

**DEPARTMENT OF COMMERCE TESTIMONY REGARDING ECONOMIC DEVELOPMENT  
STRATEGIC PLAN AND RELATED ACCOUNTABILITY STANDARDS  
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INTERIM WORKFORCE COMMITTEE  
ROOM 370, RICHARD H. BARRY HALL, NDSU  
SENATOR TONY GRINDBERG, CHAIRMAN**

**SHANE GOETTLE – COMMISSIONER, ND DEPARTMENT OF COMMERCE**

Good morning, Mr. Chairman and members of the committee, my name is Shane Goettle, Commissioner of the North Dakota Department of Commerce.

I was before this committee on March 31<sup>st</sup> to present North Dakota's Economic Development Strategic Plan. Since then, the plan has been finalized and approved by the North Dakota Economic Development Foundation. The Foundation has also approved a set of performance measures and targets for the year 2020. I will be providing a brief overview of the strategic plan and presenting you with the measures and associated targets.

The plan calls for focusing on five broad strategies for continued growth:

1. Maintain a positive business climate that supports private sector investment, growth and job creation.
2. Continue investing in university-based research and development conducted with the private sector that engages North Dakota in emerging industries such as life sciences and advanced technology.
3. Embrace entrepreneurship and foster a culture of entrepreneurship where innovative, tech-savvy companies can thrive.
4. Continue investing in statewide talent strategies that address education, training recruitment and retention to provide a steady supply of skilled workers needed to fuel long-term business growth.
5. Promote export trade by linking North Dakota businesses with foreign buyers and markets.

The plan advocates continuing the current economic development strategy focused on five targeted industries:

- Advanced manufacturing
- Technology-based businesses
- Value-added agriculture
- Tourism
- Energy

The plan establishes six goals for economic development in North Dakota. Each goal includes strategies to provide common direction, strategic areas of emphasis and priorities for investing state and local dollars. They also include performance measures to provide a means to evaluate progress toward achieving the overall goals.

Goal 1 – Create, attract, and retain quality jobs and workforce in targeted industries and high-demand occupations.

**Strategies:**

1. Encourage industry cross selling and supply-chain development through a campaign to purchase products & services from in-state companies.
2. Recruit industries that complement supply chains for target industries. And that encourage entrepreneurial growth.
3. Continue to refine the set of business start-up, expansion and attraction initiatives.
4. Refine workforce training programs to focus on developing the skills needed by the state's businesses and industries.
5. Promote the existing state and federal government job training incentives.
6. Support and encourage privately funded seed stage or early venture capital funds.
7. Support the continued development of a statewide network of entrepreneurial resources.

**Performance Measures:**

- 1-1. Net Job Growth (**2020 Target: 50,000 new jobs since 2010**)
- 1-2. Average Annual Wage (**2020 Target: \$50,000 average annual wage**)
- 1-3. Per Capita Personal Income (**2020 Target: \$60,000 per capita personal income**)
- 1-4. Population (**2020 Target: Population of 660,000**)

Goal 2 – Strengthen North Dakota's business climate and image to increase national and global competitiveness.

**Strategies:**

1. Promote national and international partnerships and competitiveness.
2. Support and grow the successful public/private international trade model.
3. Strengthen North Dakota's regulatory, tax and business climate.

**Performance Measures:**

- 2-1. Gross Domestic Product (**2020 Target: \$50 billion gross domestic product by state**)
- 2-2. Merchandise Export Value (**2020 Target: \$4 billion in merchandise export value**)
- 2-3. Small Business & Entrepreneurship Council's Small Business Survival Index (**2020 Target: Ranked among the top 15 states**)

Goal 3 – Accelerate innovation and entrepreneurship in targeted industries and emerging technologies.

**Strategies:**

1. Focus state tax incentives and supportive legislation to accelerate innovation and entrepreneurship in targeted industries and emerging technologies.
2. Assess state programs and how they fit with innovation, entrepreneurship, targeted industries and emerging technologies.
3. Explore health care as a profit center for long-term economic development.
4. Support state programs for research, development, demonstration, and commercialization of new technologies including the development of technology parks and incubators.

