

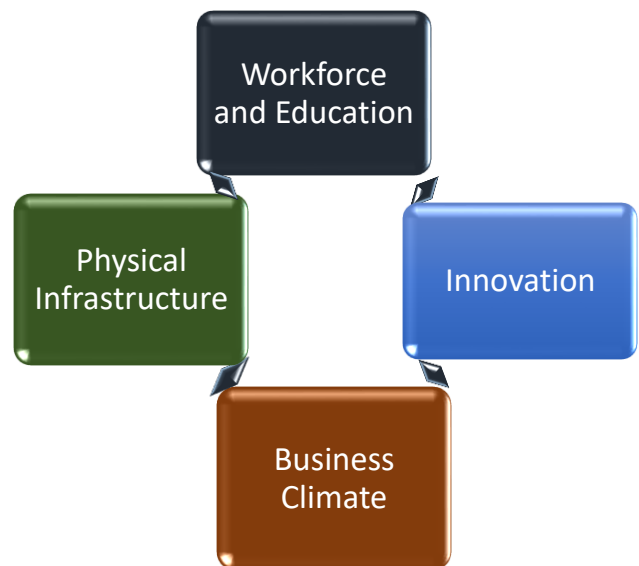
# Driving New Mexico's Future

## Best Practices to Improve Statewide Competitiveness



### Supplemental Appendix

In the new competitiveness strategy for New Mexico, four areas were highlighted. The following supplemental appendix provides examples of best practice thinking and programs to support those specific competitiveness factors at the state, regional and local levels. In many cases an active hyperlink to a program site is provided.



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# Workforce and Education

## Apprenticeships

**Partnership to Advance Youth Apprenticeship.** The non-profit New America is partnering with the National Fund for Workforce Solutions, Advance CTE, CareerWise Colorado, and JFF to expand youth apprenticeship opportunities for high school students nationally. Corporate supporters include Siemens and JPMorgan Chase. The CEO of Home Advisor states that the youth apprenticeship program has “fundamentally changed how we think about talent acquisition and productivity.” “Rarely have I seen a program that is ROI positive, helps build much needed internal talent, and materially benefits America’s youth....”

<https://www.newamerica.org/education-policy/partnership-advance-youth-apprenticeship/>

**Charleston, SC Youth and Adult Apprenticeships.** The Charleston region is fortunate to be experiencing robust job growth and is also able to attract new residents. But despite the area’s population growth, major employers such as Boeing, Bosch, and Volvo have difficulty finding enough skilled workers. The Charleston Regional Youth Apprenticeship Program and Trident Technical College are addressing the workforce pipeline with two-year paid youth apprenticeships in 17 fields. The program is open to high school juniors and seniors, who also receive one year of college credit at no cost. There are 130 participating companies in the region.

Many companies also partner with Trident Tech for adult apprenticeships, available in 13 occupational areas. South Carolina provides a \$1,000 tax credit per apprentice hired. The manufacturing firm Bosch has had an apprenticeship program in Charleston since 1979. A company official notes that retention of those completing a Bosch apprenticeship is five times the retention rate of external candidates, and the average tenure of a skilled trade employee at this location is 17 years.

[https://www.tridenttech.edu/career/workforce/car\\_youth\\_apprentice.htm](https://www.tridenttech.edu/career/workforce/car_youth_apprentice.htm)

[https://www.tridenttech.edu/career/workforce/car\\_apprentice.htm](https://www.tridenttech.edu/career/workforce/car_apprentice.htm)

**South Carolina** has seven dedicated consultants on the staff of **Apprenticeship Carolina** to help companies develop their registered apprenticeship programs at no charge. This can be particularly helpful for smaller firms that lack the resources to do it on their own.

The Commonwealth of **Kentucky’s** robust apprenticeship programs include innovations such as:

**Intermediaries** in four industries – automotive, insurance, telecommunications, and welding – that assume administrative responsibilities for Registered Apprenticeships. Intermediary services are particularly helpful for small and medium-sized companies.

The new **Tech Ready Apprentices for Careers in Kentucky (TRACK)** youth apprenticeship program. Kentucky found that in the 2017-18 school year there were 65,400 high school students with a CTE concentration, but only 4,100 also had a job. The TRACK program has nine career pathways, provides paid employment opportunities, and after high school the student transitions directly into an employer’s Registered Apprenticeship program.

Another state heralded for its apprenticeship programs is **Alabama**. To expand the number and variety of apprenticeships, the state created an Alabama Office of Apprenticeship (AOA) in 2019. Some highlights of Alabama’s approach include:

- Legislation creating the Alabama Industry-Recognized and Registered Apprenticeship Program (AIRRAP) was also passed in 2019, ensuring that one agency – the AOA – will be accountable for both major types of apprenticeships across the state.
- Since 2016, Alabama provides employers an Apprenticeship Tax Credit, and since that time has expanded the per-apprentice credit and the number of apprentices for which a business can claim the credit.
- The state also established a high-level Alabama Apprenticeship Council, with representation including the governor, state House and Senate leaders, heads of the community college system and K-12 education system, and business organizations.
- The AOA has established five key sectors for the industry-recognized apprenticeship program: Healthcare; Construction/Carpentry; Information Technology; Distribution/Transportation & Logistics; and Advanced Manufacturing/Industrial Maintenance.
- A Governor’s Office of Education and Workforce Transformation (GOEWT) is responsible for increasing alignment of apprenticeship activities between AOA, the community colleges, and the state department of education.
- The state’s community college system obtained a \$12 million grant from the U.S. Department of Labor to expand public-private apprenticeship partnerships in three industry sectors.
- Under AIRRAP, a youth track toward apprenticeships has been established. Students will start with career and work exposure events in 7<sup>th</sup> and 8<sup>th</sup> grades. By 9<sup>th</sup> grade, youth concentrating in CTE can access pre-apprenticeships. In 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> grades students can participate in youth Registered Apprenticeships or youth industry-recognized apprenticeships.



- AOA has four regional staff persons across Alabama, and a technical staffer to manage tax credits.

**North Carolina:** Serving as the **official sponsor of Registered Apprenticeships** is another role that some community colleges have undertaken. Having a community college as the sponsor relieves employers of some of the administrative and regulatory burden. Community colleges serving this role include North Carolina’s Gaston College and Alamance Community College.

In 2018, **Massachusetts** adopted a new **apprenticeship tax credit**, allowing the credit to be taken against corporate excise taxes or personal income taxes. Credits up to \$4,800 each are available for hiring an apprentice in healthcare, manufacturing, or I.T. occupations.

## Better Use of Workforce and Education Data

**Data that Drives Policy and Program Changes.** Montana’s statewide report, *Meeting State Worker Demand*, is notable for: a) including data from private colleges, b) extensive use of the state’s UI system wage data, and c) analysis of career paths for which a bachelor’s degree provides little or no wage benefit over an associate degree. The report has led to concrete changes in offerings by two-year and four-year colleges to meet regional gaps, particularly in healthcare.

