HOT TOPIC: Workforce Development

Education, Economy Go Hand in Hand

Getting Back to ‘Made in the USA’

Training for Jobs in the 21st Century

Balancing Jobs and the Environment

“Today’s students are tomorrow’s wage earners and taxpayers.”
West Virginia Gov. Earl Ray Tomblin

PLUS: Minimum Wage Hikes and Impact
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ON THE COVER
West Virginia Gov. Earl Ray Tomblin, the 2014 president of The Council of State Governments, believes education and economic development must go hand in hand. “For our children’s future and the future of our state’s economy, we must ensure our high school graduates are ready to either enter the workforce upon graduation or make a seamless transition into college or career technology programs.” Read more on Page 16.

Photo by Rodney Margison

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West Virginia Gov. Earl Ray Tomblin, the 2014 president of The Council of State Governments, believes education and economic development must go hand in hand.
SEARCHING FOR PATHWAYS TO PROSPERITY

The recession most states are still struggling to recover from brought into sharp focus how important an effective workforce development strategy is to competitively position a state for growth and its citizens for employment. We know unemployment remains too high and we also know too many available jobs go unfilled. Politically, no issue is more prominent than jobs.

While many states have sharpened their workforce development tools since 2008, all states have been focused on workforce development for more than a century. Public education remains one of the most successful workforce development strategies in the history of the world. States established free public education with the goal of advancing their economies and training their citizens for the jobs created in that economy.

Today, states making progress in workforce development are taking a holistic approach. Traditional job training opportunities, such as those created by the amazingly adaptive and responsive network of public community colleges, remain important, but policymakers also recognize that strategies also have to be focused on reducing barriers to access and success in employment. This approach may be one of the best strategies available to lift people to a better life.

The Council of State Governments, under the leadership of our 2014 national chair, Tennessee Senate Majority Leader Mark Norris, has launched a major new initiative, "Workforce Development and Education: State Pathways to Prosperity." Norris is keenly aware that progress in creating prosperity is about a comprehensive approach. The initiative he has designed includes a focus on some of the major barriers to prosperity for so many.

CSG will work to identify and share best practices in how to address hunger, childhood poverty, criminal justice implications and the special challenges faced by our veterans. At first glance, this ambitious agenda might appear to be a disparate list of issues that bear little connection to workforce development and education; the fact is each of these areas are critical elements of a comprehensive, and therefore more successful, workforce development strategy. I commend Chair Norris for having the commitment to connect the dots and engage policymakers from all three branches of state government in creating many opportunities to learn from each other and to research what works best. I am excited by the many positive partnerships CSG is already creating around this initiative.

CSG's 2014 national president, West Virginia Gov. Earl Ray Tomblin, whose picture appears on the cover of this issue, represents a historic first for CSG. As a legislator, Tomblin served as the chair of CSG's Southern Region and then as our national chair. His election as our national president represents the first time anyone has served in CSG's top two national offices. Inside these pages you will see how his insights and experience inform our work, but his success in diversifying the economy of his state and bringing major new industry to West Virginia make him a workforce and economic development champion.

In the coming weeks and months, look for a robust agenda of offerings from CSG on workforce development and education. We will convene face-to-face policy academies, host easily accessible webinars, bring together a task force of leaders from throughout the country to guide our work, and produce research and publications to share best practices, and much more. Visit our website, www.csg.org, often to see what's happening and please share with us your perspective on these issues.

State Pathways to Prosperity is a journey of critical importance. We look forward to traveling with you as together we discover and deploy the very best policies and partnerships designed to empower citizens and businesses to achieve a better future.
Unemployment insurance is a critical lifeline for people who are trying their hardest and need a little help. . . .”

—U.S. Sen. Elizabeth Warren, in a speech on the Senate floor Feb. 4, according to a press release from her office.

FISCAL ISSUES

THE STRONGEST ECONOMIES ARE DIVERSIFIED.”

—Steve Yost, director of North Carolina’s Southeast, an economic development agency representing 11 counties, discussing the impact of the North American Free Trade Agreement, according to the Fayetteville Observer.

WHEN YOU CHEW ON A HAMBURGER OR GET YOUR CAR WASHED, YOU MAY PAY A FEW MORE PENNIES.”

—California Gov. Jerry Brown, about increasing the minimum wage in California from $8 to $9 an hour when he signed the hike in September 2013, according to an article in the Los Angeles Times.

We want to find something that will sustain us for several years down the road.”

—Alabama Gov. Robert Bentley, discussing the need for diversity in economic development, according to a story by the Alabama Department of Commerce.

That investment of taxpayer dollars pays itself back many times over. . . .”

—Pennsylvania Sen. John Wozniak, discussing the economic benefits of tourism investment, as quoted on WESA, Pittsburgh National Public Radio station.

(T)wo years of community college is much cheaper than a lifetime on food stamps.”

—Oregon Sen. Mark Hass, chairman of the Senate Education and Workforce Development Committee, about a plan to allow high school graduates to attend two years of community college for free, according to the Statesman-Journal of Salem, Ore.
MENTAL HEALTH SERVICES
More funding will be available for mental health services in Connecticut this year, CTnewsjunkie.com reported. In announcing his budget plan, Gov. Dannel Malloy proposed an additional $7.2 million for mental health programs. The new money would be used to fund an anti-stigma media campaign, rental assistance vouchers, increased services to young adults and other vulnerable populations, and crisis intervention training for police officers.

LONGER SCHOOL DAYS
A new report examines the cost of a proposal by New Jersey Gov. Chris Christie to increase classroom time for the state's public schools. According to The Star-Ledger, the National Center on Time and Learning compiled data on the costs per pupil for five schools that have extended classroom time across the country, from Arizona to New Jersey. The ways in which schools extended school hours varied widely, as did the costs associated with them—ranging from $290 to more than $1,500 per student. The National Center on Time and Learning said adding hours to the school day is cheaper than adding days to the school calendar.

JUROR DISMISSALS
The Pennsylvania Supreme Court has ordered a procedural change that will require courts to retain alternate jurors for the duration of a criminal trial, the Tribune-Review of Pittsburgh reported. Previously, jury alternates could be dismissed once deliberations began. They now will sit with the jury, hear evidence throughout the trial and remain until a verdict is reached. Under previous rules, deliberations had to start over when an alternate was brought on to the jury. Supreme Court officials hope the new rule will enable juries to reach a verdict more efficiently when alternates are brought on during a trial.

TAXING HOSPITALS
Legislators in New Hampshire are debating whether to tax nonprofit hospitals. Research indicates the state's hospitals are both more charitable and less profitable than the national average, but the variation from hospital to hospital is wide. According to the New Hampshire Union Leader, New Hampshire lawmakers will consider House Bill 1590, which would extend a tax on payroll and interest payments, known as the Business Enterprise Tax, to nonprofit hospitals and private colleges.

Massachusetts Program Has Worked to Reduce State Dropout Rate

Less than a decade ago, Massachusetts’ students were dropping out of school at an alarming rate. That has changed, thanks in part to a new program called MassGrad, which pairs at-risk students with graduation coaches, internships and other support services.

Education officials in January announced the state high school dropout rate to be at its lowest level in decades, noting big declines in such cities as Boston, Lawrence and Springfield.

The Boston Globe reports that only 2.2 percent of the state’s students quit high school in the 2012–13 school year. It is the fifth consecutive year the state has experienced a decline in its dropout rate.

“To see this kind of progress is tremendously encouraging and a tribute to the work of our school districts,” said Mitchell Chester, state commissioner of elementary and secondary education.

The Boston school district has experienced declining numbers of students quitting school since a peak in dropout rates during the 2005–06 school year. It is the fifth consecutive year the state has experienced a decline in its dropout rate.

Eight years ago, Boston launched an initiative to address growing dropout rates, including a re-engagement center for students who had quit school, summer school programs and increased opportunities for students to take courses online.

These efforts, along with the state MassGrad program, seem to have worked. In the 2012–13 school year, Boston’s dropout rate was just 5.9 percent.

Springfield school district also saw big declines, with the dropout rate falling from 10 percent in the 2011–12 school year to 6.5 percent last year.

MassGrad is a statewide program funded through a $15 million five-year federal grant awarded in 2010.
ELECTION POLLING
Media outlets in Kentucky will be collaborating to deliver more comprehensive public polling results during the 2014 election cycle. The Lexington Herald-Leader reported that four of the commonwealth’s news leaders—The Herald-Leader and WKYT in Lexington, and The Courier-Journal and WHAS in Louisville—will provide more detailed insights into public opinions during the campaign season.

JUVENILE SENTENCES
Following a U.S. Supreme Court decision, the Missouri General Assembly will determine how to adjust state laws to eliminate mandatory life sentences for juvenile offenders, according to The Missourian. Legislators are considering allowing juveniles to ask for a new sentence and creating new sentencing guidelines for future offenders.

TEXAS, EPA DEAL
Federal and state officials in Texas have agreed on environmental regulations affecting some of the nation’s largest refineries, the Houston Chronicle reported. The new arrangement allows more operational flexibility for industry while maintaining clean air standards and continuous oversight for individual polluting units. The agreement comes four years after the EPA initially overturned a state permit program.

STORM PREPARATIONS
Georgia has started to review plans to mitigate complications encountered during a rare snowstorm that passed through the state in January, The Wall Street Journal reported. Coordination among city, state, school and business officials will be a major part of the discussion. State officials also will evaluate the resources available to prepare and respond to snow events.

AMAZON TAXES
North Carolina could collect up to $43 million in revenue from online sales through Amazon, which announced it would start collecting sales taxes on online purchases in the state beginning Feb. 1. The North Carolina General Assembly estimates that at the 6.75 percent sales tax rate levied throughout most of the states, online sales could provide a $20 million to $30 million boost to state tax collections, and $10 million to $13 million to local governments, according to the Winston-Salem Journal.

THE TENNESSEE PROMISE WOULD MAKE HIGHER EDUCATION FREE FOR FIRST TWO YEARS

Tennessee Gov. Bill Haslam has a plan to reduce the cost of higher education for his state’s students. Under the Tennessee Promise, which Haslam proposed in his recent State of the State address, the state would allow students to attend a community college or a college of applied technology for free, according to The Associated Press.

After completing two years of study at the community college level, students who elect to attend a four-year college or university will start as juniors via the state’s transfer pathways program.

“Through the ‘Tennessee Promise,’ we are fighting the rising cost of higher education and we are raising our expectations as a state,” Haslam said. “We are committed to making a clear statement to families that education beyond high school is a priority in the state of Tennessee.”

The proposal is a part of the governor’s “Drive to 55” initiative. The goal of the initiative is to increase the number of residents with a college degree or certificate from 32 percent to 55 percent by 2025.

In an effort to encourage students to attend two-year colleges first, the program would reduce the current $4,000 lottery scholarship for four-year colleges to $3,000 for first- and second-year students, and raise the scholarship to $5,000 for third- and fourth-year students.

Proposed funding for the program, estimated to cost $34 million annually, would be in the form of an endowment comprised of lottery reserve funds. The state now has about $400 million in reserves.
PENSION DEBT
New data on a recent pension reform law in Illinois indicates it will reduce pension liability $24 billion over 30 years, The Associated Press reported. Officials say that number is $3 billion more than originally expected. The law cuts benefits and increases the retirement age for younger state workers, while reducing employee contributions and offering a state funding guarantee.

IMMIGRATION REFORM
Michigan Gov. Rick Snyder is calling on Congress to pass comprehensive immigration reform, citing studies that a healthy level of immigration creates jobs, reported the Detroit Free Press. Snyder recently opened an Office for New Americans that will work to recruit highly skilled immigrants to Michigan, and announced plans to request 50,000 visas for highly skilled or entrepreneurial immigrants who agree to relocate and remain in Detroit for five years.

PUBLIC BUILDINGS
Iowa Gov. Terry Branstad hopes to turn abandoned public buildings into new opportunities for economic development, the Quad-City Times of Des Moines reported in January. A proposed initiative by the governor, filed as House Study Bill 540 and Senate Study Bill 3050, would provide state tax credits to rehabilitate old schools and other public buildings into businesses.

