



NORTH DAKOTA WORKFORCE DEVELOPMENT COUNCIL SUMMARY REPORT

OCTOBER 24, 2018



FOREWORD

The Workforce Development Council (the Council) was first formed in North Dakota in 1995. Upon Governor Burgum taking office, the Council was recognized as a key resource to assist in addressing one of North Dakota's most significant challenges—a workforce equipped with the skills needed to succeed today and thrive and grow in the future. The Council's mission and membership were re-activated and assigned the responsibility to study North Dakota's workforce opportunities and challenges, and with that understanding, propose a path forward.

The Council's thirty-two members include leaders from the private sector, organized labor, the legislature, city government, and state agencies who share a passion for North Dakota and for our state's vision: ***Empowering People, Improving Lives, and Inspiring Success***. Each member has committed to contributing their passion and expertise to identify a winning workforce strategy that puts North Dakota first.

Since November of 2017, the Council has worked to deeply understand North Dakota's workforce challenges, including but not limited to, commissioning regional economic impact and labor availability studies, partnering with the Greater North Dakota Chamber of Commerce to conduct the first-ever employer survey, and interviewing dozens of stakeholders across the entire state for the purpose of proposing a workforce plan that identifies priorities based on a data-driven understanding of North Dakota's workforce challenges, maximizes state and federal resources, and aligns the educational system with industry needs to drive and create actionable solutions.

This **summary** includes recommendations pertaining to five themes that emerged profoundly through the Council's work:



On behalf of the Council, I am honored to present to the Office of the Governor, a summary of recommendations for addressing North Dakota's most pressing workforce challenges. We believe these recommendations, operating collectively, address North Dakota's most critical needs in a strategic, cross-cutting, and innovative manner to position North Dakota to **win**.

Sincerely,

David E. Farnsworth

Manager of ND Power Generation & Engineering Services, Great River Energy
Chairman and Executive Committee Member, ND Workforce Development Council

Recommendations supported by WIOA funds are identified by the symbol.

1. TECHNICAL SKILLS GAP

“Middle-skill” jobs requiring education beyond high school but not a four-year degree, make up the largest part of America’s labor market. There is a national shortage of workers prepared to fill these technical careers and North Dakota is no exception. In North Dakota, these careers account for 60% of the labor market,¹ and employers are unable to find enough sufficiently trained workers to fill these jobs. Georgetown University Center on Education and the Workforce conducted a study, “Good Jobs That Pay without a BA: A State-by-State Analysis, 2017,” which examines growth patterns of middle-skill jobs. The study indicates North Dakota has experienced impressive growth in “good jobs” that pay an average of \$55,000 annually and a minimum of \$35,000 annually.

In the past, these “good jobs” were found mainly in the energy, manufacturing, construction, and transportation industries, but today, there is demand in other industries including healthcare, finance, and information technology, particularly, cyber security positions,² which are predicted to reach a workforce gap into the millions at a global level.³

IT jobs are growing at an exponential rate, faster than the average for all occupations. Between 2014 and 2024, it is estimated more than 2,250 new and replacement IT positions will be needed in North Dakota.⁴

To complicate matters, North Dakota lags other states in identifying and addressing this challenge (the “technical skills gap”), thus time is of the essence, as is a willingness to significantly invest in the future of North Dakota, both through support of greater structural alignment of existing resources and with additional funding and support of public/private partnerships.



WHY WE NEED TO CHANGE THE PERCEPTION OF TECHNICAL EDUCATION AS A CAREER PATHWAY

“We need to educate the people within our state on the fact that the majority of good, solid careers in this state require a two-year technical degree or less. A pathway pursuing a technical education will help ensure their future success within one of these careers.”

*Perry Lubbers, Vice President of Manufacturing Operations, Trail King Industries
Executive Committee Member, ND Workforce Development Council*

¹ <https://m.nationalskillscoalition.org/resources/publications/2017-middle-skills-fact-sheets/file/North-Dakota-MiddleSkills.pdf>

² <https://www.cyberseek.org/index.html>

³ <https://www.forbes.com/sites/jeffkaufin/2017/03/16/the-fast-growing-job-with-a-huge-skills-gap-cyber-security/#7d58cef5163a>

⁴ ITCND (Now TechND) 2017 Guide-Economic Impact

RECOMMENDATIONS

ESTABLISH PARTNERSHIPS WITH EDUCATION AND INDUSTRY. A structured connection between state workforce resources, education, and industry is crucial to ensuring crisp alignment in educational programming and industry needs.

1. ***The Council recommends*** Career and Technical Education (CTE) programming be expanded to align with industry needs, including information technology and cyber-skills, as well as, increasing the capacity of the online delivery system to offer CTE courses in rural areas.
 2. ***The Council recommends*** high school graduation requirements be jointly reviewed by the NDUS and the Department of Public Instruction to allow for a technical pathway through high school, and technical career pathways be made available to all students as part of the career planning process discussed herein.
 3. ***The Council recommends*** the current Operation Intern be remodeled to create the “Main Street Internship” by partnering education with industry through structured work-based learning opportunities to create focused internship experiences, including IT/Cyber Security, with learning parameters defined through a public/private effort. The framework, specifically designed for small business, includes: a) specified learning objectives; b) hands-on experience; c) applied learning project; d) virtual social networking; and e) a graduation event for main street interns.
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CONNECT SECONDARY AND POST-SECONDARY EDUCATION. To ensure clear and efficient pathways to technical careers, secondary and post-secondary education must be tightly aligned and barriers to technical degree pursuit/attainment removed.

