

North Dakota Joint Legislative Committee Session

Workforce System Study

June 24, 2008



Thomas P. Miller and Associates
Building Assets through Knowledge & Innovation

Congratulations!

Milken Institute *2008 State Technology & Science Index*
just released:

- North Dakota cited as most improved – rising from 45th to 31st
- Although overall population shrinking, urban centers have grown considerably
- North Dakota is keeping more of its “best & brightest” high school students in state’s colleges
- North Dakota is becoming the national star on investments in clean, alternative energy
- North Dakota is capitalizing on its comparative advantage in agriculture

Seizing Opportunities

- How do we keep our college student talent in the state – now that we're keeping more of our high school students here?
- How do we create more “STEM” talent to match emerging high-skill needs of energy sector?
- How do we spread job opportunities and attract talent to our rural areas – particularly tied to our leadership in agriculture?

Background

- NDLC Workforce Committee & the Department of Commerce requested assistance in studying the state's policy & service environment for meeting the state's workforce needs
- Thomas P. Miller & Associates was engaged to facilitate information gathering and research process to prepare a report for guiding prioritization of policy ideas for the 2009 regular legislative session



Information Gathering

- 4 regional focus groups in Dickinson, Grand Forks, Minot, and West Fargo
- Special young adults' focus group in Jamestown
- Workforce Congress held April 10, 2008 in Bismarck



Process

- At each focus group, participants created recommendations for positively changing the behavior of:
 - Employers
 - Employees
 - Schools
 - Government
- At Workforce Congress, participants were tasked with defining top three priorities for each group
- TPMA built policy idea categories based on convergence of identified priorities
- TPMA conducted research on best practices and applicable policy changes that could be considered for implementation in North Dakota



Priority Areas

- Utilizing input from focus groups & subsequent Workforce Congress, five themes emerged:
 - Retain Talent
 - Attract Talent
 - Incentivize Employer Productivity, Innovation, & Entrepreneurship
 - Connect Education & Employers
 - Promote Higher Education



Before we get into policy options...

Policy decisions should consider:

- **Investment**- commitment of state funds to new, expanded initiatives
- **Innovation**- program focused on increasing the competitiveness of North Dakota in the global economy
- **Impact**- gains/results that can be generated through implementation with clearly defined metrics for return on investment (ROI)



Investment

- Resources focused on priorities
- Re-direct existing programs & funds
- Attract private investment
- Aggressively pursue grants tied to priorities
- Expand state investments where ROI is clearly established

Innovation

- Incentivize employer investment in technology – creating higher skill jobs
- Support entrepreneurship
- Target recruitment of talent to drive innovation & job creation
- Encourage creation of “STEM” talent
- “STEM” grows largely from our roots – energy, agriculture, manufacturing

Impact

- Identify outcomes desired
- Don't confuse outcomes with outputs
- Measure what matters
- Create direct relationships between program outputs & impact on outcomes

Retain Talent

Immediate

- **North Dakota INTERNnet-** statewide internship initiative, sponsoring a centralized website, building upon Operation Intern – bringing existing program to scale
- **Retain Talent North Dakota (RTND)-** a tax credit for students who exit the North Dakota University System and remain in the state

Long-term

- **Eight and One Hundred-** graduates who live and work in state receive graduated stipend to pay back tuition up to 100%, if they stay in state for eight years
- **New North Dakota Scholars-** annual stipend or other incentive to college graduates who stay in North Dakota for at least five years



Attract Talent

Immediate

- **North Dakota Roots-** job search website to track back talent to the state – aggressive outreach to drive talent to website – responsive “catch & referral” mechanism
- **Targeted Talent Relocation Incentive-** out-of-state individuals who relocate to state to work in target sectors would not have to pay income taxes for first three years of employment

Long-term

- **North Dakota Homesteader Tuition Buyback-** individuals who relocate to North Dakota will be given incremental stipends to pay back tuition, with full tuition paid back after 12 years of working in the state



Incentivize Employer Productivity and Entrepreneurship

Immediate

- **Automation Investment Tax Credit-** a tax credit provided to employers who invest in technology upgrades
- **Encouraging Automation Loan Program-** state provides low-interest loan to cover 10% of cost for companies adopting leading edge technology to increase productivity
- **North Dakota Regional Renewal Initiative-** state commissions study to clearly identify cluster-based economies in each region of state

Long-term

- **Prairie Innovation Zone Program-** designated zone (s) linking higher education, business incubators, venture capital networks, and private businesses



Connect Education to Employers

Immediate

- **Work Ethic Certification Program-** employer recognized certification that high school students obtain by meeting established points-based criteria
- **Minuteman Mechanism for Educational Funding-** streamlined “fast track” approval process to provide timely education to meet the needs of employers
- **STEM-ing Success Internship Program-** extension of Operation Intern focused on matching college students in STEM programs with employers



Connect Education to Employers (cont.)

Long-term

- **STEM Core 40 Diploma**- high school curriculum that is heavily focused on STEM
- **Industry Hubs of Excellence**- regionally-based hubs linking higher education with area employers in a defined cluster
- **Personal Pathways to Success in North Dakota**- students declare career pathway in eighth grade and receive assistance from career counselors to achieve goals to stay on course through 12th grade
- **Industrial Excellence Partnership**- create an umbrella organization that consists of non-profit organizations that represent the workforce needs of the state's targeted industry clusters
- **Customer-Driven MBA**- MBA program developed with employers to have curriculum that meets their needs; students will work in internships/externships throughout two-year program and be guaranteed a job upon graduation (minimum two-years)



Promote Higher Education

Immediate

- **Growing Grads in North Dakota-** a \$4,000 per year stipend to high school graduates for successfully completing two years of postsecondary education – possibly linked to “College Core” or “STEM Core” curriculum developed with employer input
- **North Dakota Vocational Scholarship-** full tuition support for students taking coursework in high demand industries

Long-term

- **Seniors to Sophomores-** high school students can take college courses during their senior year and have them transfer to college with potential to make first year of education free
- **Lifetime Education Account-** state recognizes a portable account used by individuals for education and training expenses, owned by employees with contributions from employers