SCHOOL VOUCHERS
The number of Indiana students using vouchers to attend private schools has reached 19,800—more than double the number from last year, The Indianapolis Star reported in January. The state’s school choice program started three years ago and has quintupled in size since then. The program was expanded last year to allow more students to qualify for vouchers. Indiana is issuing vouchers to an increasing number of students who have never attended public school. Those students represent nearly 40 percent of the state’s voucher student population.

ELECTRONIC MEDICAL RECORDS
A new report from the Centers for Disease Control and Prevention indicates health care providers in North Dakota are more likely to use electronic records to manage their patients’ records than in any other state. According to the Grand Fork Herald, 82.9 percent of the state’s office-based physicians have adopted an electronic health record system. The national average for adoption of a basic system in 2013 was 48 percent. Other states with significantly higher adoption rates include Iowa, Minnesota, South Dakota and Wisconsin.

WORKERS WITH DISABILITIES ARE FOCUS OF NEW WISCONSIN INITIATIVE
People with disabilities face a number of challenges in the workforce—from barriers to hiring to low wages—but an initiative proposed by Wisconsin Gov. Scott Walker would help to change that, The Wisconsin State Journal reported in January.

Data from Disability Rights Wisconsin indicates that people with disabilities comprise 9 percent of the state’s workforce; however, the employment rate is less than half that of the nondisabled workforce. Workers with disabilities also average 30 percent lower wages than nondisabled workers.

In his State of the State address in January, Walker announced a new program, “A Better Bottom Line,” to address the challenges for workers with disabilities. The initiative will aim to increase the employment rate of individuals with developmental disabilities by working with companies to encourage hiring. Walker proposed $800,000 to expand an on-the-job training program for disabled workers from seven to 27 companies within three years.

Through the effort, Walker also will order state agencies to focus on building, recognizing and promoting programs and organizations that enhance job opportunities for those with disabilities.

According to Beth Swedeen, executive director of the Wisconsin Board for People with Developmental Disabilities, hiring managers often are unaware of the many ways in which individuals with developmental disabilities can contribute to their business.

“This is not about a charity program or a pity model,” said Swedeen. “This is about what makes sense for businesses and what makes sense for taxpayers in the state of Wisconsin.”

The new effort is based on a program developed by Gov. Jack Markell in Delaware.
EDUCATION BOOST
Alaska Gov. Sean Parnell has submitted legislation that would boost per-student education funding by $201 over the next three years, reports the Juneau Empire. House Bill 278 provides for the first such increase in four years, which would cost the state $50 million. Other provisions included in the legislation would repeal the state high school exit exam, allow high school students to test out of courses, increase stipends for residential school students and allow high school students to receive dual credit toward postsecondary degrees.

WOLF DAMAGE
Arizona Rep. Bob Thorpe believes the U.S. Fish and Wildlife Service is too slow in reimbursing ranchers who have lost livestock to wolves and is calling for the state to take over the process, The Arizona Daily Star reported in January. Thorpe’s proposal comes amid ongoing efforts to reintroduce the Mexican gray wolf to larger parts of Arizona and New Mexico. The coordinator for the wolf recovery project, however, argues an adequate process is already in place, noting that payments are made within 30 days following the receipt of required information from ranchers seeking reimbursement.

FEMALE LEGISLATORS
Known for its traditionally diverse makeup, the California legislature has seen one demographic decline for much of the past decade. Women held 37 of the 120 state’s legislative seats in 2006, according to The Associated Press. They now hold 32, and some fear more losses over the next year. California was sixth in the nation for the percentage of women serving in the legislature in 2004; it has since fallen to 19th.

NATIONAL GUARD
The Idaho National Guard has named its first female battalion commander. Maj. Kimberly Tschepen assumed command of the 145th Brigade Support Battalion in January, the Idaho Statesman reported. She has served two tours in Iraq.

AIR POLLUTION
Air quality is becoming a high priority among Utah legislators. Protestors took to the Capitol steps for two days in January, demanding action to clean up the air. In response, state lawmakers have proposed implementing guidelines that surpass the Environmental Protection Agency’s requirements, Utah Public Radio reported. One bill includes a provision for the adoption of Tier III standards ahead of EPA requirements. Gov. Gary Herbert also has expressed support for the measure.

WASHINGTON MAY EXTEND TAX EXEMPTION FOR ALTERNATIVE FUEL VEHICLES
A slower shift by Washington drivers to electric cars may prompt the state to extend tax exemptions set to expire in 2015. Although it is one of the best sales markets in the country for fully electric and other alternative fuel vehicles, electric car registrations remain a fraction of total vehicle registrations in Washington.

The tax incentive took effect in 2009 and has been extended once. But auto industry representatives say more time is needed, Northwest Public Radio reported in January. “The tax preference is necessary because study after study tells us that one of the major barriers to consumer adoption is the differential price,” auto industry lobbyist Sandi Warthout told lawmakers in Olympia. “Your average alternative fuel vehicle is going to cost you $10,000 more than the conventional vehicle that is comparable.”

Some legislators are heeding such warnings and have proposed more time for alternative fuel vehicles to take root in the state. House Bill 2418 would extend the tax exemption to 2023. While the legislation has bipartisan support, some lawmakers want to see it limited to those who more readily need the tax break by making luxury alternative fuel vehicles exempt from the tax incentive.

Neighboring Oregon also has an incentive program to promote the sale of alternative fuel vehicles, which is set to expire in 2017.
Forecasting future state tax revenues is difficult, yet state governments have no choice but to do so. How else will they know how much money will be coming in to state coffers?

State officials base their one- or two-year budgets on an estimate of how much money is available to spend, and that includes estimates about how much tax money they expect to see from income, sales and corporate taxes, as well as other revenue sources like lotteries. As is true in all areas of life, forecasting the future can be exceptionally hard. As a result, the process for revenue forecasting in states involves using the best economic information they can find.

States use economic forecasts from national economic forecasting groups and federal government sources like the Federal Reserve. They supplement that national economic information with the best data and information they can find about their region and state. Often, economics professors at universities are an important part of the process. For example, the state economist of Minnesota has for years held a joint appointment with the university there. Business leaders, with their pulse on the economy of the state and surrounding region, are also relied upon for informing the state revenue estimation process.

The processes by which states estimate the future tax revenue have evolved over the years and are based on economic data, rather than a choice made by political whims. State officials learned long ago they don't want the revenue estimate based on wishful thinking, since the consequences are significant. If estimates are not met—states have to cut programs quickly or raise taxes.

State officials experienced that when the Great Recession hit in 2008–09. State forecasters had predicted a downturn, but not one as dramatic as what actually occurred. State revenue began crashing quickly. With less money coming in than predicted, state budgets immediately initiated significant cuts to almost all state programs. This explains why, for the most part, state revenue forecasts are usually very cautious, so when tax revenue rises or falls rapidly, the forecasts are less able to capture a quick change.

We’re seeing that now with the economy getting better; tax revenue is actually coming in higher than forecast in most states. Fortunately, when swings in the economy—and thus revenue—are less dramatic and volatile, forecasts tend to be more accurate.

How do states approach this difficult task of predicting the future? The official estimate of how much tax money will come in is, in most states, done as a “consensus forecast,” usually involving finance officials on both the executive and legislative side. This helps to avoid the executive and legislative branches from choosing opposing forecasts or ending up with wildly inaccurate forecasts.

With a consensus forecast, the two branches making budget decisions—the governor and legislators—can at least agree on how much they think will come in as tax revenue and then argue over how to spend the money, not how much is coming in. For example, in Louisiana the governor, Senate president, House speaker and a university expert meet as a revenue estimating conference and four times a year develop a forecast of revenue coming into the state.

Many states have somewhat similar processes in which elected officials and experts participate. Many states have elaborate processes for picking the revenue estimate. In Virginia, two advisory committees—one composed of economists and the other of business leaders—provide input into the revenue estimating process and the governor includes the forecast in the proposed budget. During the legislative process, the estimate can be changed, but usually just based on new economic and tax data. In some states, like Missouri, a de facto consensus process exists even though a consensus forecast is not required by law.

Although movies on a sci-fi channel might suggest otherwise, truly knowing the future is impossible. State revenue forecasts can be wrong. They are most often wrong when the economy is quickly taking a turn for the worse or is improving rapidly, since such changes—and their magnitude—are harder to predict.
As states continue to recover from the recession, one of their primary focuses will be attracting jobs and educating a workforce ready for those jobs. But when policymakers think about economic development, it usually involves things like tax exemptions, matching funds or infrastructure development. What happens in classrooms, however, rarely enters into the equation. Tennessee Senate Majority Leader Mark Norris, who is serving as CSG’s 2014 chair, says it’s time to change that.

President Obama discussed the need to take a job-driven approach to worker training during his State of the Union address. Several states, including Wisconsin and Ohio, have programs that do just that. Those new skills may be needed as the U.S. sees a resurgence of manufacturing.

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When policymakers think about economic development, it usually involves things like tax exemptions, matching funds or infrastructure development. What happens in classrooms, however, rarely enters into the equation.

Tennessee Senate Majority Leader Mark Norris, who is serving as The Council of State Governments’ 2014 chair, believes it’s time to change that. He likes to talk about when Unilever was considering expanding a plant in Tennessee, but couldn’t find enough new employees trained in advanced manufacturing techniques.

“What I found was that, internally, our state Department of Economic and Community Development was not communicating very effectively with our state Department of Labor and Workforce Development,” Norris said. “Nor were either of them communicating with the Department of Higher Education. It was a great opportunity, but we were sort of fumbling the ball and not delivering a ready workforce.”

When Norris attended a roundtable discussion hosted by Gov. Bill Haslam, he heard the Unilever plant manager expressing his frustration at not being able to find employees. A community college representative, who had heard nothing about the employee problem, started talking to the plant manager.

That’s when wheels began turning in Tennessee.

A SHARED DESTINY

WORKFORCE DEVELOPMENT DEPENDENT ON EDUCATION SUCCESS

by Jennifer Ginn

AUTO MANUFACTURING TRAINING

DECHERD, TENN. — Suzanne Bryson assembled Nissan Altima and Frontier 4-cylinder engines at the Nissan plant in 2012. Nissan has broken ground on an engine plant in Decherd that is expected to create up to 400 jobs. Nissan is part of a collaborative known as Automotive Manufacturing Technical Education Collaborative, commonly called AMTEC. © AP Photo/Chattanooga Times Free Press, Dan Henry
“The result was, by aligning forces and communicating about what they needed, the state was able to put together a custom training program in sufficient time and they (Unilever) got the employees,” Norris said. “Within a 12-month period, Unilever is now sold on Tennessee. They’re not only doing that plant expansion, they’re (also) consolidating their North American operations here and building the largest ice cream factory in the world.”

More state leaders are now saying that education and economic development must go hand in hand.

Taking a LEAP

Last year, Norris sponsored Senate Bill 1330, which created the Labor Education Alignment Program, otherwise known as LEAP. The program gives students at community colleges and colleges of applied technology the chance to earn academic credit while working in a high skill or high technology industry. Norris likens it to apprenticeship programs that were popular in the 1970s and ’80s.

But that’s not all that’s going on in the Volunteer State.

The governor last year launched a Drive to 55 Initiative to increase the percentage of Tennesseans with a postsecondary degree or credential to 55 percent by 2025 to keep up with the demand of the marketplace. Also, 12 colleges are partnering with 125 high schools across the state during the 2013–14 school year to offer developmental math courses to struggling high school seniors before they graduate so they can enter college ready to take credit-bearing courses.

These programs, Norris said, require a closer alignment of K–12 education, higher education and state workforce agencies.

“It’s so basic,” Norris said. “That was part of my epiphany. … Different departments are competing for scarce resources and finding comfort within their own silos, not wanting to peek over the edge of those silos for fear of losing ground in the battle for funding.”

