no." We now have a skateboard park, that took forever for us to do. There are so many things that could be done to make our cities more attractive to young people.

S Heitkamp: *Reads from a part of the bill.* "Line 14, 15" opportunity if this resolution is picked up and this study is done that they will have the opportunity to say "are we being unfriendly to our youth" and sending the message we don't want them here.

Mary E: This was not the tactic we initially took. It was received warmly in the House.

S Heitkamp: So you want to start amending this, so that the House gets another crack at it?

Mary E: There were some interesting things done in this particular session. If somebody wants to take this as a vehicle for doing something else, I'm going to be pretty loud about it. I haven't been shy so far this session. This was not the tactic initially taken. It was received warmly in the House.

S Heitkamp: There's a whole bunch of amendments that pop into my mind now, Mr. Chairman.

S Potter: We all are concerned about the population decreasing. What's the goal of increased population? When's enough, enough. What do you want the population to be?

Mary E: We have suffered from lack of people for a very long time. The future for me right now, the way we look at it, we do have a future. Wind energy, alternative fuels, all of our other sources of energy production in our state are the future of ND. Right now Dickinson State University is losing students to the oil fields, because it is a lot more fun than studying algebra or other studies, so they're out there working, It's a young man's game. They are earning \$32 an hour. That is the future. We have a collision just about to happen right now between the needs of the elderly and having enough workers. We have an artificially low unemployment rate, people work more than one job.

S Potter: I'm concerned, a lot of problems "per capita." We have wonderful things because of our low per capita as well. We can drive without traffic jams, we have the lowest crime rate in

the nation. There are an awful lot of good things for being a low population state. What do you think the "right" population of ND is? The optimum population?

Mary E: I spent 30 years running a business on architectural planning in Jamestown. One of the things we did was the infrastructure in downtown Jamestown. We overbuilt the infrastructure, way more than we need for the area. My feeling is this, I think we could sustain 3 million (?) I really do. I grew up in the city, Baltimore, and you could not pay me to go back. SD is doing better than we are, Wyoming and Montana are both increasing closer to the national average.

S Potter: How is SD doing better than us? Don't answer that.

S Wanzek: Looking at all the possibilities. What about the birth rate issue? The families are smaller. My wife had 7 children in family, mine, 6, my dad had 11 brothers and sisters, my mom had 9, you don't see families like that anymore. Could be that be a part of the issue. I'm involved in agriculture and farming. I think a big reason you see rural de-population is technology. I can do what it used to take 10 of my grandfathers to do with machinery and technology that I have today. There's no need for all that labor out in the rural area to farm that land. I don't see General Motors or those types of companies come any time soon. We are about agriculture and hope that it would be studied. I hope you can increase the opportunities beyond just farming.

Mary E: In Williston a business closed because there were no employees. ND is a "frontier state" which means they have fewer than 10 people per square mile. "Wilderness" Other states have looked at that and said, no services, no roads, no power lines.

They just de-commissioned a sub station, that has never happened in history before.

There are ways for us to deal with this – "bulge in the snake" – the baby boomers.

We create a problem everytime we go through a new stage in our life.

We build hospitals, then kindergartens, then middle schools, then high schools, now we're talking about nursing homes. We have a window of opportunity to deal with all the problems. Let's look at the opportunities. There are good businesses in ND. You won't have enough people to handle the jobs. We have an unemployment rate that in Fargo is ridiculously low. This is a national problem. We need to get serious about it, the age of the population will live longer. They say right now, a baby girl born in the U.S. right now, 50% of them will live beyond 100. Over 1/2, that's how much better medical treatment has gotten.

"When we're sitting around in a dirty diaper, drooling into our oatmeal, who's going to take care of us."

S Heitkamp: S Potter's question, "how much is too much." Couple of "what ifs" – Richard Rathke is usually right. Is that true?

Mary E: Yes

S Heitkamp: Part of what we're discussing here is the fact that if you look at the studies, you've got a portion of the population that's going to reach retirement age like we're seeing with the ND Teachers and NO ONE coming in to replace them from behind. What we're talking about is the availability of the work force. We may stay at a certain number, but we don't have people eligible to do jobs – true or not?

Mary E: Yes

S Heitkamp: So if we go to the areas that matter to some of us in the room, renewables, in the Oaks plan, there are two negatives that they see. 1. Water Availability of water
2. Workforce Do you envision your study encompassing that? What wage needs to happen.

Mary E: That is the essence of what this study does. It is about having the human capital that we need.

S Hacker: Keeping in mind the amendments earlier, this has been alarming to me and it deals with the state – we look at a large state as not having population problems, fewer students, etc. so, one of the things, 2 months ago approached the Dept. of Commerce about an idea to create an idea for an office called: "Office of Recruitment." It centralized all of these programs, such as ambassadors, etc. under one central location to help employers recruit their employers from outside of the state. It was called "No Interest" by that department to venture down that road. A month later, the state of Minnesota came out and guess what they had already developed – a similar office of recruitment, and we think we have problems and we look at them as not having population problems, but they are getting in front of us. We should have been first to do this. So, would there be any heartburn if we started looking at this resolution and included something along those lines?

Mary E: Over the last sessions, I've proposed recruitment of citizens in the state.

Unemployment in the state runs below 2%. In MN, the rural population is going away.

S Potter: In the "where as": 3 population trends we need to deal with: 1. rural de-population 2. out migration 3. increase of proportion of the elderly. All problems that we need to deal with. Be it resolved is: "Let's grow the population of ND." We can grow the population in the ways it has been growing, Fargo and Bismarck are going to continue to grow and GF will rebound from the flood and we'll have this centralization in the cities. The problems you've identified aren't touched.. therefore, "be it resolved."

Mary E: The A list cities from the Association of Cities, once you drop below 2,500, in that upper tier, what concerns me is the capabilities of these small towns. If it gets smaller, I'm going to go to the city. There are a whole host of problems. The hospital reimbursement rate.

More development would be wise, do you have enough water, enough land. And guess what, Fargo does not.

S Potter: On beating the Fargo drum, 2% unemployment you've identified as a problem.

Seems that's a really GOOD problem for the workers of Fargo. Wages going up, thousands of jobs available, and this a good thing on the side of the fence that you're on.

Mary E: It's a good problem to have until you're trying to get more businesses.

S Potter: Fargo wants the water to go to people, why don't the people go where the water is?

Mary E: I will go back and answer that. Back in the day, "colonies" were developed from years ago, have infrastructure to get anywhere with roads. How we create destination areas must be looked at in ND.

S Behm: I'm coming to your defense because if we want more industry to come to ND, you have to have the labor force. We have a business in GF, glass fiber, they're crying for workers and they're paying a good wage. We just don't have them. How do we expect to have more industry come in if we don't have more people. *Looks at Potter* – There, smartie pants.

Mary E: We are doing everything in our power right now to double our energy sector. The energy product will be more than farming in the future. We can't do it unless there are people who can keep them painted, fix the machines, and you can have people come out to fix the copy machines, etc. Someone I talked to said it takes 3 weeks to get someone to come out and fix the copier.