<https://www.nationalskillscoalition.org/news/blog/montana-sets-example-for-other-states-by-using-data-to-drive-policy>

**Data sites for students, parents, and adult workers.** The State of **Washington’s** Career Bridge site is viewed by more than 190,000 people a year. It shows in-demand jobs, and performance outcomes for education and training programs. Consumer Report Cards detail program completion rates, employment rates, median earnings, and the industries in which program completers are working.



<http://www.careerbridge.wa.gov/default.aspx>

**Pennsylvania’s State System of Higher Education** has published a workforce characteristics report and a gap analysis report for the entire state; for every region in the state; and for the degrees awarded by 16 colleges and universities across the state.

## Career Awareness and Career Pathways

A long-time career pathways leader is the **Advanced Manufacturing Career Pathways (AMCP)** program, active at 22 colleges and universities in nine southeastern and midwestern states. Toyota, Bosch, 3M and GE are some of the leading employers involved. AMCP is a five-semester associate degree program that typically allows graduates to gain more than 1,200 hours of work experience per year, and graduate debt-free. In a recent five-year period, 100 percent of graduates were hired by sponsoring or non-sponsoring firms.

**Rhode Island** launched **PrepareRI** in 2016, a partnership of the state government, private industry, the K-12 public school system, universities, and non-profits. The initiative is based on the premise that all young people “will need some form of postsecondary credential and practical work experience to be successful.” Among PrepareRI’s near-term goals are:

- 1) all career pathway programs will be aligned to high-demand careers in Rhode Island, and
- 2) all students will have access to a work-based learning experience, such as an internship in a relevant field.

The PrepareRI Internship Program offers paid summer internships for high school juniors. Students are matched with internship opportunities by the non-profit Skills For Rhode Island’s Future, which partners include the Greater Providence Chamber of Commerce. Interns are paid \$11.25 per hour, can work up to 240 hours, and receive work readiness skills training.

**Be Pro Be Proud.** This heralded effort by the State Chamber of Commerce and Associated Industries of **Arkansas** takes a common-sense approach to promoting career opportunities in technical positions and skilled trades. The BPBP website notes over 70,000 positions available and that these types of jobs pay \$16,000 more than the state average. Jobs are searchable by ZIP code. The program’s traveling Workforce Workshop is another asset,

**FALL SEMESTER 2020 TOUR**

AUG 17, 2020 Rogers, AR Arkansas Trucking Association	OCT 29 - 30, 2020 Paragould, AR Paragould Senior High School
SEP 2, 2020 Hamburg, AR Hamburg High School	NOV 2 - 3, 2020 Jonesboro, AR Jonesboro High School
SEP 3 - 4, 2020 El Dorado, AR El Dorado High School	NOV 4, 2020 Harrisburg, AR Harrisburg High School
SEP 8, 2020 Carlisle, AR Carlisle High School	NOV 5, 2020 Newport, AR Newport High School
SEP 8 - 10, 2020 Pine Bluff, AR Southeast Arkansas College	NOV 8, 2020 Tuckerman, AR Tuckerman High School
SEP 15, 2020 Harrison, AR Valley Springs School District	NOV 9, 2020 Lead Hill, AR Lead Hill High School
SEP 18, 2020 Yellville, AR Yellville - Summit High School	NOV 10, 2020 Norfolk, AR Norfolk High School
SEP 22, 2020 Harrison, AR Bergman High School	NOV 11, 2020 Cotter, AR Cotter High School
SEP 25, 2020 Harrison, AR Harrison High School	NOV 12, 2020 Saint Joe, AR Saint Joe High School
SEP 28 - OCT 2, 2020 Morrilton, AR University of Arkansas Community College at Morrilton	NOV 13, 2020 Western Grove, AR Western Grove High School
OCT 13, 2020 Star City, AR Star City High School - Jobs for America's Graduates	NOV 16, 2020 Rector, AR Rector High School
OCT 14, 2020 Sheridan, AR East End Middle School - Sheridan School District	NOV 17 - 18, 2020 Paragould, AR Greene County Tech Junior High
OCT 15, 2020 Sheridan, AR Sheridan Middle School	NOV 19 - 20, 2020 Jonesboro, AR Valley View High School
OCT 16, 2020 Sheridan, AR Sheridan High School	DEC 2, 2020 Murfreesboro, AR Murfreesboro High School
OCT 19, 2020 West Memphis, AR Academies of West Memphis	DEC 3, 2020 Hope, AR Hope Public Schools
OCT 20, 2020 Marvell, AR Marvell Academy	DEC 4, 2020 Gourdon, AR Gourdon High School
OCT 26, 2020 Manila, AR Manila High School	DEC 7, 2020 Mansfield, AR Mansfield Middle School
OCT 27 - 28, 2020 Jonesboro, AR Nettleton High School	DEC 8, 2020 Cedarville, AR Cedarville High School
	DEC 10 - 11, 2020 Greenwood, AR Greenwood High School

**BE ESSENTIAL**

visiting schools and organizations across the state.

**Simulated Workplace.** The **West Virginia** Chamber of Commerce partnered with the state workforce agency to transform high school classrooms into authentic workplace environments in which student teams create their own businesses. The initiative started in 2013, and by 2015 there were over 500 [Simulated Workplace](#) classrooms serving over 13,000 students. A 2017 *New York Times* article lauds West Virginia for “leading the way in transforming vocational education.” In 2016, 37 percent of seniors across the state completed a CTE program, compared with 18 percent in 2010.



**Arkansas’ College and Career Coach** program is an important effort to support students in the 7<sup>th</sup> to 12<sup>th</sup> grades. Services include individual career planning; tutoring and study groups; support services for low-income students; and workplace experience. Career-focused metrics such as credential attainment and work-based learning have been incorporated. College and Career Coach started in 2010 in 21 impoverished counties. It is now available throughout the state. The state’s two-year colleges serve as program hosts.

In **Alabama**, regional **Career Coaches** are responsible for networking with businesses in their region and preparing workforce demand reports, particularly for use in high school CTE programs. Career coaches also provide employability skills training and arrange job shadowing and industry tours. Alabama now has 93 career coaches based at the state’s workforce centers and serving 366 schools.

**Career Counselor Certifications.** The National Career Development Association (NCDA) recently unveiled a Certified Career Counselor credential program and is rolling out a Certified School Career Development Advisor credential aimed at K-12 school counselors.

<https://www.ncda.org/aws/NCDA/pt/sp/credentials>

The **Health Career Pathways Network (HCPN)** was piloted after a 2016 White House summit around the need for 3.7 million new healthcare workers in America by 2026. The network, organized by the non-profit Hope Street Group, now operates at nine locations in seven states. HCPN strives to improve the sourcing, hiring, and advancement of healthcare talent with four key objectives:

- Reduced healthcare job vacancies.
- Increased workforce diversity.
- Decreased first-year turnover.
- Increased number of entry-level employees who advance to higher-level occupations.