Norris said it has required frank discussions among the leadership of the various stakeholders to convince them that “leveraging and maximizing their resources results in greater support, not less support. But they need the assurance that that will be the outcome from the legislative branch and the executive branch. It’s a process.”

CSG and NGA

Norris, as CSG chair, and West Virginia Gov. Earl Ray Tomblin, as CSG president, have chosen a leaders’ initiative that links economic development to education, similar to Oklahoma Gov. Mary Fallin’s initiative as chair of the National Governors Association.

“Improving our workforce and ensuring it remains internationally competitive is an issue that not only calls for national attention, it also demands gubernatorial leadership,” Fallin said. “Our future economic security will require significant improvements to our education system and workforce training programs. It also will require closer relationships among our high schools, colleges, workforce training providers and employers.”

Norris said it was Fallin’s work with the NGA that helped him decide on the leaders’ initiative with CSG — “Workforce Development and Education: State Pathways to Prosperity.”

“Rather than reinvent the wheel, let’s keep our shoulders to the same wheel and keep working on this subject and get it right,” he said.

“It’s going to take all states working together, both the legislative and executive branches, to move this forward as fast as we need to.”

Oklahoma’s New Thinking

Fallin is radically rethinking economic development and education, said Robert Sommers, state director of Oklahoma’s Department of Career and Technology Education and secretary of education and workforce development in the governor’s cabinet. Even his position is something new.

“It used to be secretary of education and then there was the secretary of workforce,” Sommers said. “The governor put the two of them together because of her belief that one of the core missions of education should be to prepare people to be economically productive.”

Education and workforce development have a new mission statement, which is to create wealth in Oklahoma — “the wealth of individuals, the wealth of companies and in turn, the wealth of the state,” Sommers said.

“Do I care about high school graduates? Absolutely,” he said. “But what I really care about is what students actually know when they graduate from high school and are they prepared to go to the next transition.

“Can I get an industry credential done while in high school? Well, that adds to their wealth-building capacity. Do I send a kid directly to college or do I send them to a high-paying job where the company pays for college? That’s a real wealth builder. That’s how our thinking is transitioning.”

Sommers said the state is moving away from monitoring individual program performance to a more community or regional evaluation of education and workforce development. Higher education and career and
Getting agencies to work together toward a common goal can be fraught with difficulties, Sommers said, but it is possible. “What we’re trying desperately hard, not always successfully, to say is this isn’t about blame,” he said. “It’s not about fault. This is about if Oklahoma is going to advance, here’s what we need to have done. We’ve got to have wealthier people, how can you contribute to that? (It’s) not this is how you’re going to run your programs.”

**Unlikely Partners**

One example of what’s possible when education, businesses and economic development come together is the Automotive Manufacturing Technical Education Collaborative, commonly known as AMTEC. The collaborative is a National Science Foundation-designated Advanced Technological Center located within the Kentucky Community and Technical College System.

In 2004, community and technical college leaders from Kentucky, Michigan, Ohio and Tennessee were discussing their assorted automotive training programs at a national conference. They began wondering if colleges, working with industry partners, could do better.

Caren Caton was general manager of Toyota’s North American Production Support Center, a regional training facility, until her retirement in 2012. She said Toyota, which operates a plant in Georgetown, Ky., has a long history of working with the Bluegrass Community and Technical College System, which helps teach maintenance employees skills that Toyota instructors are not able to teach.

But, Caton said, when the first meeting was held in 2005 between automotive heavyweights like Toyota, Ford and General Motors and community college leaders, it was a radical idea. “The things we were thinking about in 2005 was, ‘Wow, this is a great idea,’” she said. “We hadn’t thought of it.”

“Historically, the automotive companies have worked separately. Of course, your competitive advantage is something that you protect. But what we had to think about though was … the technical training we were talking about is really common across the industry. By itself, it wasn’t something making us strong.”

Danine Alderete-Tomlin, executive director of AMTEC, said the national collaborative received funding from the National Science Foundation to get off the ground. Originally comprised of representatives from 12 colleges and 18 car companies from eight states—collaborative members worked together with AMTEC staff to build a curriculum and assessment tool to help colleges across the country educate and deliver a more skilled automotive manufacturing technician graduate.

“It is unique in that we have gotten to the distinct advanced skill sets that are needed in a manufacturing environment for a multi-skilled technician,” Tomlin said. “It was specifically designed to accelerate the learning experience and build on the areas they (students) may have weaknesses in. The research, meetings and analysis have yielded an innovative instructional design that is an industry-driven model.”

Caton said collaborations like AMTEC are perfect for states, businesses and students. “Industry really should be telling the commu-
nity colleges what skill sets they are looking for,” she said. “There was no reason really to expect community colleges to know that, but traditionally, that’s how it’s worked out. The colleges offer the programs and then the students are out there for you to hire. This is sort of taking a Toyota principle, which is customer input and really understanding what the customer wants, and using that to strengthen schools’ programs.”

**Rhode to Work**

In December 2013, Rhode Island had the nation’s highest unemployment rate at 9.1 percent. In January, the state’s senate released a legislative action plan called, “Rhode to Work,” detailing a variety of legislation that will be introduced this session to try to tackle the state’s unemployment rate, which hovered around 9 percent throughout 2013.

The plan involves things such as eliminating waiting lists for adult education classes for unemployed or underemployed learners, reducing costs for high school equivalency tests, and creating a seamless and cohesive workforce training system.

“I think that the most challenging issue is to reimagine our career and technical education,” said Senate President M. Teresa Paiva Weed. “In Rhode Island, one of the issues that we confront is that traditional career and technical education has worked well, but it hasn’t changed in years.

“While the carpentry and the cosmetology and the auto body programs are very important, we need to start expanding at a greater pace than we currently are. Only 10 percent of the new money we invested last year went into new programs in health care, into IT. … We believe we need to make greater investments into growing fields.”

But while working with industry to make sure graduates have the skills needed for the workplace is important, Paiva Weed said, so is working with parents and teachers to help them see how workplaces are evolving.

“Part of what we run into is really just changing the way that school counselors, parents think about, for example, manufacturing,” she said. They need help “recognizing that manufacturing is a career choice; it has high-tech jobs. It’s not the sweatshops of 50 years ago that folks may recall. It is a career path that we need to train our young people to be prepared to take jobs there and encourage them that these are career opportunities.”

To read about how the Annie E. Casey Foundation is working with families to spur economic success, visit the Capitol Ideas website.

**STATE PATHWAYS TO PROSPERITY**

West Virginia Gov. Earl Ray Tomblin, the 2014 president of The Council of State Governments, and Tennessee Senate Majority Leader Mark Norris, the 2014 CSG chair, have selected “State Pathways to Prosperity” for their leaders’ initiative.

“We will not only focus on best practices for successful alignment of labor, education and economic development, but we will also include a focus on important challenges and opportunities related to workforce development like veterans’ affairs, hunger, children in poverty and criminal justice,” Norris said in December.

“All too often, we find that workforce development and education are overshadowed, if not overwhelmed, by ever increasing demands for human services. States need to do better dealing with these not only holistically, but realistically.”

As part of the initiative, CSG will form a new Workforce and Education National Task Force, with members from state legislatures, higher education, business and industry, governor’s education policy advisers, labor, economic development and CSG Associates.

CSG also will form four subcommittees focused on veterans’ affairs, hunger and nutrition, children in poverty and criminal justice.

Challenges associated with those areas, Norris said, can overshadow a person’s ability to pursue gainful employment. For instance, the person may have a criminal record that, under our current system, automatically disqualifies him or her from further pursuing a job.

“Or a veteran has very specialized skills, but has other issues that are diverting that person (from the workforce),” Norris said. “Or a single parent comes in and really wants to focus on this job, but they have such financial problems, they may have food insecurity issues or latchkey children at home. What happens when you’ve already got scarce resources?”

Norris hopes the initiative will allow CSG to provide a clearinghouse for information and best practices, as well as new resources such as webinars focused on these issues and new dialogue among state leaders.

The CSG Leaders’ Initiative is similar to one chosen by Oklahoma Gov. Mary Fallin, who is serving as this year’s chair of the National Governors Association.

“State Pathways to Prosperity” is a holistic, but realistic, plan. States need to do better dealing with these not only holistically, but realistically.

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“State Pathways to Prosperity” is a holistic, but realistic, plan. States need to do better dealing with these not only holistically, but realistically.
What can states do to prepare their people for the jobs that they want to attract?

“When preparing workers for the jobs of tomorrow, the foundation must be laid long before they enter the workforce. Nationwide, there is a shortage of workers with backgrounds in science, technology, engineering and math. In West Virginia, we are listening to those employers who tell us that we must increase the number of STEM workers. Emphasis on STEM in education will prepare our workforce for tomorrow’s jobs. It helps develop skilled workers and professionals for qualified employment opportunities. In West Virginia, our education system has stepped up to the task to provide employers with a solid, skilled workforce by developing real-world curriculum to meet the needs of new businesses. Not every job requires a traditional four-year degree, but increasingly, most jobs with good pay and benefits require at least an associate degree, certification or post-high school training.”

Does funding continue to be a problem? How can state leaders ensure community colleges and workforce development agencies are adequately funded?

“The recession has impacted West Virginia’s ability to fund workforce development activities to the fullest extent preferred. Yet with careful planning and prioritization of projects, this funding reduction has not been a major obstacle in addressing our workforce needs and implementing new workforce-related programs. If budget cuts to community colleges and workforce agencies are unavoidable, state leaders can propose fewer cuts to these institutions and agencies to demonstrate the importance of workforce development, as we did this year.”

How do you balance those long-term education needs with immediate needs?

“Addressing the need to have an educated workforce in the present as well as the future can be challenging. However, state leaders can take steps to begin this important conversation by encouraging the development of partnerships between public education, higher education and businesses. We have done this by bringing these key stakeholders together through the Workforce Planning Council. The West Virginia Board of Education and West Virginia Department of Education have long recognized the future quality of life for the citizens of West Virginia is directly linked to the performance of our students. Today’s students are tomorrow’s wage earners and taxpayers. As such, the state has focused a great deal of effort on reaching our youngest learners through nationally recognized pre-K programs and literacy programs.”

West Virginia Gov. Earl Ray Tomblin, the 2014 president of The Council of State Governments, sees education as a key to developing a workforce for the jobs of tomorrow. But he believes states can do other things to attract jobs.
4 Why is communication with all stakeholders involved in the effort to align education with job development efforts important?

“State leaders cannot accomplish the alignment of education and training programs with the workforce and economic needs of their state through noncollaborative efforts. Stakeholders from both the private and public sectors must be involved in this process. State leaders alone cannot determine the knowledge and skills businesses need of the workforce to perform job duties effectively. Therefore, it is essential to establish and maintain these collaborative partnerships in order to adequately address the state’s workforce needs. … For our children’s future and the future of our state’s economy, we must ensure our high school graduates are ready to either enter the workforce upon graduation, or make a seamless transition into college or career technology programs.”

5 How can state leaders address other challenges people face in obtaining employment?

“The Council of State Governments has provided many states with technical assistance in addressing these issues. West Virginia found CSG’s help invaluable when dealing with a prison overcrowding issue. The CSG Justice Center acted as an invaluable resource leading our decision makers through an inclusive policymaking process. I encourage states to utilize their expertise in tackling these significant issues.”

6 How important are economic development incentives in attracting jobs to a state?

“West Virginia provides development assistance in the form of tax credits, financing programs and job training to qualified companies. West Virginia’s business incentives are performance-based, and credits apply to economic production after the fact. An effective incentive creates a benefit for the state as well as the qualified business. For example, an incentive may reduce a specific tax burden for a defined period with the requirement that the business create a certain number of jobs in a set time frame. Incentives are valuable tools, but not the most valuable. Businesses give more weight to factors such as a stable, predictable business climate; proximity to customers and suppliers; a qualified workforce; the availability of a suitable site; easy access to transportation; and the vicinity and cost of materials. Incentives are a competitive element in the mix.”