Carlee McLeod, Bis-Man Chamber of Commerce – In Favor

TESTIMONY # 2 *Went over testimony*

Matthew Bakke – Student in Grand Forks - In Favor **Senator Bakke's son**

TESTIMONY # 3 *Went over testimony*

If you come from a college town, there should be no question that you want to have this study.

We deserve to have this passed.

S Andrist: Good comments, but, do you and your peers really believe that property taxes are lower someplace else or that college is more affordable?

Matthew B: it may not be more affordable, but when you enter the workforce, when you can go E, S, W, and you can get twice as much, then now, it is a lot more affordable.

S Wanzek: I have a brother that moved to MN, If he bought a house like mine in his community, he'd pay TWICE the cost. There are some other things in the affordability of housing, some other things. I've lived outside the state, too.

It's the matter of a good paying job.

S Potter: Other than low salaries and tuition, are there other things that would drive young people out of ND? Social policies? Do you feel that we're more restrictive here than elsewhere?

Matthew B: You can go somewhere else and get paid more. Basically, the social aspect of it, not as pressing as the money.

S Klein: Is this something you have observed or read about, pursued opportunities? I have a son who just graduated last May from NDSU, had some interviews around the country and after he returned, he said, "Dad, I'd never live there. You feel uncomfortable, it's just not, you don't feel safe." He took less money, there are trade-offs, and he's very happy with that. Have you looked at all those opportunities and seen that the money is all that you're thinking about?

Matthew B: Money isn't exactly the thing I'm thinking about, but personally, I've had friends leave the state by the DOZENS because they can go somewhere else and get a better life, that I feel is wrong. That's what we need to look at and investigating. I see this a step onto that problem. This is something we can SHOW our young people that we will make a step in the right direction. Frankly we haven't shown them anything. Last few years we have not shown the young people we WANT them to stay here. This is in the right direction.

I want to say, "right now they are making choices in opportunities for us, and I want that to happen." That's why I'm here to voice my opinion.

Pat Seawirth, ND University System In Favor

TESTIMONY #4 *Turned in for Chancellor Eddie Dunn*

CLOSE

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3025 B

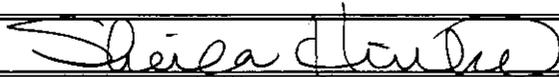
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **March 14, 2007**

Recorder Job Number: **5037 17:14m**

Committee Clerk Signature



Study on ND Population:

Motion for DO PASS by S Heitkamp

Second by S Hacker

Roll call on HCR 3025 – 7-0-0 passed

S Klein: I've been carrying this one for years.

S Potter: I would give it a very lukewarm carry.

S Heitkamp: You've got some good points to bring up.

Carrier: S Hacker

REPORT OF STANDING COMMITTEE (410)
March 14, 2007 11:31 a.m.

Module No: SR-48-5279
Carrier: Hacker
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3025: Industry, Business and Labor Committee (Sen. Klein, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HCR 3025 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HCR 3025

HCR 3025 Population / Workforce Study
February 6, 2007
House Industry, Business and Labor Committee
Representative George Keiser, Chair

Mr. Chairman and members of the Industry, Business and Labor Committee, for the record, my name is Mary Ekstrom. I represent District 11 in Fargo.

HCR3025 proposes a study to find the ways and the means to attract people to North Dakota. This is my fifth session in the legislature and every time I have tried to address this issue.

It is not a new problem nor are we alone in the Upper Midwest in tackling this issue. The changing demographics, declining enrollments, low unemployment rates and an inadequate workforce are all problems shared by other states in the region.

North Dakota's population peaked at 700,000 in the mid 1930's and has never regained that total. More alarming are the trends in the age of our population. The fastest growing segment of our population is over 65 with a steeper escalation in this number anticipated as the Baby Boom generation ages. The two numbers are on a collision course. We will have an enormous elderly population without anyone to care for them.

Below is a chart which vividly shows what has happened and why we are faced with this problem. In your packet, I have included information on the projected changes in our demographics.

| Age Group | Total Population 1980 | Total Population 2000 | Decrease |
|------------|-----------------------|-----------------------|----------|
| 0-34 years | 392,338 | 310,854 | 81,484 |

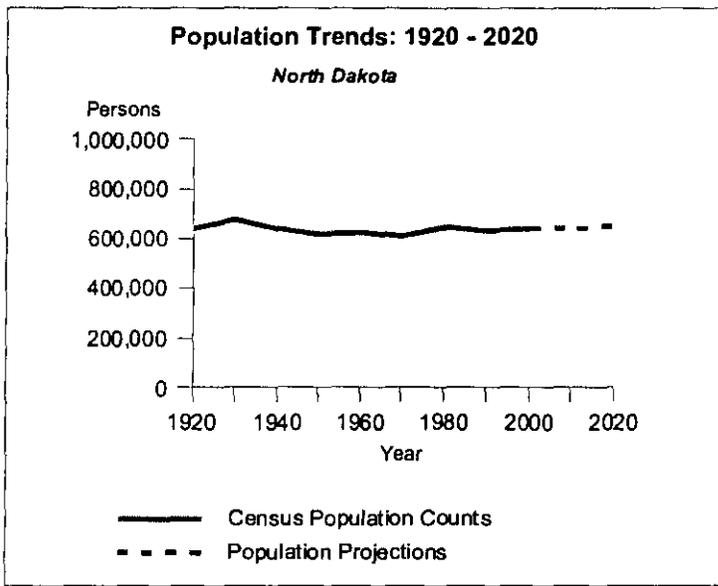
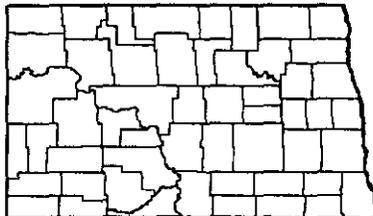
We frequently talk about sustainability. It is obvious from these numbers that we do not have a sustainable base of population to take us into the future.

We need to be innovative in promoting our state and we need to work harder at attracting a workforce. All of the surrounding states are growing at a faster pace than we are. We need to know why.

Dickinson State University sponsored a series of meetings on our population problems a few years ago. The documents generated from those meetings could serve as the basis for the Interim Committee's work.

I respectfully ask for a DO PASS recommendation for HCR 3025.

