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**MEETING MINUTES
NORTH DAKOTA WORKFORCE
DEVELOPMENT COUNCIL RETREAT
June 5, 2003**

Meeting Date, Time, & Place: June 5, 2003, 8:30 a.m., Job Service North Dakota, 1601 East Century Avenue, Bismarck, ND 58503.

Members Present: Al Lukes, Al Austad, Andy Rendon, Bruce Walker, Cathi Christopherson, Dave Kemnitz, DeAnn Berg, Dr. David Gipp, Dr. Donna Thigpen, Ethel Keeley, Gaylene Massey, Gloria Maragos, Harley Engelman, Jim Walker, Justin Schardin, Lee Lampert, Leo Cummings, Max Laird, Rosella Grant, Scott Holdman, Wayne Kutzer, Eddie Dunn (attended on behalf of Larry Isaak), Korrine Lang (attended on behalf of Maren Daley), Gene Hysjulien (attended on behalf of Carol Olson), Cheryl M. Kulas, and Jim Hirsch.

Members Absent: Alvin Brandt, Anita Kostek, Brenda Christiansen, Brian Matthews, Carol Olson, Charles Axtman, Cheryl Penny, Dave Massey, David Trottier, Jim Dahlen, Jodi Koch Scherr, Larry Isaak, Lee Peterson, Lyn Dockter-Pinnick, Maren Daley, Michael "Mike" Zimmerman, Paul Steffes, Robert Blackford, and Tim Eissinger.

Others Present: Beth Zander, Dan Marrs, DeAnn Berg, Don Pratt, Don Roloff, Nelse Grundvig, Richard Rathge, and Jill Splonskowski.

Welcome & Opening Remarks: The Chair, Al Lukes provided a welcome for members and proceeded with the proposed agenda.

Approval of Agenda: Al Lukes asks for a motion to approve the agenda.

Motion: Cathi Christopherson made a motion to approve the agenda. Donna Thigpen seconded the motion. Motion carried.

Approval of Minutes: Al Lukes asks for a motion to adopt the January 9, 2003, meeting minutes.

Motion: Bruce Walker made a motion to approve the January 9, 2003, meeting minutes. Rosella Grant seconded the motion. Motion carried.

Al Lukes asks for any corrections to the April 17, 2003, meeting notes. Since there was not a quorum at the previous meeting, we cannot formally adopt the minutes. Rosella Grant made a correction to the April 17, 2003, notes on page 2, paragraph 4 to reflect: "Rosella Grant felt that this is a challenge for teachers, but with the revised state guidelines and administrative support, this process could lead to professional growth".

Chair's Report:

Budget:

Jim Hirsch put together the budget and the budget looks like we will have a \$5,000 surplus. Even with moving costs into the new building on Century Avenue, there should be an excess. Jim stated that Job Service will retain all excess funds for WIA activities.

Council Business:

Strategic Plan Modification:

Jim Hirsch reported that the state plan needs to be modified because we're negotiating performance indicators for the next 2 years. We updated the Preamble and Executive Summary. Job Service is reviewing the draft sections. It will then be reviewed by the council members and by the public for comment. The deadline for the draft plan is the end of July.

Justin Schardin questioned the wording "goals" vs. "objectives" in the language of the plan. Jim Hirsch feels that those goals could be changed to make it more relative. Donna Thigpen re-confirmed Justin's comments.

Ethel Keeley questioned whether the industry reports dating back to 1997 are still current. Jim Hirsch commented that the report has not changed to his knowledge. Cathi Christopherson commented that the plan should reflect the training in energy and lineman programs at vocational institutions such as Bismarck State College.

Jim Hirsch commented that the plan modification could possibly be available for council action by our September meeting.