4. ***The Council recommends*** making competitive funding available to launch additional career academies to advance high-quality technical education, maximize resources, and incentivize collaborative partnerships between the state, the PK-12⁵ system, community colleges and private industry.
 5. ***The Council recommends*** continued and consistent collaboration between PK-12 and the NDUS to increase the articulation of CTE programs and to encourage technical pathways through high school with simultaneous degree attainment opportunity.
 6. ***The Council recommends*** requiring consistency in dual credit agreements with NDUS and expanded state funding of dual credit awarded to high school students.⁶
 7. ***The Council recommends*** the stronger strategic and structural alignment of community colleges, CTE, Center for Distance Education (CDE), and TrainND in order to maximize and optimize existing resources for more focused and nimble technical skill education delivery systems.
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PROMOTE EARLIER AND MORE DIVERSE CAREER EXPOSURE. Connecting students, and their parents, to technical education and career options at an earlier age is imperative to raising awareness of, and interest in, the wide variety of technical career options available today and in the future.

8. ***The Council recommends*** enhancement of today’s PK-12 experience to include a framework for multiple points of infusion of age-appropriate career experience curriculum, field experience, and applied learning, along with parent engagement and a robust communication strategy.

⁵ The Council understands that recommendations relating to PK-12 may require collaboration with both the Department of Public Instruction and local school districts

⁶ Currently the Bank of North Dakota funds up to 2 dual credit courses per year for students that qualify for free or reduced lunch.

9. ***The Council recommends*** supplemental best-in-class career exploration/exposure tools during the PK-12 experience, including partnerships with the private sector to develop and deploy a coordinated and systemic approach, including for example, hands-on “career experience” mobile units and production of a “day in the life” video series exposing students to technical careers to be suitable for use in both educational programming and workforce recruitment efforts of the public and private sector.
10. ***The Council recommends*** implementation of improved talent assessment/inventory and career planning tool(s) to meaningfully assist a student in becoming familiar with personal interests, traits, passions, gifts, and aptitudes to inform and guide career planning.
11. ***The Council recommends*** continued prioritization of career planning through aligned funding and incentives requiring a career plan for each student prior to entering ninth grade. To ensure alignment of developing career interests with an academic plan for high school, the plan is to be referenced and updated throughout high school.

INCENTIVIZE ENGAGEMENT AND AUTOMATION. Many other states, including South Dakota, have implemented tuition incentives with retention requirements to encourage students to enroll in technical career paths.

12. ***The Council recommends*** a partnership with industry and North Dakota community colleges to offer scholarships to students entering high-demand technical degree programs (repaid if the student leaves North Dakota within three years following graduation). Additional incentives to encourage relocation and permanence in North Dakota and differentiate from other states’ competing programs should also be considered.
13. ***The Council recommends*** that digitization and automation of business processes be an important part of the solution to address the worker shortage by remodeling and reimplementing the “automation credit” eliminated during the 2017 legislative session. The credit should target industries with significant labor shortages and not be limited to manufacturing, should increase the tax credit, and should expand allowable investments to include, for example, consulting services to aid in automation of a manual business process.

SHIFT A SOCIETAL PARADIGM. In the United States today, parents and students subscribe to a paradigm that has developed over decades and still exists today. This paradigm is indicative of a student needing to attain a four-year degree to get a “good job.” This paradigm must be shifted to one which promotes and values technical careers and re-brands “middle skill jobs” to represent the reality of today’s technical jobs where significant skill is needed, with good pay, but requiring less than a four-year degree.

*EFFORTS INCORPORATED WITHIN THIS SECTION PROMOTE THIS PARADIGM SHIFT, ALONG WITH
A TECHNICAL SKILLS FOCUS EMBEDDED IN AN OVERALL STATE MARKETING STRATEGY
INTEGRATING RECRUITMENT FOR HIGHER EDUCATION, TOURISM, AND WORKFORCE. SEE “IN-
MIGRATION OF NORTH DAKOTANS” SECTION FOR RELATED RECOMMENDATIONS.*

ENDORSEMENTS

- **The Council endorses** funding for recommendations contained in the College Technical Education Council's plan [*CTEC Tactical Workforce Plan, Summer 2018*] relating to cyber security, artificial intelligence, expansion of RDN/ADN programs, delivery of dental assistant programming to western North Dakota, expansion of competency-based programming, expansion of certificate and apprenticeship offerings, and delivery of CDL training.
- **The Council endorses** the recently adopted recommendation by the Board of Higher Education to designate certain North Dakota colleges and universities as “polytechnic” and “dual mission” schools, supporting shifts in programming and educational delivery that align with the Council’s findings.
- **The Council endorses** the efforts of the K20W Committee to promote a statewide culture of technology, integrate cyber skills into K-20 curriculum, and establish North Dakota as “the most connected state” where the population possesses significantly greater cyber sophistication than any other state.
- **The Council endorses** efforts to remove restrictions and requirements that favor the award of federal apprenticeship funding/incentives to more populous states/larger employers. **The Council further endorses** efforts to influence federal apprenticeship rule changes to streamline the registration process which is complex and time-consuming, thus discouraging and impractical, particularly to small employers.
- **The Council endorses** the PK-12 efforts to draft and implement computer science and cyber security standards.

“There’s a gap between the skills employers need from their workers, both now and in the future, and the skills Americans actually have. The equation is not pretty. Our current education system hasn’t kept up with the rapidly changing skills needed as technology plays a larger role in jobs of all kinds.”

