

MANUFACTURING

in Lehman's Terms

Incentives 101: New Jobs Training

As we roll into 2020, we can reflect upon last year's accomplishments and lock our focus on aspirations for the new year. Professionally, my thoughts continually go back to North Dakota's workforce opportunities. North Dakota currently has one of the lowest unemployment rates in the nation. Although it's a testament to our business growth and great for job seekers looking to land jobs in North Dakota, it can pose challenges for businesses in the state. This is not new to North Dakota, nor are we unique as most states have unemployment rates below 4%, making it challenging to staff manufacturing operations across the nation. Recognizing other states are in the same boat, however, doesn't mean we should accept it as "just the way it is." Other states are upping the ante by taking bold moves to attract and retain workforce and we need to remain competitive in attracting talent. States are resorting to some of the following tactics to address workforce concerns:



Dave Lehman
dlehman@nd.gov
701-226-0309

- Offering scholarships to students (including out-of-state) to fill in-demand positions
- Paying student loans
- Tapping into refugee streams and other alternative staffing avenues
- Tasking local chambers with recruiting labor
- Recruiting internationally and from other U.S. states and territories (for example South Dakota reported success recruiting from Puerto Rico after the hurricanes, etc.).
- Increased pay and flexibility

Following suit, North Dakota has been adding programs aimed at alleviating manufacturers' labor woes. Included are recently implemented programs to help automate and improve processes, train employees, recruit workforce, etc. These programs are aimed at helping companies do more with current staffing or to give North Dakota companies a level playing field when competing for workforce.

The first program I am going to cover is the New Jobs Training program offered through Job Service North Dakota. This North Dakota program offers incentives to primary sector businesses that are creating new full-time employment opportunities through business expansion, creation and/or relocation to the state. Funding is provided to help offset the cost of training new employees.

To qualify, the business must be:

1. Primary sector certified by the North Dakota Department of Commerce, and
2. a new employer hiring at least five jobs, or
3. expanding business adding at least one job

To qualify, a business cannot be:

- Production agriculture
- Paying less than \$10/hr to qualifying employees
- Simply shifting employment from one part of the state to another

There are essentially three options to choose from when accessing the New Jobs Training program:

1. **Loan:** A loan for training may be secured through your lender, local economic development center (EDC), Bank of North Dakota or other financial institution. Withholding payments would be made directly to the lender.
2. **Grant:** A training grant may be offered by the state, city or local EDC. Grant reimbursements would then be made to the granting entity.
3. **Self-Funding:** 60% of the allowable state income tax withholding will be reimbursed back to the participating business under this option.

For example, assume you are moving to (or expanding in) North Dakota and you decide to hire five employees at \$20/hr. This could potentially lead to a reimbursement of \$10,608 of your state withholding for those five employees for up to 10 years for developing the new employees. If you choose the self-funding option, 60% of these funds would come back to the company. Keep in mind, this is a generic estimate and your individual situation may differ.

If you are hiring and wanting to access the New Jobs Training program, please make sure you apply prior to hiring those employees as anyone hired before applying will not qualify.

To request an application or for additional questions and assistance regarding the New Jobs Training program, contact the Workforce Programs Division of Job Service North Dakota at (701) 328-1976.

For additional information regarding this or other incentives for your manufacturing operation, please feel free to reach out and I can point you in the right direction. I hope everyone is having a great start to the new year and may all your resolutions come to fruition.

David Lehman is the Advanced Manufacturing Business Development Manager at the North Dakota Department of Commerce. He can be reached at (701) 328-5378 or by email at dlehman@nd.gov.