North Dakota



State Quick Facts

- State Capital : Bismarck
- National Population Rank, 2000 : 47
- Median Age in Years, 2000 : 36.2
- Persons Per Square Mile, 2000 : 9.3

Table 1. Census Population Counts by Age and Gender, 1980, 1990 and 2000: North Dakota

| Age | 1980 | | | 1990 | | | 2000 | | |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| 0 to 4 | 54,752 | 28,210 | 26,542 | 47,845 | 24,413 | 23,432 | 39,400 | 20,185 | 19,215 |
| 5 to 9 | 49,016 | 25,079 | 23,937 | 52,032 | 26,724 | 25,308 | 42,982 | 21,997 | 20,985 |
| 10 to 14 | 51,043 | 26,328 | 24,715 | 48,820 | 25,165 | 23,655 | 47,464 | 24,499 | 22,965 |
| 15 to 19 | 63,977 | 32,920 | 31,057 | 46,668 | 24,368 | 22,300 | 53,818 | 27,760 | 25,858 |
| 20 to 24 | 69,393 | 35,889 | 33,504 | 47,873 | 25,187 | 22,686 | 50,503 | 26,831 | 23,672 |
| 25 to 29 | 58,470 | 30,691 | 27,779 | 50,154 | 25,613 | 24,541 | 38,792 | 20,268 | 18,524 |
| 30 to 34 | 45,687 | 23,969 | 21,718 | 53,861 | 27,065 | 26,796 | 38,095 | 19,534 | 18,561 |
| 35 to 39 | 34,248 | 17,568 | 16,680 | 50,133 | 25,869 | 24,264 | 48,991 | 23,668 | 23,323 |
| 40 to 44 | 29,398 | 14,711 | 14,687 | 39,887 | 20,619 | 19,268 | 51,013 | 25,577 | 25,436 |
| 45 to 49 | 28,631 | 14,065 | 14,566 | 30,635 | 15,520 | 15,115 | 47,436 | 24,351 | 23,085 |
| 50 to 54 | 30,497 | 15,279 | 15,218 | 26,449 | 12,960 | 13,489 | 37,995 | 19,523 | 18,472 |
| 55 to 59 | 29,218 | 14,543 | 14,675 | 26,268 | 12,704 | 13,564 | 28,928 | 14,599 | 14,327 |
| 60 to 64 | 27,942 | 13,691 | 14,251 | 27,120 | 13,225 | 13,895 | 24,507 | 11,851 | 12,656 |
| 65 to 69 | 25,930 | 12,315 | 13,615 | 24,950 | 11,917 | 13,033 | 23,142 | 10,861 | 12,281 |
| 70 to 74 | 21,217 | 9,715 | 11,502 | 22,591 | 10,216 | 12,375 | 22,759 | 10,473 | 12,286 |
| 75 to 79 | 15,301 | 6,635 | 8,666 | 18,990 | 7,976 | 11,014 | 19,085 | 8,265 | 10,820 |
| 80 to 84 | 9,857 | 3,924 | 5,933 | 13,284 | 5,055 | 8,229 | 14,766 | 5,715 | 9,051 |
| 85 plus | 8,140 | 2,894 | 5,246 | 11,240 | 3,605 | 7,635 | 14,726 | 4,567 | 10,159 |
| Total | 652,717 | 328,426 | 324,291 | 638,800 | 318,201 | 320,599 | 642,200 | 320,524 | 321,676 |

12,356

310,854
81,484

North Dakota

Population Pyramids for North Dakota

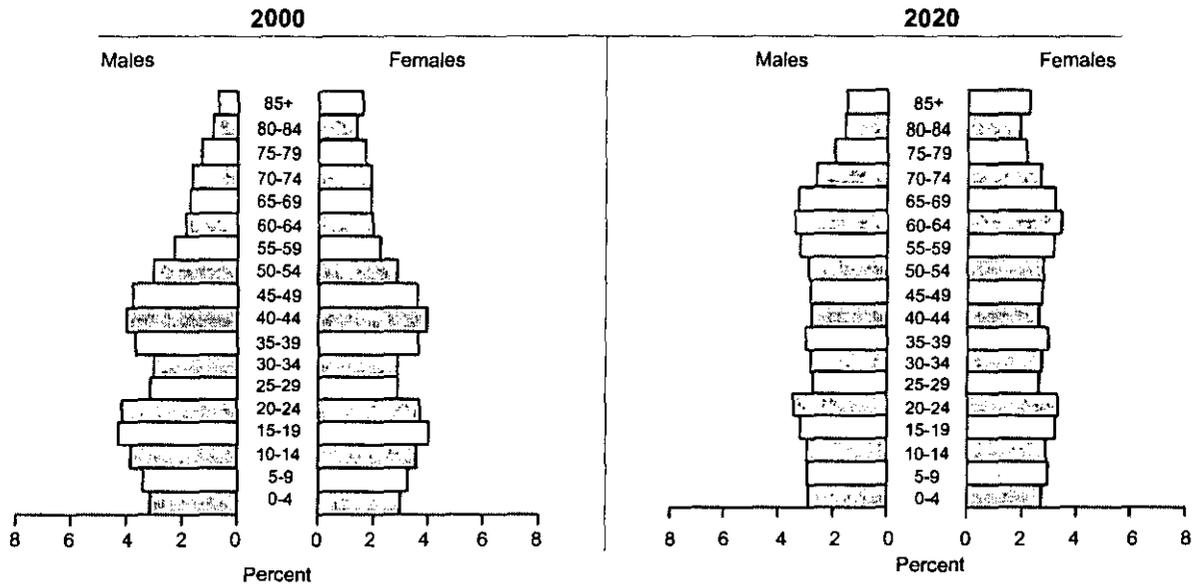


Table 2. Population Projections by Age and Gender, 2005, 2010, 2015, and 2020: North Dakota