- Fortune Magazine, October 19, 2016

2. NEED FOR YOUTH ENGAGEMENT & EARLIER AND MORE DIVERSE CAREER EXPLORATION

Today, early exposure to career options for students (and their parents) is limited, with students and parents alike generally lacking awareness of available post-secondary degree pathways beyond the four-year degree. In addition to inadequate exposure to the wide array of career options available in North Dakota and the pathways to achieve them, youth in North Dakota do not have sufficient opportunity for work-based learning, which accelerates success in any career. Finally, there is great opportunity to engage youth in the success of their own communities while amplifying efforts to expose students to the wide array of career options in North Dakota.

RECOMMENDATIONS

CAREER EXPOSURE/AWARENESS. As already discussed in detail in the “Technical Skills Gap” section, North Dakota has an opportunity *and necessity* to become a leader in engaging youth earlier and creating a consistent and integrated approach to career exploration, accompanied by efficient, high-quality educational pathways to assist in educating youth in current and high demand jobs available in our state. Accomplishing this necessitates tighter alignment to North Dakota’s educational systems (PK-12, CTE, NDUS) and other delivery systems such as the Center for Distance Education (CDE), and must be supported by leadership and investment from the private sector.

The recommendations included herein supplement the recommendations included in the “Technical Skills Gap” section of this report.

1. ***The Council recommends*** building on the current “choice ready” model by implementing specific career exposure courses and other active experiences beginning in middle school, built in partnership with private industry.
 2. ***The Council recommends*** developing a systemic and consistent approach to incorporating student career planning discussions in parent/teacher conferences beginning in middle school.
 3. ***The Council recommends*** adjusting the school funding to reinforce support for, and require evidence of, these important practices.
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“By exploring all career opportunities early, our youth and their parents can make educated choices that are focused, exciting, and monetarily rewarding. It is well worth the effort!”

ND Workforce Development Council

*Don Shilling, Chairman, General Equipment & Supplies, Inc.
Executive Committee Member, ND Workforce Development Council*

WORK-BASED LEARNING. Work-based learning experiences, such as job-shadowing, internships, co-ops, apprenticeships, and volunteer service provide mutual benefit to employers and student-employees. Student-employees gain valuable real-life exposure and experience to a career, in addition to, school credit and/or pay. Employers benefit through the contributions made by the student-employee and the opportunity to influence future career choices. Connection to real work experience as a student also addresses concerns raised by North Dakota employers in the 2018 North Dakota Workforce Survey, including employees lacking the basic work-readiness skills that could be acquired through these work-based learning programs.

4. ***The Council recommends*** the Workforce Development Council work collaboratively with North Dakota's major business and labor organizations (Greater North Dakota Chamber of Commerce, North Dakota Petroleum Council, General Contractors and Manufacturer's associations, local chambers of commerce, etc.), the K-12 system and NDUS to increase work-based learning opportunities, and the K-12 system and NDUS collaborate to develop consistent, corresponding structures to award credit toward graduation for these experiences. [See *Washington County, Ohio's "Building Bridges to Careers" program as a model*]. 

SEE ALSO THE "TECHNICAL SKILLS GAP" SECTION IN THIS REPORT FOR A DESCRIPTION OF THE PROPOSED "MAIN STREET INTERNSHIP"

YOUTH ENGAGEMENT. It has been shown that empowering youth by creating the opportunity to participate in the community benefits development as leaders, and specifically, contributes to better problem-solving and decision-making skills when compared to those youth who are not engaged. Similarly, it has been reported that youth who have been empowered by the community are likely to be future community leaders. The development of such vital skills (e.g. problem solving and decision-making) at a young age will serve the youth well in a variety of life endeavors, with an additional and important advantage—exposing youth to the many opportunities available in their own communities may well encourage youth to remain in those communities.

Encouraging youth engagement in the labor force also responds to a concern raised by North Dakota employers in the 2018 North Dakota Workforce Survey, that is, the absence of work ethic, dependability, and problem-solving skills—all of which would be enhanced through earlier work experiences. Further, employers and industry groups have consistently emphasized a need for educational programs to include work-based learning experiences at an earlier age. Though this need has been emphasized, almost one-third of hiring managers are not targeting youth at all.⁷

5. ***The Council recommends*** creating a new "Youth Innovation Micro-Grant" to encourage youth community engagement and acknowledge the creativity and potential of our younger generations. Through this grant, youth can apply for matching funding for a project to improve their local community in a manner aligned with the Main Street Initiative.

SEE ALSO THE "TECHNICAL SKILLS GAP" SECTION IN THIS REPORT

⁷ 2018 North Dakota Workforce Survey

ENDORSEMENTS

- **The Council endorses** the PK-12 Education Strategic Framework “Career Exploration” theme with importance placed on partnership with private sector to create relevant, diverse, systemic, and scalable career exposure opportunities starting in elementary school and continuing through middle school. [See specific recommendations as previously stated].
- **The Council endorses** the NDUS Attainment Goal of 65% of adult-age workers attaining affordable college degrees, industry certificates or other credentials, *to the extent* the goal is specifically connected to credentials of value to North Dakota employers.



“It is imperative for every industry to stay relevant in a world where the pace of change is continually increasing every year. To keep up with accelerating change and ensure our employees meet the demands of the future, education is a key for every organization’s success. Building individual and organizational capacity to compete and win in a complex and competitive business environment is critical. In North Dakota, a focus on education is instrumental in building tomorrow’s workers, today.”

