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**NORTH DAKOTA WORKFORCE DEVELOPMENT COUNCIL  
SPECIAL MEETING NOTES  
February 04, 2009**

**MEETING DATE, TIME, & PLACE:** February 04, 2009 at 3:00 p.m., Association of Counties, Bismarck, North Dakota.

**MEMBERS PRESENT:** Maren Daley, David Farnsworth, Valerie Fischer (for David Massey retired), Shane Goettle, Jerry Jurena (teleconf), David Kemnitz, Marsha Krotseng (for Bill Goetz), Cathy Kruse (teleconf), Wayne Kutzer, Jim Melland (teleconf), Debbie Painte (for David Gipp), Jane Priebe (teleconf), Bruce Walker (teleconf), Jim Walker

**MEMBERS ABSENT:** Charles Axtman, Butch Brandt, Leo Cummings, Candice Dietz, Rosella Grant, Lee Lampert, Joseph McCann, Carol Olson, T.J. Russell, Paul Steffes, Jackie Velk

**EX-OFFICIO MEMBERS PRESENT:** Jim Hirsch and Robert Fode

**CONFERENCE COMMITTEE:** Senator Grindberg, Senator Homberg, Senator Robinson

**GUESTS PRESENT:** Duane Broschat, Justin Dever, and Beth Zander

**STAFF PRESENT:** Cheryl Leach

**PURPOSE:**

- A Joint meeting with the Senate Appropriations Conference Committee to discuss coordination and collaboration among the delivery system partners in response to North Dakota's workforce challenges.

**EXPECTATION:**

- The Council will reach a consensus and develop recommendations for the Senate Conference Committee to consider.

**CALL TO ORDER:**

**Opening Remarks & Introductions:** Senator Grindberg chaired the meeting and called the meeting to order at 3:30 p.m. Jim Hirsch welcomed everyone and asked for introductions.

Senator Grindberg stated that the ongoing discussion of the planting of ideas of how to strengthen North Dakotas Workforce should be discussed more at a collaborative level with this Council. How we view the system as legislators and what you do everyday with your leadership and vision for the state is important. This is a good step for us to have in this process of trying to determine the next steps from a policy standpoint and appropriations as we move forward in recognizing your good work. That is the background of why we thought this meeting was important.

**Introduction and Review of North Dakota Consolidated Biennial Statewide Strategic Plan 2009-2011:**

Jim Hirsch gave an overview of the 2009-2011 Consolidated Biennial Statewide Strategic Plan. When we look at workforce delivery system in our state it consists of eight agencies administering over 18 separate federal and state funded programs. We also have tribal and non-state agencies that administer additional programs.

The workforce development and workforce training and talent attraction education is confusing and not very well understood. Legislators view the system as complex and difficult to understand, duplicating services, unresponsive to employer needs, and uncoordinated. In 2007 some coordination initiatives were attempted in HB 1018, and that basically required the development of a comprehensive consolidated biennial statewide strategic plan for the state system, for workforce development and workforce training and talent attraction. In addition there was a requirement to develop a statewide intelligence coordination strategy and also to develop a system of performance and accountability measures for the states workforce system. The mandatory partners that were identified in the legislation included six agencies (Dept. of Human Services, NDUS, Dept. of Public Instruction, Career and Tech Ed, Job Service ND and the Dept. of Commerce).

We have a State Plan that was completed and the vision is to increase the income of North Dakotans, and the mission is to maximize the use of scarce resources through a demand driven, market driven workforce system that insures that North Dakota business and industries have access to an available and a qualified pool of talent and that no worker is left behind. The roll of the workforce system in our state is to prepare the workforce. The demand driven workforce system will support a collaborative response to the workforce related challenges faced by ND business

and industry and ND working population. The ND talent strategy goals are to increase the quantity and quality of North Dakota's workforce, transition from a workforce to a talent force, and reduce unemployment in areas of the state with unemployment above the state average. In addition to the strategic plan, there are other enhancers; which is the development of the statewide intelligence strategy and development of a system of performance and accountability measures for the workforce system to determine how well we are doing. We provide a resource map of programs and services that each of the six state agencies administer and align under one of the three talent strategy pillars (talent expansion, talent attraction, and talent retention). The goal is to further evolve and show how each interact and support each other in making a workforce delivery system for the state and the workforce. In looking at the metrics of how to determine the success of the system in achieving our goals, we have the metrics of increasing North Dakota's average annual wage and increasing North Dakota's net in-migration. In addition, there is a metric of increasing North Dakota's program participant retention rate in the state and increasing North Dakota's labor force participation rate.

