



TESTIMONY OF WADE MANN

Vice President of Governmental Affairs

North Dakota Chamber of Commerce

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Chairman Grindberg and members of the Interim Workforce Committee:

My name is Wade Mann and I am the Vice President of Governmental Affairs for the North Dakota Chamber of Commerce. On behalf of the North Dakota Chamber of Commerce, I would like to begin by thanking the North Dakota legislature for making the 2007 session a productive one for business and for workforce and economic development. The fact that we are here today is an indication that the past few legislative sessions have done much to improve our economy, thus increasing the state's workforce needs across numerous industries.

The North Dakota Chamber of Commerce was a driving force in the creation of the North Dakota Workforce Training System because of our recognition of the importance of a trained workforce for business development. We'd like to thank you for the \$1.65 million increase in funding for the System. This increase is the first the system has received since the 2001-2003 biennium and is a preemptive step toward providing the skilled workers that are essential for the growth, maintenance and success of North Dakota business.

As you well know, workforce is a major concern for North Dakota businesses. At all of our territory meetings, workforce development was a top issue. A quickly expanding economy, an aging workforce and the outmigration of young people from North Dakota are some of the causes of the state's workforce shortages. Such shortages are being seen statewide and across industries. We've consulted business leaders from industries including

energy and construction, health care, information technology, and food processing and manufacturing to find out what their workforce concerns are.

Their concerns are much the same. They believe there is not enough funding for or emphasis placed on programs and curriculum that will result in immediate career opportunities for our students and workers. And, there is a great need to retain the workers we have and to attract more workers to the state. Here is a breakdown of some of the concerns and potential solutions we found in visiting with representatives of various industries:

Energy and Construction

The energy industry is perhaps the fastest growing industry in the state. Yet, even as this particular sector grows, it is at a crucial point in its workforce development.

It is estimated that 50 percent of the energy industry's workforce will retire over the next 10 to 15 years. Already the industry is experiencing shortages due to its rapid expansion and environmental upgrades. There is also a shortage of skilled workers in several construction crafts that support the energy industry, including welding, boiler making and pipe fitting.

Leaders in the industry have already taken several steps in addressing these issues by starting new programs and developing curriculum for existing energy programs in trade schools. Much advancement has already been made at Bismarck State College, which has recently been designated as the National Power Plant Operations and Technology Center.

Further help is needed, however. While these programs prepare students to enter career opportunities that are some of the most lucrative and readily available within the state, energy leaders believe much could be accomplished by increased funding and awareness about these opportunities.

Health Care

As is the energy industry, the health care industry is also experiencing a large workforce shortage with a large percentage of its current workforce reaching retirement age within the next 10 to 15 years. Already 81 percent of North Dakota's 53 counties are designated as federal primary care health professional shortage areas. The situation grows even more worrisome since this shortage is on a national level, forcing North Dakota health care systems to compete for the physician workforce on a national and even global basis.

Leaders in this industry have also started taking steps in addressing some of these issues. A 2006 Health Care Workforce Summit was held and other seminars are being held continually to address these workforce issues. In addition, medical associations have been active in lobbying for legislation that would improve the environment in North Dakota as an attractive state to practice medicine. Other major initiatives, such as state health professional loan repayment programs are supported to provide incentives to practice.

Much more can also be done in this field. State assistance might include supporting the existing loan repayment programs and working to improve the administrative operation of the Medicaid program to provide adequate reimbursement levels to assure participation of North Dakota providers.

Information Technology

In its long term projections through 2014, Job Service North Dakota reports that six of the top 25 growing occupations (based on percentages) are in the IT industry. In fact, three of the top five growing occupations are in IT.

With this growth comes an increase in workforce needs. Similar to other industries, IT leaders are finding that one of the concerns is the underdevelopment of programs and

curriculum for IT professions. Another issue is that many students are unaware of the number of IT jobs available within the state.

For this reason, the Information Technology Council of North Dakota, representing private and public sector IT stakeholders, has begun planning an IT career awareness program to educate students from middle to high school about IT career opportunities. This program will be based on the successful model implemented by the energy industry. IT industry leaders also hope to increase the IT-related classes offered in high school.

These plans are still in the early stages and help is needed in developing closer ties between the industry and students, parents and educators. More internships and mentorships are needed to develop and interest in the field, and IT curriculum and programs need further development to assure North Dakota's students and IT professionals can compete in a global economy.

Manufacturing and Food Processing

Many factories and manufacturing companies have begun operating in North Dakota, and, while they offer a number of high-paying jobs for laborers, these industries are also facing a labor shortage.

For these industries, the issue is access to a pool of workers. The solution for this issue lies predominantly in recruiting more people to the state. Many companies have taken steps in doing so by actively recruiting nonresident workers through job fairs, advertising in national trade magazines and by consulting staffing companies. Industry leaders would appreciate support in covering recruiting expenses essential to enticing workers to the state.

The State of North Dakota has done much to grow our economy. These steps have helped give North Dakota a business-friendly climate. With continued cooperation, we believe we can also make it a very workforce-friendly state.

In closing, the North Dakota Chamber thanks you for your past business and economic development efforts and your pledge to continue assisting North Dakota businesses in addressing workforce concerns. The Chamber would like to offer its support to the Interim Workforce Committee as its planning begins for the Workforce Congress, including involvement in the meetings and focus groups. We look forward to continuing our work together. Thank you.