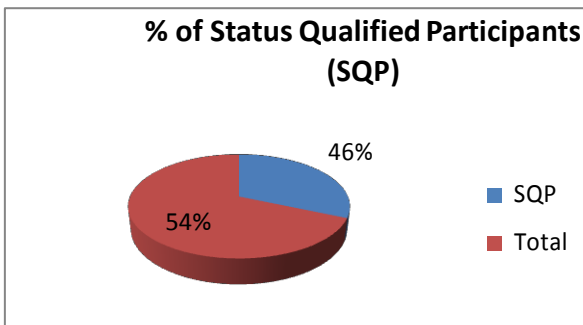


Foreign Worker Transition Initiatives

INITIATIVE 1 - CNMI DOL ENFORCEMENT ACTIVITIES

The Enforcement and Employment Services Division plays a key role in the enforcement of the N.M.I. Administrative Code Chapter 80 Department of Labor Employment Rules and Regulations <http://www.marianaslabor.net/law/pl17-1.pdf>. All provisions are closely monitored and enforced to ensure that legitimate employers adhere to and comply with all CNMI employment laws. With two specific employment laws targeted: 1) Job Posting Requirement on the CNMI State Job Bank <http://www.marianaslabor.net>; and 2) Workforce Participation rate of 30%. These two provisions provide the mechanisms to ensure that employment opportunities are given to qualified U.S. citizens and other lawful permanent residents defined in our regulations as “status qualified participants.”



As seen in the 2013 W-2 data, participation rate of status-qualified participants is 46% out of the total reported working individuals of 26,399. The CNMI is committed to its enforcement efforts in closing the gap and increasing the employment of qualified and work ready status qualified participants.

EMPLOYMENT SERVICES:

The CNMI Department of Labor, Employment Services Division (ESD), is the key driver of the department's efforts to locate and place job seekers within either the public or private sectors. As seen in **Figure 1** below, the ESD placed 346 jobseekers with employment in the October 2013 to December 2014 reporting period. Efforts continue to have jobseekers register for employment services and increase the total number of placements.

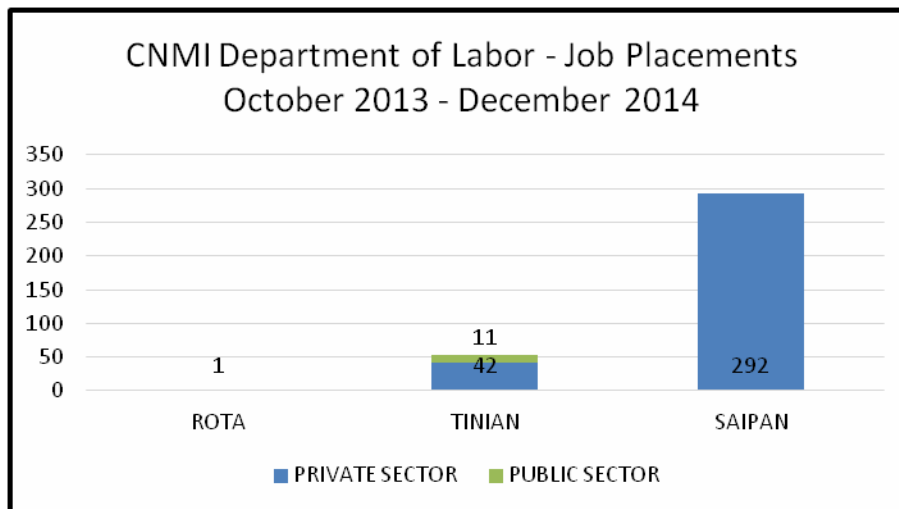


Figure 1: Reported total placements for the period of October 2013-December 31, 2014 from the CNMI Department of Labor Employment Services Division

A key tool used in the tracking and data gathering on the employment market in the CNMI is the requirement for all employers who intend to employ a foreign national worker, transitional worker, or non-immigrant alien on a full-time basis (under any new employment arrangement, any renewal of any existing employment arrangement, or any transfer) must post a job vacancy announcement on the Department's website, www.marianaslabor.net. **Figure 2** shows the current job market and its demand for new and renewing workers.

For this reporting period, there were 74 individuals hired, representing 9% of total jobs posted. 55% of postings were for new jobs, and 37% of the jobs posted were for renewals of CW visas.

For the same quarter, 37 businesses were visited by the CNMI DOL Enforcement (Saipan) Division. These businesses represented a total workforce of 523, of which 51% consists of foreign national workers and 44% are status-qualified citizens, with 5% being part-time workers.

