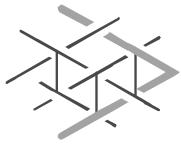


National Association of Regional Councils

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Reprint from *eRegions*, Volume IV, July 27th

The Economic Development Administration (EDA), the International Economic Development Council (IEDC) and the National Association of Regional Councils (NARC) have established an information dissemination partnership. One element of this partnership is the broadcast of a series of economic development telecasts called Economic Development Today. These telecasts are intended to provide information to economic development practitioners who serve all communities throughout the United States.



NARC

Building Regional Communities



U.S. Department of Commerce, Economic Development Administration

On July 27th, NARC produced the fourth of six *Economic Development Today* telecast programs for 2005, entitled “Building a 21st Century World Class Workforce”. This telecast was provided through a cooperative agreement with the Department of Commerce, Economic Development Administration. This telecast showcased important new initiatives and programs created by public and private entities to help bolster the economic and workforce development systems in America. The telecast included: discussions on what it takes to build a 21st century workforce; a new streamlined workforce development system in Mississippi; what federal programs exist to help develop the American workforce; a business perspective on workforce development, and; a community college perspective of how local efforts are putting their concepts into practice.

Guests included:

Moderator: Doris McMillon

Sandy Baruah, *Chief of Staff, Economic Development Administration, U.S. Department of Commerce*

Ms. Emily DeRocco, *Assistant Secretary, Employment and Training Administration, U.S. Department of Labor*

The Honorable Haley Barbour, *Governor, State of Mississippi*

Dr. P. Anthony Zeiss, *President, Central Piedmont Community College, Charlotte, N.C.*

Dennis Donovan, *Executive Vice President of Human Resources for The Home Depot*

Sandy Baruah started the broadcast by introducing the topic of workforce development and why it is integral to economic growth and sustainability. He stated that in the global marketplace, innovation is the key for success in America. Baruah believes America leads because we are the world's innovators. Therefore, to ensure this competitive advantage, we need to focus on building and maintaining a strong workforce, because the worker is the "engine of innovation." Baruah emphasized that the Department of Commerce and the Department of Labor have a partnership on economic and workforce projects. The Department of Commerce plays an important role in helping the Department of Labor build the infrastructure necessary for workforce development facilities that help train workers and assist them in finding jobs.



Panel members, Dennis Donovan, Sandy Baruah, Moderator Doris McMillon, Emily DeRocco and Dr. Tony Zeiss prepare to start the telecast.

Baruah also discussed the, "Strengthening America's Communities Initiative (SACI)". Baruah explained that despite the changes in economic development and global competitiveness, the policies and programs in America are fit for an era past. He stated that SACI would be a more coordinated, streamlined and effective approach to the federal role in community and economic development. In order to help the Administration craft this initiative, Secretary Gutierrez, at the Department of Commerce, formed an independent advisory committee. This 17-member committee is a diverse group of professionals, brought together to advise the President on the policies, principles, and guidelines. The Advisory group was not tasked with assessing federal programs or with recommending any funding levels for programs. The advisory committee created a comprehensive report, and it was presented to the Secretary on July 21st, 2005. The report focuses on three issue areas: bringing federal policy into the 21st century, targeting need and responding to opportunity; and assuring flexibility, accountability, and results. To access this report visit the Department of Commerce website at: http://www.commerce.gov/SACI/SACAC_Report.pdf.

The Honorable Haley Barbour, Governor of the State of Mississippi, joined the panel from a satellite feed in Jackson, Mississippi. Governor Barbour stressed the importance of tort reform, job creation, and budget management in helping his state build its economy and stay competitive in a global economy. In 2004, Mississippi passed the Tort Reform Act, to help businesses, both large and small, to keep insurance rates down. This includes health insurance, which was a concern in the state. Lower insurance rates have provided a large incentive for companies to bring new developments to the state.



Gov. Barbour makes a statement about tort reform.