| Age | 2005 | | | 2010 | | | 2015 | | | 2020 | | |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Total | Male | Female |
| 0 to 4 | 38,254 | 19,565 | 18,689 | 37,359 | 19,317 | 18,042 | 37,868 | 19,377 | 18,491 | 36,579 | 18,714 | 17,865 |
| 5 to 9 | 39,915 | 20,094 | 19,821 | 38,739 | 19,471 | 19,268 | 37,668 | 19,140 | 18,528 | 38,301 | 19,266 | 19,035 |
| 10 to 14 | 43,015 | 21,804 | 21,211 | 39,968 | 19,933 | 20,035 | 38,795 | 19,320 | 19,475 | 37,679 | 18,963 | 18,716 |
| 15 to 19 | 50,411 | 26,143 | 24,268 | 45,877 | 23,343 | 22,534 | 42,755 | 21,477 | 21,278 | 41,547 | 20,831 | 20,716 |
| 20 to 24 | 53,389 | 27,972 | 25,417 | 49,614 | 26,109 | 23,505 | 46,251 | 23,835 | 22,416 | 44,295 | 22,677 | 21,618 |
| 25 to 29 | 37,923 | 19,935 | 17,988 | 40,487 | 20,965 | 19,522 | 37,576 | 19,502 | 18,074 | 34,771 | 17,711 | 17,060 |
| 30 to 34 | 37,316 | 19,250 | 18,066 | 36,576 | 19,004 | 17,572 | 38,898 | 19,910 | 18,988 | 36,153 | 18,553 | 17,600 |
| 35 to 39 | 38,228 | 19,451 | 18,777 | 36,988 | 18,926 | 18,062 | 36,074 | 18,603 | 17,471 | 38,503 | 19,547 | 18,956 |
| 40 to 44 | 46,420 | 23,203 | 23,217 | 37,925 | 19,182 | 18,743 | 36,309 | 18,475 | 17,834 | 35,237 | 18,088 | 17,149 |
| 45 to 49 | 50,267 | 25,273 | 24,994 | 45,837 | 22,995 | 22,842 | 37,528 | 19,058 | 18,470 | 35,876 | 18,302 | 17,574 |
| 50 to 54 | 46,562 | 23,952 | 22,610 | 49,481 | 24,937 | 24,544 | 45,220 | 22,760 | 22,460 | 37,101 | 18,910 | 18,191 |
| 55 to 59 | 34,457 | 17,643 | 16,814 | 42,337 | 21,699 | 20,638 | 45,052 | 22,629 | 22,423 | 41,247 | 20,719 | 20,528 |
| 60 to 64 | 26,272 | 13,201 | 13,071 | 33,908 | 17,278 | 16,630 | 41,715 | 21,296 | 20,419 | 44,436 | 22,226 | 22,210 |
| 65 to 69 | 22,780 | 10,866 | 11,914 | 26,433 | 13,106 | 13,327 | 34,106 | 17,140 | 16,966 | 42,015 | 21,158 | 20,857 |
| 70 to 74 | 21,451 | 9,915 | 11,536 | 22,942 | 10,788 | 12,154 | 26,579 | 12,992 | 13,587 | 34,293 | 16,976 | 17,317 |
| 75 to 79 | 20,938 | 9,332 | 11,606 | 21,380 | 9,595 | 11,785 | 22,876 | 10,456 | 12,420 | 26,493 | 12,604 | 13,889 |
| 80 to 84 | 17,313 | 7,205 | 10,108 | 20,647 | 8,854 | 11,793 | 21,042 | 9,106 | 11,936 | 22,507 | 9,926 | 12,581 |
| 85 plus | 15,289 | 5,191 | 10,098 | 18,827 | 7,000 | 11,827 | 22,660 | 8,831 | 13,829 | 24,258 | 9,617 | 14,641 |
| Total | 640,200 | 319,995 | 320,205 | 645,325 | 322,502 | 322,823 | 648,972 | 323,907 | 325,065 | 651,291 | 324,788 | 326,503 |

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Wednesday, April 26, 2006

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N.D. out-migration figures 'alarming'

By Patrick Springer, The Forum
Published Thursday, April 20, 2006

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North Dakota continues to be a state with more exits than entrances: The state suffered an annual average migration rate of minus 6.3 percent from 2000 to 2004, according to new census estimates.

During that five-year period, the state lost an average of 3,999 people each year, the U.S. Census Bureau's new domestic migration analysis, which tracks people moving in and out of each state, found.

Migration studies do not count births and deaths, which are included in population estimates.

The new migration figures surprised many officials because the state's estimated population has shown slight growth for the last two years and migration losses had been easing since 2000.

"I think it's alarming," said Rep. Mary Ekstrom, D-Fargo, who twice failed in legislative attempts to launch a state office of

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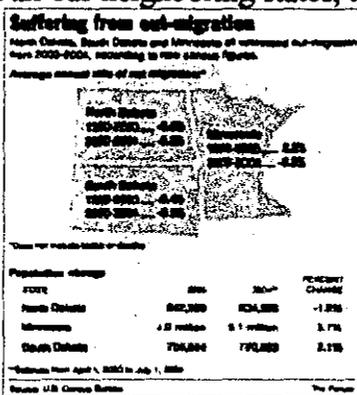
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immigration to lure more people to the state. "We're doing worse than all our neighboring states, and we have been for a long time."



Minnesota and South Dakota experienced slight migration losses, averaging minus 0.5 percent and minus 0.6 percent, respectively, from 2000 to 2005. Montana had a positive average annual migration rate of 3.5 percent.

"I was hoping that our out-migration losses were coming down, but they spiked up again," said demographer Richard Rathge, director of the North Dakota State Data Center. "I'm not sure why."

RELATED CONTENT

Talk: What should North Dakota do to keep and attract residents?

North Dakota lost almost 8,000 people due to out-migration between 2000 and 2001, but losses declined every year until spiking up to a net loss of more than 2,200 between 2004 and 2005, census figures show.

North Dakota's personal income has risen faster than the national average in recent years.

Last year's 6.4 percent growth was the second-highest rate in the nation, boosting per capita earnings to \$31,395 last year, up from \$29,494.

Still, North Dakota's average per capita personal income in 2005 was 90 percent of the national per capita personal income average, which was \$34,586, for 2005.

Job Service North Dakota figures show employment grew 3.8 percent – to 321,108 from 309,223 – from 2000 to 2004. Average wages grew 17.4 percent over the period, to \$28,987 in 2004, up from \$24,683 in 2000 – but lagging the national average by about 25 percent.

Gov. John Hoeven said the state must continue to diversify its economy by focusing on critical sectors – including technology, energy and manufacturing – as well as maintaining a high quality of life.

"No question we have to keep doing new things," he said. "That's what we're trying to do with centers of excellence."

Tuesday, for example, Hoeven and other officials broke ground in Grand Forks at the University of North Dakota for a new \$3 million national hydrogen research center.

That shows how the state's university system can work with the private sector to create careers to draw and keep residents, the governor said.

"It's about a rising standard of living," Hoeven said. "Our strength is our quality of life."

Rep. Rick Berg, R-Fargo, the House majority leader, said he was surprised by the continued migration losses, noting recent population gains and the state's relatively robust economy.

"Incomes are up, wages are up, jobs are up, poverty's down," Berg said.

The interim legislative "business congress," an initiative Berg has pushed, just concluded its seventh and final information meeting Wednesday in Bismarck.

The consensus from business and community leaders across the state is that North Dakota does not have significant barriers in its taxation and regulatory climate.

The push will be to identify growth sectors in the global economy and work to find ways to attract and keep young people, particularly those ready to start families, Berg said.

Rep. Merle Boucher, D-Rolette, House minority leader, said he takes no comfort from the finding that North Dakota's out-migration is down slightly from the 1990s, when the average annual migration rate was a minus 6.6 percent.

"It's very sobering news," Boucher said of the average annual net migration of minus 6.3 percent from 2000 to 2004. "The fact that it's down from the '90s is no consolation because it's still quite high."

If North Dakota continues to lose almost 4,000 people a year – and has births equaling deaths – the population, now estimated at 634,366, could fall below 600,000 within a decade, Boucher said.

North Dakota must be bolder in investing in critical economic sectors, he said. The state-owned Bank of North Dakota could, for example, invest in an oil refinery or pipeline to help the growing petroleum industry.

The state had two notable periods of growth, in which the

population rose for short periods to about 680,000, its peak population, Boucher said.

One spurt was in the 1950s, during the oil boom; the other was in the 1980s energy boom.

Boucher and Ekstrom said the state should invest some of the state's surplus – now about \$107 million, on top of the \$100 million "rainy day fund" cushion – to spur growth and reverse the chronic exodus.

"I don't think we're doing near the job we need to," Ekstrom said. "We really are facing a crisis."

When the 2007 Legislature meets, Ekstrom will make her third attempt for an office of immigration, and a related rural development initiative. "I'm going to give it a shot. I think it's something we need to do."