Incentive Awards:

Jim Hirsch reported that North Dakota is eligible for \$750,000 in incentive awards under the Workforce Investment Act. The state will have 45 days from May 13, 2003, to submit an application for use of these funds. The criteria for the funding is as follows:

- 1) It must be for innovative programs
- 2) Must be comprehensive and coordinated
- 3) Must be targeted to the needs of those served under the Acts
- 4) Must be targeted to improve system performance

Representatives from Job Service North Dakota, the State Board, the Department of Public Instruction, and the Council (Jim) were involved in making recommendations for the incentive award. The six recommendations are:

- 1) A \$125,000 target for basic and skill training to incumbent workers (especially in Goodrich & Jamestown);
- 2) Putting \$225,000 in programs for underemployed, unemployed, and youth in career ladder training paying an average wage of \$25,000 or more;
- 3) A \$180,000 total award which includes targeting \$100,000 to develop the portal to websites by the State Board. \$50,000 of the award would be used to develop a model for the partners under WIA to meet the Common Measures Initiative, and \$30,000 would be used to enhance the collection and utilization of the data;
- 4) Would target \$20,000 of funding to support a Governor's State of North Dakota Workforce Summit scheduled for the Spring of 2004;
- 5) Targets \$180,000 of funding for expansion of 2 pilot programs designed to provide employment enhancement of basic and skill training to underemployed, unemployed, and youth;
- 6) Provides \$20,000 for capacity building activities and training for front line staff to the partner agencies.

The allocation of \$750,000 is an allocation based on the size of the state, although \$750,000 is the minimum that a state must be given. The incentive award is awarded annually, although the 3 agencies delivering the WIA must meet performance standards, and they are on a 3 year funding cycle.

Donna Thigpen questioned whether or not there is an RFP process that goes along with the incentive award. Jim Hirsch commented that possibly in projects 1-3 that there may be a need for an RFP process.

Leo Cummings commented that he feels there should be a policy, procedure, or system put in place that meets the local level needs or the improvement of it. Dave Kernitz commented that training needs to be focused on other industries as well as the trucking industry – possibly looking at an internship program in order for individuals to gain enough experience and skills to get a good paying job.

Eddie Dunn suggested that we find some funds that would go right to the heart of Strategy 3 under Goal 1 – the State Board would find it extremely helpful and he would like it to be put on the table to help get it off the ground.

Dave Kemnitz questioned the disbursement of funds. Al Lukes explained to Dave Kemnitz and to the council that a motion is made to cover just the disbursement of the \$750,000 funding projects or funding recommendations.

Motion: Bruce Walker made a motion to accept the \$750,000 project funding with the 6 recommendations as stated under Tab 3 of the handout. Cathi Christopherson seconded the motion.

Before the motion carries, Donna Thigpen wants the opportunity to visit on the issues presented this morning by Leo and Eddie and discuss and possibly revise some of the recommendations if necessary since she has several questions regarding these funding issues.

Jim Hirsch explained that if changes or amendments are necessary, the partnering agencies (Job Service, the Department of Public Instruction, and the State Board) will determine if the criteria and performance measures have been met.

Amended Motion: Justin Schardin made an amended motion to approve the two pages pending a discussion between the 3 groups (and Leo & Eddie) or whichever representatives the council wants to send - pending that the discussion may change and the council will trust that decision.

Donna Thigpen questioned that once this Amended Motion is passed, that if it is legal, to do so and meets all the criteria, that the funds will be reallocated to put the money into two projects that Leo Cummings and Eddie Dunn discussed. Al Lukes confirmed that this is correct.

Justin Schardin explained that the original motion would have adopted all 6 recommendations discussed; however, the amended motion would re-open the debate adding 2 more recommendations along with the 6 proposed recommendations. Jim Hirsch suggested that there needs to be some guidance to the group as far as the dollar amount and priorities of funding.

Donna Thigpen would like to amend the Motion one more time to say that the dollar amount that would be re-allocated would not exceed \$50,000 or whatever dollar amount that people would be comfortable with. Al Austad questioned whether there should be a new broad category outlining a group which would be allocated a specific funding amount.

Scott Holdman feels that the motion needs to be approved as-is and incorporate the issues discussed today into the 5 year plan. Rosella Grant then moved the previous question.

Al Lukes confirmed that there is a motion to approve the first 6 recommendations for disbursement under the incentive award, plus the inclusion of two additional for consideration if they fit the criteria under the respective agencies as stated. Appropriate allocations will be made if indeed they fit based on criteria. Al Lukes explains that the person who suggested and put forth the proposal and accepted

the amendment accepts the wording. A vote is taken and two individuals were opposed. The motion carries by a majority vote.

