

Policy Options- Employer Behavior

A. Current Actions from Previous Legislative Sessions

- **Internship Tax Credit-** an employer is entitled to a 10% tax credit on the stipend or salary paid to a college intern with a lifetime limit of \$3,000.
- **Operation Intern-** a program to increase the use of higher education internships and work experience opportunities in North Dakota. The overall goal of this initiative is to expand the use of both credit and non credit internships and work experience opportunities with North Dakota Target Industry (energy, advanced manufacturing, value added agriculture, tourism, and technology based) employers for North Dakota postsecondary students. The ND Department of Commerce will provide matching funds to eligible employers equal to 50% of the wage or stipend paid to each student enrolled in a new intern or work experience position created. This reimbursement will not exceed \$3,000 per year per student. The matching funds provided under this program for new internship or work experience positions created will be limited to two years. All internships under the Operation Intern must be approved by the Commerce, Division of Workforce Development prior the start date.

B. Policy Suggestions from Regional Sessions

- Create teacher "externship" program to better expose teachers to employer workplaces and needs
- Create employer "ambassador corps" for delivering messages to students inside the state
- Incentivize industry associations to develop marketing strategies and toolkits to promote their industries within the state
- Create state-level, business-led leadership group to oversee a new state career awareness initiative or office
- Expand apprenticeship opportunities
- Expand internship and co-op opportunities
- Create statewide program for marketing job opportunities to out-of-state residents with quick capture-and-referral staffing

C. Potential Legislative Options

***Note-** these are examples of programs from other areas adapted for North Dakota to be utilized for discussion. These have NOT been formally recommended to the State Legislature.

1. Encouraging Automation Loan Program

In order to encourage North Dakota companies to transform processes and adopt leading edge technologies that will increase productivity and competitiveness, the loan program makes available repayable loans interest free for up to five years, up to 10% of eligible project costs, to a maximum of \$2.5 million in program contributions.

Source: Adapted from Government of Ontario, Canada program



2. Apprenticeship Training Tax Credit

The Apprenticeship Training Tax Credit designed for North Dakota employers who have existing apprenticeship programs or for employers interested in creating apprenticeship opportunities. The State of North Dakota will refund 25% of wage and salaries of eligible apprentices for the first 24 months of a training program with a maximum value of \$15,000. Each employer must submit an application for the apprenticeship program to be reviewed for approval by the state.

Source: Adapted from Government of Ontario, Canada program

3. STEM-ing Success Internship Program

To support the development of internship opportunities for science, technology, engineering, and math students, the State of North Dakota is encouraging employers in related fields to develop innovative programs that equip students with work-ready skills. Employers will be required to apply for funding by submitting a 3-year plan for the internship program complete with objectives, defined tasks/job description(s), budget, and evaluation procedures. Applications will be reviewed and successful programs will be awarded a 1:1 match of dollars requested, up to \$10,000. This can be viewed as a strengthened "Operation Intern."

Source: Adapted from the Smart Skills University Internships Program (Queensland, Australia)

4. Work Ethic Certification Program

The State of North Dakota will award a Work Ethic Certificate to eligible high school students who have met established criteria based on an earned points system. One of the fundamental goals of the State of North Dakota is to produce an emerging workforce that is prepared to face the challenges of a global marketplace. The certificate will serve as validation to employers that those students possessing this credential have successfully displayed strong work habits that will foster success in higher education and the workplace.

Source: Indiana Department of Workforce Development "Work Ethic Certificate Program"

Policy Options- Individual Behavior

A. Current Actions from Previous Legislative Sessions

- **Workforce Recruitment Credit-** a tax credit for an employer in the amount of 5% of the salary paid for the first 12 consecutive months to the employee hired for a hard-to-fill employment position. The employee receives a tax deduction for the payment of a signing bonus, moving expenses, or non-typical fringe benefits.

B. Policy Suggestions from Regional Sessions

- Increase availability of loans and lower interest rates for student loans by Bank of North Dakota
- Expand programs and incentives to target out-of-state residents needed to fill skill gaps
- Expand our responsiveness for capturing leads that are generated through our ambassador visits to other states
- Provide incentives (tax breaks, pay-off of student loans, other means) to keep graduating college students in state
- Create incentives for current workers to upgrade skills
- Provide scholarships for 2-year tech programs

C. Potential Legislative Options

***Note-** these are examples of programs from other areas adapted for North Dakota to be utilized for discussion. These have NOT been formally recommended to the State Legislature.

1. Retain Talent North Dakota (RTND)

Retain Talent North Dakota (RTND) offers a tax credit each year for up to 10 years to help battle loan debt for North Dakota's college graduates. The only stipulations are that the student must have graduated from a North Dakota University System institution, work in the state, and remain a resident while claiming the tax credit. For example, if a student paid \$2,000 dollars per year in financial aid at their academic institution, and they remain in the state for one year afterwards, the state writes them a tax credit for the same amount: \$2,000. The same applies for student loan expenses.