Arnie Strebe, President, Starion Bank
Vice Chairman and Executive Committee Member,
ND Workforce Development Council

3. NURSING AND HEALTHCARE TECHNICIAN SHORTAGE

A shortage of nurses compared to demand has existed to some extent for twenty-five years, and yet today's shortage is uniquely serious. The retirement of baby boomers, the aging population, and the associated increase in healthcare needs of our nation's largest generation has intensified the issue, leading to the need for more nurses and supporting healthcare workers across the state. The rural North Dakota landscape makes this shortage particularly acute due to the limited program capacity and distance. In fact, 35% of all North Dakotans live in a primary health-care professional shortage area with nineteen counties having critical numbers of RNs/APRN's in 2016.⁸

According to the 2015-16 Annual Report from the North Dakota Board of Nursing (NDBON), the number of registered nurses in North Dakota has increased 13% over the past five years. Despite this, there remains a significant gap between the number of nurses licensed in North Dakota and the statewide need for a highly skilled nursing workforce as nursing jobs are expected to continue to grow through 2026.⁹

The unprecedented nursing shortage is a multi-faceted issue having a cascading effect on North Dakota's workforce, communities, and the economy.

In recognition of this shortage, soon after being sworn into office, Governor Doug Burgum convened a taskforce comprised of a diverse group of stakeholders to examine the issue, identify causes, possible solutions, and to make recommendations. Through research, analysis, stakeholder meetings and input, the taskforce addressed this complex, but not insurmountable, issue through identification of goals based on a deep understanding of North Dakota's nursing needs.

RECOMMENDATIONS

MAXIMIZE ENTRY INTO NURSING EDUCATIONAL PROGRAMS. Throughout our university systems, some programs receive more applications than seats available; however, those turned away due to program capacity are not redirected to another nursing program at another university. This issue is aggravated by non-standardized application deadlines resulting in missed opportunities to maximize program space at other educational facilities. Adding to the diminishment of qualified candidates for these nursing programs is the confusion surrounding pre-nursing curriculum which is not standard across all programs. This results in applicants being unprepared for the program of their choice and possible delays in acceptance to a program.

1. ***The Council recommends*** implementing standardized application processes and systems through the development of one shared application allowing a student to apply for multiple programs at once (like that utilized by other high-demand NDUS programs) so program capacity is maximized, processes for the university and applicant are streamlined, and there is assurance the applicant receives consideration from multiple programs.
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EXPAND PROGRAM CAPACITY. North Dakota has an insufficient number of qualified nurses to serve as clinical instructors creating a barrier to maintaining and/or expanding program capacity. The Higher Learning Commission establishes the requirements for higher education to receive accreditation on a regional and national level. Nursing faculty positions require a Master's or doctorate-level degree. There is little incentive for nurses to serve in these positions as nurse faculty in North Dakota are not paid significantly more than

⁸ <https://www.ndcenterfornursing.org/wp-content/uploads/2018/03/Governors-Nursing-Shortage-Task-Force-Slide-Deck-Revised-March-2018.pptx> and <https://ruralhealth.und.edu/assets/287-2817/nd-hpsa.pdf>

⁹ <https://www.ndcenterfornursing.org/wp-content/uploads/2018/09/FInal-Nurse-Supply-and-Demand-Projections-2018-Technical-Document.pdf>

entry-level RN's and according to studies, work longer hours than an RN providing patient care. This challenge is exacerbated by the student loan debt that often accompanies advancement in education.

In addition to the faculty shortage, there is also a shortage of rural program sites. Data suggests nursing students tend to work near where they attend school. Although nursing programs are located throughout the state, newer models have found that smaller rural cohorts and non-traditional delivery systems located within health care facilities are effective in recruiting students who would not otherwise enroll and have higher completion and retention rates than other programs. These successful delivery systems include on-site learning labs in almost every aspect of the curriculum and create additional benefits through dual-roles enhancing student instruction.

2. ***The Council recommends*** developing a Rural Nursing Program (RNP) Grant by expanding the capacity of the rural cohort model whereby the educational program and healthcare facility jointly apply with the healthcare facility contributing a matching investment of cash or in-kind contribution (staff or facilities).
3. ***The Council recommends*** the RNP grant fund be used to fund the development of an online Associates Degree in Nursing (ADN) program as currently there are no online ADN programs offered in the state *or nationally*. The competitive nature of the grant, managed by the North Dakota Center for Nursing, will encourage cost effective start-up to ensure sufficient subject matter expertise and objectivity.
4. ***The Council recommends*** developing nurse faculty tuition support programs contingent upon retention to actively motivate nurses to attain the education required to serve as faculty. The grant is designed to support an additional fulltime and part-time faculty, as well as additional preceptors. The tuition support retention agreement requires commitment for a reasonable period of time, or whole/partial repayment of tuition.



WHY WE MUST SOLVE THE HEALTHCARE WORKER SHORTAGE IN NORTH DAKOTA

"We are already experiencing challenges with our workforce so solving the healthcare shortage is imperative. I believe we can find strategy in asking the right questions about what it means to be a healthy North Dakotan, what it will take for us to address our health needs now and in the future, and how health care affects the North Dakota story."

*Janelle Klinke, Executive Vice President of Human Resources, Eventide Senior Living Communities
Member, ND Workforce Development Council*

RETAIN NURSING GRADUATES AND PROFESSIONALS. Recent studies indicate that by the time a nurse reaches the five-to-seven-year post-graduation mark, the average retention rate in the state is less than 50%.¹⁰ Other states have addressed the nursing shortage by offering higher salaries and educational loan repayment programs, placing them in direct competition with North Dakota.