7 What do you hope making the state more “business friendly” will do for economic development?

“West Virginia has worked diligently to produce a positive business climate for new and expanding companies that want to create good jobs in the state. … Our approach to responsible government is clearing the way for business growth through tax cuts, workers’ compensation reform, investment in university research and other strategic economic development initiatives. West Virginia’s strong financial performance and pro-growth reforms create the stable environment that businesses need to operate and expand.”

8 Are there downsides for the state budget when making such changes?

“The goal is to give up what hinders businesses from thriving as well as certain tax burdens, and thereby generate more revenues through economic growth. It can be a complicated balance to achieve and to maintain. One possible downside is conditions may unexpectedly change and upset that balance. It is worth noting that West Virginia removed approximately $165 million of business tax burden in fiscal year 2013 and more than $482 million during the past seven years. Since 2005, West Virginia has seen nearly $22 billion in new business investments. To make up for lost revenues, it’s important to find innovative ways to reduce the state budget without negatively impacting valuable services to residents.”

9 States are competing for jobs and attracting new industries. How do you make your state stand out?

“West Virginia offers many business advantages, including strategic location within an eight-hour drive to more than half the U.S. population and more than one-third of the Canadian market; skilled and flexible workforce that has earned a reputation for dedication, loyalty and low absenteeism; and a cost of doing business that is nearly 14 percent lower than the U.S. average. We are situated atop the Marcellus and Utica shale natural gas formations. These are among the attractions we promote aggressively here in the U.S. and abroad. West Virginia operates international development offices in Japan and in Switzerland. The Forbes 2013 Best States for Business ranks West Virginia 13th in the nation in regards to the best cost of doing business.”

10 What role does tourism play in creating jobs?

“Tourism is a vital part of a state’s economy and creates significant economic impacts in communities at the local level. Tourism is a growing and vital part of the West Virginia’s economy. The industry has impact in communities throughout the state. It supports more than 46,400 jobs and in 2012 tourism spending in West Virginia exceeded $5.1 billion. We also take note of the many aspects of tourism and travel that influence quality of life, like our great outdoor recreation resources, which are an important factor when companies look at West Virginia to possibly locate here.”
One of the first stops President Obama made after his 2014 State of the Union address in January was a General Electric plant in Waukesha County, Wis., where he drove home a key part of his agenda—retraining workers as way to stimulate the economy and lower unemployment.

“What we need to do is look at where are the jobs and take a job-driven approach to training,” Obama told the audience. “That’s what you’re doing here in Wisconsin.”

General Electric’s job training efforts were a good backdrop for Obama’s speech. According to White House officials, the company has worked with state workforce programs to bring together employers, colleges, labor unions and other community-based groups to train workers in advanced manufacturing, construction and other industries.

That kind of innovation in training its workforce was borne of necessity. A 2011 study by Deloitte for the Manufacturing Institute, found that American manufacturing companies cannot fill as many as 600,000 positions—or 5 percent of manufacturing jobs—due to a lack of qualified candidates. The survey, based on a nationally representative sample of 1,123 executives at manufacturing companies, found that 67 percent of manufacturers have a moderate to severe shortage of available qualified workers. In addition, 56 percent anticipate the shortage to increase in the next three to five years.

“These unfilled jobs are mainly in the skilled production category—positions such as machinists, operators, craft workers, distributors and technicians,” Emily DeRocco, president of the Manufacturing Institute, said in a press release. “Unfortunately, these jobs require the most training and are traditionally among the hardest manufacturing jobs to find existing talent to fill.”

PREPARING WORKERS
HARTFORD, WIS.—Wisconsin Gov. Scott Walker addressed employees in the new expansion building at Signicast Investment Castings in February. The 110,000 square foot expansion is expected to add more than 100 jobs in the next year. The state is working to help companies train new and current employees through the Wisconsin Fast Forward Initiative. © AP Photo/West Bend Daily News, John Ehlke
Technological advancements, particularly in the manufacturing area, mean that workers need more specialized skills to both get and keep jobs. To get to those skilled workers, companies must make a decision: Look for new, qualified employees or retrain their current workforce.

‘Fast Forward’ Training
Several states are ahead of the federal government in stressing workforce retraining. In 2013, Gov. Scott Walker signed Wisconsin Act 9, which created the Wisconsin Fast Forward initiative. The initiative allocates state funds to help companies train new and current employees, administered through a grant application program.

Once the law was signed, things moved quickly: Within six months, the Department of Workforce Development established the Office of Skills Development to administer the program, designed the grant program, developed applicable administrative rules and issued the first round of grant announcements in November 2013.

The parameters of the program were developed with input from a number of stakeholders.

“The first thing we did was that we met not just the workforce development systems, but with the economic development corporations, companies, the chambers of commerce, and the technical and community college systems so that we could hear from both the supply and the demand sides of the labor equation,” said Scott Jansen, administrator of the Wisconsin Department of Workforce Development, Division of Employment and Training.

While the state has and will continue to administer programs using federal funds, this is the first time Wisconsin has allocated money for these kinds of programs without federal funding assistance, according to Jansen. The first round of grants allocated $2.7 million; that amount will climb to more than $7 million in the next round, Jansen said. A total of $15 million has been authorized for the 2013–15 biennium.

The initial round of grants will focus on training workers in the manufacturing, construction and customer service sectors.

Programs in Brief

Ohio Incumbent Workforce Training Voucher Program
- Launched in January 2013
- Funded by casino licensing fees
- Funds are used to offset a portion of the employer’s costs to upgrade the skills of its incumbent workforce and will provide reimbursement to eligible employers for specific costs accrued during training.
- Provides up to 50 percent of the cost of training, up to $4,000 per employee, per fiscal year and up to $250,000 per employer, per fiscal year
- 2014 fiscal year funding: $30 million
- Targeted industries include advanced manufacturing, aerospace and aviation, automotive, biohealth, corporate headquarters, energy, financial services, food processing, information technology and services, polymers and chemicals, back office, logistics, and research and development

Wisconsin Fast Forward Initiative
- Launched in March 2013
- Grants can be used for training unemployed and underemployed workers and increasing the skills of incumbent workers at Wisconsin businesses.
- Funded by general purpose revenue
- $15 million authorized for the 2013–15 biennium
- Grant recipients required to provide cash or in-kind match of between 50 cents and $1 for each grant dollar awarded
- Targeted industries include manufacturing, construction and customer service sectors

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Employers will play a key role in how the training programs are designed and administered. While the cost of training per employee factors into the scoring criteria during the grant evaluation process, the program doesn’t include a funding cap per employee. Employers can apply for up to $400,000 per year.
**FEDERAL JOB TRAINING EFFORTS**

The Obama administration in February announced a $150 million grant competition to help the long-term unemployed find work.

The “Ready to Work” job training partnerships will support innovative public-private efforts. The grants will go to innovative partnerships that include employers and nonprofits in states and cities across the country that will help train and place the long-term unemployed in good jobs, according to the White House website.

President Obama also announced in January he was putting Vice President Joe Biden in charge of job training efforts to better match the training with the needs of employers.

“There are plenty of jobs out there, and there’s a mismatch now in terms of skills and the jobs that are available,” Biden said on ABC’s Good Morning America in January.

“The employers themselves can define where skills gaps or skills needs exist and where other types of training programs, technical education or otherwise, weren’t producing the skilled workers that they needed to either continue operations or expand their operations,” said Jansen.

“When we first approached Gov. Walker with this concept, he reiterated that he wanted an industry- and demand-driven training program where an industry or business partner would be the applicant,” said Jonathan Barry, deputy secretary of the Wisconsin Department of Workforce Development.

While employer input is essential to the program, developing ways for employers to collaborate with other partners is another key component.

“We encourage them and incentivize them through these grants to bring on program collaborators—it could be a technical college, it could be a workforce development board—to not only define the training but then deliver the training and put together the facilities to make that happen,” said Jansen.

In the first round, he said, more than 80 employers are participating with collaborative partners.

While state and federal training programs typically rely heavily on community colleges as partners with the private sector, Wisconsin’s grant program led to a more diverse set of collaborators.

“We thought that community and technical colleges would be the only collaborative partners, but we got some workforce development boards, some nonprofit agencies, groups like the Urban League as partners. We had trade unions that came in and partnered with employers around some of the construction skills,” said Jansen.

“That’s exactly what we wanted to see—put the grants out there and see what kind of collaborative relationships would come together,” said Barry.

One of the criticisms of federal training programs has been that they are not tracked closely enough for results. A 2011 Government Accountability Report found that, “due to the American Recovery and Reinvestment Act of 2009, both the number of—and funding for—federal employment and training programs have increased (since a 2003 report).” The report, however, goes on to say “little is known about the effectiveness of most programs.”

The architects of Wisconsin Fast Forward don’t want to run into the same problems federal programs have with ambiguous results. It has a plan to ensure its programs are doing what they are supposed to do.

“Ultimately, what we are going to do is track the people that go through training for two years though our (unemployment insurance) wage data so we can understand, not only did they get hired, but did they stick? And if they didn’t stick, did they get rehired by another employer?” said Jansen.

“In addition, we want to know—did they receive a wage increase as a result of having another skill to the benefit of the employer?” We can put together those kinds of metrics to evaluate the effectiveness of what we are trying to incentivize,” said Jansen.

**Training for the Future**

Not too far from Wisconsin, Ohio launched an employer-driven training program in 2013—the Ohio Incumbent Workforce Training Voucher Program.

According to David Goodman, director of the Ohio Development Services Agency, the program provides grants to Ohio businesses looking to train their current workforce to prepare them for the jobs of the future.

“We need to keep pushing ahead to ensure that our job creators have the resources and skills they need to be competitive in a global economy, and that starts with our employees,” said Goodman.

On a reimbursement basis, the program provides direct financial assistance to offset a portion of an employer’s costs to upgrade the skills of its existing workforce. Eligible employers must demonstrate that, by receiving funding assistance through program, their business will “not only obtain a skilled workforce but will improve their company processes and competitiveness,” according to program materials.

“This training program helps get Ohio workers the assistance they need so their companies and the state of Ohio can continue to grow,” said Goodman. “The state is building stronger employees, therefore building a stronger workforce.”
The training program is funded from casino licensing fees and is growing. $20 million was allocated in the 2013 fiscal year and $30 million has been made available for the 2014 fiscal year. Another $30 million will be available in 2015. In tight budget times, making sure those dollars are being used appropriately is paramount.

Goodman said the Ohio Development Services Agency reviews company applications to make sure the businesses meet every requirement of the program. “To assure accountability, the funding is distributed on a refundable basis,” he said. “Training must be completed and paid for before the company can request reimbursement.”

The program reimburses an employer for up to 50 percent of the eligible training costs, up to $4,000 per employee.

One of the program’s recipients, Banner Metals Group of Columbus, Ohio, used the training dollars for specialized training that has advanced their production. “This training was an invaluable tool for our business,” C. Bronson Jones, vice president and general manager of Banner Metals Group, told the agency in a testimonial. “Without this assistance in funding, our training would not have happened.”

Superb Industries Inc. in Sugarcreek, Ohio, used the reimbursement to help finance the training cost related to a computer system upgrade. And Hartzell Industries in Piqua, Ohio, provided 28 employees with 23 different training areas.

“This program is exactly what companies need to take their expertise to the next level and remain competitive,” said Goodman.

Changing Federal Programs

While at the General Electric plant in Wisconsin, Obama announced an initiative to evaluate existing federal programs, putting Vice President Joe Biden in charge and stressing the need for looking to what states are doing. As part of the federal review of training programs, Obama said that Biden will reach out to local communities for ideas.

“Let’s find what local programs do best and duplicate it and expand it,” Obama said.

“Our economy’s changing,” Obama said. “Not all of today’s good jobs need a four-year degree. But the ones that don’t need a college degree do need some specialized training.”

COMING IN APRIL

TRAINING FOR TODAY

Learn how states are partnering with businesses to retrain their workforce and adapt to 21st century demands.

