



**NORTH DAKOTA LEGISLATIVE COUNCIL
WORKFORCE COMMITTEE
ROOM 370, RICHARD H. BARRY HALL
NORTH DAKOTA STATE UNIVERSITY
FARGO, NORTH DAKOTA
WEDNESDAY, MAY 26, 2010**

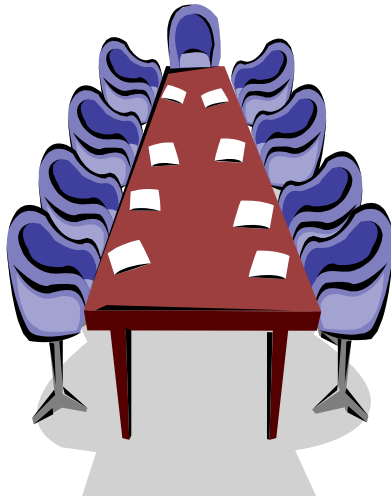
SENATOR TONY GRINDBERG, CHAIRMAN

Objectives

- Provide an overview of the North Dakota Workforce Development Council;
- Give an update on the North Dakota Talent Strategy; and
- Discuss implications of Section #5 SB 2016 Workforce 2020



North Dakota Workforce Development Council



- **A Strategic Partner In North Dakota's Economic and Workforce Development System**
 - 25 member Governor appointed advisory board. (Mandated to receive federal funding under the Workforce Investment Act of 1998)
 - 9 Business members
 - T. J. Russell, chair –Cloverdale Foods
 - Responsibilities:
 - To recommend policy and continuous improvements to the North Dakota workforce delivery system;
 - Plan and provide oversight for the federal funded workforce programs.

North Dakota's Workforce Delivery System

- **8 State Agencies**
 - Administering over 22+ separate Federal or State Funded Programs
- **Tribal & other non-state agencies administer additional programs.**
- **All use common terminology!**
(But Speak a Different Language/Definitions)
 - **Workforce Development**
 - **Workforce Training**
 - **Employability Development**



North Dakota Workforce Delivery System

- Must be viewed as a holistic system and not as a system of individual agencies and programs.
- Under a holistic system's approach, the Federal and State funded programs are integrated to provide greater leveraging and maximization of the available resources.
- Programs work best and are most effective when there is full coordination, collaboration and integration of resources eliminating duplication & competition.

The Role of the NDWDC

- The Council's role in working with the System partner's includes:



- Being the champion for workforce issues
- Being the State's change agent
- Being the State's convening agent
- Being the State's accountability agent



- August 2006 the NDWDC hosted a Joint Planning Retreat which resulted in adoption of the North Dakota Talent Strategy.
 - Attendees: NDWDC, NDYDC, ND State Commission, State Legislator's

North Dakota Talent Strategy



- The architectural backbone to direct the activities of State Agencies who deliver education, workforce training and employability development services in support of the Economic Development Plan for North Dakota.



North Dakota Talent Strategy



- The role of the workforce system in ND is to “**Prepare the Workforce**”
- Considerations:
 - **Workforce Intelligence** is basis for all decisions.
 - **Career Promotion** needs to complement Career Information.
 - **Move to a demand driven service delivery model** (concentrate on target industry clusters)
 - **Expand the workforce participation rate.** (customized service delivery approaches)
 - Provide **timely, customized, workforce training** to meet business demands. (Provide what is needed, When it is needed)
- Talent Strategy Identified **Ten** Areas of Continuous Improvement to build on coordination and collaboration with business and organized labor.

Talent Strategy Foundation



Includes:

- Coordination & collaboration between delivery system State Agencies & partners; and
- Qualitative & Quantitative Workforce Intelligence drives all decisions.

Three Pillars of the Talent Strategy



- Talent Expansion
 - Fill the pipeline with new talent
- Talent Attraction
 - Target Populations, out-of-state recruitment, legal immigration
- Talent Retention
 - Incumbent workers, baby boomers



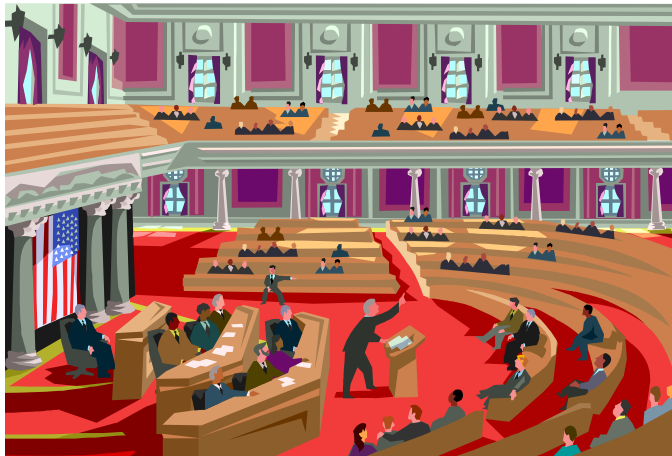
North Dakota Talent Strategy Focus:



- Retention of ND Higher Education Students (in-state & out-of-state).
- Attract Alumni & former residents back to ND
- Engaging underutilized, underemployed, & low wage population groups
- Continue to engage baby boomers in the workforce
- Recruit out-of-state talent.
- Use of Legal Immigration, Temporary Foreign Workers & Refugees
- Continually Skilling Up the Existing Workforce – Life Long Learning



2007 & 2009 Legislative Session



Adopted many of
the tenets of the
North Dakota
Talent Strategy



Council and Division leadership in attracting, retaining, and expanding talent

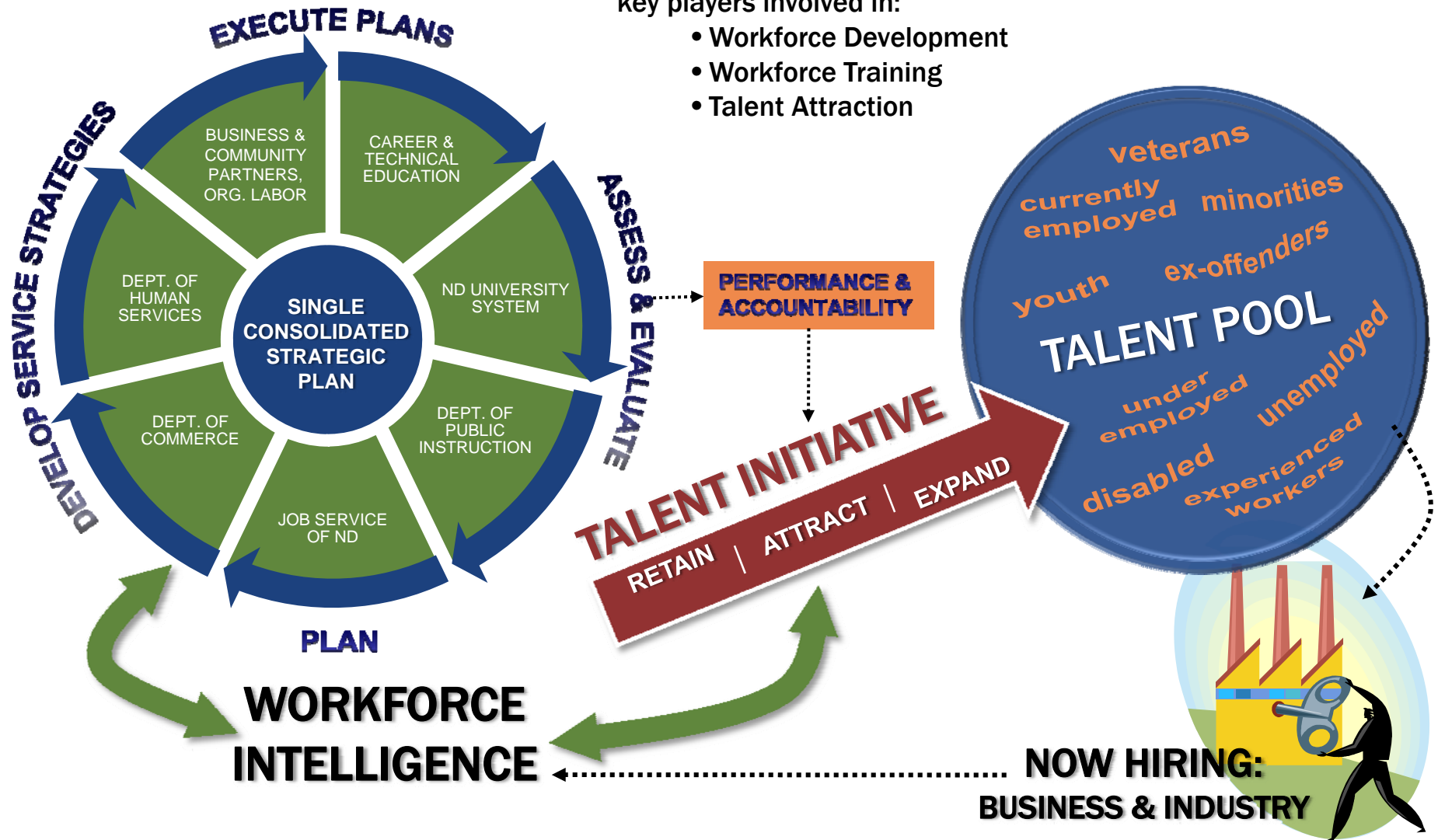
- **54-60-09. Formalized the role of the Workforce Development Division:**
 1. Actively monitor local, regional, national, private, and public workforce development initiatives.
 2. Develop and implement the state's talent strategy.
 3. Develop and implement a statewide intelligence coordination strategy.