¹⁰ <https://www.ndcenterfornursing.org/wp-content/uploads/2018/03/Governors-Nursing-Shortage-Task-Force-Slide-Deck-Revised-March-2018.pptx>

For the past five years in North Dakota, RN salaries have been below the national average while LPN salaries have been below the national average for six years.¹¹ Nationwide, North Dakota faculty salaries are 13% below the average, substantially lower than the midwestern averages for the same positions, are similar to entry-level RN salaries despite the required years of experience and additional education required, and are considerably below the average Nurse Practitioner salary, which is a more comparable position. This challenge is amplified by the student loan debt that often accompanies advancement in education.¹²

5. ***The Council recommends***, similar to other high-demand/low-supply faculty positions, evaluating compensation to ensure market competitiveness.
6. ***The Council recommends*** developing a nurse loan repayment program for a specified number of APRN, RN, and LPN applicants per year with repayment eligibility available after three years of licensure, and contingent upon an employer match and service retention requirements.

ENDORSEMENTS

- ***The Council endorses*** the efforts of the College and University Nursing Education Administrators (CUNEA) and the North Dakota Center for Nursing in:
 - The development and distribution of a nursing career pathway map to reach a broader audience including high school students entertaining the profession, as well as, current nursing professionals
 - Their ongoing efforts to study completion (attrition and graduation) rates for nursing programs to ensure capacity optimization
- ***The Council endorses*** the North Dakota Board of Nursing in:
 - Their efforts in monitoring out-of-state utilization of North Dakota clinical sites
 - The development of a comparison chart for nurse licensing requirements, along with clinical contact hours by state, to support the recruitment efforts of nursing professionals into the state
- ***The Council endorses*** the North Dakota Center for Nursing in:
 - Their efforts to develop a best-practices framework for organizations to assess workplace cultures to include conducting studies to determine why nurses are leaving the state and employers;
 - Their continual efforts to study and measure the impact of North Dakota high school graduate acceptance into nursing programs, as well as the impact health science classes have on potential nursing students; and
 - Their efforts in conducting studies on populations with barriers to education and employment in the nursing profession
- ***The Council endorses*** the current partnerships existing between healthcare facilities and education institutions deploying a “dual-role” practitioner/faculty model, as well as, CUNEA and the North Dakota Hospital Association (NDONE) efforts in the development of creating a best practices model for this purpose.

¹¹ <https://www.ndcenterfornursing.org/wp-content/uploads/2018/03/Governors-Nursing-Shortage-Task-Force-Slide-Deck-Revised-March-2018.pptx>

¹² <https://www.ndcenterfornursing.org/wp-content/uploads/2018/03/Governors-Nursing-Shortage-Task-Force-Slide-Deck-Revised-March-2018.pptx>

4. SUPPORT FOR POPULATIONS WITH BARRIERS TO EMPLOYMENT

With the highest labor market participation rate in the nation, North Dakota hiring managers participating in the 2018 North Dakota Workforce Survey indicate company growth is limited by the inability to hire and/or retain qualified staff, and yet, there are populations of North Dakotans who want and need to work, but experience barriers to entering the workforce. Specifically, the Council examined three broad groups of individuals who experience barriers to employment:

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| EX-OFFENDERS OR “RETURNING CITIZENS” | <ul style="list-style-type: none">- Approximately 130 citizens leave incarceration every month in North Dakota.¹³ The cost of incarceration, along with factors limiting employment, provide compelling reasons to assist this population with entering the workforce.- The results of prison-to-work programs are stunning including a study of programs in six cities in the U.S. where recidivism ranged from about 31% to 70% with the rates for those placed in jobs shortly after their release ranging from 3.3% to 8%.¹⁴- Study after study confirms employment is a key factor to reducing recidivism by stabilizing a person’s life after release from prison. Receiving a paycheck allows basic needs, such as housing, food, and other necessities to be met so they are able to engage in routine activity and meaningful work to become responsible citizens and avoid the negative behavior patterns leading to recidivism. |
| USERS OF THE STATE’S COMPLEX STATE WORKFORCE SYSTEM | <ul style="list-style-type: none">- The “state workforce system” includes state agencies, divisions, and departments that are funded by the Workforce Innovation and Opportunity Act of 2014 (WIOA) through the U.S. Department of Labor, but federal funding levels have steadily decreased for years.- In North Dakota, WIOA programs are located disparately across three state agencies (Job Service North Dakota, Department of Public Instruction/Division of Adult Education, and Department of Human Services/Division of Vocational Rehabilitation). While these three agencies have specific missions, they are united by their goal to remove barriers to connect citizens to employment, yet have no formal mechanism for leadership or resource alignment. |
| CITIZENS WITHOUT A HIGH SCHOOL DIPLOMA | <ul style="list-style-type: none">- According to a recent study by Georgetown University,¹⁵ jobs and economic opportunities have significantly diminished for a person who lacks a high school degree, both in North Dakota and nationally. In contrast, those with a high school diploma and some additional training have access to significantly better employment opportunities.- North Dakota’s Division of Adult Education offers a path to a Graduate Equivalency Degree (GED) for youth and adults who have not successfully completed a traditional High School Diploma; However, a recent reduction in both state and federal funding in the most recent legislative session¹⁶ has resulted in program capacity to include a waiting list. |

¹³ This number does not include the hundreds of citizens leaving county jails after three or more weeks of incarceration

¹⁴https://www.realclearpolitics.com/articles/2015/06/11/immediate_access_to_employment_reduces_recidivism_126939.html

¹⁵ <https://goodjobsdata.org/wp-content/uploads/Good-Jobs-States.pdf>

¹⁶ Funding was reduced from approximately \$20M Fed/\$5.5M state in 2015-17 biennium to \$10.3M Fed/\$2.8M state in the 2017-19 biennium.