© AP Photo/Mark Duncan
When it comes to raising the minimum wage, the objection opponents most often make is that it will cost jobs. But the experience of numerous states proves otherwise. Several studies in recent years have shown, at most, only very little difference in employment for workers in affected industries in states that have raised their minimum wages compared to neighboring states that haven’t.

While Congress and the White House are likely to remain gridlocked on calls to raise the federal minimum wage, a growing number of states aren’t waiting. Taking the lead as Congress has dithered, 21 states and the District of Columbia have enacted minimum wages above the federal requirement of $7.25 an hour, ranging from $7.40 an hour in Michigan to $9.32 in Washington state. That’s up from 18 states in 2011, and the number may jump again next year—about a half-dozen states so far are considering minimum wage increases either in their legislatures or through ballot initiatives.

With the spread of low-wage jobs and growing income inequality, many states have concluded that the status quo—a federal minimum wage whose buying power is 22 percent below its late-1960s peak—is indefensible.

As my Center on Budget and Policy Priorities colleagues Jared Bernstein and Sharon Parrott have pointed out, more Americans who once formed the core of the middle class are relying on minimum wage jobs: 60 percent of low-wage workers (those earning less than $10 per hour in 2011 dollars) are between the ages of 25 and 64, up from less than half in 1979, and 43 percent have at least some college education, up from 25 percent. Two-thirds of the increase in the wage gap between middle- and low-wage women since 1979 reflects the erosion in the value of the minimum wage. For men, it explains 11 percent of the growth in the middle-to-low-wage gap.

Raising the minimum wage to $10.10 an hour over the next three years and then allowing regular increases for inflation, as President Obama recently proposed, would be enough to keep a family of three out of poverty and, by 2016, push the value of the minimum wage slightly above its 1960s peak. The impact would reach beyond workers who earn the minimum wage as businesses adjust their overall pay scales.

While business advocates and their allies argue that boosting the minimum wage hurts the low-wage workers it is designed to help by pricing them out of the job market, states as politically and economically diverse as Arizona, Connecticut, Montana, Rhode Island, Florida and New Jersey have boosted their minimum wages beyond the federal level. A growing body of evidence from those states and others shows the critics are wrong about the impact.

“In all cases, there is clear evidence that minimum wage increases raise total pay going to low-wage workers after factoring in both wage and employment changes,” economist Arindrajit Dube of the University of Massachusetts told the U.S. Senate Health, Education, Labor and Pensions Committee last March.

One of the most comprehensive studies of the issue—by Dube and a pair of economists from the universities of North Carolina and California—compared employment levels in restaurants and other low-wage workplaces in hundreds of neighboring counties that border each other across state lines and had different minimum wages between 1990 and 2006. After adjusting for local economic conditions, the study found “no detectable employment losses from the kind of minimum wage increases we have seen in the United States.”

A year later, the same methodology was used to study the effect on employment among teenagers. While most minimum wage workers are not teenagers, many teens who are working are affected by an increase in the minimum wage, so economists often focus on them when studying job effects. The conclusion was the same: “Put simply, our findings indicate that minimum wage increases—in the range that have been implemented in the United States—do not reduce employment among teens.”

This was true even during economic downturns and in states that have automatic annual increases in their minimum wages. (Unlike the federal government, 10 states link their minimum wages to changes in the consumer price index.)

Both of those studies grew out of earlier, groundbreaking research by noted economists David Card and Alan Krueger, who compared fast food restaurants in New Jersey and Pennsylvania after New Jersey boosted its minimum wage in 1992.

“Our empirical findings challenge the prediction that a rise in the minimum wage reduces employment,” Card and Krueger concluded. “Relative to stores in Pennsylvania, fast food restaurants in New Jersey increased employment by 13 percent.”

Anecdotal evidence backs up the conclusions of those research findings. After eight states—Arizona, Colorado, Florida, Montana, Ohio, Oregon, Vermont and Washington—raised their minimum
wages in 2012, they saw more robust job growth than the nation as a whole—1.7 percent versus 1.3 percent, according to the nonprofit research group New Jersey Policy Perspective.

Employers can respond to increases in the minimum wage in numerous ways instead of cutting jobs, including raising prices slightly and accepting modestly lower profits. Among the most frequent employer responses to increased minimum wages are reducing turnover, improving efficiency, reducing wages for higher earners and small price increases, economist John Schmitt of the Center for Economic and Policy Research concluded after reviewing numerous studies on the impact of minimum wage increases.

“Given the relatively small cost to employers of modest increases in the minimum wage, these adjustment mechanisms appear to be more than sufficient to avoid employment losses, even for employers with a large share of low-wage workers,” Schmitt wrote.

Many myths about the minimum wage are starting to fall by the wayside. For instance, some opponents of increasing it claim it would primarily benefit teenagers working for extra money. In reality, the vast majority of those who would benefit are adults—mostly women—and their families who depend on their paychecks.

It’s time to bury another myth—that raising the minimum wage will cost more, in lost jobs, than it helps. The evidence from the states that have stepped up to increase the wage shows that simply is not the case. [4]
States in 2014 will address increasingly difficult labor issues, including concerns over raising the minimum wage. President Obama and some members of Congress have called for an increase in the federal minimum wage, but some states already have taken action.

As of Jan. 1, 2014, the minimum wage increased over 2013 rates in 13 states—Arizona, Colorado, Connecticut, Florida, Missouri, Montana, New Jersey, New York, Ohio, Oregon, Rhode Island, Vermont and Washington. Increases ranged from 10 cents an hour in Arizona, Montana and Ohio, to $1 an hour in California and New Jersey. California’s minimum wage will increase from $8 an hour to $9 an hour later in July. More states are likely to consider the issue in 2014.

The federal minimum wage is $7.25 an hour, and 21 states set a higher minimum wage than the federal rate; 10 states link the minimum wage to a consumer price index. Washington has the highest minimum wage at $9.32 per hour.

**Who earns minimum wage?**

3.6 MILLION WORKERS EARN THE MINIMUM WAGE; THAT’S 4.7 PERCENT OF ALL HOURLY PAID WORKERS

AGE 16–19 23%  AGE 20+ 77%

- 28% Less than a high school diploma
- 31% High school graduates, no college
- 34% Some college or associate degree
- 7% Bachelor’s degree and higher

**Minimum Wage at Its Peak**

The minimum wage reached its peak—when adjusted for inflation—in 1968 when it was raised from $1.40 to $1.60 per hour. That’s equal to $10.74 in 2013 dollars, or $3.49 more than the current federal rate of $7.25. For comparison, someone working full time and earning the current federal minimum wage has an annual salary of $15,080. If the minimum wage had kept pace with inflation since 1968, that same person would be earning an annual salary of $22,339—a 48 percent difference. Although 21 states have a minimum wage higher than the federal rate, the state with the highest rate—Washington—still falls more than a dollar shy of hitting the inflation-adjusted high of 1968.

Texas has the most workers—452,000—earning minimum wage.

7.7% of Idaho’s hourly workers earn the minimum wage; the highest in the country.

1.0% of Alaska’s hourly workers earn the minimum wage; the lowest in the country.

“GIVE AMERICA A RAISE. GIVE ’EM A RAISE.”
—PRESIDENT BARACK OBAMA, IN HIS STATE OF THE UNION ADDRESS IN JANUARY URGING CONGRESS TO PASS PROPOSED LEGISLATION TO RAISE THE FEDERAL MINIMUM WAGE TO $10.10 AN HOUR.
When Victor Smith was running a manufacturing company, he understood the draw to move some of his operation overseas.

“We got to China because our customers were demanding what were we going to do from a longer-term perspective to have low-cost manufacturing,” he said.

Now that he’s the secretary of commerce in Indiana, Smith understands the draw for some of those companies that were in the same situation to begin moving their operations back to the U.S.

“There are a lot of reasons why people are re-considering their manufacturing strategy,” he said.

Smith ticks off a laundry list of reasons many companies are bringing jobs and manufacturing back to the U.S.—the potential for damage to the product during shipping, skyrocketing wages in China and the rest of Asia, the cost and reliability of energy, and the blatant theft of intellectual property in China.

States are working to position themselves for attracting these reshoring industries, and Indiana sits near the top of the lists of states leading the U.S. manufacturing resurgence. *Area Development*, a magazine that covers site selection and relocation, ranks Indiana number one for manufacturing’s share of nonfarm employment, number two for manufacturing’s share of gross state product and number seven for the number of manufacturing jobs overall.

Smith attributes that to the state’s location—it’s right in the heart of the Midwest—as well as a good fiscal environment that’s inviting to businesses and a workforce that has “a good reputation of an honest day’s work for an honest day’s pay.”

**G.E. RETURNS**

GREENVILLE, S.C.—General Electric CEO Jeff Immelt, right, leads a tour of his company’s manufacturing and research campus. GE is one of several signature U.S. companies returning manufacturing to the states. © AP Photo/Brett Flashnick
Those attributes, he believes, will position the state well in attracting some of the jobs that are coming back to the U.S.

Reshoring Reasoning
States should consider the efforts to pull U.S. companies back from overseas the same way as the efforts to draw foreign investment, said Harry Moser, who founded the Reshoring Initiative, an Illinois-based nonprofit that works to bring manufacturing jobs back to the U.S.

“The same motivation that drives foreign direct investments drives the reshoring efforts,” said Moser. He’s working with several states in their efforts to build the infrastructure necessary to attract these companies.

Moser said the number one reason for reshoring is the increased costs as wages in Asia rise. For the past decade, he said, Chinese wages have risen 15 to 18 percent a year and are expected to climb even higher because of China’s one-child policy resulting in a drop in the workforce by about 3.5 million people per year.

“The workforce is declining at the same time the standard of living is rising,” Moser said.

Low wages in China were a big factor for companies offshoring manufacturing years ago. But Moser said many companies failed to look at the total cost of overseas operations. They ignored as many as 25 cost factors because the wages were so low, he said.

“Now that (Chinese) wages are getting higher, you don’t have that huge wage differential to hide behind,” he said. “Those other factors become increasingly more important.”

Energy costs, for example, are becoming more important now. When companies first started offshoring, oil was cheaper than natural gas, making transportation costs cheaper than energy costs to power manufacturing plants in the U.S. That has changed dramatically in the last few years.

Bringing Jobs Back
Companies are taking notice. Moser has found through tracking companies bringing jobs back to the U.S. that about 120,000 jobs have been reshored since 2010. In addition, Moser said balance has been restored between the number of jobs lost to offshoring and those created by reshoring. He pointed out that in 2003, about 150,000 jobs moved overseas at the same time 2,000 jobs were brought back to the U.S. By 2013, 30,000 to 50,000 jobs were lost to offshoring, while 30,000 to 40,000 jobs were brought back to the U.S.

“We’ve stopped the bleeding,” he said. “We are no longer net losing jobs to offshoring.”

Moser said the challenge for him and others is to start bringing back 100,000 jobs a year and that will take time.

But Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments’ Southern Legislative Conference, doubts the manufacturing sector will ever get back to what it was in its heyday.

While manufacturers like GE, Whirlpool, Apple and Ford are bringing some jobs back, efficiency and technological gains have cut the number of people needed to produce those products.

“You cannot romanticize manufacturing as being this great savior and that we’re going to have tens of millions of jobs in manufacturing one more time,” CanagaRetna said. “There are all these enormous efficiency gains, technology gains that we are now able to produce more manufacturing output with way fewer employees at these 21st century manufacturing facilities.”

Manufacturing reached its high point as a percentage of gross domestic product in 1993, when it accounted for 28.3 percent, CanagaRetna said. It’s been gradually declining and fell to as low as 11 percent of GDP in 2009; it
rebounded to 11.9 percent in 2012 from 11.5 percent in 2011.

“It doesn’t sound like a lot, but when you’re talking about a $16 trillion economy, that little percentage is a pretty serious number,” he said. So it’s no wonder that President Obama and state officials across the country have been touting the benefits of reshoring, he said.

Driving Reshoring

Some businesses, like Walmart, are doing their part to push the “Made in the USA” label once more.