Presentations:

North Dakota State Data Center:

Dr. Richard Rathge, Director of the North Dakota State Data Center reported on the population trends in North Dakota over the last 5 decades. During the 1960s, most of the United State's population moved more into the southwest. During the 1970s the population moved back into the midwest. During the 1980s, growth occurred back to the southwest. During the 1990s, the west and the east gained populations. Those counties that are agriculturally declining are those that are dependent on it. Half of farm-dependent counties lost population during the 1990s. More farmers depend on their community, than vice-versa, and growth is concentrated in fewer towns. Four demographic truths about the future are:

- 1) Population consolidation
- 2) Loss of young adults/families
- 3) Aging population
- 4) Shifting labor force

The key to population growth should have been recognized 50+ years ago by the use of technology in order for North Dakota not to have lost the number of people that we have. Thirteen (13) counties in North Dakota house more than 10,000 people comprising 74% of the total population in North Dakota. Children under 18 in North Dakota have been consistently declining in the past 4 decades. Most of the aging population lives in the Great Plains. By the year 2020, a majority of the population in North Dakota will be over the age of 65. North Dakota ranks first in the nation for people ages 85 and over. The health industry is possibly one of the best occupations to factor in as the aging population 85 and over will increase dramatically by the year 2020. The entry labor force will decline significantly. Senior level positions will increase dramatically because of the baby boomers, while high school graduates will decline in the future (an average of 3% per year). North Dakota peaked at the number of high school graduates in the year 2001. Over the last 195 years, the workforce has gone from agricultural, to industrial, to service, and today we're using information technology industries. Some examples of the information technology industries are:

- Design
- Marketing
- Media
- Digital effects,
- On-line brokerages
- Aerospace and
- Healthcare

North Dakota ranks first in college graduates in the United States. The vast majority of North Dakota residents work full-time or want to work full-time. Employees ages 18-65 are commuting between counties up to 30 miles. Ages 65+ only want to commute

within 10 miles of their home. Economic development can incorporate the senior population, and it involves cooperation between rural and urban development. The North Dakota State Data Center's website address is: <http://www.ndsu.nodak.edu/sdc>.

Job Service Labor Market Information Resources:

Nelse Grundvig reported on job labor market information. Labor market information is the tool used to help define data used in the studies previously discussed by Dr. Richard Rathge. Labor market information examples that are collected are: Economic conditions, clearinghouse of data, research and development, occupational information, industrial information, ad-hoc studies, and impact analysis. Economic condition reports are produced on a monthly basis. Quarterly and annual reports are available on county employment, local employment surveys, occupation and wages, industrial projections, and benefits offered by employers. The clearinghouse of data is produced by others and includes: Government programs, agricultural and energy production, census information, and the Bureau of Economic Analysis.

Research and development works with other partners to produce new tools, data, and informational pieces to help meet the changing workplace, marketplace, and environment. Occupational information estimates the different occupations within the state including updated wages and production updates. Industrial information categorizes firms which allow for international comparisons. Ad-Hoc studies include labor availability studies, "The Balancing Act", skills assessments, and vacancy surveys.

Impact analysis is used by communities to aid in new business development. The data warehouse is the single point where most of the information is available. That website is www.NDJOB.com. Lastly, a knowledge and helpful staff has been recognized nationally for their efforts.

---LUNCH BREAK---

Council Business:

Local Youth Councils:

The Local Youth Council report was made by Jim Hirsch. The recommendation made is to create local youth development councils that will address the local coordination of services to youth and to provide policy recommendations for consideration by the North Dakota Youth Development Council.

Al Lukes suggested that we adopt the motion that was made at our April 17, 2003, meeting.

Motion: Leo Cummings made a motion at the last meeting to create local youth development councils (absent today). Bruce Walker seconded the motion. Motion carried.

Attendance Policy:

Al Lukes discussed the attendance policy for the council which contains:

- A) Two consecutive absences from Council and subgroup meetings shall result in a warning letter being sent out by the Council Chairperson.
- B) Three consecutive absences from Council and subgroup meetings shall be cause for a recommendation by the Council Executive Committee, to the Governor, for forfeiture of the appointment.