More detailed labor demands can also be seen through the JVA posting database. **Figure 3** highlights the majority of labor demands focusing on the Food Preparation, Sales, and Construction and Extraction sectors.

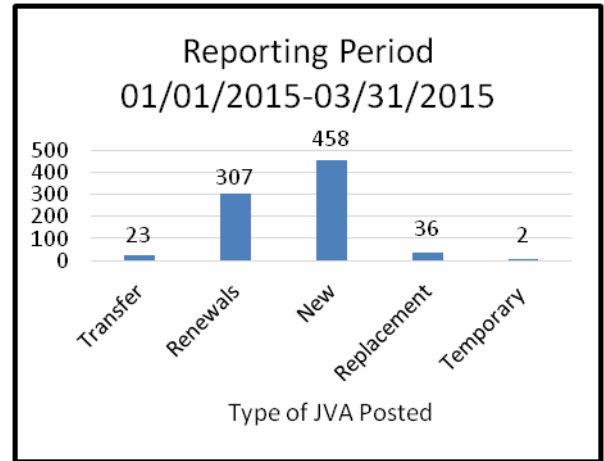


Figure 2

ONET Job Categories

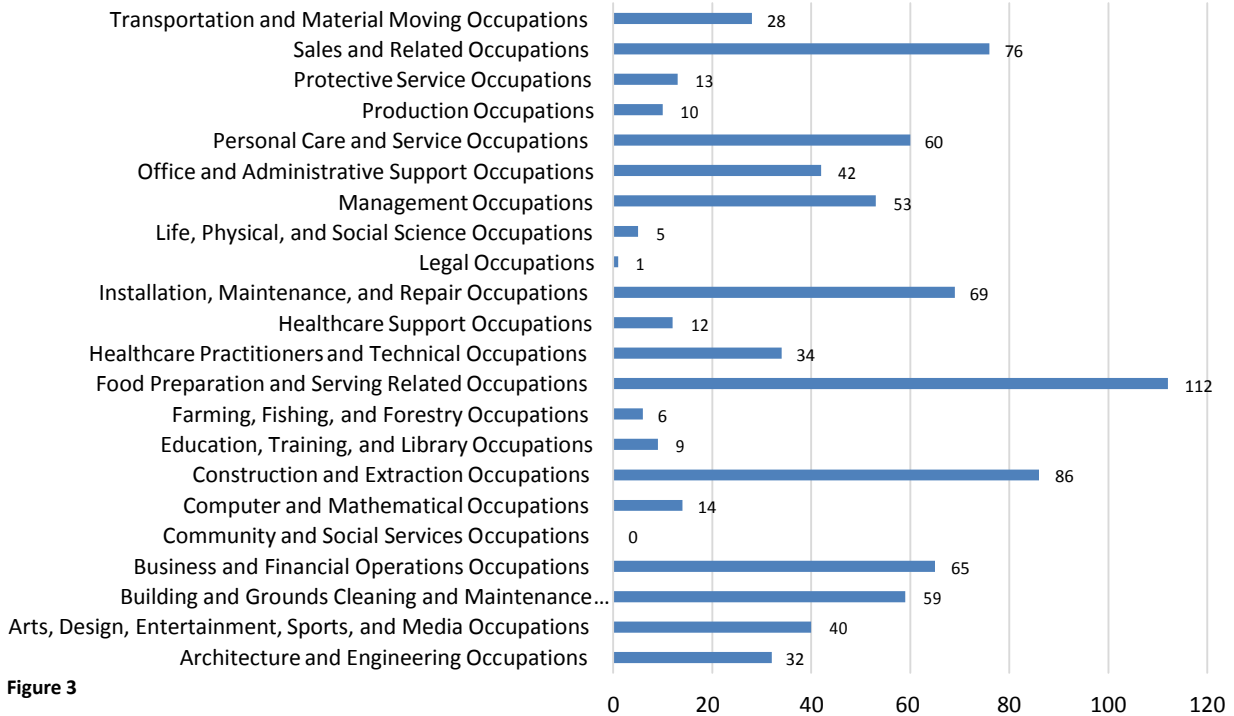


Figure 3

The Department of Labor continues to encourage the CNMI's unemployed and looking for work to register at www.marianaslabor.net and to update (if already registered) their information online with the option to visit the Employment Services Division for further assistance. N.M.I. Administrative Code Chapter 80 Department of Labor Employment Rules and Regulations Section 30.3-400 Job Referral § 30.3-410 Referral Services provides services for citizens, CNMI permanent residents, and U.S. permanent residents

in the Commonwealth. Furthermore, §30.3-430 Employment Referrals provides for each job vacancy announcement referrals to the employer one or more qualified candidates within ten (10) working days after the job vacancy announcement has been posted. The CNMI DOL continues to closely monitor referral outcomes through the provisions of the regulations provided under § 30.3-450 Employer Declaration. For planning purposes, the estimated CNMI unemployment rate was 16.8 percent based on data from the 2014 CNMI Broadband Survey.