- **54-60-19. Requires development of a Unified State Plan:**
 1. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction. (August 2010)

WORKFORCE DEVELOPMENT SYSTEM

Legislation focused on bringing together
key players involved in:

- Workforce Development
- Workforce Training
- Talent Attraction



Develop a dynamic workforce intelligence system.

- **54-60-09. Formalized a workforce intelligence coordination Strategy for the State**
 - Workforce Intelligence Council was charter in 2007.
 - Membership: Data Analysts from State Agencies, Private Sector, Partners and Stakeholders.
 - Meets Quarterly (Steering Committee meets monthly)
 - Workforce Intelligence Studies:
 - Community Labor Availability Studies
 - Industry Sector Workforce/Skill Needs Assessments
 - Oil and Natural Gas Workforce & Skill Needs Assessments
 - Information Technology Workforce & Skill Needs Assessments.
 - North Dakota Economic & Workforce Context Report
 - Nursing Graduate Study

Focus on workforce improvement, preparation and lifelong learning by improving the quality and quantity of training and education

- **54-60-22. Workforce enhancement Council - Grants.**
 - Provides funds to Commerce to make grants to State Colleges to be used to create or enhance training programs that address workforce needs of private sector companies.
 - Industry must be a full partner to the initiative and provide a \$1 for \$1 match
 - BSC – Energy Training and Development, Line Worker, Welding Partnership, Electronics Telecommunications Programs.
 - WSC - Petroleum Safety and Technology Center, Automotive Diagnostic Certification Center Programs.
 - NDSCS - Transportation & Construction Advanced Tech, Automation
 - LRSC - Wind Energy Technician Training

Increase the labor force participation rate and expand the available talent pool

- 2007 Legislative Session provide funding to Job Service North Dakota to establish a single portal capturing all job postings on any web site for the State of ND.
 - FindJobsND.com
 - April 2010 over 10, 794 job postings
 - Supports out-of-state recruitment
- ND Dept of Commerce efforts to bring back alumni and attract out-of-state talent.
 - North Dakota Ambassador Program
 - Workforce Relocation Program
 - Experience North Dakota Events

Give emphasis to the emerging worker talent pipeline by focusing on young people

- **54-60-18. Created a Career specialist initiative**
 - Function is to implement a program to assist public schools in promoting North Dakota career opportunities to students in grades nine through twelve.
- **54-60-17. Created an Internships, apprenticeships, and work experience opportunities initiative**
 - A program to increase use of internships, apprenticeships, and work experience opportunities for higher education students and high school students enrolled in grade eleven or twelve.
- Other initiatives/programs focused on youth:
 - AmeriCorps
 - Jobs for Americas Graduates
 - Learn & Serve America
 - Technology Scholarships
 - Career Advisor's
 - Emerging Technologies
 - Career Technical Centers
 - Youth Office

Build even stronger workforce system partner-ships to increase efficiency, effectiveness, and accountability

- **54-60-19. Requires a system of common performance accountability measures for the workforce system. :**
 - The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction.
 - Each partner of the state's workforce delivery system shall cooperate by providing the data and information necessary.
- Number of individuals trained or served;
- Number who became employed as a result of each department's workforce development & training programs;
- The state's investment;
- The areas of occupational training provided;
- The average annual salary of those employed; and
- The average increase in earnings twelve months after completion of training.

Improve the workforce system interface with employers and targeted industry trade associations

- **54-60-19. Formalized the division's role in leading innovation to improve the workforce system's response.**
 - Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.
- **Formal Interface Initiatives:**
 - North Dakota Business Resource Alliance
 - Business Associations, Trade Organizations, Organized Labor Roundtables

North Dakota's Workforce System



- Tenets of the North Dakota Talent Strategy adopted by the 2007 and 2009 Legislature both compliment and build on the workforce training legislation adopted in previous sessions.
- There are still gaps and areas which we should consider.