The attendance policy would begin being tracked from the meetings held in Minot on April 15-17, 2003. An agenda will be put out shortly identifying meeting dates in the future. E-mails will be sent out and an initial mailing of the agenda will be sent. One week before the meeting a call will be made to those individuals who have not responded to the request. An attention line or color coding will be put into the e-mails so that council members know of the importance of the information. It is determined that alternates should be able to attend on a member's behalf, but shall not act as a permanent replacement for that member. Language identifying designated alternates will be put into the policy and procedure manual in the future.

Conflict of Interest Policy:

The Conflict of Interest Policy is to remind the North Dakota Workforce Development Council members of the state and federal laws relating to voting obligations and conflict of interest. There is no formal policy manual under the Workforce Development Council, so this is simply a starting point. This is a draft that needs input and can be finalized at the next meeting.

Scott Holdman made a few comments about youth and feels that youth should not be paid to stay in the state. We need to have long-term objectives and a long-term plan. We need to look for other avenues to keep our youth in the State of North Dakota.

Dave Kemnitz addressed his concerns on the wage level among youth and employees in the state. A discussion began among Donna Thigpen, Scott Holdman, Bruce Walker, Korrine Lang, & DeAnn Berg about wages and training issues.

Member Expense Reimbursement:

Jim Hirsch explained that the Member Expense Reimbursement Policy states that members will be reimbursed for travel and per diem for regularly scheduled meetings at the current approved state rate which is \$62.50 per day.

Funds Transfer Policy:

The Funds Transfer Policy allows a 20% movement of funding between the adult and dislocated worker programs and vice versa with the Governor's permission.

Legislative Reports:

Department of Commerce:

Jim Hirsch explained that we have a responsibility to develop internships and post those on our website. The Department of Commerce is to identify and report to the Legislature performance accountability measures among agencies (HB1019).

Job Service North Dakota:

Korrine Lang reported that the Workforce 2000 funding level was reduced from \$2.25 million to \$1.25 million. Fifty percent (50%) of that funding is designated for new or expanding businesses. Two legislative studies will be conducted by the legislative council. The first study will analyze the impact of pending federal legislation that would significantly change the respective state responsibility and funding for workforce development and workforce training, public labor exchange, and unemployment insurance programs. The second study would target the state's unemployment compensation system including the reserve guidelines for the unemployment trust fund, the system for rate setting, the treatment of positive balance and negative balance employers, and the feasibility and desirability of creating unemployment compensation.

State Board for Vocational and Technical Education:

Wayne Kutzer reported that the State Board for Vocational and Technical Education will undergo a name change to the State Board of Career and Technical Education. This change will take place August 1, 2003. They receive \$250,000 to help put education through the video conferencing network. They also received \$100,000 for career (website) development. By 2005, all high schools will have to offer 2 units of career and technical education. They also passed a fake degree bill which makes it a misdemeanor or felony to use a fake degree to get a job. North Dakota was the first state in the country to adopt this law.

Department of Human Services:

Gene Hysjulien reported on Senate Bill 2012 which treated vocational rehabilitation very well. They were fully funded and were able to cover the "cost of living" expenses. Senate Bill 2194 (Medicaid buy-in bill) allows individuals after they reach a certain income level to purchase Medicaid coverage on their own with their income rather than assuming the costs of private insurance. This bill is targeted at people ages 18-65 who have a disability.

University Systems:

Eddie Dunn reported on behalf of the University Systems. He stated that \$1.3 million was funded (with no changes) by the legislature for the University Systems. He feels that the workforce training and structure was a nice positive and he commended the council for this. He liked the fact that workforce training and workforce development were clearly separated in their definitions. He believes that FINDET is an important piece or strategy to use in the future.

Motion: Eddie Dunn made a motion to send out a letter encouraging all state agencies to use the same language or set of definitions. Motion is seconded by Bruce Walker. Motion carried.

Donna Thigpen mentioned that she feels the council should have a conversation with the Governor to approve this letter before it is sent out.

Al Lukes then reported that the Winkelman Survey has been completed and received and will be posted on the state website.