Walmart has announced a $10 million fund to promote American manufacturing in a public push to sell more American-made products. The fund will award grants to companies to develop new manufacturing processes. That’s in addition to the company’s decision to increase sourcing of American-made products by $50 billion over a 10-year period. Not only will Walmart buy goods already made here, but it also will help bring production back to the U.S.

In some cases, the need for increased manufacturing comes from proximity. The fall in natural gas prices has produced not only lower costs for energy, but also lowered costs for the offshoot manufacturing associated with natural gas, like producing consumer goods such as plastics and rubber.

Mark Mills, a senior fellow with the Manhattan Institute who studies energy issues, said the natural gas boom creates three or four jobs for every job related to drilling, transporting and refining.

“These are sticky jobs,” Mills said. “They’re not jobs that are easily outsourced somewhere else. They tend to be jobs that occur in and around the counties in which the work is going on.”

In addition, chemical manufacturers have seen a resurgence because the byproducts from natural gas are cheaper and production costs are lower in the U.S., according to Martha Moore, senior director for policy analysis and economics at The American Chemistry Council. She co-authored a report in May 2013 about new U.S. chemical industry investment because of the increased production of shale gas.

“Because of shale development, there’s been a huge surge in the availability of ethane supplies, and that continues to grow,” she said.

The ethane molecule is important to the U.S. chemical manufacturing sector, she said. It’s part of the feedstock—the raw materials—used for making the chemical products that are used in 96 percent of all manufactured goods, including cosmetics, electronic products, phar-
While the U.S. chemical industry uses ethylene from natural gas liquids, like those found in the Marcellus shale fields in the Appalachian region or the Eagle Ford formation in Texas, the rest of the world uses a much more expensive oil-based feedstock. “This obviously presents a huge competitive advantage for U.S.-based chemical makers,” Moore said. “It’s been the driver for a huge wave of announcements in the petrochemical sector.”

The report cut off data last March, but the American Chemistry Council has continued to track the investments. By late January, Moore said, more than 140 chemical projects with an investment value of close to $100 billion over the next decade have been announced in the U.S. That’s a huge turnaround from a decade ago. “Ten years ago, natural gas prices were very, very high compared to oil prices, so U.S. petrochemical makers were in a pretty tough spot,” Moore said. “We’ve seen a complete reversal because of shale gas, because of these new supplies of ethane about to come online and the lower cost of natural gas.”

Mills expects that trend to continue, which makes U.S. investment more attractive. “Energy is roughly a third to a quarter of the price here, as compared to many places around the world, and it’s very reliable,” he said. “We know it’s going to be there a long time.”

Who Benefits

Like those plants that locate near the shale fields, bigger manufacturers tend to attract suppliers, building an ecosystem that would make it harder in the future for large manufacturers to leave, said Mills.

Companies often consider two types of reshoring, Mills said. Some will move back to a factory where it was located before it moved operations, while others will build a new factory. Mills said the Midwest typically gets midsize factories and those returning to a previous location. Southern states, which are typically nonunion, right-to-work states with lower wages, typically get the larger factories.

Sujit CanagaRetna, who wrote a regional resource brief about the resurgence of U.S. manufacturing, said the South also offers an efficient intermodal transportation network spanning railways, highways, airports and ports. “These things are also a very important consideration when a company decides to relocate to a particular region, because they want to be able to ship the finished products out as well as get new parts and new products in,” he said. He points out that while companies like the economic development incentives a state can offer, perhaps an even bigger draw is the quality and preparedness of the workforce. “You have to start with the people,” he said. “The more we can educate the employment pool in a general sense, the better we all are.”

### REASONS FOR RETURN

1. Rising cost of wages in China;
2. Increasingly cheaper energy costs in the United States;
3. An improved economy in the U.S. compared to other parts of the world;
4. Efforts by policymakers at all levels to create an environment suitable to these companies wanting to move back to the U.S.;
5. Creation of ecosystems of suppliers to serve large manufacturing facilities;
6. Decreased transportation costs for products made and sold in the U.S.; and
7. State workforce development efforts to ensure the availability of qualified employees.
TRENDS IN UNEMPLOYMENT

by Jennifer Burnett

UNEMPLOYMENT RATES

In December 2013, the national unemployment rate fell to 6.7 percent, the lowest level in five years. After hitting a postrecessionary high of 10 percent in October 2009, the unemployment rate has fallen slowly and steadily, but remains nearly 2 percentage points higher than it was when the recession began in December 2007. In December 2013, North Dakota (2.6 percent), South Dakota (3.6 percent) and Nebraska (3.6 percent) had the lowest unemployment rates, while Rhode Island (9.1 percent), Nevada (8.8 percent) and Illinois (8.6 percent) had the highest rates.

UNEMPLOYMENT RATES VARY BY DEMOGRAPHIC GROUPS

The 20.8 percent unemployment rate for teenagers remained higher than any other group in November 2013, while the rate for adult men (6.7 percent) was slightly higher than the rate for adult women (6.2 percent). The 12.5 percent unemployment rate for blacks continued to be significantly higher than the national rate, while the unemployment rate was 8.7 percent for Hispanics and 5.3 percent for Asians.

The unemployment rate for those age 25 and older with less than a high school diploma was 10.6 percent in November 2013, compared to 7.3 percent for high school graduates with no college, 6.4 percent for those with some college or an associate degree, and 3.5 percent for those with a bachelor’s degree or higher.

**STATE UNEMPLOYMENT RATES**

Seasonally Adjusted — December 2013 preliminary rates

**UNEMPLOYMENT TRUST FUNDS**

During and after the recession, many states exhausted their unemployment trust funds—the funds from which states pay unemployment benefits—due to high unemployment rates and the extended length of time many people had been without work. At its peak in 2010, 31 states plus the Virgin Islands were borrowing nearly $41 billion. That number is down dramatically: As of Jan. 30, 2014, 15 states plus the Virgin Islands had balances on their trust fund accounts totaling $21.7 billion.

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<tr>
<td>California</td>
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</tr>
</tbody>
</table>

**TOTAL** $21,678,860,059.19

Source: U.S. Department of Labor
In his 2014 State of the Union, President Obama said unemployment is a continuing problem and called on the private sector to help in giving those considered long-term unemployed a chance. “I’ve been asking CEOs to give more long-term unemployed workers a fair shot at new jobs, a new chance to support their families,” Obama said. A few days later, the White House announced that about 300 businesses, including big names like Walmart, Apple, General Motors and Ford, had signed on to revise their hiring practices to avoid discriminating against applicants who had been out of work for a significant amount of time.

In November 2013, more than 4 million of the unemployed were considered long-term unemployed—someone who has been unemployed for more than 27 weeks. More than 37 percent of the unemployed fall into the long-term category, which remains relatively close to the record high of 45.3 percent hit in March 2011. Before the recession began in December 2007, the long-term unemployment rate was 17.4 percent. Although this statistic is still well above historical norms, it is trending down—there are nearly 2.1 million fewer long-term unemployed than there were during the postrecession peak of 6.2 million people.

According to analysis by David Cooper at the Economic Policy Institute, in 28 states in 2013, more than a third of the unemployed had been jobless for six months or more. New Jersey has the highest percentage of long-term unemployed (46.6 percent), followed by Florida (46.2 percent) and Rhode Island (44.6 percent). In contrast, South Dakota (17.2 percent), North Dakota (19.6 percent) and Iowa (21 percent) had the lowest rates of long-term unemployment.

*Percentage of states’ unemployment considered long-term unemployed—those who have been unemployed for more than 27 weeks.

New companies likely will be the ones bringing new jobs to the U.S. economy, and most of those will come through entrepreneurs, said Yasuyuki Motoyama, a senior scholar for policy and research at the Ewing Marion Kauffman Foundation.

“It has been demonstrated that the companies under five years old basically have created all new jobs in this country in the last 30 years,” Motoyama said.

For that reason, states should be looking for ways to help entrepreneurs. But, he cautions, not everything a state does helps grow jobs. In fact, evidence shows that many of the things states have tried don’t work, according to Motoyama.

And entrepreneurs aren’t like a business that needs to be lured to an area. Most entrepreneurs, Motoyama said, will start their business in the community in which they live. Tax rates don’t really matter for these business people, he said.

“What matters is the tax code—how complicated it is,” he said. “That seems to affect the entrepreneur’s perception of the business climate.”

With that in mind, Motoyama offers a list of do’s and don’ts—more don’ts than do’s—for states to consider.

**Public Venture Funds**

“If you talk to entrepreneurs, they almost always say ‘we need money, money, money,’” Motoyama said.

Research shows public venture funds don’t work. Half of all new companies go bankrupt within five years, Motoyama said.

“Various cases have shown that if the public sector tries to pick the winners, quite often, it will end up with the politics of the local area,” he said. “It’s very hard to pick winners.”

**Incubation Centers**

Likewise, states have created incubation centers with little success.

The idea behind them, Motoyama said, is to give startup companies the capital infrastructure—like office space and support services—they need. More than 1,400 incubators across the country, according to the National Business Incubator Association, have provided support like accounting and legal services. But incubators have a very small staff—an average of 1.8 full-time staff serving 25 client companies.

“What happens is there is no way to provide support services with this small number of people for that number of companies,” Motoyama said.

Other studies show that businesses formed in an incubator die faster than companies that didn’t start there.

“The incubator seems to function as prolonging dying companies,” he said.

**Accelerators**

A derivative of an incubator is an accelerator, which typically has a highly competitive application process. Accelerators create a cohort of entrepreneurs rather than accepting companies one by one.

Motoyama said no evaluation research on accelerators has been conducted but, “at this moment, there is no evidence that accelerators are better.”
Motoyama said states can be involved in promoting entrepreneurship, but it may not be as directly as providing startup capital or a place to set up the business. The help may be as simple as providing a way to network ... creating a community for local entrepreneurs.

**Networking**

"Many entrepreneurs say they don't know other entrepreneurs in their town and they struggle to try to solve everything," Motoyama said. "Frankly, that's a very lonely, difficult process."

Creating a peer learning network can help to link entrepreneurs, he said. While that happens at the local level, Motoyama said states can play a role by connecting the key people organizing networking activities.

"State government and local governments, with their connection to the local people, are a lot better equipped to promote entrepreneurship in this sense, compared to the federal government," he said.

**STARTUP WEEKEND**

Startup weekends provide an opportunity for teams of people to create a business plan in the span of one weekend. The focus is not on the sophistication of the business plan.

"The business plan is only a means where people get inspired and connected," Motoyama said.

"Through the event, they will keep their connections, keep the information and exchange for future entrepreneurial activities," he said.

**1 MILLION CUPS**

The Kauffman Foundation started 1 Million Cups, a program that has spread to more than 20 cities. These events foster networking, but not in the cocktail party sense.

"You need to have a more catalytic something to bring people together," Motoyama said.

These events are typically 60 minutes and include brief, six to eight minute, presentations about starting a business by two people. The rest of the time is devoted to question-and-answer discussion.

Firms that are two years old or less create more new jobs than older firms—four out of every 10 compared to one-third or fewer hires.”

**GROWING ENTREPRENEURSHIP**

At left, Shoals Entrepreneurial Center director Giles McDaniel showed some locally designed kitchenware and tools to state and federal affiliates of the Appalachian Regional Commission—Earl Gold, Jimmy Lester and Guy Paul Land—during a tour of the Shoals Culinary Center in Florence, Ala. Business incubators aren’t always successful, according to research by the Kauffman Foundation. Above, Ellyn Rost, right, and Scott Wild, helped to cofound 1 Million Cups in the Bismarck-Mandan, N.D., area. The 1 Million Cups program started in Kansas City, Mo., in 2012 and has since launched branches in 16 communities, including Bismarck-Mandan.
Like many programs, state tourism efforts took a significant hit during the Great Recession.

Thirty-one states cut tourism advertising and marketing funds by a total of $52.7 million, or 13 percent, between 2008 and 2009, the U.S. Travel Association reported in its 2009 annual Survey of State Tourism Budgets.