North Dakota's Home Grown Talent Opportunities

Actively Engage and Develop:

- North Dakota's Underemployed and Low Wage Workforce. (30% + of current workforce);
- School Dropouts (Prevention & Recovery at secondary –Postsecondary Level);
- American Indian Populations;
- New Americans & Refugees (English as a Second Language);
- High School Youth (Expand access to Career & Technical Programs in rural schools)



North Dakota 2011 Legislative Opportunities



- Expand access to both basic and job skill training for at-risk youth.
- Fund Adult Learning Centers to support GED & postsecondary academic prep with emphasis on satellite services/distance education.
- Pilot a “Emerging Technology Competency Certification Training Program” which targets the under and unemployed in rural communities. (Mechanical, Hydraulic, Pneumatic, Electrical, Computer foundation skills)
- Expand access to Career and Technical Education programs in areas not served by a Career and Technical Education Center.
- Expand the HB 1400 scholarships to include GED recipients
- Create a new program to allow underemployed and low wage workers access to short-term skill upgrade training (CDL, Welding, Etc).
- Support continuation of the three Jobs for America’s Graduates pilots and to expand the number of pilots by an additional three schools in the next biennium.

Since 2006



How has the North
Dakota Workforce
System
Performed?



Workforce Delivery System Performance Accountability

- The North Dakota Talent Strategy Identified four Performance Metrics for the System.
 - Net Population Gains Across the State
 - Increase in Annual Income
 - Increase in Labor Force Participation Rate
 - Increase Participant Retention in North Dakota

Increase North Dakota's Average Annual Wage

*Same Benchmark as the Economic Development Plan

	2007	2008	2009	2010
Goal	\$33,752	\$35,812	\$38,049	\$40,150
Actual	\$33,086	\$35,075	Available 6/9/10	

Increase North Dakota's Net In-Migration

*Same Benchmark as the Economic Development Plan

	2007	2008	2009	2010
Goal	6,070	7,781	9,586	11,470
Actual	(1,570)	(203)	1,896	

Increase North Dakota's Participant Retention Rate

	2007	2008	2009	2010
Goal	75%	80%	85%	90%
Actual	58.3% * At Point of Completion	90% Preliminary *12 Months after Completion		

Increase North Dakota's Labor Force Participation Rate

	2007	2008	2009	2010
Goal	72.3%	73%	74%	75%
Actual	74.3%	74.8%	72.2%	

Section 5, SB 2016 Workforce 2020

Job Service North Dakota Appropriations Bill

Issue!

In March, 2010 Commerce was advised by Job Service North Dakota that WF 2020 applications were being placed on hold with the exception of applications from business creating new or expanding job opportunities.

Workforce 2020

- **SB 2016, SECTION 5. WORKFORCE 20/20 FUNDING.** Fifty percent of the workforce 20/20 funding in section 1 of this Act must be used for projects for new or expanding businesses in North Dakota.
- **CHAPTER 52-08.1 NORTH DAKOTA WORKFORCE 20/20 PROGRAM**
 - **52-08.1-03.** Job service North Dakota shall encourage training assistance for a company that manufactures or otherwise produces a product. However, the class of occupations eligible to receive training through such a company is not limited to manufacturing or production
- In today's economy the century code and the appropriations language set up conflicting requirements & goals. The language presents challenges to effective use of funds and integration of programs within the system.

North Dakota Workforce Training Programs in Balance



- The **North Dakota New Jobs Training Program** Enacted in 1993 – is the primary tool to provide incentives to new and expanding primary sector businesses who are creating new jobs in North Dakota.
- The **Workforce 2000 (2020) Program** Enacted in 1991 is the primary tool to provide incentives to North Dakota business to invest in training for their incumbent workers to help foster growth and competition of North Dakota's workforce.

Program Differences

- Workforce 2000 (2020):
 - Main purpose was to respond to the workforce training needs of ND business by offsetting the cost of retraining and upgrade training for incumbent workers.
- North Dakota New Jobs Training:
 - Main purpose was to provide incentives for new job creation by primary sector business either locating to or expanding in the State.

Consequences!



- In today's economy most primary sector businesses are trying to maintain.
 - New business starts and expansions have declined
- Existing businesses are retooling and changing work methods (not hiring) to become more productive.
 - Introducing LEAN Principals
- Language in Section 5 of SB 2016 is preventing the use of WF 2020 to provide a timely response to the training applications being submitted by existing employers who are not expanding their employment base.
 - This is potentially impacting continued employment for many workers.

WORKFORCE TRAINING INCENTIVES



- Workforce Training Incentives that work are investments.
- They provide a Return on Investment for:
 - Employer
 - Worker
 - State

Thank You!

James J. Hirsch, Director
Workforce Development Division
ND Department of Commerce
1600 East Century Avenue, Suite 2
P.O. Box 2057
Bismarck, ND 58502-2057
Phone: 701-328-5345
Facsimile: 701-328-5320
Email: jhirsch@nd.gov