

## POPULATION STUDY - BACKGROUND MEMORANDUM

### INTRODUCTION

House Concurrent Resolution No. 3072 provides for a study of possible methods of growing North Dakota's population, including approaches to decreasing outmigration and increasing immigration and reviewing how other states are dealing with related population issues. A copy of House Concurrent Resolution No. 3072 is attached as Appendix A. The basis of the study includes recognition of problems related to the state's low rate of population growth, concerns relating to the changing demographics of the state's population, and the need to consider population centers from which to recruit individuals to move to the state.

### RELATED STUDIES

The scope of studies that may be related to population growth is very broad. In addition to studies relating to commerce and economic development, studies relating to health, welfare, education, crime, and tax may be perceived as being related to population growth. The following studies relating to population growth are more narrow in scope.

#### 2003-04 Interim

House Bill No. 1019 directs the State Board of Higher Education to report regarding the implementation of the centers of excellence program (Economic Development Committee) and provides that annually, the commissioner of the Department of Commerce shall report regarding specified economic goals and associated benchmarks, including the creation of quality jobs that retain North Dakota's workforce and the attraction of new high-skilled labor (Economic Development Committee).

House Bill No. 1017 provides for a study of the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs (Commerce Committee).

North Dakota Century Code (NDCC) Section 54-60-10 provides that the Department of Commerce shall report annually regarding the money spent to administer an Internet web site that provides career guidance and job opportunity services (Budget Section).

Directives by the Legislative Council provide for studies of corporate and personal income taxes (Taxation Committee).

#### 2001-02 Interim

The interim Commerce Committee was charged with studying workforce training and development programs in the state, including efforts to recruit and retain North Dakota's workforce, underemployment and skills shortages, current workforce training efforts, and the involvement of the New Economy Initiative goals and strategies; and the Work Force 2000 and new jobs training programs and other workforce training and development programs administered by agencies of the state, and the feasibility and desirability of consolidating in a single agency the funding and administration of those programs. The committee recommended Senate Bill No. 2030 (2003), which as enacted allows the Department of Commerce to retain a limited amount of the money received as subscriptions, commissions, or fees from the department's career guidance and job opportunities Internet web site. The bill provides that up to \$130,000 of the funds per biennium are appropriated on a continuing basis to fund this Internet web site. Additionally, the bill provides that the Department of Commerce shall report annually to the Budget Section of the Legislative Council regarding money spent from the fund.

#### 1999-2000 Interim

The interim Commerce and Labor Committee was charged with studying the economic development efforts in the state. As part of this study the committee studied population retention and demographics, including receipt of reports from Project Back Home, CareerLink North, and the North Dakota State University Data Center. This committee recommended Senate Bill No. 2032 (2001), which created the Department of Commerce by consolidating the Division of Community Services, Department of Economic Development and Finance, and Tourism Department, and which created the North Dakota Commerce Cabinet. Additionally, the committee recommended House Bill No. 1043, which would have provided for state payment of certain student loans. That bill failed to pass the Senate by a vote of 20-29.

The interim Education Finance Committee was charged with studying the provision of education to public school students in this state and the manner in which education to public school students will be delivered in the ensuing 5, 10, and 20 years, including consideration of demographic changes. The committee received testimony regarding the decline in students but did not make any recommendations directly related to this portion of the study.

## LEGISLATIVE BACKGROUND

As in the case of related studies, the scope of the topic of related legislation may be very broad. Legislation relating to population growth and retention has often been classified as either focusing on improving the business climate of the state or on directly addressing needs of individuals. For example, business climate legislation may include changing the business tax scheme in the state, and individual needs legislation may include changing the individual tax scheme in the state. However, the scope of legislation that may impact the population of this state is far-reaching and may include issues relating to health care, welfare, education, recreation, local government, and a broad range of other issues.