When we look at where we are at with the plan implementation, we have the plan completed and signed in December 2008. Steps we need to take are to develop the communication process to distribute workforce intelligence and periodic status reports from the strategic plan to system partners and stakeholders. We need to focus on alignment of the resources and alignment of the goals. We need to focus on the intelligence councils goals and focus on partnership expansion goals and fully implement the common accountability performance goals.

### **System Coordination & Collaboration Issues/Concerns:**

#### **Council and Conference Committee discussion:**

Senator Grindberg asked what are some of the challenges you see as a group to implement this plan? Jim responded that the implementation is communication and what impact each of the state agencies are having on what we said we were going to do in the plan and further define the plan; we need to identify specific targets and goals. We really need to formalize what the occupations are of the target industries and what high growth industries we want to focus on and give priority.

Maren Daley mentioned that from the Job Service perspective, challenges, proactive and responsive are changing economically in the state and that the underlined foundation of the plan is good for the big picture and keeps us on course, but at the direct customer service level we are seeing increased layoffs and increased demand for rapid response to help the people with layoffs and to help get them into new jobs or new careers in North Dakota.

Senator Grindberg asked Marsha Krotseng to explain the memo sent out by Chancellor Goetz. Marsha stated that what the Chancellor was suggesting is that there is clearly a need for all of us to be on the same page and make sure when we are using data and statistics that they are accurate and consistent so that when we make policy decisions using this data we are not confusing Senators Grindberg and

Robinson and others. The Chancellor has laid out in his memo some of the main questions, basically, is there a national source of data that would service the overarching coordinating piece; is there a nationally recognized source of data, and if there is, how do we agree what parameters are going to be most useful, what are the main questions that we want to answer and what should be our primary focus.

Senator Gindberg asked the council “with this plan being approved and 2009 being the implementation year, do you envision as a group (private sector) that over the next biennium a lot of questions and promotion materials put out are thoroughly bedded with the public private group. With this plan being implemented do you foresee yourselves having good quality meeting time and discussion about a plan that brings consistent messaging from all various agencies?” Jim Hirsch commented that regarding the State Plan, the more important piece is the workforce intelligence coordination with which we are on the right track, but Chancellor Goetz indicated that you have to have strong agency buy-in. We have the Workforce Intelligence Council, which does include business representation and others that meet on quarterly basis and a steering committee that meets on monthly basis. What really we need is a firm commitment from all state agencies that will have people there to take a lead in what coordination activity there is.

Senator Robinson asked how the salaries compare to the regional averages. He stated that what we are dealing with is an issue of perception; we are viewed as a state that doesn't pay much. The perception is reality and the promotion materials, reports, and statistical information has to be very sensitive to perception. We are making progress, but I think we are all in agreement. Senator Robinson asked how many of these jobs include state employee workforce people. How do we deal with the job perception in North Dakota? The state very seriously needs to look at its workforce because it is large and you need to have integrity in what your saying and what your doing, this is a major issue; how do we compare and are we on target. Do we lag? That information is very important.

Senator Grindberg asked the council “what would you like to see come out of the legislative session regarding the newly adopted plan for the future? Any particular ideas of what we should be doing at the legislative level?” Wayne Kutzer commented that we are starting to move in the direction with more career awareness and career promotion. We haven't done as good of a job in the schools as we should have. A lot has to do with the ratio number of counselors to students, but also the dollars and the information that gets out there and the training of those counselors.

Maren Daley commented that the Workforce Intelligence Council is not separately funded and money isn't always the answer, but in this case it could help facilitate working together if there was money for the Workforce Intelligence Council to use for some of there special projects. Otherwise some of the projects seem like additional add-on work. Job Service has resources from Bureau of Labor Statistics which are strictly devoted for their methodology. We have some resources under the

Workforce Investment Act that gives us some flexibility and we try to maximize those under the State Plan, but some of these projects take time. It would be nice to have money available for the Workforce Intelligence Council to commit to certain projects.

Jim Hirsch mentioned that the Workforce Development Council was very instrumental in starting the talent strategy which evolved from the talent initiative. Jim stated that the coordination intent and the pieces are there, and there may be opportunity with additional resources to do additional things, even without the resources the information with the Workforce Intelligence is there; it is a matter of how do you bring it to the table so all gets considered. The Chancellor's statement says that state agencies through agreements really need to commit to this and make it a high priority if it's going to work.

Senator Grindberg stated that there is the continual quest for more data. "How much more data do we need?" If we look at funding for more programs for data, at some point we have to ask, how much more data do we need? One of the things we tried to accomplish with the interim workforce committee was not so much the data or the system; it was more answering one fundamental question, "what should the states role be in the pipeline of live workers?" What we tried to accomplish was policy in funding changes that would stimulate a pipeline that would feed more people into the data collection side. That's where the efforts were focused. Senator Grindberg asked, "should we even have this discussion about attraction? Is it realistic to assume that we can have a reverse in-migration to feed more kids in our schools, more workers in the state, recognize that the challenges are immense? Should we switch gears?"