Readers can reach Forum reporter Patrick Springer at (701) 241-5522

The downside

-Since 2000, North Dakota's population has decreased from 642,200 people to 634,366 people or -1.2%.

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IN-FORUM

N.D. has the most outbound movers

Patrick Springer

The Forum - 01/09/2007

North Dakota tied as the state with the highest rate of outbound movers while sister state South Dakota ranked among the top 10 states for inbound movers, according to a moving company's tally.

United Van Lines, the nation's largest mover, ranked North Dakota and Michigan as the states with the highest rates of people moving out – in each, 66 percent of movers were leaving in 2006.

By contrast, South Dakota saw 55.9 percent of movers entering the state, ranking it the state with the 10th-highest inbound moving rate among the 48 contiguous states and the District of Columbia.

In large part, the striking difference in moving patterns for the two Dakotas stems from the fact that South Dakota has been more successful in stemming out-migration, particularly among young adults, Richard Rathge, North Dakota's demographer, said Monday.

From 2000 to 2006, North Dakota experienced an overall migration loss of 17,485, though it had a gain of 3,664 international migrants, Rathge said. During the same period, South Dakota had a net migration gain of 4,803, including 4,333 who moved from abroad.

The crucial difference: South Dakota gained a modest 470 domestic migrants – while North Dakota lost more than 20,000, census figures show.

"So there's the answer," Rathge said. "South Dakota has started to turn the corner of the domestic loss, but North Dakota still hasn't."

The good news, he added, is that North Dakota's out-migration rate once again is decreasing, after experiencing a one-year rise in 2005, continuing a trend of the previous four years.

Also, the latest U.S. Census Bureau estimate shows North Dakota gained 1,262 people last year, reaching a population of 635,867. South Dakota added 7,036, for an estimated total population of 781,919.

To keep and attract more young adults, Rathge said, North Dakota should do more to entice college graduates. One proposal before the Legislature would pay college tuition for math and science students with good high school grades – an initiative Rathge would broaden.

Readers can reach Forum reporter Patrick Springer at (701) 241-5522

Projections show Midwest's population lagging behind nation's

by Mike Murphy
for Stateline Midwest

Population increases in the Midwest will lag behind the rest of the country over the next few decades, new U.S. Census Bureau projections show, with some states in the region experiencing near-stagnant growth or a net decline.

The data, released in April, look at population trends between 2000 and 2030. No state in this region matches the projected national increase of 29.2 percent over this time period. According to the new statistics, the populations in Ohio and Iowa will grow by less than 2 percent, while North Dakota will be one of only two states (along with West Virginia) where numbers drop.

"There's a lot of rethinking that needs to be done," North Dakota state demographer Richard Rathge says about trying to reverse the trend. "The urban can't survive without the rural, and the rural can't survive without the urban. Astute recognition of the interdependence of the two should really drive our agenda."

Population shifts away from rural areas and farm consolidation in North Dakota and other Great Plains states have hampered many smaller communities' ability to subsist on their own and attract new residents, says Rathge, adding that these areas must take advantage of new technologies and relatively new business ventures such as value-added agriculture and call centers.

"We have to shift people away from thinking that rural development is agricultural development," he says. "We have to change that philosophy and think of community development in rural areas as we do in urban areas."

Part of the change in thinking has to occur at the federal level, says Rathge, who believes policymakers have doled out dollars for community building in urban areas and often do not meet the needs of rural areas.

Along with the overall population trends, the new Census Bureau projections also highlight the "graying" of the Midwest and entire country. Close to 20 percent of the nation's population will be 65 or older by 2030.

Those figures will be even greater in seven of

the region's 11 states, led by North Dakota, where one out of every four residents will be 65 or older.

Demographic experts say the aging trend is especially sharp in many rural parts of the Midwest.

"Young people move out of these areas to basically seek their fortune," Minnesota state demographer Tom Gillaspay says. "The population in these areas is getting much older, and you have to think of issues of health care and emergency care."

Rathge adds: "The old people aren't having kids, and there's an outmigration of the young people that live in the areas. It's a double whammy and a downward cycle."

"Agriculture has been the backbone of our economy for so long. Now, people want a rural environment with the amenities of the big cities. For most of the rural areas, we haven't found the solution yet."

Policy challenges from changes

The new projections predict that three states — Florida, California and Texas — will account for nearly one-half (46 percent) of total U.S. population growth between 2000 and 2030. In contrast, Minnesota is the only Midwestern state that ranks in the top 25 states for population growth.

If the projections hold true, the region would lose 14 congressional seats over the next three decades, with the South gaining 17 and the West picking up 12, Brookings Institute demographer and metropolitan policy expert William Frey says.

But Michigan state demographer Ken Darga believes the population forecast may be a bit off the mark on one of its fundamental assumptions.

"It assumes the same conditions that occurred in the period from 1970 to

2000 will reoccur over the next 30 years," Darga adds. "It lacks a broader perspective. With any

projection, you have to look at the assumptions and address how likely they are to happen."

According to Darga, Michigan — and the Midwest in general — suffered mightily during extended recessionary periods in the 1970s and 1980s, causing manufacturing jobs, work in ancillary services, and people to move to other areas of the country.

"Migration out of Michigan was especially high during those decades," Darga said. "Several negative factors were operating at the same time."

Those factors included a larger employment gap between Michigan and other states and rapid population declines in the city of Detroit.

"The gap between Michigan's unemployment rate and the national rate is lower than it was in the 1970s and 1980s," Darga says. "And population loss from Detroit has been lower than it was in the 1970s and 1980s."

Nevertheless, Darga, like many Midwestern demographers, is aware that the population and demographic shifts predicted by the U.S. Census Bureau will force the region's policymakers and other leaders to adapt.

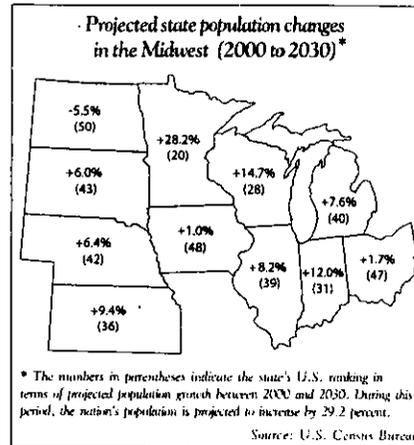
"The Midwestern states are aging a lot faster than the rest of the country," Frey adds. "That has important implications for state and local services."

Meanwhile, metropolitan areas are experiencing the effects of suburban sprawl, a shift of population from urban centers to suburban communities that requires the public facilitation of sewer and water services, new schools, public safety and other amenities. Conversely, many urban centers are forced to cut services or maintain an adequate level of services with shrinking budgets.

Shifts in the economy must be addressed too, as the industrial and agricultural economies downsize and the service-based sector grows.

"There is no magic bullet [to addressing the myriad changes]," Frey says.