5. Develop rural and ag-based business development opportunities, education vacations and green tourism options throughout North Dakota.

**Performance Measures:**

- 3-1. Number of Private Sector Businesses (**2020 Target: 29,000 private sector businesses**)
- 3-2. Number of business activities as a result of Innovate ND. (**2020 Target: 200 new business activities**)
- 3-3. Aggregate use of Seed Capital Tax Credits and Angel Fund Tax Credits. (**2020 Target: need one year to determine baseline**)

Reportable Data:

- Academic research and development expenditures.
- Industry research and development expenditures.

Goal 4 – Enhance the state education and training system’s ability to meet business and workforce needs of the future.

**Strategies:**

1. Expand the promotion of skilled trade and technical education programs at North Dakota’s high schools, Area Career and Technical Centers, and two-year colleges to North Dakota employers.
2. Better leverage the resources of the state’s entire education system to support long-term economic development through education, training and research.
3. Support an accountable University System that has the flexibility needed to meet the needs of the private sector.
4. Promote operation intern with businesses in targeted industries while supporting internships and apprenticeships in general.
5. Support youth and young adult development and retention initiatives.

**Performance Measures:**

- 4-1. Number of students taking skilled trade and technical education programs. (**2020 Target: 26,500 students taking skilled trade and technical education programs**)
- 4-2. Retention of post-secondary program completers. (**2020 Target: 65% of post-secondary completers retained in state in 2010**)

Goal 5 – Continue to enhance a unified front for North Dakota that supports community, economic and workforce development.

**Strategies:**

1. Enhance collaboration between economic development and tourism stakeholders, the congressional delegation, the state legislature, the Governor’s office, tribes, workforce delivery system, the University System, the state Commerce Department and the private sector in order to leverage all available sources of support.
2. Consistently collaborate with state stakeholders to determine the value of cooperative activities and identify ways to improve them.

**Performance Measures:**

- 5-1. Number of local development and tourism stakeholders participating in Commerce sponsored marketing, tourism, workforce, business development and community development activities. **(2020 Target: A high percentage – need one year to determine baseline)**
- 5-2. Stakeholder perceptions of a unified front for economic development in the state. **(2020 Target: A high percentage – need one year to determine baseline)**

Goal 6 – Enhance North Dakota’s image.

**Strategies:**

1. Develop a statewide internal marketing effort to improve the North Dakota’s self image.
2. Continue to measure aggressive media relations campaigns that enhance North Dakota’s image and increase awareness of North Dakota as a great place to live, work, play, visit and be in business.
3. Establish a measurement for social media engagement and its impact on the state’s image.
4. Work with our regional partners, overseas offices and Visit America committees and consultants to keep North Dakota in the news and to educate on travel requirements and business opportunities.

**Performance Measures:**

- 6-1. Ratio of positive to negative tone in earned media placements. **(2020 Target: Ratio of 3 positive earned media stories for every 1 negative)**
- 6-2. Number of visits as a result of image enhancement efforts. **(2020 Target: 2.4 million trips)**
- 6-3. Expenditures by out-of-state visitors. **(2020 Target: \$5.4 billion)**
- 6-4. Number of workforce relocators as a result of image enhancement efforts. **(2020 Target: 1,000 workforce relocators)**
- 6-5. Tourism advertising impact on image. **(2020 Target: 50% of respondents who say they strongly agree that “North Dakota is a place I would really enjoy visiting.”)**
- 6-6. Number of active social media influencers who contribute to depicting a fun and friendly North Dakota. **(2020 Target: 1,000 social media influencers)**
- 6-7. International advertising equivalency for positive North Dakota stories. **(2020 Target: \$5 million in international advertising equivalency since 2010)**

Mr. Chairman and members of the Workforce Committee, thank you for allowing me the time to visit with you today. That concludes my testimony and I am happy to entertain any questions.