Legislative measures introduced during the 2003 legislative session which specifically or closely address population include:

1. Senate Bill No. 2393, which increased the duties of the North Dakota Economic Development Foundation to include recommending and monitoring legislation and initiatives to strengthen and impact the state's economy and population.
2. House Bill No. 1019, the appropriation for the Department of Commerce, created a centers of excellence program.
3. Senate Bill No. 2030, which allowed the Department of Commerce to retain a limited amount of the money received as subscriptions, commissions, or fees from the department's career guidance and job opportunities Internet web site.
4. House Bill No. 1199, would have created a Department of Commerce Division of Population Growth. The bill failed to pass the House by a vote of 26 - 68.

## BACKGROUND

### Population and Demographic Statistics

#### North Dakota

The North Dakota State Data Center (State Data Center) is the state's official source of population and socioeconomic statistics. Based on United States Census Bureau statistics, the State Data Center reports that in 2000 the state's population was 642,200, which ranked North Dakota 47th in national population; the median age was 36.2; and population per square mile was 9.3. Since the 2000 census, the state's population has decreased by 1.3 percent, with a July 1, 2002, population of 634,110, and the state's population ranking dropped to 48th. Projections for 2020 are that the state's population will be 651,291, with an increase in the median age. A copy of these statistics provided by the State Data Center is attached as an Appendix B.

Related to the issue of population growth, is the issue of demographic changes. The State Data Center reported to Job Service North Dakota in June 2003, regarding workforce implications of the state's population trends,

[http://www.ndsu.edu/sdc/presentation/060503\\_files/frame.htm](http://www.ndsu.edu/sdc/presentation/060503_files/frame.htm). The report stated the following "four hard demographic truths about the future":

1. Population consolidation. From 1900 through 2000, there has been an ongoing shift of the population from rural areas to urban areas. In 1900, the percent of the state's population in rural areas exceeded 92 percent, whereas in 2000 the percentage of the state's population in rural areas was less than 46 percent.
2. Loss of young adults and families. From 1990 to 2000, Sioux and Cass Counties were the only counties in the state to experience an increase in the percentage of population between the ages of 20 and 24. Additionally, since 1960 the number of children in the state has been steadily declining.
3. Aging population. It is projected that by 2020, every county in the state except Sioux and Grand Forks Counties will have more than 21 percent of its population over age 64.
4. Shifting labor force. Nationally, there is a decreasing trend in the percentage of the workforce between the prime working year ages 24 through 44, with an increase in the workforce age 45 and older. In North Dakota, the number of high school graduates has been steadily decreasing since 1960.

#### National

In reviewing the population and demographic statistics of North Dakota, a review of national and regional statistics may be of value in putting these statistics in perspective. The United States Census Bureau makes available on-line a broad range of census information, <http://www.census.gov/>. A compilation of "quickfacts" for North Dakota, Minnesota, South Dakota, Montana, Wyoming, Nebraska, Kansas, Oklahoma, Iowa, and the United States is attached as Appendix C. The on-line data available from the State Data Center includes state, national, and regional information, <http://www.ndsu.nodak.edu/sdc/>. Additionally, population initiatives at the local level are not unique to North Dakota. Interest in decrease in population is a regional, Great Plains issue as well as a national, rural issue.

#### Recent Population Initiatives

In addition to a wide variety of organizations addressing population growth in the state and region, such as the North Dakota Rural Development Council,

Northern Great Plains Inc., and the Heartland Center for Leadership Development, there have been several population growth initiatives. Initiatives addressing the issue of population growth include the Great Plains Population Symposium Project, Saving North Dakota Roundtable, New Economy Initiative, and the Youth Investment Initiative in Support of Initiated Measure No. 3.

### **Great Plains Population Symposium Project**

The Great Plains Population Symposium Project held a three-day national policy conference in Bismarck in October 2001 and held a two-day state and local policy conference in Dickinson in April 2002. According to the project's web page at <http://gppop.dsu.nodak.edu>, the purpose of the project was to investigate the continuing depopulation of the rural Great Plains and to raise the nation's awareness of the facts and ramifications relating to the emptying of the nation's vast central region. The project was led by Dickinson State University in collaboration with researchers at North Dakota State University, Colorado State University, University of Montana, and Iowa State University. The project was sponsored by federal legislation and was supported by a grant from Congress.

