

**NORTH DAKOTA LEGISLATIVE COUNCIL
WORKFORCE COMMITTEE
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SENATOR TONY GRINDBERG, CHAIRMAN**

JIM HIRSCH – DIRECTOR, THE DIVISION OF WORKFORCE DEVELOPMENT

Mr. Chairman and members of the Workforce Committee, my name is James Hirsch, Director of the Workforce Development Division, with the North Dakota Department of Commerce. I am sorry that I cannot be with you today, but want to provide you with my written testimony. Mr. Larry Anderson, Talent Coordinator, Workforce Development Division, North Dakota Department of Commerce will provide oral testimony.

My written testimony is intended to provide a report on the North Dakota Talent Initiative and the federal and state budget alignment in support of the Talent Initiative.

The workforce development, workforce training, talent attraction and education system in North Dakota is confusing and not very well understood by the general public and policy makers.

North Dakota's delivery system consists of eight (8) State agencies, administering over eighteen (18) separate federal and state funded programs. (Commerce, Job Service ND, Department of Public Instruction, Career & Technical Education, University System, Department of Human Services, Department of Corrections & Rehabilitation, Workforce Safety Insurance).

In addition, Tribal and other non-state agencies administer additional programs target to specific segments of the population.

We all use common terminology such as workforce development and workforce training. Many times we all have our own definitions for these terms.

In response to the workforce challenges facing our State and the recognition that the workforce delivery system was viewed as very complex, difficult to understand, duplicating services, uncoordinated and unresponsive to employer needs, the North Dakota Workforce Development Council embarked on a Strategic Planning process.

In August 2006, the Council hosted a Strategic Planning Retreat around the theme of “Workforce Development for Economic Development”. The Strategic Planning Retreat was attended by members of the North Dakota Workforce Development Council, North Dakota Youth Development Council, North Dakota State Commission on National and Community Service, State Agency Administrators, and members of the North Dakota State Legislature.

The result was development of the North Dakota Talent Initiative. The Initiative recognized that the role of the workforce system in North Dakota is to “Prepare the Workforce”. Considerations for doing this include:

- **Workforce Intelligence** is basis for all decisions.
- **Career Promotion** needs to replace 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)

The foundation for the North Dakota Talent Initiative includes: 1) coordination and collaboration by State Agencies and system partners; 2) all decision are made based on quantitative and quantitative workforce intelligence.

The goals of the North Dakota Talent Initiative are 1) to increase the quantity and quality of the workforce, 2) transition from a workforce model to a talent force model which is focused on skill development, and 3) reduce unemployment in areas of the State which are above the state average.

The Initiative has three supporting pillars. They are 1) talent expansion, 2) talent attraction, and 3) talent retention.

The accountability metrics for the talent initiative include:

1. Net populations gains across the State;
2. Increase in annual income;
3. Increase in labor force participation rates; and
4. Increase in program participant retention rates in North Dakota.

Both the 07 and 09 Legislative Sessions have supported the North Dakota Talent Initiative and the legislative goals of the North Dakota Workforce Development Council and the Economic Development Association of North Dakota.

The 07 Legislature in the Commerce Appropriation Bill provided important support for the North Dakota Talent Strategy and reinforces the requirement for effective coordination and collaboration by State Agencies, partners and stakeholders.

Legislation required the division of workforce development to:

- a. Develop a comprehensive, **consolidated biennial statewide strategic plan** for the State's system for workforce development, workforce training, and talent attraction;
- b. Develop and implement a **statewide intelligence coordination strategy**; and
- c. Develop and implement a **system of performance and accountability measures** for the state's workforce delivery system.

The initial North Dakota Consolidated Biennial Statewide Strategic Plan for Workforce Development, Workforce Training and Talent Attraction was finalized in December of 2008. The division is continuing to work with partner agencies to obtain updates to the plan and to begin to develop processes for development of overall goals, strategies, coordination requirements, and identification of areas where we can achieve continuous improvement goals

for the entire delivery system. The next phase of the planning process will focus on the design of a model statewide delivery system and the role of each agency and programs they administer in supporting a model delivery system.

The 07 Legislature continued funding for several important initiatives and created several new programs that directly support the Talent Initiative and the three supporting pillars.