**Women in Manufacturing.** Women make up only 29 percent of the manufacturing workforce. To highlight the contributions of women in science, technology, engineering, and production careers and encourage greater participation, the Manufacturing Institute created the [STEP Ahead](#) initiative and awards. In the Chicago region, Triton College’s annual [GADgET](#) two-week summer program introduces 30 to 40 girls ages 12-16 to the world of manufacturing and engineering. Activities include manufacturing site tours and meetings with prominent female executives and engineers.

**Career-Focused Websites.** In addition to large-region sites like [www.petrochemworks.com](http://www.petrochemworks.com) for the petrochemical industry along the Gulf Coast, statewide sites such as Mississippi’s Get on the Grid [www.getonthegridms.com](http://www.getonthegridms.com) and Arkansas’ Be Pro Be Proud [www.beprobeproud.org](http://www.beprobeproud.org), there are smaller regional websites that focus on opportunities closer to home. Inspire Rock County ([www.inspirerockcounty.org](http://www.inspirerockcounty.org)) connects students, teachers, parents, and employers in southern Wisconsin. Inspire Rock County focuses on career planning, work readiness, and work experience opportunities for local students.

In rural southwest Virginia, **United Way’s Ignite Program** has affected over 29,000 students since 2016. The Ignite Program brings career awareness tools to every middle school and high school in the area, including a) self-exploration and career planning software; b) classroom talks and regional employer tours; and c) a career expo for seventh graders. Ignite also provides a full range of skill development tools, such as project-based learning modules, soft skills curriculum, and job internships.

The Iowa Governor’s STEM Advisory Council has supported paid **Iowa STEM Teacher Externships** since 2009. The full-time, six-week externships are for secondary teachers of STEM subjects and pay up to \$4,800 per teacher. Worksite hosts include a wide variety of manufacturing, agriculture, and energy firms as well as state and local environmental agencies.

## Reaching Disconnected Adults and Youth

The State of **Washington** partners with unions for carpenters, ironworkers, laborers, and cement masons to operate the **Trades Related Apprenticeship Coaching (TRAC)** program for women inside prison. The 16-week program provides 460 hours of instruction in skilled trades, as well as soft skills training including financial management. Graduates get preference for union apprenticeships upon release, with starting wages around \$25 per hour. Graduates also receive help with paying rent, obtaining work tools and clothing. About 20 women per year complete the program, and Washington is expanding it to a second prison.

<https://www.washingtonci.com/skin/frontend/WACI/primary/docs/content/about-ci/trac-program-brochure.pdf>

The heralded **Arkansas Career Pathways Initiative (CPI)** started in 2005. Using federal TANF funds, CPI helps low-income parents get back in school and earn a degree or certificates at any of the state's public two-year colleges. In a recent year, 92 percent of CPI students were female, a majority were single parents, and the average age was 30. Since the program's inception over 30,000 adults have been helped, with impressive results:

- Fifty-two percent of CPI participants obtained at least one credential or degree, compared with 24 percent of non-CPI students.
- In 2016, 72 percent of program completers found employment, and 92 percent of graduates who found a job were still employed after 12 months.
- CPI completers earned \$3,100 more per year than TANF recipients who did not participate in CPI.
- In one year, CPI participants earned associate degrees at eight times the rate of the general community college population.

Arkansas receives \$1.79 in benefits for every \$1.00 invested in CPI, due to increased state tax revenue from earnings and reduced public assistance outlays.

The New York-based **Local Initiatives Support Corporation (LISC)** has expanded its Financial Opportunity Centers (FOCs) from a pilot location in Chicago to 80 centers in 30 cities, serving about 20,000 people. The FOCs transform small, community-based workforce organizations into full-service programs focusing on individuals' financial stability through one-on-one coaching. The FOC model bundles services for a) financial counseling, b) employment assistance, and c) income support. The model is shown to significantly improve the ability of clients to retain a job in their second year after entering the program. LISC has learned that it is important to provide training and employment opportunities near clients' homes, and that it takes persistence to move the long-time unemployed (many with prison records and with basic skills deficiencies) into steady employment.

<http://www.lisc.org/our-initiatives/financial-stability/financial-opportunity-centers/>

The **North Baton Rouge Industrial Training Initiative (NBRITI)** features a strong partnership between businesses and the community college. The initiative works with North Baton Rouge residents lacking foundational skills to prepare them to begin careers at ExxonMobil and other local petrochemical companies. A steering committee of 40 makes sure that the curriculum is up to date and recruitment efforts are effective. NBRITI begins with a screening process, including identification and resolution of potential barriers such as housing instability, lack of transportation or childcare. The training program includes a 72.5-hour fundamentals course followed by enrollment in a welding, electrical, or pipefitting pathway. Those who complete the program are eligible for immediate employment if they meet "Ready to Go!" requirements for punctuality, teamwork, and safe and effective use of hand tools. More than 80 percent of

completers have found work in the community.

**Project Empowerment in Washington, DC** has a 15-year track record of helping ex-offenders with multiple barriers to employment, including homelessness and substance abuse in addition to criminal records. Project Empowerment begins with a three-week course on life skills and the building blocks of successful employment. The city department operating the program then works with local companies to place participants in up to six months of subsidized work experience. Participants are provided with wrap-around support services during this time. In a recent year, 421 individuals obtained unsubsidized employment at the end of the subsidized work period, with wages averaging \$4.00 per hour above DC's minimum wage. Project Empowerment won a 2017 award from the National Association of State Workforce Agencies.

**YouthBuild in Little Rock, AR** targets young people 18 to 24 years old. Seventy-five percent of participants are high school dropouts, and 25 percent are lacking in basic skills. YouthBuild's Education and Occupational Skills component operates for 32 weeks of the year, with content 50 percent in academics; 40 percent in occupational skills; and 10 percent in community service and leadership development. In addition to existing career pathways in construction, nursing, and commercial driving, YouthBuild recently added paths for home health care and industrial technician certifications.

**Indiana HIRE.** The Hoosier Initiative for Re-Entry (HIRE) began in 2012 and is operated by Indiana's Department of Workforce Development and the state's Department of Corrections. The model focuses on inmates with a felony conviction and provides services in three areas:

1. Classes on financial literacy, budgeting, interviewing, networking, conflict resolution, and resume preparation.
2. Outreach to community businesses for job placement.
3. Coordinating with support service organizations to assist with housing, clothing, and transportation.

A mentor works with each participant for one year after their initial job placement.

In 2017, HIRE helped 2,211 former inmates secure employment, and 97 percent remained at the job after three months. HIRE participants have shown lower recidivism rates than the general prison population.