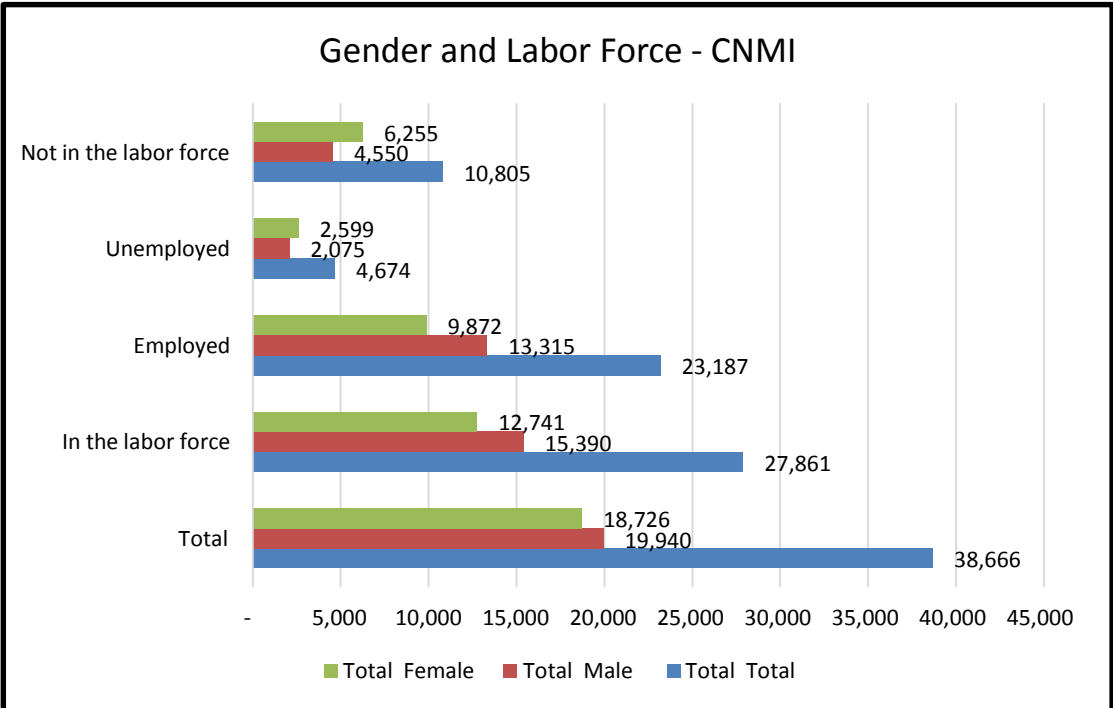


Table 1: Gender and Labor Force Data Provided by 2014 CNMI Broadband Survey

In its April 29, 2015 report to Governor Inos, the local Hotels Association of the Northern Mariana Islands pegged the labor needs at 10,375 for the employee to room ratio for the planned additional rooms of 3,884. What is not included in HANMI's report is the labor needs during the construction phase of these developments. This data will be available once the labor needs for this section is determined. CNMI stands to face a shortage of labor after the 2019 cut off of the the CW Non-Immigrant Worker program.

New Development							
Island	Location	Developer	Description	Completion Date	Till Completion Date	Rooms	Employees Needed
Saipan	As Matus	E-Land	Kensington Hotel	Jan-16	359 days	313	219
Saipan	Garapan	Imperial Pacific International (CNMI) LLC - Best Sunshine	Integrated Resort	Oct-16	1 year, 5 months	250	675
Saipan	San Antonio	Honest Profit International Ltd.	Saipan Resort Hotels	Mar-17	1 year, 10 months	317	222
Saipan	Capitol Hill	Saipan International Real Estate Development Corp.	Ocean Vista Resort	Jun-17	2 years 1 month	144	148
Tinian	Tinian Harbor	Bridge Investment Group	Tinian Ocean View Resort Casino	Dec-17	2 years, 7 months	300	403
Tinian	Puntan Diablo Cove	Alter City Group	Plumeria Resort	Dec-19	4 years, 8 months	2,500	5,500
Saipan	Chalan Kanoa	Triple J Saipan Inc.	Saipan Surfrider	Oct-15	182 days	60	42

Table 2: New Developments data provided by Marianas Visitor Authority and the NMI HANMI

In its response to the requirements of the Consolidated Natural Resources Act (Public Law 110-229), and with the most recent extension granted by US Secretary of Labor Thomas Perez, the CNMI DOL remains committed on increased enforcement and compliance activities on all businesses in the CNMI.