RECOMMENDATIONS

REMOVAL OF BARRIERS FOR RETURNING CITIZENS. Many barriers stand in the way of successful employment for returning citizens including the lack of sufficient training opportunities prior to release. Following release, these citizens have a criminal history causing employers to overlook the potential worker without discernment for the age of, or nature of, the conviction. Potential employment is also impeded by occupational license restrictions precluding those with convictions from attaining a license for certain professions. With a fractional investment in skill training, job placement and support, the cost of incarceration could be reduced while mitigating other less direct, but no less significant, costs to society.



“The workforce shortage may be good news for the fight against recidivism.”

*Leann Bertsch, Director, North Dakota
Department of Corrections*

1. **The Council recommends** the development and implementation of a pilot re-entry training and support program called “GrAC” (pronounced “Grayce”) or “Grant Another Chance.”  Through partnerships with private industry, incarcerated individuals are assisted with gaining work experience and job skills pre-release within the Department of Corrections and Rehabilitation (DOCR) facility and post-release through additional support. GrAC recognizes the complexity of post-release success, including issues of addiction, mental health, and the lack of skills to find adequate housing and gain and keep employment. Through a diligent screening process to identify incarcerated individuals most likely to succeed, program participants will receive services to include:
 - a. Skill & credential attainment during incarceration;
 - b. Employment coaching 60-90 days prior to scheduled release focusing on skills assessment, resume drafting, job searching, and interviewing;
 - c. Follow up coaching at regular intervals post-release to ensure ongoing employment success; and
 - d. Guided coaching to navigate attainment of other available support services to enable success post-releaseEmployers are involved throughout the pre-and post-release process, including an explanation of available support programs and incentives (e.g. WOTC).
2. **The Council recommends** expanding the capacity of Roughrider Industries, Inc. (RRI) through market expansion, leveraging the workforce, and through direct sales of goods to state employees. RRI trains and employs incarcerated individuals, teaching marketable skills including, but not limited to, metals and furniture manufacturing, sewing, and upholstery. RRI produces quality goods and services but is limited by state statute in how it interacts with the marketplace, including the requirement that RRI may only sell directly to governmental agencies and certain non-profit organizations. The ability for RRI to train and employ additional individuals is limited by the training and equipment that can be made available prior to release and the product it is permitted to sell, as RRI is a self-sustaining business model. Examples of ways in which to expand capacity of RRI include:

- a. Expansion of available training programs available prior to release;
 - b. Expansion of RRI's market to mirror thirty plus other states requiring the state to give preference to the correctional institution (CI) when purchasing goods;
 - c. Leveraging RRI's workforce by permitting RRI to enter into production contracts with purchasers provided bids include market labor rates;¹⁷ and
 - d. Allowing sales of goods produced by RRI directly to state employees.
3. **The Council recommends** a change in the occupational licensing laws to model the Injustice for Justice model and, in relevant part, Arizona's licensing law^{18,19} preventing ex-offenders from being unnecessarily denied a license to practice a particular occupation.
- Since 2015, sixteen states have reformed their occupational licensing laws making it easier for ex-offenders to find work in state-licensed fields.²⁰
- Seven states allow ex-offenders to petition a licensing board to determine if their record would be disqualifying, including prior to enrolling in training;
 - Four states generally prevent licensing boards from using vague "moral character" standards for denying licenses to ex-offenders;
 - Four states have instituted new requirements, requiring boards to report how many licenses are refused due to criminal convictions; and
 - Ten states generally bar boards from denying licenses unless the applicant's criminal record is directly related to the license sought.
4. **The Council recommends** a change to expungement laws²¹ to model Minnesota's 2015 legislation,²² which provides new authority for expunging both criminal and juvenile records, requires data mining companies to observe expungements, and protects employers and landlords hiring and renting to individuals with expunged records.
- From 2016-2017, twenty-three states broadened existing second chance laws or enacted entirely new ones to improve the chance for successful re-entry and reintegration for many thousands of Americans, including:
- Restrictions on public access to records;
 - Limits on employer inquiries into a criminal history;
 - Record-sealing arrangements or relaxed eligibility requirements; and
 - Supplementation of existing sealing or expungement laws to make relief available at an earlier date.

¹⁷ As determined by the North Dakota Labor Commissioner

¹⁸ Known as the Right to Earn a Living Act, the legislation restricts Arizona's regulatory boards from issuing regulations which on their face or in their effect limit the entry into a profession or trade unless they can be shown necessary to the health and safety of Arizonans

¹⁹ See Model Legislation at <https://ij.org/activism/legislation/model-legislation/model-collateral-consequences-reduction-act/>

²⁰ Arizona, Connecticut, Delaware, Georgia, Illinois, Kansas, Kentucky, Massachusetts, Maryland, Nebraska, New Hampshire, Oklahoma, Tennessee's, Wisconsin, Wyoming

²¹ Minor felony conviction (less than one-year prison) may be reduced to a misdemeanor after service of sentence. N.D. Cent. Code §§ 12.1-32-02(9) No authority to expunge or seal conviction records. First offender marijuana possession may be sealed if not subsequently convicted within 2 years. N.D. Cent. Code 19-03.1-23(9).

²² The new law revamps Minnesota Statute 609A, which currently allows for the sealing of certain drug charges, juveniles who were prosecuted as adults, and criminal proceedings not resulting in convictions or guilty pleas (i.e., dismissals and acquittals). The new law will allow courts to seal records of those who have successfully completed diversion programs, as well as those who were convicted of petty misdemeanors, misdemeanors, gross misdemeanors, and certain low-level non-violent felonies. This expansion of the statutory remedy grants courts the authority to seal records held by executive branch agencies such as the Bureau of Criminal Apprehension (the primary source of criminal information for employment, professional licensure, and housing background checks), the Department of Human Services, and the police. This addresses a major gap that for the last several years has rendered the criminal expungement remedy illusory for the majority of petitioners.