**More Support Services for Veterans.** Arapahoe/Douglas Works!, a workforce agency serving two counties south of Denver, **Colorado** won a 2017 National Association of State Workforce Agencies award for exceptional service to veterans. **Arapahoe/Douglas Works!** partnered with the Aurora Veterans Forum and other community organizations to improve assistance to veterans with employment, healthcare, education, financial, and legal services. A grant from the state helped Arapahoe/Douglas Works! to enhance transportation and housing assistance

to veterans. The agency's Veterans Task Force has increased job information sessions and networking events for veterans as well.

The **Hard Hat Heroes - Build Your Future** credentialing portal is an initiative of the National Center for Construction Education and Research (NCCER). Hard Hat Heroes works with each branch of the military to credit veterans for the training they received that can be aligned with credentials in the construction and maintenance industries. NCCER is the accrediting body for those industries. A panel of military veterans aligns task skills between the military and private sector. The program won a Workforce Development Award from the Construction Users Roundtable in 2017.

## Talent Attraction and Retention

**Wisconsin** is taking aggressive action at the state and regional levels. Its \$6.8 million, statewide **THINK•MAKE•HAPPEN** initiative targets alumni of Wisconsin colleges and universities, workers living in adjacent states, and members of the military returning to civilian life. At the regional level, communities and companies in east-central Wisconsin's Fox River Valley collaborate to recruit college students from around the Midwest. The Fox Cities Regional Partnership hosts an annual three-day **Talent Upload** event to introduce engineering, business, and computer science majors to leading employers, career opportunities, and the region's quality of life.



**Pure Michigan Talent Connect** holds virtual career fairs where job seekers from anywhere can chat directly with employers in Michigan.

The **Arkansas Future Grant** program funds up to five semesters of college for those pursuing an associate degree in a STEM field. Recipients must work in the state for three years after graduation, or the grant will convert to an interest-bearing loan.

Northwest Arkansas holds an annual **Young Professional Summit** to develop young talent in the region. At its first event in 2016, more than 280 young professionals from across the region attended. On a broader scale, the Northwest Arkansas Council's **Finding NWA** program and website helps corporate recruiters with easy access to the information they need to communicate with out-of-state prospects. The Finding NWA site features a *Cool Jobs Alert: Do What You Love!* section, along with descriptions of entertainment, outdoor recreation, and education options.



**Focus on Young Professionals.** Belknap County is a rural county of about 61,000 people in the Lakes Region of **New Hampshire**. It has experienced very low unemployment, recently less than 2.5 percent. Several years ago, the Belknap Economic Development Council undertook a multi-pronged strategy to attract and retain young professionals – particularly natives who have moved away. Efforts include radio and social media campaigns, and a website with testimonials from professionals under 40.

<https://www.belknapedc.org/meet-our-young-talent>

Millennials and talented people of any age are demanding more information when making a decision. Thus, the creation of better data platforms is another way to successfully target a place's message. The **Colorado Talent Dashboard** is one example. The site features job supply and demand data, other information on employment and incomes, and a link to the Connecting Colorado job site.

**Economic Leadership research has identified the following best practices and thinking for non-financial aspects of talent attraction and retention:**

1. For talent attraction and retention initiatives to be successful, they should be paired with other efforts – for example, a program to support professionals through improved professional development and working conditions, or a program to improve the attractiveness of the community through place-making and development of amenities.
2. Provide clear, realistic, and honest information about the area's amenities and quality of life. Community amenities and drawbacks are viewed differently by different job candidates, and those that are a good match for the region are likely to stay longer.
3. Recognize that a great deal of information about employers and communities is still transmitted by word of mouth, usually among family and friends.
4. Talent initiatives should include identifying and nurturing local talent as well as attracting professionals from outside the region. "Grow your own" programs emphasize the need for quality education and workforce training systems.
5. The business community must be involved and willing to make investments to improve a community's education and training systems, or other local amenities.
6. Professionals and their families are focused on jobs! This means that they are thinking about jobs for trailing spouses, and what advancement opportunities exist in the community for their own next job. Information and networking are needed to connect them with career opportunities.
7. Local organizations (economic development offices, Chambers of Commerce, tourism bureaus) should work with employers on messaging. Employers are the main point of

contact with potential employees. What message (if any) about the community is the business sending to job candidates?

8. Seek to engage professionals in the community soon after their arrival. This could include formal invitations to participate in government and non-profit organizations, or informal networks of ambassadors to increase awareness of regional amenities.
9. Consider fellowships or internships for young college graduates, including a component that introduces them to the community and welcomes their talents.
10. Consider recruiting immigrants, especially the well-educated and college graduates with STEM majors.
11. Reducing red tape and fees involved with small-business startups will encourage young, talented people to establish new businesses in the community.

## Talent Attraction and Retention Incentive Programs

### Healthcare Professional Incentive Programs:

**Oregon's Rural Practitioner Tax Credit Program** offers personal income tax credits for doctors, nurses, optometrists and others – even volunteer EMS personnel are eligible. Oregon also subsidizes medical malpractice insurance premiums for doctors and nurse practitioners working in rural parts of the state.

The **University of Missouri** School of Medicine has had a **Rural Track Pipeline** program for 20 years. The Rural Track Pipeline includes scholarships for students from rural areas, clinical rotations at rural hospitals, and a week-long immersion program to introduce students to small town life.

Through the **West Virginia Rural Health Service Program**, third and fourth-year medical students at one of the state's medical schools can receive up to \$25,000 in scholarship money in exchange for agreeing to practice in a rural part of the state for at least two years after completing residency.

**Western Montana's Student Rural Clinical Rotations Program** provides travel reimbursement money for medical students to do clinical rotations in rural areas.

**Economic Leadership research has identified the following best practices and thinking for financial incentive initiatives:**

1. Money Does Matter! Total financial compensation is not the #1 factor in job recruitment and retention, but it is a key factor in decision-making.
2. Cash payments and loan repayments both appear to be effective incentive methods for recruiting and retaining professionals.
3. Any financial incentive must be a “significant” part of total compensation. There is no hard-and-fast rule, but research suggests that an annual incentive should be at least 10 percent of compensation, and perhaps more.
4. Loan repayment incentives should also be large enough to make a difference, with the total package (possibly paid out over several years) covering a large portion of an individual’s outstanding student loans.
5. Financial incentives should be targeted to specific participants to increase the likelihood of success. For example, in a small town or rural region, preference should be given to participants from rural backgrounds, those that received their education or training in a rural area, and existing area residents. Secondary targets include mid-career professionals from large metro areas, who may be seeking greater affordability and reduced stress.
6. For medical professionals, research indicates that mid-level healthcare workers (such as physician assistants and nurse practitioners) are likely to stay longer in underserved areas. In addition, the same level of incentive can provide more “bang for the buck” if provided to mid-level professionals rather than doctors, as it represents a larger percentage of total compensation.
7. The length of the term of an incentive can impact retention. One-time bonuses may make an immediate impact for recruitment, but might not aid retention as they can be quickly spent and forgotten by recipients. A minimum term of three years is advisable, and extending payments over four or five years is desirable to give recipients more time to become engaged and committed to their workplace and community.
8. Offering financial incentives *at the end* of a student’s education and training – or after that, such as during the professional’s first job – can be more effective than entering into an incentive agreement at the start of a student’s education. Observers indicate that giving the participant more time to decide his or her career path, desired place of residence, and other important life decisions can lead to better results and greater retention.
9. Consider a funding scheme that does not require regular government outlays subject to shifting political winds. The Oklahoma aerospace engineer incentives are state income tax

credits, which can impact future tax revenues but do not require up-front outlays.