INITIATIVE 2 – SEMI-ANNUAL JOB FAIRS



To assist employers in their recruitment efforts, the CNMI task force organizes and hosts semi-annual job fairs on all Saipan, Tinian, and Rota. This effort brings together employers, job seekers, and other state programs to display their programs and services. The next job fair is slated for June 2015.



INITIATIVE 3 – TRACKING OUR SCHOLARSHIP RECIPIENTS “BRINGING HOME THE TALENT”

Our efforts toward having a skilled and educated workforce are a long-term commitment. The CNMI has invested more than \$86M in educational financial assistance and in our transitional efforts, we have set in place plans to entice our graduates to return home to fill the workforce needs. Examples of these plans that are already in place include enforcement of PL 15-108 providing priority for employment to US citizens and US eligible workers. The Saipan Higher Education Financial Assistance (SHEFA) program started in Fall 2004 and CNMI Scholarship that began in 1991 are both taking the lead in tracking the CNMI graduates informing them of their responsibilities to the CNMI under the scholarship programs and informing them of current and future employment opportunities in the CNMI

WORKFORCE TRACKING

Our SHEFA investments have thus far produced 19 Certificates; 418 Associates Degrees; 313 Bachelors Degrees; 43 Masters; and 6 Doctorate Degrees. We anticipate from our current program enrollees an additional 33 Certificates; 815 Associate Degrees; 863 Bachelors; 91 Masters; and 17 Doctorate Degrees.

Figure 4. The CNMI Scholarship Program data shows with the attainment of 148 Certificates; 690 AA/AS; 453 BA/BS; 42 Masters; 11 JD; 1 DDS; 39 MD; and 2 PhD¹⁰. Fields of study ranging from Accounting; Audio/Video Productions; Business; Computer Applications; Criminal Justice;

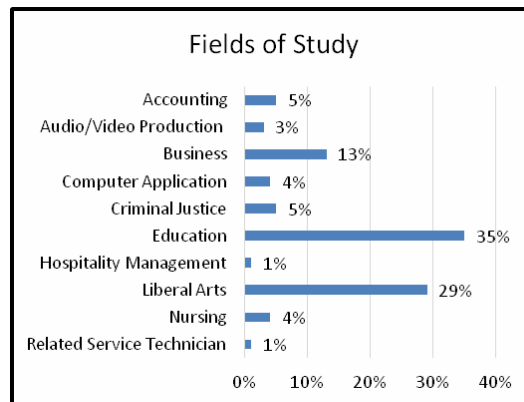


Figure 4

Education; Hospitality; Liberal Arts; and Nursing.

The information provided by the SHEFA and CNMI Scholarship provides the Department of Labor a snapshot of the skill set being developed by college students and the quantity and quality of skilled labor market participants currently in post-secondary education. The data provided by both scholarship programs also provides the Department of Labor the opportunity to recommend for both programs to align their funding with the demand economic sectors of the CNMI.

INITIATIVE 4 – ALIGNING OUR EDUCATION AND TRAINING PROGRAMS

CNMI PUBLIC SCHOOL SYSTEM

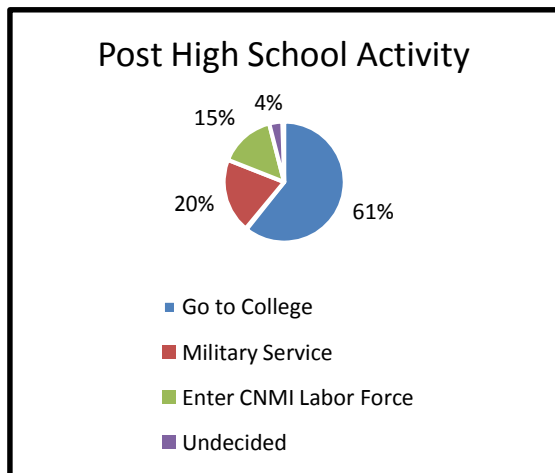


Figure 5

The Cooperative Program, referred to as “Co-Op”, is designed to help prepare high school students for the job market. The program consists of both Cooperative Education, which occurs on campus, and Cooperative Training, which occurs off-campus. In the Cooperative Education class, students participate in completing resumes, applications, interviews, personal development, related field trips, and other projects. In the Cooperative Training, students gain work experience by participating as a “trainee” at an off campus business organization. The data shows that the

overall numbers of student placement in the co-op program are more attracted to the private sector industry.