Washington was among those states. Facing a $5 billion budget deficit, the Evergreen State cut its tourism marketing program, then totally eliminated its state tourism office in 2011. The decision had consequences. While travel and tourism revenues were up 5.2 percent nationally in 2012 over 2011, Washington’s growth was just 2.1 percent that year.

“Substantial cuts to destination marketing programs are counterproductive and will have long-term negative consequences,” U.S. Travel Association President and CEO Roger Dow said in announcing the findings from a 2011 study that showed reducing state marketing programs to save tax dollars actually hinders economic growth.

“Travel and tourism is a very busy, very competitive space,” said Nan Marchand Beauvois, the U.S. Travel Association’s senior director of national council relations. “When you’re trying to generate awareness about your destination, you have to invest in marketing. When you invest more—even in down market times—you actually gain market share.”

Washington is trying to regain some of the market share it lost. In July 2013, the Washington State Legislature provided $1 million to the Washington Tourism Alliance to promote tourism to the state as it pursues more permanent funding solutions.

“We’re grateful for the legislature’s support of our marketing programs with interim funding and now are focused on securing passage of our long-term funding legislation, which is the next step on our path to industry-led, sustainable long-term funding,” Louise Stanton-Masten, executive director of the alliance, said in a press release.

Economic Impact of Tourism

Travel and tourism generated $129 billion in tax revenues to all levels of government and $58.4 billion to state and local governments in 2012, according to a 2013 U.S. Travel Association report.

Travel and tourism have played an important role in the economic recovery, said David Huether, senior vice president for economics and research at the U.S. Travel Association.

“Since the overall employment recovery began in early 2010, the travel industry has been adding jobs at a 9 percent faster rate than the rest of the economy,” he said in a press release.

The travel industry made up 99 percent of the jobs the industry lost during the recession between March 2010 and December 2013, according to data released by the U.S. Travel Association in January. During the same time period, the rest of the national economy recovered just 86 percent of jobs lost during the recession.

While tourism lures people who will visit the state and spend money, experts say that’s not the only reason policymakers should care about tourism promotion. Such promotions—from states and municipalities—also can be a powerful tool for recruiting businesses...
and industry. The same attractions that can lure tourists to a state are also important factors for industries and businesses as they determine which sites will maximize their ability to recruit and retain qualified workers.

“Companies look for a creative, vibrant community when deciding where to locate,” said Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments’ Southern Legislative Conference. “They want to locate where they can recruit an employee base that has the potential to take their business to the next level.”

Half the respondents to a 2013 survey of corporate executives classified quality of life factors, such as cultural and recreational opportunities, as either very important or important in site selection decisions.

Since 2001, Maryland has been working to harness the power of its cultural assets for economic development and tourism promotion through arts and entertainment districts, the first such statewide program in the country. Through the program, local jurisdictions, municipalities and counties are able to apply for designation as an arts and entertainment district based on unique cultural, historic and artistic assets. The program offers tax incentives to businesses and attractions within designated districts.

Initial evaluations demonstrate Maryland’s success. An assessment of the program’s economic impact by Towson University found that new businesses in the designated districts generated more than $6.6 million in tax revenues, created an estimated 864 jobs and supported nearly $26 million in total wages between 2008 and 2010, at the height of the recession.

At least 11 other states have created statewide cultural district programs.

States Get Back to their Roots
In addition to arts and cultural resources, states increasingly are turning to their unique natural resources to draw visitors and these efforts are paying off.

Michigan suffered from inconsistent tourism promotion for decades. That changed with the development of the Pure Michigan campaign. Started in 2006 on a regional basis and expanded nationally in 2009, the campaign is now one of the most highly acclaimed travel campaigns in the country and is often described as the gold standard for state tourism marketing.

The campaign spotlights Michigan’s natural splendor, promoting the state’s freshwater shorelines, inland lakes, rivers and streams, and the largest state forest system in the nation, as well as its mild summers, in television, print, radio and billboard ads.

“The campaign tries to evoke an emotion, the experience of visiting our state. It talks about the natural beauty that only Michigan has to offer,” said Michelle Grinnell of Travel Michigan. “The campaign is putting Michigan on the radar.”

The efforts are paying off.

According to Travel Michigan, Pure Michigan drew 3.8 million out-of-state visitors in 2012. These visitors spent more than $1.1 billion at Michigan businesses, a record high for the state, and generated $79.1 million in new state tax revenues. For every dollar the state has spent to market Michigan as a destination, it has received $4.10 in tax revenues.

“That’s a really great return on investment,” said Grinnell.

As a result, Gov. Rick Snyder invested an additional $10 million in state funding for the campaign in 2011, despite facing a $1.4 billion budget deficit and cuts to core state programs that year, stating simply, “It brought in more tax revenue than it has cost our state.”

Alaska, Montana, Oregon and South Dakota also are touting their natural resources in an effort to boost tourism. Even states traditionally known for their urban areas are promoting rural regions and natural assets. Take New York, where the Big Apple is a big draw, but it isn’t the only thing the Empire State has to offer.

Gov. Andrew Cuomo at a state tourism summit last year announced plans to expand tourism promotion efforts to market upstate New York, which includes the Finger Lakes region.

“How do we get the 50 million tourists, who are in New York City, north?” Cuomo said at the summit. “They are coming from all across the world, they are coming to see the greatest city in the world, fine. How do we get them to see the rest of the greatest state in the world?”

During the summit, Cuomo announced an increase in state tourism funding of $60 million in 2013, triple the level of funding allocated in 2012.

The U.S. Travel Association’s Beauvois believes states should take advantage of any opportunity to market their attractions, cultural assets and natural resources in a way that translates the experience of their state to the rest of the world.

“The mentality of ‘build it and they will come’ is over,” she said.
After his election in 2010 and before he took office, Ohio Gov. John Kasich signaled that he wanted to make his state business-friendly. He appointed leaders to the state’s Environmental Protection Agency and the Department of Natural Resources to strive to do just that.

“These departments are going to send a message to Ohio that we are open for business,” Kasich said in making the appointments, according to The Columbus Dispatch. But Kasich also said he didn’t plan to empower business at “the cost of environmental degradation.”

The careful balance policymakers work to achieve between business interests—which also provide jobs to their constituents—and protecting the environment was evident that day in Ohio. Three years later, when Ohio EPA chief Scott Nally suddenly resigned, Kasich acknowledged that balance.

“For the past three years, Scott worked hard to keep Ohioans and our environment safe, but he also helped begin to make the agency more business-friendly,” Kasich said in a statement. “Today, Ohio has some of the strongest environmental regulations in the nation, but they are also grounded in common sense.”

It’s that balance states across the country are striving to meet. It’s not always easy, particularly in today’s economic climate.

Setting Priorities
“The real question for legislators and voters is to decide if they want jobs in the first place,” said Mark Mills, a senior fellow with the Manhattan Institute who studies energy issues. “No business in America today wants to operate with damaging the environment. They all want to meet regulations and rules that are sensible to maintain clean air and clean water.”

The Manhattan Institute is a conservative think tank in New York City that focuses on market-oriented policies fostering economic choice and individual responsibility.

“The most important thing in my view for citizens of any country and any state is to have enough jobs to keep everybody employed,” he said. “This is utterly the first priority. Everything else takes second place.”

But, he argues, there can be an artificial conflict between jobs and the environment.

“There’s nothing that human beings do that doesn’t have some impact. It’s impossible. We impact our environment; we just want to minimize our impact on the environment,” he said.

He said he isn’t biased against regulations, but he believes priorities must be set.

“What’s happened in many places, we flipped it around where an aggressive pursuit of a perfect environment without regard to impact on jobs, of course, causes a loss of jobs,” Mills said.

Looking Long-Term
But Tim Kelsey, an economics professor at Penn State University, said the type of jobs being created must be weighted along with the impact on the environment in any business decisions, like those connected to expansion in the energy sector.

“The critical question is what benefits the community in the long run,” he said.

Kelsey has studied the economic impact of the development of the Marcellus Shale region in Pennsylvania.

“It’s like empty calories, he said.

“There may be lots of employment and lots of other benefits to the community in the short run, but if it leaves the community worse off after the activity,” the boom, he suggested, hasn’t left the community better off in the long run.

To be sure investment dollars are not wasted, Kelsey said, the state must consider how investments can be repurposed for something else in the long run. This can lead to more diversified economies, protecting communities from boom and bust cycles.

Building value-added industries and jobs,
where the natural resources are processed into a secondary product, can be a win-win for local communities, he said. For instance, Pennsylvania has the most timber resources in the East and is moving to build furniture factories and other businesses that turn that resource into another product, he said.

The tradeoff between jobs and the environment, Kelsey believes, is a false equation.

“We can have environmental protection at the same time we are creating jobs,” he said. “What that means is you have to think carefully about what jobs you want.”

That changes the questions that policymakers ask.

“It’s not what are you willing to sacrifice to create jobs,” he said. “Instead, what are the effects here, both short term and long term?”

Finding a Real Balance

Sometimes, that’s not always easy to predict.

The January 2014 chemical spill that left 300,000 people without access to safe water has brought the issue of environmental protection to the forefront in West Virginia, according to Delegate Barbara Evans Fleischauer.

“There has been a whole lot of talk about job-killing regulations and so there has been a real de-emphasis on regulation,” Fleischauer said. “That talk has gone on for so long in our state and it has permeated our enforcement structure. Last year, we cut a half million dollars out of our Department of Environmental Protection.”

The spill into the Elk River involved Freedom Industries, a manufacturer of specialty chemicals, including 4-methylcyclohexane methanol, or crude MCHM, used in the coal industry. Fleischauer said the coal industry has spent millions of dollars fighting regulations they claim are killing industry.

“As a consequence of this kind of talk, we have a major disaster on our hands that is, ironically, a job killer,” Fleischauer said. “Why would you want to come to West Virginia if you aren’t sure you can drink the water?”

Fleischauer said West Virginia has been trying to diversify its economy, especially looking to tourism. The chemical spill is hurting those efforts, she said.

“Our brand has really been jeopardized. It is a wake-up call that water is essential to economic development,” Fleischauer said, adding it is government’s role to assure clean water for the state. To do that, she said, states need regulations and must fund enforcement of those regulations.

“It can’t happen if you starve the agencies,” she said.

It’s important that when people talk about balancing jobs and the environment, they follow through, she said.

“There really needs to be a balance,” Fleischauer said. © AP Photo/Erik Schelzig
Case first took office in 1993 while NAFTA was being debated in statehouses across the country. The atmosphere in the legislature, he said, was one of fear.

“It was not so much a fear of Canada, of course, because we had been trading partners with Canada,” Case said. “Mexico was the piece everybody was afraid of. You had this big, underutilized economy down there with all this cheap labor that everybody worried about. They worried about production moving to Mexico and lost jobs.”

Nationally, Case said, there were some winners and losers. Some manufacturing did go south when the tariffs between Mexico and the U.S. dropped. But those job losses, he noted, were inevitable.

“When you have these displacements in manufacturing, it’s usually for a reason,” Case said. “Manufacturing had sort of gotten, at that point, out of sync with the economic situation (of) our trading partners. It’s sort of unsustainable unless you want to have tariffs or some kind of artificial means to sustain it; that becomes a losing proposition over time.

“The fact that these changes did occur actually helped American manufacturing to figure out what they can do best and make a transition … Overall, the economy shifted into a different type of manufacturing or different types of products and services that were of higher value with this economic change.”

For Wyoming, Case said, NAFTA was “an overwhelming good thing.”

“Remember what kind of state we are,” he said. “We produce minerals and we process minerals. We have seen our exports go up with Canada very significantly. At the start of NAFTA, it was like $38 million a year in trade with Canada, now it’s $330 million a year. … We didn’t have much trade at all with Mexico prior, now it’s been as high as $70 million a year.”

Nationally, however, the economic picture is more muddied.

“It’s positive, but not as overwhelmingly positive as we hoped,” Case said.