Housing subsidies – for purchasing or renting – are used in some incentive efforts. However, they can be more difficult to administer than cash incentives or loan repayments. A residency requirement for participants might accomplish the same goal of introducing the professional to the local community.

## Upskilling Adult Workers

A national leader in skills assessment is the non-profit **ACT's Work Ready Communities** program, which uses WorkKeys assessments to quantify foundational skills for workers. Around the country, 402 counties participate in the program and nearly 4.4 million individuals have obtained a National Career Readiness Certificate (NCRC). **South Carolina** has embraced the program, as all 46 counties in the state are certified Work Ready Communities and 438,000 residents have earned their NCRC. **Missouri** is another leading participant, with 69 counties being certified Work Ready Communities.

Starting in 2016, **Virginia** put \$12.5 million into its **New Economy Workforce Credential Grants**. The grants offer free non-credit training leading to a credential in a high-demand occupation. In the first year, the average student was 35 years old.

The **Tennessee Reconnect** scholarships grew out of the state's Drive to 55 goal of having 55 percent of residents with a post-secondary degree or credential by 2025. Tennessee Reconnect makes community college effectively free for residents of any age. The program has been praised for extensive and aggressive outreach and marketing efforts, including regional Tennessee Reconnect Communities.

**Conexus Indiana** is a non-profit created in 2017 with business, government, and foundation partners. Corporate sponsors include Fifth Third Bank and Community Health Network; the Lilly Endowment is a major funder. Conexus' talent programs include **Catapult Indiana** to teach adults the basic work skills needed for manufacturing jobs. The 4-week, 160-hour work-and-learn program has had more than 3,000 completers, and is offered not just in Indianapolis but in small towns such as Greensburg (population 12,000).

**Ohio's RAMTEC Training Centers** claim to be the nation's only provider of robotics and advanced manufacturing industry certifications at the same location. RAMTEC is the Robotics and Advanced Manufacturing Technology Education Collaborative, and started in 2012 with donated robotics equipment. Industrial partners include FANUC Robotics, Honda, Mitsubishi Electronics, and Whirlpool.



RAMTEC provides industrial robotics and advanced manufacturing, welding, and advanced machining skills training for adult workers and high school students. Attracting \$22 million in grants, RAMTEC has quickly expanded to be offered at 23 career centers across Ohio.

**Wisconsin Fast Forward** offers grants for customized, shorter-term training efforts. Businesses apply for the grants in collaboration with their regional economic and workforce development partners. Wisconsin Fast Forward has awarded over 235 grants worth \$25 million over the first six years of the program, affecting 18,000 workers. It features two levels, with small businesses (less than 50 employees) eligible for grants up to \$50,000.

**Credential Engine.** The proliferation of more than 300,000 work-related credentials and certificates makes it hard to use them and assess their value. However, the rise of the national non-profit Credential Engine is helping to make use of credentials more uniform. This work has been supported by the Lumina Foundation, JPMorgan Chase, Microsoft, and Walmart. In 2017, the State of **Indiana** began to promote the use of Credential Engine for one of the state's most important sectors, healthcare.



## Workforce Development Legislation

**Tennessee** – during the 2019 legislative session, several education and workforce initiatives championed by Governor Bill Lee and the Tennessee Chamber were adopted. This included \$37 million for technical education. \$25 million was for the GIVE (Governor's Investment in Vocational Education) grant program to build partnerships between Colleges of Applied Technology, K-12 schools, chambers, economic development and workforce development agencies to address regional skills gaps. The Tennessee Chamber Foundation received \$700,000 to advance career awareness partnerships between businesses and K-12 schools.

That same year, the governor’s criminal justice reforms featured more funding to provide high school equivalency and higher education for incarcerated individuals. A \$10.5 million investment will increase inmates’ ability to get career and technical education credentials in high-demand fields such as information technology and building construction. Governor Lee noted that inmates who obtain a high school equivalency education have a 43 percent lower rate of re-entering prison.

**Missouri** – in 2018, the legislature passed an impressive number of bills to address education and workforce preparedness. Provisions in the Omnibus Education Bill (HB 1606) include: a) allowing teachers to count business externships toward their professional development hours; b) requiring high schools and colleges to distribute in-demand career and salary information to students; and c) allowing students to take the ACT WorkKeys assessments instead of ACT’s Plus Writing assessment. Senate Bills 894 and 921 allow high school computer science courses to count toward math, science, or elective requirements.

That year, Missouri also adopted “Visiting Scholar” guidelines (HB 1665) so that business professionals can teach in public schools without going through the teacher certification process. After completing an application and background check, businesspeople can receive a one-year Visiting Scholar certificate, renewable twice. This particularly aids the CAPS (Centers for Advanced Professional Studies) schools in Missouri, which emphasize career-focused learning.

**Missouri** - in 2019, the Missouri Chamber backed innovative recommendations that sprang from the organization’s Workforce2030 report. Some of these were included in Senate Bill 68. Key initiatives included:

- Establishing Missouri One Start to streamline, simplify, and improve workforce training programs. One employer spoke on the need to make the system more understandable for the business community, saying “I know there must be lots of workforce programs, but we have never used them. Nobody has the time to figure them all out. I wouldn’t even know where to start.” Missouri One Start is designed to make programs more flexible and easier for employers to use, and makes funding based on performance.
- Creating Missouri Fast Track to provide financial aid for adult learners pursuing training and education for high-demand industry sectors.

**Texas** – SB 1055 in 2019 created a Workforce Diploma Pilot Program, aimed at the estimated 3.7 million Texas adults without a high school diploma. This will reimburse qualified providers who help adults to earn a high school diploma, to include industry-recognized credentials and technical career readiness and employability skills.

**Montana** – work-based learning was made easier with the passage of HB 732 in 2019. This act provides for state reimbursement of workers compensation premiums for businesses that hire students enrolled in a work-based learning program. Closing skills gaps in Montana’s workforce is one of the state chamber’s highest priorities.

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## Infrastructure

### Broadband Internet Service Expansion

**Tennessee’s Broadband Accessibility Grant Program** provides up to 50 percent of last-mile project costs, up to \$2 million per project.