Presentations:

Butler Machinery:

Don Pratt from Fargo reported on the program that has been developed at Butler Machinery. The "Think Big" program is a partnership with North Dakota State College of Science. One out of six facilities is involved with this program in the nation, with a total of 12 worldwide to be ready by Fall 2004. The program began in Peoria, Illinois where a core group was developed to look at potential sites. They hosted their first meeting in May, then performed site visits in August, and then began recruiting and marketing. Butler Machinery has committed to 12 students for the class of 2003. They have a trained staff instructor with dedicated space (20,000 s.f.) with no out-of-state tuition and a curriculum defined by Butler. Applicants must complete several requirements before enrollment into the program. The program offers two (2) \$1,000 scholarships. The focus of the program is to create a seamless education. Students must maintain a 3.0 GPA while in the program, as well as other criteria defined. The biggest challenges to the program are: mentoring, recruiting, and support. Internships are 9 weeks at a time and only the best students will succeed. The website for anyone interested in learning more about this program is www.butler-machinery.com.

State Board for Vocational and Technical Education:

Don Roloff reported on the State Board for Vocational and Technical Education. The State Board's curriculum involves recruiting and encouraging youth to consider careers in North Dakota's industry. Some of the services provided by the State Board are:

- Budget & Finance
- Career Development
- Curriculum and Research
- Educational Equity
- Program Evaluation
- Office of Civil Rights
- Post-Secondary Private Schools and
- Special Populations

They also sponsor career and technical student organizations which emphasize leadership, as well as form educational partnerships. Some special initiatives are: Tech Prep, North Dakota Teaching with Technology, the Career Development Legislative Initiative, Meeting Industry Standards, and the Health Careers Forum.

New Business and Recommendations:

Jim Hirsch outlined the new common performance measures that have been proposed and will take effect. The main goal is budget integration and using performance in budget decisions. It will support effective programs, it will compare programs across multiple agencies, and it will focus on a few important purposes. It will potentially break down barriers through cooperation of various programs. There are 31 federal jobs training and employment programs that will be consolidated. The initiative includes adult and youth measures.

The 4 adult measures include:

- 1) Entered employment
- 2) Retention
- 3) Earnings increase
- 4) Efficiency

The 4 youth and lifelong learning measures include:

- 1) Placement in employment or education
- 2) Attainment of a degree or certificate
- 3) Literacy or numeric gains
- 4) Efficiency (measures the annual cost per participant for each program)

Some changes from WIA measurements include:

- Exclusive use of wage records – supplemental sources of data will not be permitted for employment-related measures
- Different measurement points than presently used
- No distinction between adult and dislocated worker
- No distinction between younger and older youth
- No customer satisfaction measurement

Implementation will begin with the 2004 fiscal year funding. The initiative will be addressed with the WIA Reauthorization. It will also address the incentive awards and how those will be applied with the new common measurements; although, it will not change current statutory requirements.

Meeting Adjournment:

Al Lukes moves for motion for adjournment.

Motion: Korrine Lang made a motion for adjournment. Bruce Walker seconded the motion. Motion carried.

The meeting was adjourned.

- - - Members then took a tour of the Job Service North Dakota Center - - -

Next Meeting: The next meeting of the North Dakota Workforce Development Council will be held on September 11, 2003 at Job Service North Dakota in Bismarck, North Dakota.

Action Plans:

- **Submit draft Strategic Plan Modification by July 31, 2003, and finalize for council action by September 11, 2003, meeting.**
- **Create local youth development councils that will address the local coordination of services to youth and to provide policy recommendations for consideration by the North Dakota Youth Development Council.**
- **Develop and distribute 2004 meeting dates.**
- **Send e-mails and initial mailing of the agenda and future meeting dates to all council members as well as follow-up with a phone call one week prior to the next council meeting to develop attendance roster.**
- **Identify language in policy and procedure manual regarding designated alternates.**
- **Finalize conflict of interest policy at September meeting.**
- **Develop internships and post on website as well as identify and report performance measures to the legislature.**
- **Send out a letter approved by the Governor encouraging all state agencies to use the same language or set of definitions.**
- **Post Winkelman Survey results on website.**