### **Saving North Dakota Roundtable**

On January 9, 2003, on the North Dakota State University campus, 31 people ages 21 to 34 took part in a "Saving North Dakota" roundtable discussion cohosted by *The Forum* (Fargo) and the Associate Press Managing Editors group, <http://www.in-forum.com/specials/savingnd/index2.cf>. *The Forum* reported that roundtable members targeted five major areas of discussion--human rights, arts and culture, technology, marketing, and community and economic development. Additionally, on January 30, 2003, several of the panelists met with legislative leaders and Governor John Hoeven to discuss these major topics.

### **New Economy Initiative**

The New Economy Initiative was a public-private initiative coordinated by the Greater North Dakota Association beginning in 2000. The goals of the initiative were to mobilize North Dakotans to develop and implement solutions to some of the problems plaguing the state's business climate. The initiative worked through the creation of action teams and industry clusters.

### **Youth Initiative Committee Initiated Statutory Measure No. 3**

Initiated statutory measure No. 3 was rejected by voters on November 5, 2002. The measure, supported by the Youth Initiative Committee, would have created a Bank of North Dakota-administered program providing

for partial reimbursement of student loan payments for employed North Dakota residents under 30 years of age who graduated from accredited postsecondary schools. Reimbursements would have been limited to \$1,000 per eligible resident per year for not more than five years. The measure would also have provided an income tax credit of up to \$1,000 for employed North Dakota residents from 21 through 29 years of age, for up to five years.

## **STUDY APPROACH**

There appears to be at least four very basic elements directly relating to population.

1. The number of births in the state;
2. The average lifespan of residents in the state;
3. Retention of state residents; and
4. The number of immigrants to the state.

One way to approach the issues related to increasing the state's population may be to prioritize the population and demographic issues related to these basic elements; review the resources available to address these issues; and then determine the best approaches in which to accomplish those priorities. In addition to considering recommendations of local initiatives; regional organizations; and state, federal, and local government, it may be valuable to consider how other plains states are addressing population and demographic concerns.

The following is a partial list of resources the committee may wish to utilize in pursuing its charge of studying possible methods of growing the state's population:

1. Department of Commerce;
2. State Board of Higher Education;
3. Job Service North Dakota;
4. Agriculture Commissioner;
5. North Dakota Economic Development Foundation;
6. Tax Commissioner;
7. Indian Affairs Commission;
8. State Data Center;
9. University of North Dakota Center for Rural Health;
10. Local government organizations:
  - a. North Dakota Association of Counties;
  - b. North Dakota League of Cities;
  - c. North Dakota Township Officers Association; and
  - d. North Dakota School Boards Association;
11. Congressional delegation;
12. Greater North Dakota Association;
13. Local development corporations;
14. Economic Development Association of North Dakota;
15. National Council of State Legislatures;
16. Council of State Governments;
17. Representatives of local initiatives:

- a. Great Plains Population Symposium Project;
  - b. New Economy Initiative;
  - c. Saving North Dakota Roundtable; and
  - d. Youth Initiative Committee; and
18. Center for Immigration Studies.

Additionally, resources to consider in determining what types of approaches may be most appropriate for North Dakota may include reviewing approaches to increase population taken by other states in the region. For example, in May 2003 there was a two-day Montana Economic Development Summit, which was a jobs summit focusing on economic clusters, <http://www.montanajobs.org>; in 2000 Iowa planned on creating "immigration enterprise zones" to allow the state to cut through red tape of the federal Immigration and Naturalization Services; and the South Dakota International Business Institute is encouraging dairy farmers from Europe and Canada to move to the state to help meet the needs of cheese factories.

ATTACH:3