Jim Hirsch stated that "you have to do both", the talent initiative looks at all of those and we can't leave anybody behind that is in the state, were going to have to bring additional people into the state to meet our needs, were going to have to look at legal immigration and refugees to help meet that need. It is a big issue with no simple answer.

Shane Goettle mentioned that we need to keep going to the private sector and we tried to do that with the workforce committee to get the input. The fundamental question is to keep asking the private sector. Most often what we hear is "give us the trained workers when we need them". The fundamental question then is how many do you need and when? Wayne Kutzer commented that we know what we need, it is just the matter of can we get the pipeline to produce them. The concern is if there is a dichotomy between what we are educating and what we are training our people to do doesn't match the needs of business within the state, we will have ourselves a problem.

Bruce Walker stated that it is critical that we have a private and public partnership to continue the efforts. The timing is critical with the nationwide economy the way it is, and it is a great time for North Dakota to benefit from some of the opportunities

across the nation right now. It is critical that we continue the efforts and what the workforce is working towards is on the right track.

Senator Robinson stated that part of the question he has is about what we have in place and what needs to be in place, “are we bold enough and are we aggressive enough?” In the medical field for example, we are going to need 30% more medical professionals 10-12 years from now due to the aging population. My question is, “do we have the programs and initiatives in place to respond to that, or are we still searching for those programs and initiatives?” The legislators would like to be positioned to respond to the areas of greatest need so we are positioned to have as much of an impact as possible, not only for tomorrow, but for the next number of years. It needs to be the right thing in the right amount.

Marsha Krotseng commented that if we have good data and look at multiple sources of data as well as really knowing what the needs are and the venue to look at some data, that data will help the colleges and universities know what we need to offer. We need the projections to do that.

Jim Hirsch commented that we have had data on nursing since 2000 and we still have a nursing shortage, that hasn't changed. In 2002 we had a H1B Technical Skills Grant and were able to bring up programs in off-campus areas. We had one program at Fargo Skills Center. We had 127 eligible applicants go into that program. Every year since then the nursing programs in most schools have been turning students away and yet we still have a shortage. We have the data, but we have to look at what we are going to do and if you have to pay more to get nursing instructors, that probably is a good investment in order to get the shortage down. There also has been a shortage of welders. There is a waiting list in this field. If there is interest we have to be able to respond to get the training for those people in order for them to be able to get out and get the job.

Senator Robinson stated that we have to expedite and respond quickly. In the University System budget proposal we do have a pool of funds for Rapid Response on these core key job classes where we do have demand. We can respond very quickly. It would be nice to have a larger program of Rapid Response so when private sector has a need we are there in days, not months, to respond and start seeing job counts go the other way.

Jim mentioned that in the Workforce Development Council Legislation Position Paper, we addressed one of the major obstacles in North Dakota; that is the affordability for the short term training. You have to have the capacity and availability, but the individuals have to be able to afford it. There is a certain percentage of individuals in low-wage part-time jobs that would be available to retrain for the higher skilled occupations; however they just can't afford it.

Marsha Krotseng commented that affordability is a major piece of what the Chancellor is talking about. The Rapid Response was in the State Boards original

budget request, but not in the Governor's request, it was the state boards request to have a pool of funds to put into place for some of these programs. Having some stability in Higher Education is critical and the affordability for the student is also critical. Maren Daley mentioned that we also need to improve our ability to do good projections, real-time projections with industry feedback that is a valuable piece.

**Actions & Recommendations:** Senator Grindberg suggested that it makes sense to build on the Strategic Plan. He asked for examples of how can we mandate from the legislative side to reinforce and support this plan for the next two years and wants to engage your thoughts about metrics for measurement:

- What do we monitor as a success with career advisors in our secondary system once employed and active for the next two years? (Senator Holmberg) We have to go in with the expectation that we set up a system and to follow that measures for success. We need to be cautious that we don't oversell it to ourselves that we will have some great numbers in the first biennium.
- In higher education, how many traditional students in high school went on to a two-year program, graduated and went on to the workforce.
- Come up with ideas how we can put in place strategies to move this plan along that also requires support and participation by the partners in the workforce system so that when we come back in two years we are all reporting and working on a plan. As we sit in appropriations ordinary progress has been unified and that has been thought through at this level, and each agency is working on their perspective areas. Additionally, it requires the governor through his budget recommendations to bring forward or consider your recommendation in a unified approach.

**ADJOURNMENT:** The meeting was adjourned at 4:40p.m.