Since 2016, **West Virginia** has diverted some of its Community Development Block Grant (CDBG) funds from traditional water & sewer projects to broadband expansion.

**North Carolina’s** Broadband Infrastructure Office has a team of four technical assistance experts to help communities develop broadband expansion projects, which often require a different, location-specific solution for each community.

### Housing Development Strategies

Nearly 75 percent of **Duluth, Minnesota’s** housing is at least 46 years old. Duluth is hoping that giving away small parcels of land to developers or builders who design a “good, achievable idea that can provide affordable housing” will be a “micro-solution” for the city’s housing shortage. The city is starting with 13 sites in the **Rebuild Duluth** program, is requiring applications with realistic timelines and budgets, but not imposing any income restrictions or affordability requirements.

Duluth has also made zoning changes recently to allow narrower homes with smaller setbacks. It hopes that these changes, along with free land, might “create a model that works” for infill development. One builder believes that it will at least “have a positive impact on upfront costs” to make small projects in smaller cities more feasible. In April 2020, the initial round of free land awards was announced, with 10 different projects to create 30 new housing units. The average cost of the new units is estimated at \$142,000.

Housing shortages created tensions in the growing, multi-cultural meatpacking town of **Lexington, Nebraska** (population 10,000). To address this, local employer Tyson Foods and city leadership agreed in 2013 to **collaborate to build 900 new housing units by 2030**. Tyson will reimburse the city’s housing authority for land purchases. Two hundred new units were completed as of 2018.

The **Ohio Housing Finance Agency** has a **Grants for Grads** initiative offering 2.5 percent to 5 percent down payment assistance for those who graduated with at least an associate degree in the past 48 months. Recipients must take free homebuyer education classes, and the down payment assistance is

forgiven if the homeowner remains in Ohio for 5 years.

## Transportation and Logistics Infrastructure

### State Infrastructure Legislation:

**Colorado** – bipartisan support led to the passage of a complex Rural Sustainability bill (SB 267) in 2017. A major reason for support from the Colorado Association of Commerce & Industry was \$1.88 billion for transportation infrastructure. This money is to be raised by the state executing lease-purchase agreements on state-owned facilities. Most of the funds would go to CDOT for highway improvements and capital projects. Twenty-five percent is reserved for projects in rural counties.

**North Carolina** – the NC Chamber has led a coalition of groups successfully urging the passage of several infrastructure investment bills in recent years. In 2015 the NC Can't Afford to Wait initiative fought to pass \$1.2 billion for transportation improvements. This was followed by NC Can't Afford to Stop, which in 2019 helped get an additional \$290 million to NCDOT from the Highway Trust Fund and Build NC bonds, via SB 356. In October 2020, the state approved the issuance of \$700 million in Build NC bonds to be allocated to NCDOT. The chamber is currently building the Destination 2030 coalition to continue advocating for long-term transportation funding solutions.

**Indiana** – the legislature passed measures in HB 1002 (2017) that will add \$1.2 billion annually to transportation funding. This includes a \$0.10 increase in the fuel tax that is also indexed for inflation; gradually moving all fuel tax revenues from the general fund to the state's highway fund; electric and hybrid vehicle fees; and permission to study tolls as a future revenue source. A bill sponsor said that Indiana now has "a responsible 20-year plan that supports safe roads and bridges and gives a lot more money for local infrastructure."

**Montana** – the Montana Chamber and the Montana Infrastructure Coalition spurred passage of an \$80 million bond package for infrastructure statewide in 2019, the "first of its kind to pass the legislature in nearly a decade" (HB 652). Bonding legislation in Montana requires a two-thirds majority in both the House and Senate, meaning that a particularly concerted effort was needed to move this infrastructure bill.

**Virginia** – in 2020, Virginia passed its first fuel tax increase since 1986. It raised the tax by \$0.10 per gallon over two years, a 62 percent increase, and it will be indexed to inflation after that. New Jersey also raised its fuel tax in 2020. Since 2013, 30 states have enacted fuel tax increases.

**Economic Leadership research has identified the following national best practices and thinking for transportation infrastructure development:**

**1. Sustained and Dedicated Funding is Imperative for Future Competitiveness** - Whether it is an increased fuel tax, or options such as toll roads and congestion pricing, highway maintenance and expansion calls for dedicated funding at an increased level. A more diverse mix of sources – including drivers’ license and vehicle registration fees, vehicle sales taxes, electric vehicle taxes, and even internet sales taxes – helps to make the funding stream more reliable. Taxes and fees should also be indexed for inflation to ensure that future needs are met.

**2. Emphasize Multi-Modal Planning and Investment** – The more that markets can offer a coordinated mix of the four major shipping modes (road, rail, river, air), the more they develop a competitive advantage.

**3. Promote Public-Private Partnerships** – Examples where even small incentive programs or matching funds could spur greater private sector investment include:

- The creation or improvement of access roads to connect industrial and logistics sites to public highways and interstates;
- Streamlining zoning, permitting, or other ways to incentivize new privately-funded cargo facilities at public airports;
- Incentives for new rail spurs to industrial sites, typically paid for by the private sector.

**4. Improve Interstate Interchanges and Spurs Across the State** – Cities often have inadequate existing interchanges or need new interchanges to encourage economic development.

**5. Create an Autonomous Vehicles Policy** – Colorado is an example of a state defining a policy for autonomous passenger vehicles and trucks, which increases certainty for logistics companies investing in the state.

**6. Create a Freight Rail Economic Development Program** – States can increase participation in rail infrastructure improvements that are now largely made by the private sector. Two examples of freight rail economic development programs:

- Michigan DOT’s Freight Economic Development Program – Low-interest loans to businesses for rail infrastructure such as spur tracks. Loans have a 5-year repayment period but can be forgiven (converted to grants) if the company meets agreed-upon shipping levels each year.
- North Carolina DOT’s Rail Industrial Access Program – Grants to a new or expanding company of up to 50 percent of a project’s cost and up to \$200,000 per project. Grants are to help construct or refurbish rail spur tracks.

**7. Provide State Incentives to Increase High-Value Air Freight and Passenger Flights** – Some states have boosted air connectivity at their major airports (for both air cargo and passenger flights) by providing incentives for expanded service. Airports in Indianapolis, Memphis, and Pittsburgh have benefitted from legislative policies to support increased air service.

**8. Support Efforts to Increase International Air Cargo Connections and Trade Activity.**

**9. Develop New Environmental Liability Policies to Promote Redevelopment** – With available land becoming scarce, and the increased focus on locating logistics facilities in the center of metro areas, there is more interest in redeveloping older industrial and commercial sites. Environmental liability concerns can be a major stumbling block to urban redevelopment. Programs such as North Carolina’s Brownfields Program release a buyer from liability for pre-existing site contamination that they did not cause.

This increased certainty for site redevelopers can spur higher and better use of old industrial properties. Redevelopment of urban sites can positively address many issues: jobs, tax base, urban blight and crime, to name a few.