But he adds that one likely consequence will be a fiercer competition among states over the next few decades to grow their respective tax bases. ■



| Projected percent of population 65 and older | | | |
|--|-------|-------|-------|
| State | 2000 | 2010 | 2030 |
| Illinois | 12.1% | 12.4% | 18.0% |
| Indiana | 12.4% | 12.7% | 18.1% |
| Iowa | 14.9% | 14.9% | 22.4% |
| Kansas | 13.3% | 13.4% | 20.2% |
| Michigan | 12.3% | 12.8% | 19.5% |
| Minnesota | 12.1% | 12.4% | 18.9% |
| Nebraska | 13.6% | 13.8% | 20.6% |
| North Dakota | 14.7% | 15.3% | 25.1% |
| Ohio | 13.3% | 13.7% | 20.4% |
| South Dakota | 14.3% | 14.6% | 23.1% |
| Wisconsin | 13.1% | 13.5% | 21.3% |
| United States | 12.4% | 13.0% | 19.7% |

Source: U.S. Census Bureau

Changes seen in state education systems' use of technology

Mike Murphy
for Stateline Midwest

In the Midwest, as in the rest of the country, the initial allure of technology-assisted education may be wearing off as tight budgets and a philosophical shift in federal policy are dictating new uses for increasingly scarce technology dollars.

According to a comprehensive report recently published by *Education Week*, the strict tracking requirements of the No Child Left Behind Act are funneling K-12 technology dollars into data collection systems. Meanwhile, with public budgets tight and K-12 resources limited, educators are deciding to return to the basics in the classroom.

"The emphasis has really shifted in the last three or four years," says Michael Griffith, a policy analyst for the nonprofit, nonpartisan Education Commission of the States.

"People are kind of taking a step back and saying, 'Let's realize that technology is an important tool, but it is just a tool.' Schools are targeting their dollars on improving teaching quality and reducing class sizes."

For example, most districts faced with a choice of buying 100 new computers or maintaining a teacher's salary are choosing the latter, he says.

The money left for technology-related funding is now more likely to be used to track student progress and help educators develop strategies to improve achievement in core subject areas.

"Four to five years ago, schools were not thinking of data collecting," Griffith says. "Now,

more money is going toward data collecting, and not just to track achievement, but to track funding and attendance."

He adds these collection systems can be "very big and very expensive."

"The states have a finite budget, and the new responsibilities [in No Child Left Behind] require additional resources that are not coming from the feds," Griffith says.

Tech trends

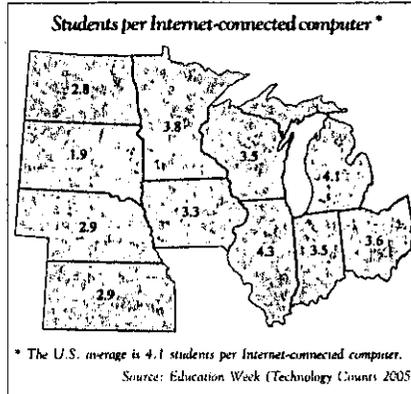
South Dakota is a recognized national leader among states in education technology. In the past, its efforts have most often concentrated on improving student access to computers and training teachers on new technology.

"We have great access now and a 2:1 student-to-computer ratio," South Dakota Department of Education curriculum technology specialist Peg Henson says. "Two-thirds of our teachers have been trained on basic technology usage."

Now, the state is focusing on ways to utilize technology to improve overall instruction and student performance. For example, 43 schools and districts recently were awarded state grants to implement curriculum mapping, which tracks an individual teacher's plan of instruction.

This mapping allows schools to "identify gaps

or redundancies in the curriculum and to adjust their instruction accordingly," says Wade Pogany, the state Department of Education's director of curriculum and instruction.



Despite the new emphasis on core curricula and data collection, as well as current fiscal restraints, Midwestern states have not abandoned some ongoing efforts to incorporate technology into the classroom, as several examples cited by *Education Week* underscore.

Next year, Illinois plans to test the technology skills of eighth-graders who attend schools that have received competitive technology grants from the federal government. Indiana has an ongoing strategy to equip all high schools with a computer for each student in core subject areas by 2009. Meanwhile, Michigan is increasing the number of laptop computers available to sixth-graders, and Wisconsin is subsidizing school links to a statewide telecommunications base. Ohio continues to phase in school districts to its Third Frontier Network, a statewide fiber-optic system designed to connect K-12 schools with the resources of the state's higher education institutions.

More information on the *Education Week* study is available at www.edweek.org/ew/top/2005/05/05.

QUESTION OF THE MONTH

One of the many services provided by the Midwestern Office of the Council of State Governments is its information clearinghouse. This service provides information on legislative and policy issues to help lawmakers (and other officials) from across the region. The Council of State Governments is always available to answer questions and provide information on legislative and policy issues. The Question of the Month section highlights inquiries received by midwesterners to help you find answers to your questions. For more information, call (630) 810-0210 or use the online form available at www.csgmidwest.org.

QUESTION: DO ANY MIDWESTERN STATES MANDATE A MINIMUM WAGE HIGHER THAN THE REQUIREMENT SET IN THE U.S. FAIR LABOR STANDARDS ACT?

ANSWER: Illinois is currently the only Midwestern state that has a minimum wage requirement higher than the federal standard, though Minnesota and Wisconsin will soon be added to the list as the result of actions taken earlier this year.

The Illinois measure was signed into law in 2003 and phased in over two years. On January 1, 2004, the state's rate went from \$5.15 an hour (the same as the federally mandated level) up to \$5.50. At the beginning of this year, the rate increased again to \$6.50. Workers under the age of 18 may be paid 50 cents less. According to the office of Gov. Rod Blagojevich, an estimated 450,000 workers were making \$5.15 an hour before the law was signed.

Minnesota Gov. Tim Pawlenty signed a bill last month that will boost the minimum wage to \$6.15 for large employers beginning in August. The requirement for small businesses (those whose annual gross volume of sales or business is less than \$625,000) will be \$5.25. Workers under the age of 20 can be paid \$4.90 an hour during their first 90 consecutive days

on the job. Meanwhile, in Wisconsin, lawmakers and Gov. Jim Doyle have worked out an agreement that will, through a two-step process, raise the state's minimum wage from \$5.15 to \$6.50 an hour. The agreement also prohibits local communities from instituting their own wage requirements.

According to the U.S. Department of Labor, 11 states outside the Midwest have minimum wages above the federal standard. Seven states (none in the Midwest) do not have any wage laws. It is most common for a state to have the same requirement as the federal standard. Midwestern states that fall into this category are Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, South Dakota and Wisconsin. Kansas (\$2.65 an hour) and Ohio (\$4.25 an hour for larger businesses and \$3.35 and \$2.80 for smaller ones) are the only states in the country that have rates lower than the federal requirement.

Outside the U.S. wage and hour law, the Department of Labor says, state statutes often exempt particular occupations or industries. More information is available at www.dol.gov/esa/minwage/america.htm.

cap per borrower is now \$1000. As in Illinois, Michigan lawmakers decided to cap the number of outstanding loans per borrower at two.