Source: Adapted from Opportunity Maine, a similar program passed in the Maine State House in June 2007.

2. Targeting Talent

The creation of an incentives package that aggressively promotes the growth of specific industry sectors in North Dakota. The following incentives would be a part of the package:

- **Targeted Talent Relocation Incentive:** any local resident or talent who comes to North Dakota to work in a defined target industry sector(s) would pay no income taxes for the first three years of their employment. Their company of employment would not be required to match any of those income taxes for payroll tax purposes.



- **Targeted Talent Housing Incentive:** employees within a defined target industry sector(s) would receive a reduction of a third of their real estate taxes on owned properties for the first five years of their employment.
- **Targeted Talent Education:** any state resident who takes a state certified course for training in a defined target industry sector(s) would be able to do this at state funded institutions with a 50% fee and book reduction.

*Source: Adopted from Hank Stringer and Rusty Rueff of Talent Partners
(<http://hankandrusty.typepad.com/>)*

3. New North Dakota Scholars

The New North Dakota Scholars program would provide annual stipends in the form of forgivable loans to outstanding North Dakota high school graduates who attend any North Dakota University System institution and agree to work in the state for at least five years after graduation. Students who leave the state would have to repay the loans to the state.

Source: Adopted from the Hoosier Hope Scholarship Program proposed by Indiana Governor Mitch Daniels.

4. Tuition in Twelve

Graduates of North Dakota University System institutions who live and work in the state after graduation have the opportunity to be refunded 100% of tuition. Re-payment would occur incrementally. After 3 years, 25% of tuition would be paid back, 6 years 25% more (50% of total tuition), 9 years 25% more (75% of total tuition), and 12 years the final 25% (or 100% of tuition total). If an individual would leave before the 12 year period, they would have to pay back whatever money the state provided them.

Source: Concept from the "Big Bang" proposal in Wisconsin to pay for college expenses if resident stayed for ten years.



Policy Options- Educator Behavior

A. Current Actions from Previous Legislative Sessions

- **Career Specialist Program-** helps public schools promote North Dakota career opportunities to high school students.
- **Grants for Innovation-** created a "grants for innovation" program and appropriated \$70,000 to Career and Technical Education for this program. The program is a dollar-for-dollar match for the purpose of funding innovative science, technology, or innovation programs in K-12.
- **TeamND-** a consortium of North Dakota colleges and universities that would work to bridge the gap between students and employers through a web portal that provides a single point of entry to allow employers unlimited postings of jobs and internship/co-ops, as well as submission of resume requests to all campus members of the consortium (Bismarck State College, Dickinson State University, Jamestown College, Mayville State University, Minot State University, Valley City State University, and University of North Dakota).

B. Policy Suggestions from Regional Sessions

- Expand career information and career planning structures for students throughout K-12 system
- Promote career opportunities which require 2-year or less technical degrees, and establish stronger ties between K-12 system and 2-year or less programs (such as dual-credit availability)
- Create programs for teachers to be employed at private-sector employers so that real-world experiences can be brought back into the classroom
- Increase programs for students to be exposed to employer workplaces (internships, co-ops, summer employment)- possibly require internship as part of high school resume-building experience
- Embed real-life workplace applications in all academic courses, including training on "soft skills" and work ethic expectations

C. Potential Legislative Options

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1. Seniors to Sophomores

Seniors to Sophomores allows high school seniors, who meet academic standards, to take college level courses that will be transferable to public colleges and universities in the North Dakota University System. Students who elect to take a full load of college courses in their senior year will be able to enter college on a second-year level, or as college sophomores. Tuition for the year will be free.

Source: University System of Ohio "Seniors to Sophomores Initiative"



2. Core 40 Diploma

The Core 40 Diploma consists of a balanced sequence of academically rigorous high school courses in the core subjects of English/language arts, mathematics, science and social studies; physical education/health and wellness; and electives including world languages, career/technical, and fine arts. The coursework is designed to best prepare students for college and/or the workplace. Employers, apprenticeship programs and the military expect graduates to arrive with essential skills, including speaking and writing clearly, analyzing information, conducting research, and solving complex problems and the Core 40 program is designed to provide high school graduates equipped with those skills. North Dakota University System four-year institutions will require students to have a Core 40 Diploma for admissions.

Source: Indiana Department of Education Core 40 Program

3. Growing Grads in North Dakota

North Dakota will provide up to \$4,000 to high school graduates for successfully completing two years of postsecondary education. Students must enroll at a North Dakota University System institution, complete requirements within 4 years, maintaining a minimum GPA during that time frame.

Source: Adapted from the Michigan Promise program signed into law by Michigan Governor Jennifer Granholm in December 2006.