Our students are offered Co-Op courses in various school campuses such as Leadership; Computer Applications; Business; Graphic Arts; Music; Culinary Arts; Hospitality; Video Production; Digital Photography; Body and Fender; Accounting; and Nursing.

The Co-op program offers high school students a competitive advantage in the job market, by providing them with on-site training and workforce skills, while reducing overall training costs to the employers. This is a crucial element to the successful transition of the CNMI job market post-2019, as 15% of high school graduates enter the labor force following graduation, as seen in **Figure 5**.

NORTHERN MARIANAS COLLEGE

As **Figure 5** illustrates, the majority of high school graduates matriculate into college following graduation. Of the 61% of graduates who enter into post-secondary education, many choose to attend the only community college in the CNMI, the Northern Marianas College (NMC).

For its part in educating and building the necessary professional skills of the CNMI labor force, NMC's Strategic Plan for 2015-2020 seeks to accomplish five key goals: 1) increase the College's relevance to CNMI workforce and community needs; 2) ensure continued accreditation; 3) accelerate time to completion; 4) improve student success and support; and 5) and strengthen operations and resource development.

Actions are already in place to support the CNMI's vision of an educated and sustainable workforce in the CNMI—NMC remains a primary engine of economic growth.

The CNMI is a part of the Western Interstate Commission for Higher Education (WICHE), CNMI residents are eligible to be considered for discounted tuition rates at more than 150 colleges and universities in California, Oregon, Washington, Idaho, Nevada, and other Western States.

For CNMI students pursuing their master's or doctorate degree, the Western Regional Graduate Program (WRGP) allows these students to enroll in one of 275 high-quality programs at 52 participating institutions in the WICHE states and pay resident tuition. The WICHE states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the Commonwealth of the Northern Mariana Islands.

NORTHERN MARIANAS TRADES INSTITUTE

The Northern Marianas Trades Institute (NMTI) is the only vocational training facility in the CNMI. Organized as a NPO, NMTI is governed by a Board of Directors from numerous sectors of the economy focused on delivering the necessary trainings that will populate the private sector pipeline in trades related occupations currently occupied by foreign workers. A recognized and NCCER certified institution, NMTI is currently offering the following courses with others in the pipeline for development and future offerings aligned with the needs of the CNMI to train and prepare U.S. citizens and other lawful permanent residents for jobs in the CNMI's economy.

CURRENT PROGRAMS:

- Automobile Mechanic
 - Building Maintenance Technician
 - Carpenter
 - Cement Mason
 - Construction Management
 - Construction Craft Laborer
 - Cook
 - Electrician
 - Electrical Technician
 - Power Line Worker
 - Maintenance Mechanic
 - Painter
 - Plumber
-

- Power Generation Maintenance Electrician

- Power Generation Maintenance Mechanic
- Sheet Metal Worker

PLANNED PROGRAMS:

- Air Conditioning & Refrigeration Mechanic
- Auto Body Repairer

- Construction Equipment Operator
- Solar Installation Technician
- Welder

NCCER is a not-for-profit 501(c) (3) education foundation created in 1996 as The National Center for Construction Education and Research. It was developed with the support of more than 125 construction CEOs and various association and academic leaders who united to revolutionize training for the construction industry. NCCER develops standardized construction and maintenance curriculum and assessments with portable credentials. These credentials are tracked through NCCER's registry that allows organizations and companies to track the qualifications of their craft professionals and/or check the qualifications of possible new hires. NCCER's registry also assists craft professionals by maintaining their records in a secure database. NCCER's workforce development process of accreditation, instructor certification, standardized curriculum, registry, assessment and certification is a key component in the industry's workforce development efforts. NCCER also drives multiple initiatives to enhance career development and recruitment efforts for the industry, primarily through its Build Your Future initiative.