Other policy initiatives to incentivize infill development could include urging local governments to pre-zone land for logistics facilities, including sites adjacent to major airports.

**10. Generate Multiple Approaches to Workforce Supply & Quality** – For logistics businesses, as well as manufacturers and many other industries, the availability and skills of the labor force is now a critical issue. Demographic trends in America suggest that a tight labor market might continue for years to come.

In metropolitan Kansas City, community colleges and economic development partners are taking a three-pronged approach for improving worker availability and quality:

- Helping connect workers to jobs through transportation initiatives such as RideshareKC;
- Helping existing workers to update their skills or transfer skills between occupations;
- Improving student awareness of logistics and manufacturing careers, starting in middle school.

Investment in specialized skills critical to logistics such as diesel mechanic, truck driving and quality control can strengthen a state’s competitive position.

**11. Increase the Use of Predictive Analytics** – Using analytics to anticipate congestion and capacity constraints across shipping modes can improve system performance as well as safety. Analytics can also be used to research product origins and destinations, allowing states to target investments to become more competitive in logistics, nationally and globally.

# Business Climate

## Business Climate Legislation

**Indiana** – the state chamber lobbied successfully for lowering the corporate income tax rate from 8.5 percent to 6.5 percent in 2011. In 2014 it was again reduced, with annual decreases until it reaches 4.9 percent in 2022.

**Oklahoma** – with strong backing from the state chamber, a bill was adopted in 2019 to build upon President Trump’s executive order making it easier for associations to offer health insurance plans. SB 943 will particularly allow small business owners and sole proprietors to purchase health insurance through association health plans. A spokesperson for the State Chamber of Oklahoma says that the measure gives groups “the maximum flexibility” in setting up health insurance group plans.

**Missouri** – the General Assembly (SB 884) lowered the state’s corporate tax rate in 2018, from 6.25 percent to 4.0 percent, which at the time created the nation’s second-lowest corporate rate. The state chamber called it a “significant step in tax reform efforts” that would improve the state’s business competitiveness.

**Missouri** - in 2020, SB 591 addressed the state’s “job-crushing legal climate,” recently ranked 44<sup>th</sup> in the nation by the U.S. Chamber Institute for Legal Reform. The measure is intended to stop abuse of punitive damages in litigation cases, which often pressured businesses to agree to “windfall-sized payoffs.”

**Arkansas** – in 2019 the corporate income tax rate was put on a course to drop from 6.5 percent to 5.9 percent by 2022, saving businesses \$39 million per year (SB 576). Arkansas also lowered the unemployment insurance (UI) wage base in 2017 (HB 1405) and in 2019 (SB 298). The 2017 bill also shortened the UI benefits period for workers. Combined, the two UI acts are estimated to save in-state employers about \$100 million annually.

**Oklahoma** – In 2018, the state legislature created permanent funding for the Governor’s Quick Action Closing Fund, which can be used to close economic development deals and fund related infrastructure improvements. In 2019, the fund received a \$19 million increase.

**Oklahoma** – building on the state’s successful Aerospace Industry Engineer Workforce Tax Credit incentive, in 2018 Oklahoma created an income tax credit program for automotive engineers and the companies that hire them. This tax credit was expanded to include parts suppliers and makers of all types of vehicles in 2019.

**North Dakota** – the 21<sup>st</sup> Century Manufacturing Tax Credit (HB 1040 in 2019) provided a 20 percent credit for companies using new equipment or technology to automate a primary sector manufacturing process. The credit was funded at \$2 million for a two-year period. During that same session, HB 1333 created a \$15 million loan program offering three-year loans at no interest, to be used for the research and commercialization of innovative technologies.

## Economic Development Incentive Policies

**Economic Leadership research has identified the following best practices and thinking for leading best practices for incentive programs.**

**1. Incentivize growing companies in growing industries.** Particularly favor those projects that will improve existing, strong industry clusters within the region. **Arlington County, Virginia** uses Gazelle Grants for fast-growing companies in exporting sectors that are expanding. In **Kentucky** the Bluegrass Economic Advancement Movement makes grants to help small businesses begin exporting.

**2. Promote small and mid-sized business growth.** The number of new jobs created may be relatively small, but for smaller regions hitting singles and doubles rather than swinging for the fences can be more productive. **Campbell County, Virginia's** main incentive program requires only 25 new, full-time jobs, and its small business incentive requires just 5 new jobs. **Chesterfield County, VA's** expansion grant program is only for local businesses with less than 250 employees and less than \$20 million in annual revenues.

**3. Tie incentives to job training and skills improvement.** No matter how well a particular company performs, improved workforce skills will represent a win for the local community. Writing cooperation with the community college into an incentive agreement and encouraging internships, site visits, job fairs, and other work exposure opportunities will provide a lasting benefit to the region.

**4. Connect businesses to the community.** Many companies new to an area are so busy that they miss opportunities to plug into the community and take advantage of regional assets. Required monitoring of incentive agreements and regular follow-up discussions can help uncover issues that hinder a firm's progress. Some places provide a free chamber of commerce membership as part of an incentive, and they introduce new firms to school leaders and community organizations.

**5. Develop a transparent, written incentive policy that guides elected officials but does not bind them.** The process of creating a policy should be public and transparent. The policy itself should be available to the public and the local business community.

Increasingly, governments are using a **scorecard or project evaluation matrix** that helps officials see how each project stacks up compared with the community's priorities. Criteria can

include wage levels, employee benefits, location, industry cluster, and expanding vs. new business. All incentive payments should be made only after annual project goals are met.

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## Innovation

### Entrepreneurial Ecosystem Development

Among the most best strategies to strengthen the climate for small business success:

- A. Invest in education as the best way to create a culture of innovation.** As Kenan Fikri notes, “if you know the education attainment rate of a community, you can know with near certainty how it performs on a host of other metrics” related to innovation, health, and economic success.
- B. Focus on local strengths, especially existing, higher-growth sectors and firms** in a region. Initiatives borrowed from elsewhere may not be suited to your region’s conditions.
- C. Bring building of the entrepreneurial ecosystem up to a level equal with other economic development strategies,** such as recruitment and retention of larger businesses.
- D. Reduce regulatory, bureaucratic, and legal burdens and costs.** The costs and time delays imposed by regulation can be a significant deterrent to undertaking a start-up enterprise.
- E. Encourage high-skilled immigration.** Data shows that foreign immigrants are more likely to start a business than native-born Americans.
- F. Boost small business participation by under-represented groups, such as minorities and women.** Nationally, the current entrepreneurial community is about 80 percent white and 65 percent male.
- G. Increase connections and engagement between the private sector and governments, schools, and non-profits.** Partnerships outside of established ‘silos’ are crucial for building a community ethic of innovation and risk-taking.
- H. Assist small businesses with exporting.** According to the U.S. Department of Commerce’s International Trade Administration, the percentage of American firms that export is the lowest among all developed nations.
- I. Connect small businesses (suppliers) with larger companies within the region.** Entrepreneurs are too often unaware of the opportunities for supplying established firms in their region.
- J. Address student loan debt among small business owners and potential entrepreneurs.** Some places, such as the state of Rhode Island, are instituting student loan repayment

or loan deferment programs for young entrepreneurs.