4. Personal Pathways to Success in North Dakota

The program requires that all students declare a career major in one of 16 career clusters of study. These "career clusters" are courses of study organized around different sets of occupations. In the eighth grade, students and their parents or guardians sit down with counselors and create individual graduation plans (IGPs) that lay out their personal education and career strategies. To effectively implement Personal Pathways to Success, North Dakota high schools will be mandated to hire more guidance counselors to achieve a ratio of one counselor for every 300 students, and counselors specializing in career guidance will help students plan their educations. Students at risk for dropping out will be identified early and models will be developed to help these students graduate.

Source: Adapted from the South Carolina Education and Economic Development Act (EEDA)



Policy Options- Government Behavior

A. Current Actions from Previous Legislative Sessions:

- **Beginning Again North Dakota Pilot Program-** created a pilot program to develop a database of skills and other assets of communities and residents to be used to advance the internal and external image of the state and communities within the state. This information is to be used to assist in developing a strategic plan for development. The pilot program will cover two small cities: one with a population of less than 1,500 and another with a population 1,500-3,000.
- **Centers of Excellence-** centers are hubs of research and development on the campuses of North Dakota's 11 colleges and universities. Their objective is to research, develop and commercialize products and services to create good paying jobs for the citizens of North Dakota, especially our young people. In the past biennium, \$20 million in state Center of Excellence funding has leveraged more than \$70 million in additional funding for research and development in agriculture, renewable energy, advanced manufacturing, business technology, and other areas that are creating better paying job opportunities in North Dakota. An additional \$20 million was secured for the 2007-2009 biennium.
- **Ambassador Program-** the North Dakota Ambassador Program features three focus areas or ways for ambassadors to maintain their connection to North Dakota and get involved in improving the quality of life for all North Dakotans: state image building, growing the economy and networking. Results to date include ten new businesses and hundreds of jobs in North Dakota and over 60 LUV ND license plates awarded to ambassadors for their business leads and outstanding service to the state.

B. Policy Suggestions from Regional Sessions

- Use of Bank of North Dakota to create more funding availability and more favorable interest rates for college tuition
- Create favorable environment for accepting occupational licensing from other states, making it easier for license-holders to move to North Dakota
- Create "immigration-friendly" state laws to encourage legal immigrants with skills we need to move to North Dakota
- Provide financial incentives (tax breaks, others) for individuals to move to (or stay in) North Dakota with skills we need
- Create defined credentials for new level of career "advisors" to be available to schools to specifically address career information needs of students
- Establish state-level office to aggressively expand promotion of opportunities- both inside and outside the state
- Create special initiatives to move under-employed North Dakota residents into higher-skilled job openings (with targeted training, as needed)
- Create program to subsidize in-state college tuition for North Dakota high school students who meet certain standards



- Identify areas of country that have labor surpluses in skills we need- and aggressively recruit for jobs we need filled

C. Potential Legislative Options

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1. Prairie Innovation Zone Program

The Prairie Innovation Zone Program is intended to renew and focus North Dakota's commitment to creating new technologies and new entrepreneurs - using the North Dakota University System to deliver economic development opportunities throughout the state. Partnerships will be formed by a combination of institutions of higher education, private businesses, business support organizations, commercial lending institutions, venture capital networks including angel investors, and foundations. Each zone will be mandated to include participation from these types of partners in planning and execution of the zone plan, including the establishment of objectives, goals and benchmarks and the identification of leveraged resources. These partnerships will choose an organization to serve as Zone Coordinator, which will be the administrative and program development agent for the initiative.

Source: Adapted from Keystone Innovation Zone (KIZ) Program, Pennsylvania Department of Community and Economic Development

2. Vision North Dakota

The Vision North Dakota program is designed to assist communities in the development and creation of major tourism facilities (minimum \$1 million in scope) for permanent cultural, recreational, entertainment and educational attractions available to the general public. These attractions would position a community to take advantage of economic development opportunities in tourism, and strengthen a community's competitiveness as a place to work and live. Forms of assistance would include grants, interest-bearing or non-interest-bearing loans, interim financing, interest subsidies, deferred payment loans, loan guarantees, float loans or other forms of assistance. Financial assistance may be a multi-year award paid in increments.

Source: Adapted from Iowa Department of Economic Development, Vision Iowa Program

3. (North) Dakota Roots

Dakota Roots will be a job search website that will match participants with career openings available from leading businesses in innovative career clusters in North Dakota. Participants will be notified when openings are appropriate to their skill sets. If interested, the participants can pursue the openings directly with the business.

Source: Dakota Roots website, State of South Dakota



4. One Stop Higher Education Online Portal

The State of North Dakota will create, maintain and sponsor a one-stop website that will serve as a complete guide for higher education in North Dakota. By taking a few minutes to create a student account on the website, prospective students can automatically insert your information into financial aid and college applications, visit campuses virtually, explore career options, get adult education information and receive help transferring to another school.

Source: Adapted from Go Higher Kentucky, State of Kentucky

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