Both states also will create a database so that lenders can look up applicants' payday-loan records.

States team up on election reform

A four-state cooperative effort to clean up voter-registration lists and improve election security has begun in the Midwest.

Under the agreement, the Iowa, Kansas, Missouri and Nebraska secretary of state offices will work with one another to develop:

- a process for cross-checking voter-registration data;
- cooperative training for election officials and testing of election systems;
- a collaborative strategy to improve election-security processes; and
- uniform protocols for international observers.

The four states announced the agreement in December. More information is available at www.sos.mo.gov/elections.

Stateline

expressed in administrative changes that will

Region's population growth lags behind nation's

Every Midwestern state's population has grown over the past year, though at levels that did not meet the national increase of 0.9 percent, the U.S. Census Bureau reports.

Released in December, and available at www.census.gov, the federal estimates examine changes between July 1, 2004, and July 1, 2005.

The number of people living in the Midwest (which includes Missouri in Census Bureau data) increased by 0.4 percent, a figure that lags behind growth in the South (1.4 percent) and the West (1.3 percent).

The Northeast's population rose by 0.1 percent, and the three U.S. states that had declines were all from that region.

In the Midwest, Minnesota and Wisconsin came closest to meeting the percentage increase in the U.S. population, while Ohio, North Dakota and

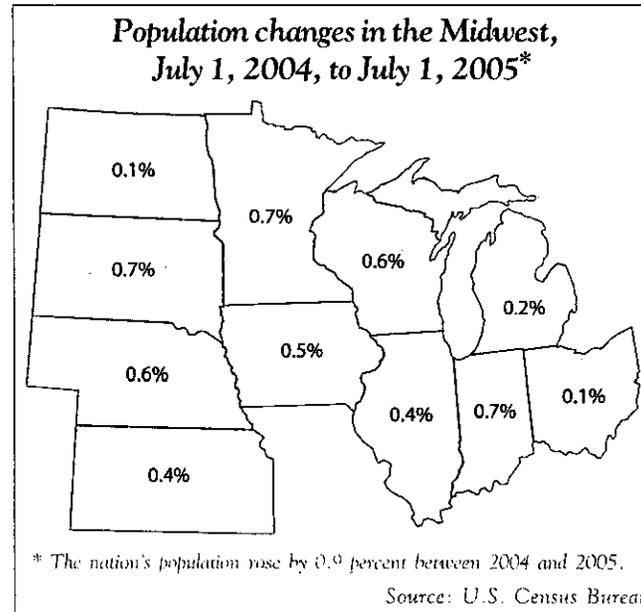
Michigan were among the nation's five smallest-growing states.

The Census Bureau also breaks down population losses and gains resulting from international migration and internal migration (movement of people within the United States).

Most states in this region had net losses due to internal migra-

tion, with the only exceptions being Indiana, Missouri, South Dakota and Wisconsin.

Illinois had the largest net increase resulting from international migration (53,597 people). Next closest were Michigan (19,915) and Ohio (12,332).



HCR 3025

House Industry Business and Labor Committee

February 6, 2007

*Same
given to
Senate*

Chairman Keiser and Members of the Committee:

I am Carlee McLeod of the Bismarck Mandan Chamber of Commerce, representing over 1100 businesses in the Bismarck Mandan community. We stand in support of this resolution in its efforts to study issues relating to workforce development.

Bismarck Mandan is a growing community. Currently, only one thing stands in the way of further economic development, and that is workforce availability. Our members, like other businesses around the state, are dealing with a lack of workforce. One of our members estimates that in the next twelve years, 46.2 percent of its workforce will retire. Filling those roles will be difficult without creative efforts to attract a new workforce.

North Dakota is not alone in this race for human capital. Nationally, there will be workforce shortages. As members of the baby boomer generation retire, there are fewer workers available to take their place. North Dakota must be more proactive in both retaining its current citizenry and attracting new workers to the state.

The Chamber supports any effort to study the lack of an available workforce, and we stand ready to lend our help. We urge a do pass for this resolution, and with that I will stand for any questions.

Testimony to House Industry, Business and Labor Committee on HCR 3025

**by Chancellor Eddie Dunn
North Dakota University System**

February 6, 2007

Chairman Keiser and members of the House Industry, Business and Labor Committee. For the record, I am Eddie Dunn, Chancellor of the North Dakota University System. Thank you for the opportunity to provide testimony to your committee.

The SBHE supports HCR 3025. Support of this bill is consistent with one of the central messages I am sure you have been hearing from business and community leaders, economic developers and from students, throughout this legislative session. That message is: The single most important factor that will determine the success of North Dakota will be its human capital – people with the knowledge and skills required to fill positions in the knowledge-based economy we are experiencing today.

The study would also parallel a charge from the recent report issued by the Blue Ribbon Commission of the NCSL. I suspect most of you are familiar with this report. One of the key recommendations in the NCSL report, and which this study resolution would address, is: "Rethink higher education policy as part of state economic development."

The University System would find the results of this study to be extremely valuable. It would parallel and support the vision of the Roundtable on Higher Education which charged the University System with developing a dual mission: (1) continue to provide high quality education for students and (2) take on a larger role in helping enhance North Dakota's economy. It would also provide valuable information for the system's enrollment management plan which is in the process of being updated.

Knowing the importance of human capital and the role the University System must play in both attracting and developing that capital, there is no question the findings and proposed strategies from a study on growing the states population would serve to further refine the opportunities for all of the key stakeholders of North Dakota's future, including higher education.

That concludes my prepared comments. Thank you for the opportunity to appear before your committee. I will be happy to attempt to answer any questions you might have.

Demographers' warning: Baby boom bulge requires planning now

MINNEAPOLIS — Minnesota is aging fast, and state officials say the time to plan for the consequences is now.

The number of workers turning 62 will jump 30 percent next year, the leading edge of a retirement boom that will force the state to reconsider the way it handles taxes, education, health care and pensions.

"That's a huge jump," said Tom Gillaspay, the state demographer. "You just don't see that kind of movement in demographics very often."

Gillaspay and state economist Tom Stinson say that the Minnesota of 15 years hence will look far different. Nearly three dozen legislators agree; they've formed a bipartisan group to look at potential solutions to a demographic change that by 2020 will mean more retirees than schoolchildren.

It's a national problem. By 2011, the millions of Americans born after World War II will begin turning 65 — leaving the workforce and putting greater pressure on public and private pensions, Social Security, Medicare and other programs.

As the demographic shift unfolds, foreign-born immigrants will become the fastest-growing part of the labor force. Gillaspay and Tom Stinson, the state economist, say that's critical because Minnesota schools are showing wide achievement gaps between white students and those of color.

Sen. Geoff Michel, R-Edina, said the 2020 caucus wants to "shine a light on the out years."

"The Legislature tends to focus on nothing but the next election, on what's two, maybe four years out," Michel said. "We don't have the luxury of looking at things in two-year increments. If we don't put some reforms in place now, we'll either tax the next generation to death or cut benefits."

One area of concern: A tax system that currently relies heavily on wages. When a majority of the population is no longer drawing weekly paychecks, that's a problem.