Governor Barbour emphasized that job creation is the most urgent priority in Mississippi. Through initiatives like the Comprehensive Workforce Training and Education Consolidation Act of 2004, Momentum Mississippi, and Operation Streamline, Mississippi has successfully worked towards economic sustainability. The Comprehensive Workforce Training and Education Consolidation Act of 2004 has cut payroll taxes on employers as well as doubled state support for job training. Governor Barbour stated, “people deserve help to upgrade their skills to get better jobs.”

Another initiative, Momentum Mississippi, brought together 1,000 business professionals, educators and community and political leaders from every part of Mississippi to create a blueprint plan for modernizing economic development and job creation efforts, especially in key high-growth, higher-paying sectors. Momentum Mississippi revamps Mississippi’s economic development incentive programs. The changes will provide flexibility to meet needs of different industries and geographic regions, encourage existing industries to stay and grow in Mississippi, and help the state attract greater levels of investment with higher wages for the workforce. The Governor specifically created incentive programs for non-manufacturing industries (biotechnology, high-tech, services, and research and development) to attract a new type of sector into the southeastern economy. Governor Barbour stressed that they were able to do this without raising any taxes.

Operation Streamline has also helped create a more effective workforce development system, by erasing the budget deficit in the state. “Operation: Streamline” budget plan, is a series of state government efficiency proposals that help eliminate Mississippi’s \$709 million budget red ink in two years. By taking the “complex web” of workforce development programs and creating a streamlined system that focuses more on efficiency, it has helped the government of Mississippi to maximize their investments. Last year alone they were able to place 35% more people in jobs than the year before, and they did it at less of a cost. This program, among others, has helped Mississippi erase a debt of over \$709,000,000. Using this savings and growth approach, the Governor and his state have turned the corner towards economic success. Although he says they have a long way to go, he looks forward to continuing their efforts and increasing the economy of Mississippi.



Ms. Emily DeRocco, Assistant Secretary for Employment and Training Administration (ETA) at the Department of Labor discussed ETA and the Department of Labor’s role in workforce development. The Employment and Training Administration provides national leadership to a \$14 billion public workforce investment system. This system uses a wide array of federally funded employment and job training programs highly devolved through the state/governors to local communities to provide services to workers, businesses, and one-stop career centers. DeRocco stated that not only is it important for training and jobs to exist, it is important to give people the skills they need to stay competitive. Therefore, the Department of Labor’s responsibility is to better connect the public workforce development strategies, using education and training, to economic development strategies that stress innovation and entrepreneurship on a regional scale.

Assistant Secretary DeRocco focused on education as playing a large role in the success of the equation. She stated that the job market in America is rapidly becoming more geared towards technology and communications, jobs that require higher levels of skill. High school is therefore no

Reprint of Article from *eRegions*, July 27th, 2005

longer sufficient for economic stability. In fact, 80% of the fastest growing jobs require some post-secondary education. The Department of Labor is committed to helping provide options and alternatives for individuals to pursue jobs that are available.

Through the President's High Growth Job Training Initiative, Community College Initiative, and the newly developed Hot Spots for Innovation initiative, the Administration has worked to reform the system to suit the needs of the 21st century worker. The High Growth Job Training Initiative focuses on a strategic approach to integrating employers, educators, and public workforce development professionals to set up skills training for high demand jobs. The Community College Initiative was created to help build capacity for community colleges to help provide education and training for worker to link into their local regional economies. Hot Spots for Innovation focuses on gathering a communities assets, including leaders, workers advocates, businesses, universities in order to work together to drive innovation and entrepreneurship on a regional scale.