USDOL ETA WIA SUBSIDIZED EMPLOYMENT AND TRAINING PROGRAM

The CNMI DOL administers the WIA funded program under the Division of Workforce Investment. The program has documented successes in providing subsidized training and

employment services for qualified participants to include trainings with recognized credentials. Focused on providing services to employers and individuals, the WIA program has provided the following Core, Intensive, and Training Services illustrated in **Figure 6**.

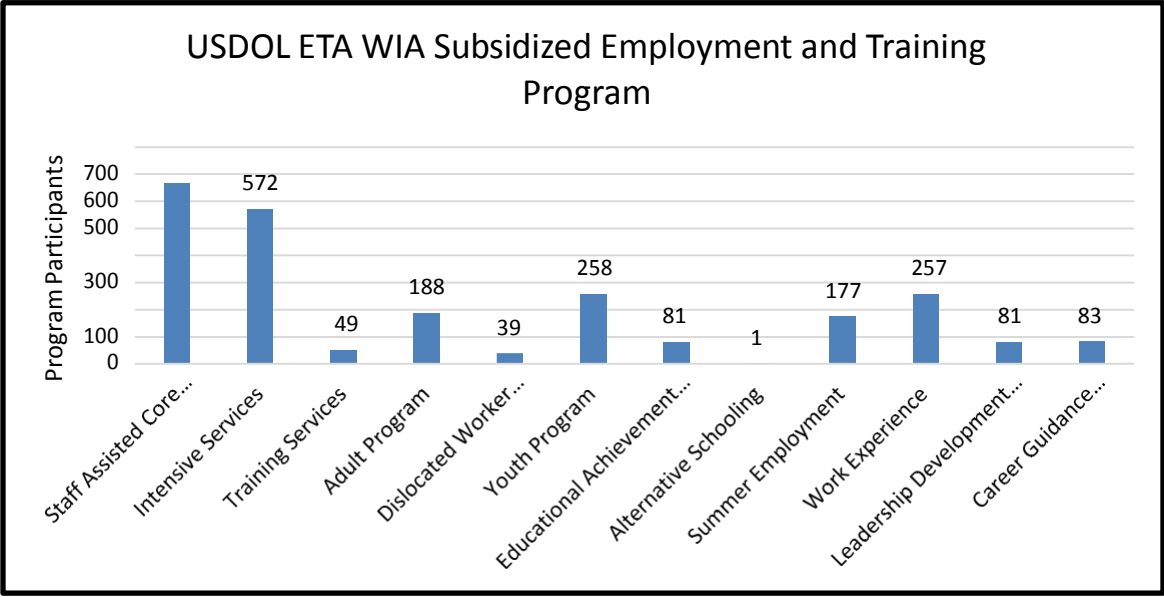


Figure 6

It is important to note that for the past 5 years the CNMI has had high success of high school graduation, reaching a graduation rate of 96%. This has tremendous benefits for bolstering the current labor force, increasing the total number of high school students graduating and either entering the workforce or pursuing higher education.

NUTRITION AND ASSISTANCE PROGRAM ABLE BODIES

The CNMI Nutrition and Assistance Program is a member of the CNMI workforce system and task force working group. The efforts of the task force includes targeting NAP clients who are required to actively seek employment and training that will achieve family self-sufficiency through training and gainful employment. The CNMI DOL, NMC, NMTI, and PSS are all working closely with the NAP program to ensure that these “able bodies” are engaged in the foreign worker transition initiatives. The program has 536 clients required to register for work. **Figure 7.**

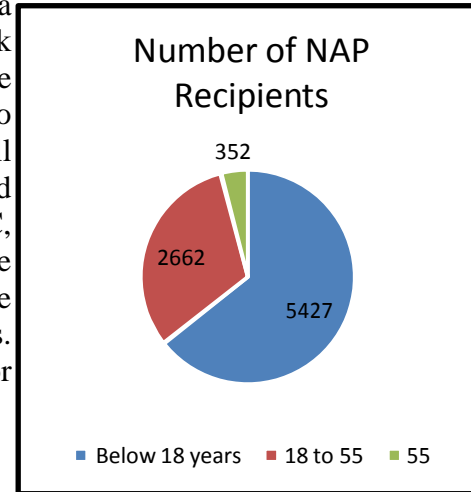


Figure 7

INITIATIVE 5 – REGIONAL WORKFORCE DEVELOPMENT

As part of the Micronesian Region, the CNMI is a member of the Micronesian Chief Executives’ Summit (MCES). Heads of State of the MCES endorsed the establishment of a Regional Workforce Development Council (RWDC); the alignment of workforce development, vocational education and other training programs and leverage resources; the collaboration, integration and formation of partnerships with the private sector; and the creation and implementation of training programs for demand-driven occupations.