**State-Level Innovation to Support Entrepreneurship.** In 2002, **Ohio Third Frontier** was started to provide early-stage investment capital to support technology innovation throughout the state. To date, Ohio Third Frontier has invested over \$2 billion, with funding through voter-approved bond issues. During its first 10 years it was credited with supporting 600 businesses, adding 60,000 jobs to the state, and leveraging more than \$5 billion in private investment.

**Rural Small Business Development.** In northwest Wisconsin, the **Wisconsin Rural Enterprise Fund (WREF)** makes equity investments in startup companies, especially those with potential to create higher-skill, higher-wage jobs. Since it started in 2002, WREF has made over \$2,000,000 in investments ranging from \$35,000 to \$200,000 each. Investors include economic development organizations, cities, and electric cooperatives.

## Equity Investments in In-State Companies by State Sovereign Wealth Funds

**New York (Office of the State Comptroller).** As part of the state's Common Retirement (pension) Fund, the In-State Private Equity Investment Program has about \$1.4 billion invested with 441 firms located in New York State. This supports employment of 38,960 at those companies. New York reports that their exited investments have had an internal rate of return of approximately 10 percent.

New York also has \$200 million in the New York Credit Small Business Investment Company (SBIC) Fund.

**Nevada Permanent School Fund.** The Nevada Capital Investment Corporation created the \$50 million Silver State Opportunities Fund in 2012 with money allocated by the state legislature (Senate Bill 75) from the Permanent School Fund. Private equity investments can be made in companies headquartered in the state, with a significant portion of employees located there, and those planning a major expansion or relocation. The fund currently shows a team of seven managers overseeing operations.

**Alaska Permanent Fund.** In 2018, the board of the Permanent Fund passed a resolution to allocate \$200 million to in-state private equity, infrastructure, and private credit investments. The Fund uses two private market fund managers for these investments.

**Colorado Public Employees' Retirement Association (PERA).** In 2012, Colorado PERA started the \$50 million Mile High Fund for private equity and venture capital investments in firms that are Colorado-based or have a "nexus" in the state. As of the end of 2019, the Mile High Fund

had an internal rate of return of 7.4%.

## Industry Sector Strategies

**Colorado Sector Strategies.** Colorado has been a leader in developing industry [sector partnerships](#). The state offers technical assistance to regions, and boasts that 750 Colorado firms are active participants. Colorado is also a founding member of the national [Next Generation Sector Partnerships](#) initiative.

With a Great Lakes location and long history of water-intensive industries in the area (brewing, meatpacking, leather tanning), the **Milwaukee, WI** region was a logical place to develop “one of the world’s most significant hubs for water research and industry.” **The Water Council** was established in 2009 with a goal of “driving economic development” and supporting water-focused technology innovation. Since 2009, Wisconsin’s water tech cluster has grown from 120 to 238 companies. These firms include A.O. Smith, Badger Meter, Johnson Controls, Kohler, Moen, and Zurn. The Water Council allows these companies to benefit from research and graduates from Marquette University (home to a water law program) and UW-Milwaukee (and its School of Freshwater Sciences), as well as interact with global water technology companies that are members of the Council. The Water Council received an award from the International Economic Development Council in 2016.

**Floor 360.** The area around the small northwestern **Georgia** city of Dalton produces a majority of the world’s carpet and other flooring. After the Great Recession, leading employers such as Shaw and Mohawk retooled their manufacturing processes, which created the need for higher skills from the regional workforce. The region entered a U.S. Economic Development Administration (EDA) program called the *Investing in Manufacturing Communities Partnership* in 2014 and received an EDA grant to develop an Advanced Manufacturing Strategy.



Important players in the partnership included the Northwest Georgia Regional Commission; the Greater Dalton Chamber of Commerce; Georgia Northwestern Technical College (GNTC) and Dalton State College; high schools featuring a College & Career Academy; and Georgia Tech. Participants say keys to success included getting major international competitors together at the same table to solve common issues, and having influential champions such as the chamber of commerce president and the head of the industry’s Carpet and Rug Institute.

One outcome of the partnership was a major expansion of the GNTC campus with a new flooring training center. Georgia state government contributed over \$20 million for the project, and industry donated most of the equipment. An inland port was established nearby, improving industry logistics. Georgia’s U.S. Senators have been enthusiastic supporters. Ongoing

workforce pipeline efforts include a free summer camp (hosted by Shaw Industries) focusing on ‘DEM’ – Design, Engineering, and Manufacturing; school field trips to industry sites; Manufacturing Day; educator tours; and sponsorship of robotics teams.

## Regional Cooperation for Economic Development

**Alabama** has unveiled a **Rural Development Initiative** to include a custom economic development strategy in each of five regions across the state. Each region will get assistance in crafting a strategic plan addressing infrastructure, workforce, education, and other priorities, with the goal of capitalizing on “existing assets and infrastructure.” Steering committee members for the Rural Development Initiative include major players Alabama Power, RegionsBank, Blue Cross and Blue Shield of Alabama, the state Department of Commerce, and the Economic Development Association of Alabama (EDAA).

**GO Virginia** was started by business leaders in 2015 to spur regional private-sector growth with the state government serving as a “catalyst and partner.” Each of the 9 regions across Virginia has a business-led Regional Council that submits collaborative economic development proposals to a state-level board. Initial funding of \$28 million from the Virginia General Assembly included money for each region to create a Growth & Diversification Plan.

Thus far, 74 projects have been approved with a total allocation of \$38 million. A recent example is \$300,000 for an area in southwest Virginia covering 13 counties and 5 independent cities. The non-profit Valleys Innovation Council received the grant to create a Regional Entrepreneurship Initiative focused on high-growth sectors such as health care, advanced manufacturing, and cybersecurity.

**Regional branding and marketing for rural tourism** is increasingly popular. Rural areas can succeed when they put together a “destination mix” with five components: 1) attractions; 2) infrastructure; 3) accommodations; 4) transportation; and 5) hospitality training.

Examples include:

- ♦ **The Mississippi Blues Trail** along U.S. Highway 61;
- ♦ **The Crooked Road**, Virginia’s music heritage trail, including 19 counties, 4 cities, and 54 towns along a 300-mile trail;
- ♦ Kentucky’s **Bourbon Trail**, with 18 distilleries to visit on the original trail and 19 more on the Craft Tour;
- ♦ **Old West Country** in southwestern New Mexico, home of the nation’s first official wilderness area.