After retirement, Stinson said, income falls by about one-third. But because of the progressivity of Minnesota's income tax and other special tax breaks for seniors, post-retirement tax liability can fall by as much as 70 percent.

"We're going to need a transparent system that counts income and wealth and makes it fair," said Senate Majority Leader Larry Pogemiller, DFL-Minneapolis.

Pogemiller, a former chairman of the Senate tax committee, said he is "very concerned" about Stinson's and Gillaspay's findings.

"You look at it and think... It's gut check time for baby boomers. Are we going to be selfish or are we going to leave this community better than we found it?"

Stinson said Minnesota has to increase productivity, attract

new workers and keep some older citizens working. That means narrowing the achievement gap, figuring out more flexible working arrangements, and maybe lowering the higher tuition charged to out-of-state students.

"If we slow migration, our workforce will peak even earlier," Stinson said. As for tuition, he said, "We need to recruit high talent, not penalize them for choosing Minnesota."

Art Rolnick, a senior vice president and director of re-

search at the Federal Reserve Bank of Minneapolis, said it's possible the market will help deal with the demographic shift. For example, fewer workers likely means higher wages — which would help lure some seniors back to the workforce.

Michel said his group has no "magic answers."

"I just know that in 2020 my 5-year-old will be in college," he said. "She's going to look at me and say 'Dad, you knew this was coming. What did you do about it?'"

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3025

Chairman Klein and Members of the Senate IBL committee, for the record my name is Matthew Bakke and I am from Grand Forks. I am here today in support of House Concurrent Resolution 3025.

I am a North Dakotan at the very center of my being. I was born here, raised here, and always thought I would raise my own family here. I like many of my peers don't find the weather as a deterrent for staying here. It isn't the people or even the lack of culture. We can go to Minneapolis or Winnipeg for that; however I do find the economic climate and political decisions being made in this state forcing us to look elsewhere.

I have always heard reasons for remaining in the state such as "North Dakota offers a good quality of family life", "what a great place to raise a family" and "it has a low crime rate". However, let's talk about the facts that makes me and others think twice about staying in North Dakota. Our state is 50th in the nation for salaries almost across the board and the job market is poor in some areas. At the same time, tuition rates are climbing by double digit, which means I and my peers will have huge student loan debit when we graduate. Property taxes are through the roof which will impact my ability to buy a home. I could go on, but in summary, I can not afford financial to stay in this state as it now stands.

The policies and legislation that I see coming out of Bismarck, the last few years has not convinced me that the state is interested in turning this trend around. I feel this study would at least be a start in the right direction. Maybe this would give the people of this state a chance to be heard and maybe this time, you will hear us. Something needs to be done before the population dimensions even further.

Thank you.

#3
3025

Testimony to Senate Industry, Business and Labor Committee on HCR 3025

by Chancellor Eddie Dunn
North Dakota University System

March 13, 2007

Chairman Klein and members of the Senate Industry, Business and Labor Committee. For the record, I am Eddie Dunn, Chancellor of the North Dakota University System. Thank you for the opportunity to provide testimony to your committee.

The SBHE supports HCR 3025. Support of this bill is consistent with one of the central messages I am sure you have been hearing from business and community leaders, economic developers and from students, throughout this legislative session. That message is: The single most important factor that will determine the success of North Dakota will be its human capital – people with the knowledge and skills required to fill positions in the knowledge-based economy we are experiencing today.

The study would also parallel a charge from the recent report issued by the Blue Ribbon Commission of the NCSL. I suspect most of you are familiar with this report. One of the key recommendations in the NCSL report, and which this study resolution would address, is: "Rethink higher education policy as part of state economic development."

The University System would find the results of this study to be extremely valuable. It would parallel and support the vision of the Roundtable on Higher Education which charged the University System with developing a dual mission: (1) continue to provide high quality education for students and (2) take on a larger role in helping enhance North Dakota's economy. It would also provide valuable information for the system's enrollment management plan which is in the process of being updated.

Knowing the importance of human capital and the role the University System must play in both attracting and developing that capital, there is no question the findings and proposed strategies from a study on growing the states population would serve to further refine the opportunities for all of the key stakeholders of North Dakota's future, including higher education.

That concludes my prepared comments. Thank you for the opportunity to appear before your committee. I will be happy to attempt to answer any questions you might have.

#4
3025

HCR 3025 Population / Workforce Study
March 13, 2007 / 11:00 AM
Senate Industry, Business and Labor Committee
Senator Jerry Klein, Chair

Mr. Chairman and members of the Industry, Business and Labor Committee, for the record, my name is Mary Ekstrom. I represent District 11 in Fargo.

HCR3025 proposes a study to find the ways and the means to attract people to North Dakota and deal with our changing demographics. This is my fifth session in the legislature and every time I have tried to address these issues.

It is not a new problem nor are we alone in the Upper Midwest in tackling this issue. The changing demographics, declining enrollments, low unemployment rates and an inadequate workforce are all problems shared by other states in the region.

North Dakota's population peaked at 700,000 in the mid 1930's and has never regained that total. More alarming are the trends in the age of our population. The fastest growing segment of our population is over 65 with a steeper escalation in this number anticipated as the Baby Boom generation ages. The two numbers are on a collision course. We will have an enormous elderly population without anyone to care for them.

Below is a chart which vividly shows what has happened and why we are faced with this problem. In your packet, I have included information on the projected changes in our demographics.

| Age Group | Total Population 1980 | Total Population 2000 | Decrease |
|------------|-----------------------|-----------------------|----------|
| 0-34 years | 392,338 | 310,854 | 81,484 |

"Demographic projections indicate there will be **58,882** fewer income earners below age 55 in 2020 relative to 2000." (Rathge) Consider that the population of Bismarck is 55,532 and Grand Forks' population is 49,321. This equivalent to losing one of those cities.

"Nearly a half century of sustained out migration of young adults has significantly reduced the proportion of persons 20 to 34 especially in the rural counties." (Rathge)

"By 2020, one half of the state's Baby Boomers will have reached age 65. They will represent 23% of the states population (150,000 seniors)."

Look at the chart labeled Exhibit A in your packets. The top chart shows the distribution of people over 65 in the various counties in the year 2000. The darkest red shows that 28% or more of the counties' population is 65 and older.

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By 2020, almost every county in ND will have 28% or more of their residents over 65. It is chilling to realize that the year 2020 is only 13 years away.

The changing demographic will have a significant impact on the State's revenues because of the way we tax retirement income.

We frequently talk about sustainability. It is obvious from these numbers that we do not have a sustainable base of population to take us into the future.

We need to be innovative in promoting our state and we need to work harder at attracting a workforce. All of the surrounding states are growing at a faster pace than we are. We need to know why.

Dickinson State University sponsored a series of meetings on our population problems a few years ago. The documents generated from those meetings could serve as the basis for the Interim Committee's work.

I have also included recent news articles with regard to this problem that you may read when you have time.

I respectfully ask for a DO PASS recommendation for HCR 3025.

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