Rethinking our workforce system strategy, begins on building on our strengths and assets as a unified region, preparing Micronesia's human capital for training opportunities. The goal of the RWDC is to provide the needed regional guidance and development of a regional workforce strategic plan guided by its vision and mission.

VISION:

A unified, competitive and just-in-time talent development system that strengthens and embraces the region's unique diversity.

MISSION:

To improve the quality of life and standards of living of our citizens by maximizing their potential for employment in a competitive economy.

PACIFIC WORKFORCE INVESTMENT WORKGROUP (PWIW)

The PWIW serves as the advisory panel for the RWDC. The PWIW is comprised of various technical workgroups representing the region and includes both government and private sector representation and other related workforce development stakeholders. This panel helps to align the key elements making up workforce development aligning vocational education, training programs, leveraging resources, addressing demand-driven occupations and promoting collaboration across education and business and industry.

INITIATIVE 6 –LABOR MARKET INFORMATION

The transition efforts require updated labor market information. In our efforts to track demand driven occupations currently held by foreign workers for the development of education and training programs, the CNMI DOL Office of the Secretary has been

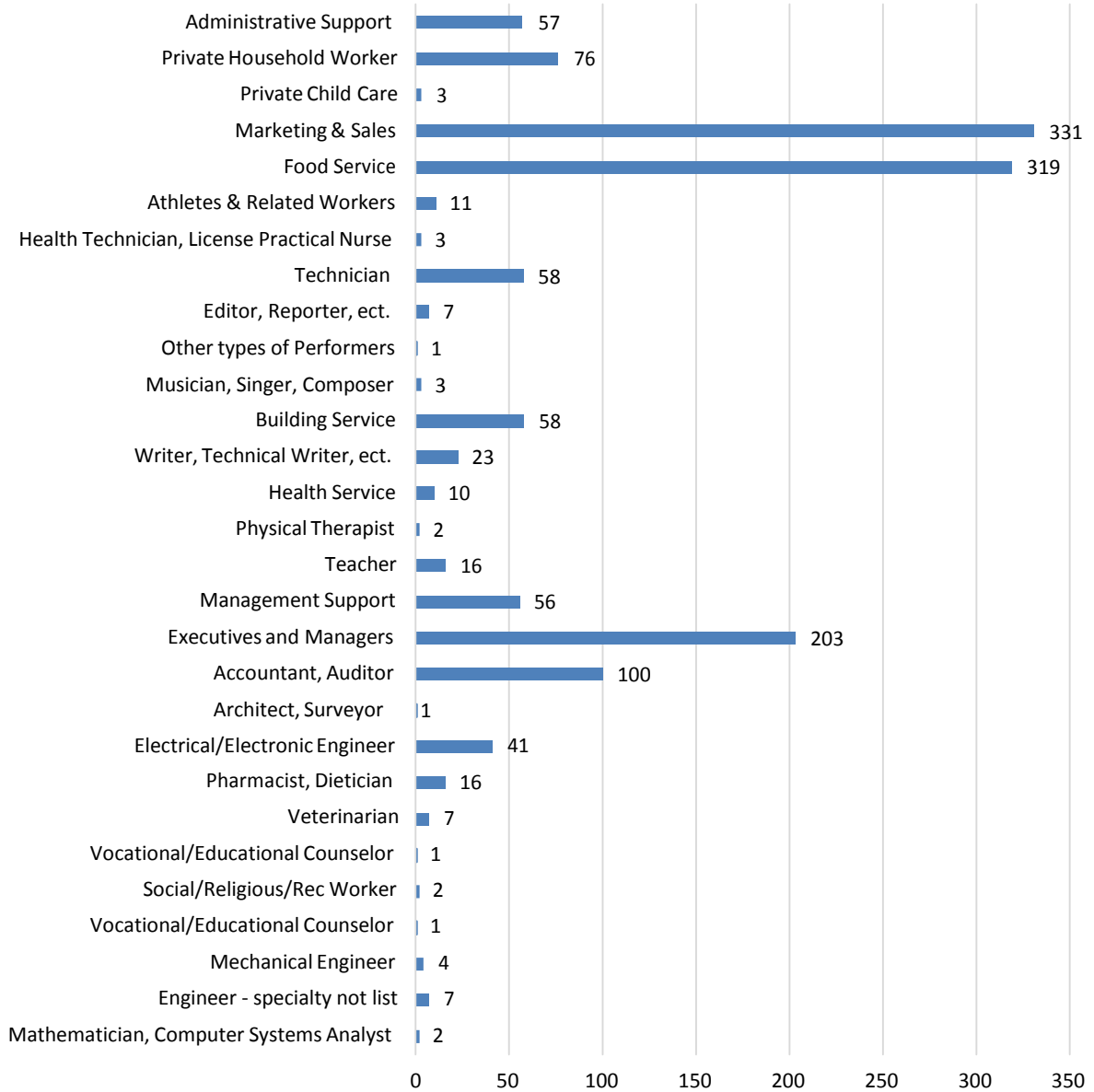
diligent in tracking the number of CW visas issued by USCIS through the Freedom of Information Act (FOIA). The CNMI has initiated two FOIAs with USCIS.