5. ***The Council recommends*** that the NDUS technical colleges explore partnering with North Dakota's tribal colleges in the delivery of technical training at tribal college sites, including but not limited to utilization of online delivery systems to expand tribal college offerings.
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CITIZENS USING NORTH DAKOTA'S COMPLEX STATE WORKFORCE SYSTEM. Along with providing services relating to the core mission of the state agencies utilizing the State Workforce System, each also provides (or should be providing) skill-building and job-finding services and support. Citizens may access services of all (and other) programs but there is no systemic collaboration across the agencies resulting in citizen interaction with each agency to be a separate "transaction" and not connected. Thus, there is replication of services and opportunity for efficiencies across the agencies.

6. ***The Council recommends*** continuation of the current plan to physically co-locate Job Service North Dakota and Vocational Rehabilitation services across North Dakota.
 7. ***The Council recommends*** a study to determine the advantages of structurally aligning North Dakota's workforce system to create a true "one-stop center" model, to maximize resources and optimize results for North Dakota job seekers. 
 8. ***The Council recommends*** rebranding Job Service North Dakota to better reflect the mission and services provided.
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CITIZENS WITHOUT A HIGH SCHOOL DEGREE. The GED is a gateway to better job opportunities through additional training and/or education. Expansion of Adult Education would permit more North Dakotans to attain a GED and create a pathway to better employment and further training.

9. ***The Council recommends*** an increase in Adult Education funding to increase service delivery capacity, contingent upon the expectation the Adult Education Division focus on:
 - a. Increasing the volume of GED attainment;
 - b. Developing and implementing a formal assessment and referral pathway from GED attainment to additional training and certification; and
 - c. Expanding English Language programming to assist English Language learners.

5. NEED FOR NET IN-MIGRATION OF NORTH DAKOTANS

In North Dakota, while our unemployment and labor market participation rates are positive markers, there are glaring indicators that our low unemployment has made it difficult for businesses to find the talent needed to operate and grow. In the recent workforce survey, more than half of hiring managers indicated company growth is limited by the inability to hire and/or retain qualified staff because it is not just a matter of pure math (comparing the number of job seekers to jobs). North Dakota businesses seek qualified candidates—people with the skills, training, and talent necessary to perform specific jobs. In short, we need more qualified workers. While this need spans across all geographies and industries, North Dakota has specific and acute needs for those with technical skills and healthcare workers.

Our space and resources are vast, making North Dakota an attractive place to live and do business, which has gained national attention. In July of 2018, *Axios* published an article announcing that “North Dakota Millennials are the Best Off Financially.”²³ In its annual report, *U.S. News and World Report* named North Dakota the “4th Best State” as measured by things like access to healthcare, education, and overall economic health.²⁴ *Travel and Leisure* followed by naming North Dakota first for “Quality of Life” drawing attention to our “social and natural environment.”²⁵ North Dakota also received the attention of *Newsweek*, naming our state the “Best for Young Adults” largely due to abundant job opportunities.²⁶ These are just a few of the many accolades of recent years that highlight what most of us already know about our great state.

In addition to launching a statewide marketing campaign and offering incentives as noted throughout this report, the Council identified two distinct opportunities to enhance awareness of North Dakota’s vast opportunism and to make North Dakota more attractive to recruit and retain citizens:

MILITARY

- According to a 2017 Economic Impact Analysis, in 2017, military organizations employed nearly 14,000 people in North Dakota and created another 3,800 jobs indirectly. Total military impact in North Dakota was estimated to be about \$1.15B.
- Preserving the presence of our military bases and other operations is beneficial to our state on many levels, including our ability to meet workforce needs as members of our military possess unique skillsets to close the worker shortage gap.

LICENSED OCCUPATIONS

- Occupational licensure is a form of government regulation requiring a worker to hold a credential to practice or operate in a certain occupation. To receive an occupational license, applicants are often required to meet specific criteria in the form of education or training, fees, and testing.
- State licensing boards are generally granted the authority to establish these requirements and are the final arbiter of market entry for a licensed occupation. Licensing regulations can create unique barriers and challenges to entering the labor market or moving across state lines.

²³ <https://wwwaxios.com/in-north-dakota-millennials-can-get-the-most-bang-for-their-buck-796a70a6-b56c-4447-9733-c6adcc7087ba.html>

²⁴ <https://www.usnews.com/news/best-states/north-dakota>

²⁵ <https://www.traveldandleisure.com/travel-news/best-state-quality-of-life>

²⁶ <https://www.newsweek.com/north-dakota-young-adults-best-state-jobs-579027>

RECOMMENDATIONS

DEVELOP AND LAUNCH A NORTH DAKOTA MARKETING CAMPAIGN. Put simply, North Dakota needs more North Dakotans.

1. **The Council recommends** a multi-pronged approach to retain youth, recruit former residents to return to North Dakota, and recruit “new North Dakotans” to meet the workforce needs. With limited resources, North Dakota must unite recruitment efforts across all state agencies, partnering with the private sector for the most significant impact. Efforts must highlight the North Dakota value proposition, particularly, the opportunities for technical and healthcare careers.