Dennis Donovan, Executive Vice President for Human Resources at The Home Depot, brought a private sector perspective to the table, to discuss the many diverse programs that The Home Depot has to offer. The Home Depot currently has over 325,000 associates, bringing in 25,000 new personnel and \$73 billion in sales, last year alone. Donovan stressed that the Home Depot is looking to create a pipeline of the most talented, knowledgeable associates to engage their customers, and therefore, working in partnerships is key to their success



Home Depot has many hiring partnerships in place, to help them develop the most effective workforce. The partnership with the Department of Labor's Employment and Training Administration is a program to link into the 2000 one-stop community development facilities throughout the country, in order to utilize their resources for employment. The Home Depot also formed a partnership with AARP in February 2004 to create a talent pipeline for the growing population. Additionally, Home Depot has a joint partnership with the Department of Labor, Department of Veteran Affairs, and the Department of Defense called Operation Career Front to hire former military men and women into their stores. The last newly formed partnership that The Home Depot has created is with the Hispanic Association for Corporate Responsibility. The Home Depot has worked with four of the 14 organizations within this umbrella association to create a pipeline for skilled workers. Donovan added later in the program, that these types of partnerships can be emulated by smaller businesses looking for skilled labor.

The Home Depot does require their workers to have basic skills, but they also provide training. This year they will provide over 23 million hours of training (75% classroom/ 25% e-learning). Donovan stressed that The Home Depot, and businesses in general, need to partner better with pre-employment training programs throughout the country. This will reduce attrition rates. Another way to keep attrition rates down is through benefits to the worker. Not only does The Home Depot provide their part time employees with benefits, they also help college students with their tuition and provide bonuses for employees, if a store goes over it projected sales. Donovan remarked that good incentives create a good work ethic.

Dr. Tony Zeiss, President of Central Piedmont Community College (CPCC) in North Carolina and author of many articles and books on education and workforce development, spoke about the importance of education in the development of a strong workforce. Since Dr. Zeiss has assumed the role of president, CPCC has grown from one to six campuses, boasting over 70,000 students. Zeiss remarked that there are three major workforce and economic development challenges today. First, the kindergarten through twelfth grade (K-12) system is witnessing a decline. For example, 68% of high school graduates have to be re-taught basic skills when they get to college. Second, there is a looming labor shortage, especially because the baby boomers are beginning to retire. Finally, there is a skills shortage. Zeiss said that this is to be expected because our country is in transition from a manufacture base to a high-tech base. Nonetheless, there is work to be done to remedy this issue. Zeiss stated that community colleges can play a large role in this process. Each one of the 1,200 colleges is learning better how to partner with business, industry, and government, as well as the K-12 system in their regions.



CPCC, specifically has many programs that have worked to build skills for people throughout North Carolina. In partnership with the Department of Labor, CPCC has developed new high growth training programs for high growth industries. CPCC has also formed a partnership with the Department of Educa-



tion to help at-risk students transition into a community college. CPCC also has a Welfare-to-Work program. This program looks to break the welfare cycle and get families on a track of financial independence. There are many workers who are dislocated or from immigrant populations and they cannot afford to wait two years to get a college degree, therefore CPCC started a “jumpstart” program. This 16 week, 8 hours a day program teaches people the skills they need to get to work. Zeiss is also individually committed to building workforce throughout the country. His most recent book, *Get ‘em While They’re Hot: How to Attract, Develop, and Retain Peak Performers in the Coming Labor Shortage*, discusses how businesses can build an efficient long-lasting workforce.

The telecast ended with a question and answer period. Assistant Secretary DeRocco summarized the importance of the telecast. She stated, “innovation is key to regional economic success. We need to inspire the infrastructure and investment support to assure that communities and businesses can innovate. . . .the workers need to “skill-up” to survive. . . we are at a time when every worker should be given access to education and skills development that will lead them to success. Through educational innovation, infrastructure development, and public workforce system innovation we are moving forward to help businesses build a skilled workforce.”

Although many efforts are being done to help our transitioning economy and workforce, Donovan explained that America has a lot more work to do. “The situation is progressively getting worse in our country. There is now a premium on innovation, which means you have to “skill-up” your workforce and at the same time we are seeing a decline in terms of skills and literacy, so the gap (between the two) is something we have to attack.”

If you have any questions regarding this telecast or information on future telecasts, please contact Peggy Tadej (202-986-1032 x 224/ Tadej@narc.org) or Ben Steinberg (202-986-1032 x 223/ ben@narc.org) at the NARC office. The next telecast is scheduled for September 26th, 2005 on Strengthening America’s Communities Initiative.