Examples of State funding alignment which supports the three pillars of the North Dakota Talent Initiative include:

Talent Expansion Pillar:

- **Career Specialist Program**- a new program intended to facilitate the coordination of private industry efforts to promote career opportunities available in North Dakota.
- **Longitudinal data system committee** – a committee to plan and propose a longitudinal data system that will provide information on the educational and workforce systems.
- **Emerging Technologies Program** – funding to Career and Technical Education to support the Emerging Technology Cooperatives created to share technology modules and rotate them among member schools to provide exposure to secondary students.
- **The Higher Education Internship/Work Experience Opportunities Program** “Operation Intern”;- a program to encourage expansion of higher education internships and work experience opportunities in North Dakota with \$600,000 in funding.
- **Workforce Enhancement Grant Program**- a \$2 million competitive grant program for developing new training programs that are responsive to employer workforce needs
- **North Dakota New Jobs Training** – was continued with an increase in the hourly rate benchmark for position to qualify.
- **Area Career and Technology Centers** – grants to fund a minimum of two new area career and technology centers in areas of the state that currently are not served.

Talent Recruitment Pillar:

- **Web site “Spidering” program** – a software tool that will allow North Dakota jobs to be posted on one website (www.FindJobsND.com).
- **Internship Tax Credit** – a tax credit in the amount of 10 percent of salaries or stipends paid to an intern with a lifetime cap of \$3,000 per taxpayer.
- **Workforce Recruitment Tax Credit for Hard-to-Fill Employment Positions** – a tax credit for an employer in the amount of 5 percent 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.
- **Experience North Dakota** – an initiative led by Commerce to try and attract Alumni and out-of-state job seekers to North Dakota through the hosting of Experience North Dakota events in communities around the upper Midwest.

Talent Retention Pillar:

- **Workforce Training Quadrants** – increased funding by \$1.65 million for a total of \$3 million.
- **Workforce 2020** – North Dakota’s incumbent worker program was continued with \$1.5 million funding.

One gap in our system is our ability to provide accessible, available and affordable skill training for those individuals who are underemployed and/or caught up in low wage jobs without opportunity for skill upgrade training or career advancement. They do not have the resources to pay for training if available or to be without a paycheck for any period of time while they retrain for higher level career opportunities.

The 09 Legislature continued funding for all of the new initiatives created by the 07 Session with the exception of the Internship Tax Credit and the Workforce Recruitment Tax Credit. The 09 Legislature expanded the Operation Intern program to include apprenticeships and 11th and 12th grade postsecondary students.

The 09 Legislature in support of strengthening the requirement for close coordination and collaboration by the State Agencies and system partners and stakeholders added additional language that requires that annually State agencies shall submit to the workforce development division a report outlining their current workforce initiatives and activities and plans for future workforce initiatives and activities. The division is to take these reports into consideration when preparing the Consolidated Biennial Statewide Strategic Plan for the state's system for workforce development, workforce training and talent attraction.

Additionally, the new section was added requiring that each even-numbered year, prior to November first, identified State agencies shall present their workforce-related budget initiatives for the upcoming biennium, including the alignment of these initiatives with the consolidated biennial statewide plan, to the North Dakota Workforce Development Council for consideration of potential areas for collaboration.

With the infusion of "stimulus" funding we are able to document 'best practices' of where agencies and programs are effectively coordinating and collaborating to provide the best level of service possible for our citizens.

The Jobs for America's Graduates program which started as a pilot in Williston, North Dakota using funding from the JAG National and Governor's Workforce Investment Act Set Aside has evolved into an initiative where we are now leveraging resources from Commerce, Job Service North Dakota, Vocational Rehabilitation, JAG National, Governors WIA Set Aside, the Corporation for National and Community Service, Tribal and Local funding. This is the level of collaboration we should see as a common practice when addressing our State's workforce issues.

The pieces for a comprehensive workforce delivery system are in place. We need to continue our focus on strengthening coordination and collaboration between State Agencies, partners and stakeholders to insure the system is functioning as a cohesive and comprehensive delivery system.

Using the North Dakota Talent Initiative as the framework for a State Talent Strategy has helped strengthen the coordination and collaboration between State Agencies, partners and stakeholders. We have seen significant improvements in the delivery system in just three short years since the North Dakota Talent Initiative was developed.

With a few exceptions, funding alignment to support the three pillars of the North Dakota Talent Initiative is in place. The current level of State funding is filling some of the gaps left in our Federal funding streams.

Mr. Chairman, this concludes my testimony.