

## BUSINESS CLIMATE STUDY - INVENTORY OF KEY ISSUES AND ACTION ITEMS

The following is an inventory of the six key issues and associated action items identified by the Economic Development Committee in performing the business climate study. The drafting of this inventory was a joint effort of

representatives of the Department of Commerce, committee consultants Mr. Rod Backman and Mr. Miles Friedman, and the Legislative Council staff.

Key Issue	Action Item
<b>Workforce</b>	Internships (higher education) <ul style="list-style-type: none"> <li>Enhance tracking through followup information on North Dakota education and training (FINDET)</li> <li>Provide grants for small communities</li> <li>Create tax incentives for private sector employers to recognize startup costs associated with implementing use of interns (limit employer's use of credit to specified number of interns)</li> <li>Study ways to reduce barriers to students and employers</li> <li>Market to private and public sector employers</li> <li>Fund a pool of incentive funds for state agencies</li> <li>Formalize duties of Department of Commerce Workforce Division (include higher education internships)</li> </ul>
	Career education program (K-12) <ul style="list-style-type: none"> <li>Study, develop, and implement program for career education</li> <li>Fund career counselors, with specific requirement to establish partnerships and internships with local businesses (allow use of joint powers agreements)</li> <li>Create a career promotion program for target industries to supplement work of career counselors</li> <li>Provide matching funds for science and innovation grants</li> </ul>
	Market and recruit workers <ul style="list-style-type: none"> <li>Establish an out-of-state talent attraction initiative to focus on marketing in areas with high unemployment and a surplus of skilled workers</li> <li>Create a program to implement strategies to assist North Dakota businesses in recruitment of permanent immigrant workers</li> <li>Study how housing needs are affecting economic development in North Dakota</li> </ul>
	Job Service North Dakota unemployment and workforce services <ul style="list-style-type: none"> <li>Provide training programs, including soft skills</li> <li>Fund Work First program</li> <li>Pursue a pilot project for the chronically unemployed</li> </ul>
<b>Attracting and Retaining Young People and Young Families</b>	Marketing and incentives <ul style="list-style-type: none"> <li>Study, develop, and implement programs to promote flexible work environments</li> <li>Increase beginning entrepreneur loan guarantee program cap to \$8 million in outstanding loans</li> <li>Increase PACE/Flex PACE funding to \$8 million (emergency clause)</li> <li>Fund Biodiesel PACE at \$800,000 and extend expiration of program to June 30, 2009</li> <li>Create tax incentives for recruitment expenses</li> <li>Amend 2007-08 business climate study to include focus groups for young professionals and higher education students</li> </ul>
	Recruit students to North Dakota institutions of higher education <ul style="list-style-type: none"> <li>Focus out-of-state recruitment on trade partner countries, targeted industries, and workforce needs</li> <li>Expand international business expertise via foreign student graduates, including recruiting foreign students to be export assistants in North Dakota export companies</li> </ul>

	<p>Demand-driven higher education</p> <ul style="list-style-type: none"> <li>• Create a pool of funds for North Dakota University System institutions to access to be responsive to emerging fields</li> <li>• Establish legislative expectations and establish accountability measures to demonstrate responsiveness to these expectations</li> <li>• Four-year institutions - Require the North Dakota University System to gather and provide to the Department of Commerce the necessary information to review/track/monitor whether an institution is demand-driven</li> <li>• Community colleges - Require CCBenefits status report, including actions taken to be demand-driven and responsive to emerging needs</li> </ul>
<b>Image (internal and external)</b>	<p>Marketing, media relations, and image campaign</p> <ul style="list-style-type: none"> <li>• Establish a state-funded visitor information center program</li> <li>• Develop an economic development branding campaign</li> </ul>
	<p>Expand message training for service sector employees</p> <ul style="list-style-type: none"> <li>• Expand KnewView program to the private sector</li> <li>• Provide training for rest stop volunteers (visitor information program)</li> </ul>
	<p>Consider incentives for tourism facilities</p> <ul style="list-style-type: none"> <li>• Provide tax credits for contributions to and investments in for-profit and not-for-profit tourism organizations for the purpose of financing the expansion of tourism facilities and infrastructure (provide for some excluded facilities, such as actual lodging)</li> <li>• Allow PACE funding for tourism infrastructure</li> <li>• Create a small pilot program for the expansion or development of tourism-based businesses/destinations (grants)</li> <li>• Provide a matching fund program for communities to improve the look of their towns in order to become more attractive to tourists</li> </ul>
<b>Transportation</b>	<p>Provide additional funds for rail assistance programs - Draft clear and concise legislative directives to address the North Dakota intermodal transportation challenges</p> <p>Create a revolving airport economic development fund to be administered by the Aeronautics Commission for the purpose of providing loans and matching funds to strategic airports to assist in development or redevelopment of these airports</p>
<b>Higher Education</b>	<p>Commercialization of new technologies and intellectual property</p> <ul style="list-style-type: none"> <li>• Research capacity - Amend research and development tax credit to be higher in the first increment</li> <li>• Intellectual property and technology transfer - Exempt trade secrets from open records laws and amend noncompete laws to allow enforcement</li> <li>• Entrepreneurship - Invest in entrepreneur climate, training, and mentoring</li> <li>• Access to capital - Provide a grant or investment program for commercializing technology, provide that the Bank of North Dakota venture capital fund should allow investments in early-stage prerevenue companies, and invest more in SBIR/STTR applicants and winners</li> <li>• Cluster-based economic development - Inventory innovation assets, refine technology clusters allowing alignment with centers of excellence/incubators/grants, and clusters should form the basis for economic development activities</li> <li>• Support for science and technology-based economic development - Establish a dedicated office of science and technology in the Department of Commerce and the office should advise the Governor and track success of science and technology</li> </ul>
	<p>Centers of excellence</p> <ul style="list-style-type: none"> <li>• Followup/monitoring for impact</li> <li>• Require independent expert review at front-end of application process to establish viability and economic impact</li> <li>• Modify centers of excellence law to create the following three types of centers of excellence--economic development, workforce, and infrastructure</li> </ul>
<b>Trade and Other</b>	<p>Establish a Bank of North Dakota finance program to help exporters build their businesses to the level they qualify for federal assistance from the Export-Import Bank of the United States and private insurance</p> <p>Create an export business expansion fund whereby companies can competitively approach the North Dakota Trade Office for funds to expand their international business by executing solid business plans</p>