“With there being more open jobs in North Dakota than people to fill them, retaining youth in North Dakota does not only become imperative—it becomes a mathematical certainty. With thousands of open roles currently available in North Dakota, the next generation workforce is going to be a crucial aspect in filling the newly created and current open jobs within North Dakota. As new companies are created and others continue to grow, we also know there are a large number of employees that will be leaving the workforce and retiring. These roles will also need to be filled by the younger generational workforce. The youth in North Dakota will play an integral part in becoming the next workforce and making an impact on retaining this youth within North Dakota is as high a priority as I have seen in years.”

*Kurtis Karn, PHR, SHRM-CP Talent Sourcer, Discovery Benefits
Executive Committee Member, ND Workforce Development Council*

ENHANCE “MILITARY-FRIENDLY” STATUS OF NORTH DAKOTA. North Dakota’s performance as a “military-friendly” state is important to both base retention efforts and the recruitment and retention of military service members to live and work in North Dakota both during service and following retirement.

2. **The Council recommends** a Military Pay Tax Exemption to incentivize military preference for serving in North Dakota and to encourage military members and their families to stay in North Dakota beyond retirement.²⁷ This exemption includes a 100% tax exemption for:
 - a. Pay for active service in the U.S. armed forces, National Guard, and Reserve; and
 - b. Military retirement pay of retirees of the U.S. armed forces, National Guard, and Reserve and their survivors.

→ Several states have taken steps to retain military members and their families

 - Nine states do not have any personal income tax
 - Nineteen states do not tax military retirement pay
 - Fifteen additional states have special provisions for military personnel and retirees, such as exempting the first \$2,500 in pay from taxes

²⁷ The estimated tax reduction for the recommendations outlined herein, as prepared by the North Dakota Tax Department, is approximately \$5.48M per biennium

- Only seven states, including North Dakota, do not offer a state tax benefit for active military members and/or veterans
 - 3. **The Council recommends** coordinated efforts to adopt a *single process across NDUS* to allow the transferability of military training to civilian-degree credit, ensuring consistency in translation of military training to academic training. Members of our military gain valuable skills and training during their military career and it is often difficult to translate these experiences to the civilian education setting. Though this translation may be done on a case-by-case basis at different universities throughout North Dakota, it is inconsistent and can prove to be a barrier to employment for lack of a civilian degree.
 - 4. **The Council recommends** removing licensing barriers for military spouse/dependent per the removal of licensing barriers recommendation to follow.
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REMOVE LICENSING BARRIERS. In North Dakota, there are over eighty licensed occupations managed by more than sixty boards, agencies, and commissions. In July of 2018, North Dakota was awarded an “Occupational Licensing Review and Reform” grant from the U.S. Department of Labor. Work funded by the grant will occur over three years. In the first year, the workgroup will conduct a full review of current licensing processes, review current interstate compacts, and begin reviewing eight (8) selected occupations. During year two the workgroup will identify barriers created by the current schema, and during year three, recommend action necessary to remove barriers.

- 5. **The Council recommends** strategies for simplifying the occupational licensing process in North Dakota, without compromising public health, safety, or welfare while this matter is being studied. These strategies include:
 - a. Requiring boards, commissions, and agencies to implement a process inquiring as to whether the applicant is a military spouse/dependent and “automatically” afford reciprocity to the dependent absent demonstrated danger to public health, safety, or welfare; and
 - b. Implementing reciprocity agreements across all occupational licenses after a reasonable experience level requirement is met, absent demonstrated danger to public health, safety, or welfare or interference with an existing compact that effectively permits timely reciprocity.
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OFFER INCENTIVES. In other sections throughout this report (*see Nursing and Technical Skills sections*), the Council has **recommended** incentives for participation in certain academic programs. The Council believes these incentives are necessary strategies to address national competition for qualified workers.

SEE THE “NURSING & TECHNICAL SKILLS” SECTIONS IN THIS REPORT

ENDORSEMENTS

- **The Council endorses** the expansion of skilled immigration policies at the federal level.
- **The Council endorses** efforts currently underway to streamline the process of doing business in North Dakota, including interaction with the Secretary of State, Job Service North Dakota, Workforce Safety and Insurance, and other stakeholders.

IN CLOSING

Other states are advanced in their efforts to coordinate resources, develop and recruit talent, and create innovative solutions to the complex workforce challenges. North Dakota is playing “catch-up” today, thus urgent action is required for North Dakota to emerge as a leader in the global competition for talent.

The Council believes the recommendations contained herein are powerful answers to this challenge, however, they are a starting point. It will be necessary to refine detail, assign accountability, secure funding, create actionable plans with defined success metrics, and monitor and measure execution on a constant basis. It is also imperative to address an underlying theme that arose consistently through the Council’s work—the need to better connect education, state workforce resources, and private industry. As discussed throughout this report, better coordination is needed to transcend a traditional system characterized by siloes and separation, transforming to one of connectedness, coordination, and collaboration. Other states have solved similar challenges by structurally aligning state workforce resources under common leadership, or through the creation of a coordinating body.

The workforce challenges are many, and these recommendations cannot be implemented without sufficient resources to optimize impact for our workforce, communities, and our economy. An investment in our current and future workforce is an investment in our future. The Council is committed to supporting these recommendations and continued efforts to ensure North Dakota’s ability to ***empower people, improve lives, and inspire success.***



“As Chair of the ND Governor’s Workforce Development Council, I am proud of the energy and passion that all the members have brought to the table for tackling the workforce challenges of North Dakota. The members’ depth of experience, diverse points of view, and willingness to collaborate have been critical in allowing the Council to identify and prioritize the greatest workforce needs and to develop strong recommendations for helping to address those needs going forward.”

David E. Farnsworth, Manager of ND Power Generation & Engineering Services, Great River Energy Chairman and Executive Committee Member, ND Workforce Development Council