However, the FOIA's are still missing relevant data needed for planning and development of education and training.

The latest FOIA for FY 14 results received on March 24, 2015 showed 5,915 approved petitions while 5,562 were approved with no occupations reported. The same report showed 51 approved H-1B petitions with six occupations not reported and two with no code provided.

The CNMI is working closely with USCIS to resolve these data concerns. The rest of the chart with similar data concerns is from the first FOIA with 16,671 approved beneficiaries received from USCIS for the period of FY 12-FY 13 (10/7/2011-09/30/2013). A total of 1744 were reported with no occupations or presumed self-employed while 12,826 or 77% of approved beneficiaries were reported without job codes and job descriptions hence our emphasis for relevant data for planning and development of education and training. **Figure 8** below, illustrates the types and number of occupations held by Non-Immigrant Workers.

Job Categories of Non-immigrant Workers



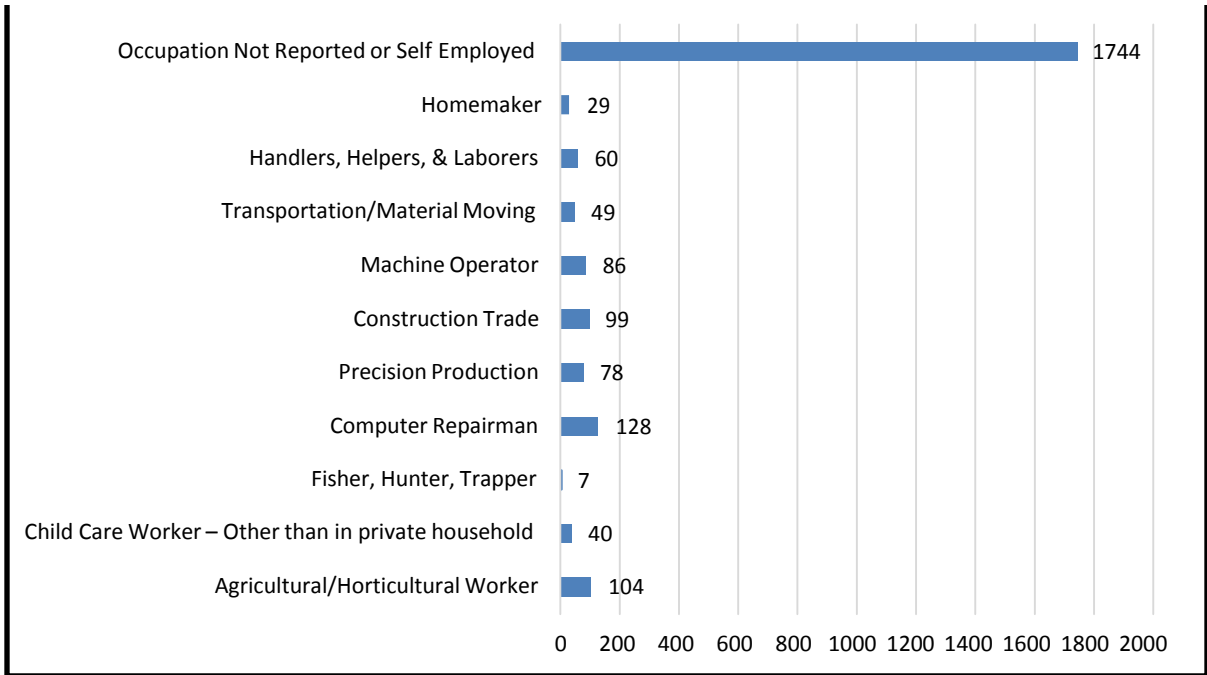


Figure 8