A 2013 report from the Congressional Research Service looking back at two decades of NAFTA said the agreement’s impact on the three nations’ economies was relatively small.

“In reality,” the report states, “NAFTA did
Urban, who is serving her 14th year in the Connecticut legislature, doesn’t see NAFTA as a boon to her state’s economy. “Honestly, I think it’s a negative sum game,” she said. “I think we ended up on the losing end. Economically, perhaps, we were able to raise the standard of living in Mexico. “What I see is an increasing gap between the rich and the poor in the United States, the increasing concentration of wealth in the upper one-tenth of 1 percent. … I would have to say, to a certain extent, that NAFTA was part of being able to increase that gap.” Connecticut, she said, lost jobs and part of its identity after manufacturers started leaving the state. “It’s taken us a long time in Connecticut to say what is our niche as jobs were going south and then further south, i.e. Mexico, as the full ramifications of NAFTA were felt,” she said. “We have managed now to start to turn that. … We’re getting more manufacturing that will uniquely be suited to Connecticut, where the jobs can’t be drained off.” Urban said one legacy of NAFTA may be that more states are looking at minimum wage laws. “If it (NAFTA) was supposed to be a great boon for everybody, then I wouldn’t see that this would be one of the major issues facing the states,” she said.

MIXED RESULTS
CIUDAD JUAREZ, Mexico—While NAFTA gets mixed reviews in the United States, it also has had mixed results in Mexico, where many North American and international companies—like the TECMA group—moved their manufacturing at a lower cost 20 years ago when the agreement was signed. While there is undoubtedly a larger middle class today, Mexico is the only major Latin American country where poverty also has grown in recent years. In the photo below, workers at one of maquiladora plants of the TECMA group prepared to raise the U.S. flag along with the Mexican and TECMA flags in December. TECMA has 14 maquiladora plants in Ciudad Juarez. © AP Photo/Ivan Pierre Aguirre

not cause the huge job losses feared by the critics or the large economic gains predicted by supporters. The net overall effect of NAFTA on the U.S. economy appears to have been relatively modest, primarily because trade with Canada and Mexico account for a small percentage of U.S. GDP.

Case said even if NAFTA hadn’t happened, the U.S., Canada and Mexico still would have increased trade with each other. But a united North America, he said, may be good in terms of global competition. “We’ve seen the rise of China as an economic powerhouse in the world,” he said. “Would we have been even in a less relatively good position to do trade with China if it wasn’t for NAFTA?”
The United Kingdom Minister for Trade recently proclaimed, “We’re going to save the world through exports!” It may be a bold statement, but it is a sentiment and enthusiasm we should all share—the more export-ready our businesses are, the greater our share of a competitive global marketplace. Britain, like the rest of the trading world, is looking to recreate Germany’s export success.

Known as Mittelstand, medium-sized exporting companies are the backbone of the German economy. As we see increasing strength in the global economy, German companies are ideally placed to take advantage. The country currently enjoys record-high employment, a claim any American state would wear with pride.

Germany’s network of overseas representatives are deeply integrated with industry groups and government, which supports a shared understanding of the importance of small and medium-sized business exports. This shared mentality results in a coherent exporting strategy that has positioned Germany as a leading exporter for decades. In the United States, the recognition that sustained economic health is linked to global competitiveness exists; the next step is making small business international exports the core of states job creation strategies.

In their state of the state addresses this year, governors across the country focused on job creation, touting new foreign investment, new jobs and strategies to continue to create jobs. Governors highlighted the opportunity provided by increased engagement in foreign markets, demonstrating the significance of building a higher understanding of the world—a key demand of being globally competitive.

Given this increased focus on international markets, how is the United States faring?

In 2010, President Barack Obama launched the National Export Initiative with the aim of doubling exports by 2015. International exports have risen, however, the country is currently more than $200 billion below target. Oklahoma Gov. Mary Fallin recently pointed out that there are 30 million small and medium-sized businesses in the United States employing about half the private sector workforce, and only 10 percent of those businesses currently export. State trade offices say this is because small businesses aren’t as inclined to think internationally. But when they do, the return on investment is hugely impressive!

Exporting is an area where states have demonstrated great resourcefulness. Using federal matching grant funds made available through the State Trade and Export Promotion, known as STEP, program, some of the most impressive returns were seen by states that are not overall top exporting states.

Authorized by the Small Business Jobs Act of 2010, the STEP program is a three-year pilot program aimed at increasing the volume of international exports. In the first two years of STEP, the average grant award was about $600,000—ranging from $42,686 in Wyoming to more than $2.5 million in California in the first year, and from $32,127 in Wyoming to $2.35 million in Pennsylvania in the second year. On average, states saw a 20-to-1 return on investment.

In New Hampshire, one business saw its share of revenue from outside the United States grow by 10 percent after a STEP grant helped offset the cost of attending international trade conferences usually out of the reach of small businesses.

After receiving assistance to participate in a trade mission to Australia, one Pennsylvania company’s sales to that country rose 226 percent. Looking at the success stories present in every state, it is hard to argue against the value of the STEP program.

In the current climate, however, states will have to do more with less.
in the third year of the STEP program.

The Consolidated Appropriations Act of 2014, a $1.1 trillion bill to fund the federal government to which Congress recently agreed, included $8 million in funding for a third year of the STEP program. This is less than a third of funding appropriated in previous years. Despite the reduction, STEP’s inclusion in the federal spending bill is a victory for state international trade offices. Considering the program was not included in the president’s budget request last year, the program was saved by leaders in Congress who saw the value of STEP in their own states. Nineteen governors wrote to Congressional leaders detailing the success of STEP in their states.

The future of STEP is unclear. As a three-year pilot program, it is scheduled to expire this year, and whether it will be re-authorized by Congress remains uncertain, however measurable its success thus far.

Whether STEP is renewed, federal and state leaders will need to continue to think globally when creating an environment for small businesses to thrive. Continued cooperation is vital to ensure that American small businesses receive the technical assistance that our British or German competitors receive to be export ready and sustain their market presence.

In a country still recovering from a deep economic recession, it is the only smart way to move forward.

**PARTNERSHIP WOULD CREATE WORLD’S BIGGEST TRADE MARKET**

In his annual State of the Union address, President Obama asked Congress to back American jobs and open new markets to products stamped “Made in America” by supporting bipartisan trade promotion authority.

This fast-track tool allows the administration to complete trade negotiations with foreign nations and offer the deal to Congress for a straight up-or-down vote. Trade deals on the table include a 12-nation agreement with the trans-Pacific region and with the European Union known as the Transatlantic Trade and Investment Partnership.

A deal with the EU would create the single biggest market for the movement of goods, services and investment in the world.

“Negotiations will not be easy,” said Vital Moreira, a member of the European Parliament and chairman of its Committee on International Trade. “As close as we (the U.S. and Europe) are, some well-known differences of interests and views exist—access to public procurement markets, liberalization in the transport sector, financial services, food safety regulations, geographical indications in the food sector.”

Only a handful of states have created oversight entities to monitor how trade agreements impact state regulations and economic environment.

Read an essay by Moreira about the Transatlantic Trade and Investment Partnership on the Capitol Ideas website.
WHAT IS THE BIGGEST CHALLENGE FACING YOUR STATE WITH JOB CREATION AND JOB RETENTION?

**DIVERSIFICATION**

“Oregon’s most recent economic forecast anticipates improved economic conditions across a broad range of industries. However, there is a different story in our rural and coastal regions, where we desperately need greater job creation and diversification. Therefore, our challenges are (1) to cultivate public-private partnerships at our community colleges and universities that will offer meaningful job training programs in professional and trade service areas that strengthen the interdependency of our rural and urban regions, and (2) to work with our state agencies to streamline the regulatory process for small businesses while eliminating barriers to job creation.”

**SEN. ARNIE ROBLAN**
Oregon
Chair of Rural Communities and Economic Development Committee

**COST OF BUSINESS TOO HIGH**

“The cost of doing business in New York state continues to be too high despite recent steps to control property and reduce business taxes. While there have been efforts in recent years to scale back some costs of doing business, burdensome state regulations, steep income taxes and high workers’ compensation insurance rates all continue to negatively impact the cost of doing business. The costs add to overhead and make it more expensive to employ people. It’s imperative that we in New York continue on the trajectory toward improving our job creation climate.”

**ASSEMBLYMAN ROBIN SCHIMMINGER**
New York
Chair of Economic Development, Job Creation, Commerce and Industry Committee
2013 CSG Toll Fellow
WHAT IS THE BIGGEST CHALLENGE FACING YOUR STATE WITH JOB CREATION AND JOB RETENTION?

SKILLS NEEDED

“Skills are the new currency of the labor market. We cannot create and retain jobs without confidence our workforce will be able to meet the demands of the new economy. Investing in Maine’s workforce will make for the future economic success of our state. Maine’s economic recovery could stall if older workers in the state do not get the skills, training and education to compete in today’s dynamic labor market. Retaining, retraining and recruiting these workers will be critical. Policymakers, higher education leaders and employers must come together and provide our workforce with the skills required by the future economy.”

REP. ERIN D. HERBIG
Maine
Chair of the Jobs, Commerce, Research and Economic Development Committee

UNEVEN RECOVERY

“While California has many economic advantages, not all areas of the state have been able to leverage those opportunities. The recovery of the state post-recession is really a tale of two states, an inland and a coastal California. The coastal economic regions contain more innovation-based industries compared to the inland counties, which have fewer chances to leverage new technologies and emerging industries. These disparities are driven, in part, by the lower educational attainment of inland residents. In order to create more quality jobs in California, we must first face the overall challenges in education and workforce development.”

ASSEMBLYMEMBER JOSE MEDINA
California
Chair of the Jobs, Economic Development and the Economy Committee

PENSION LIABILITY

“Oklahoma has been recognized nationally for economic stability and low unemployment. The large unfunded liability of the state pension system, however, remains a major challenge. Much has been accomplished in recent years, but more reforms are necessary. This session, I will author a number of measures to further improve the financial strength of the state pension system. As pension liabilities expand causing the funding requirements to soar, the costs are crowding out other priorities. This outcome has caused public pensions to move from relative obscurity to prominence as conflicts arise over funding priorities, unsustainable pension debts and workforce challenges.”

SEN. RANDY McDaniel
Oklahoma
Chair of Economic Development and Financial Services Committee
Thank you to CSG’s founding LEADERSHIP CIRCLE MEMBERS

To learn more about CSG’s Associates Program and the Leadership Circle, please contact
Maggie Mick, Director of Development | The Council of State Governments | C. 859.244.8113 | mmick@csg.org
FRAME ISSUES BROADLY.
Issues many times are framed in such a narrow way that it doesn’t allow much movement on either side. When both sides start with a strictly defined position, Chrislip said, “they essentially define the other side out of engagement.” That often can prevent collaboration, he said. “One thing that can help is if you can begin to frame the issues in a broader way that might allow space for both sides to engage in it,” Chrislip said. “How do you frame an issue in a more open-ended way that allows more people to engage on it versus framing it in a narrow way, which excludes people?”

CREATE CREDIBILITY.
People today often are identified with a particular partisan faction that can create difficulties when trying to work with members of the other party, Chrislip said. “Because of that identification, they may not have the credibility, or people simply won’t believe them,” he said. That requires an extra effort to make clear the desire to work across the aisle. “How do you … present yourself in ways that people (won’t) just pigeonhole you (as) that, ‘Oh, you’re this party’ or ‘You’re that party.’”

REBUILD TRUST.
Many times the desire to work across the aisle lacks credibility because of a lack of trust. Legislators can start to rebuild trust, Chrislip said, by restarting some old rituals, like breakfast or lunch with someone from the other party. They also can perform some “out of the ordinary” actions to illustrate interest in changing the dialogue. For instance, even if someone has been stuck in a position for years and is clearly identified with that position, Chrislip said, he or she still can establish a path to change. They could say, for instance, “I’m willing to let go of some of the things I wanted on this issue so we can open up the conversation,” Chrislip said.

ESTABLISH GUIDELINES.
Chrislip said it’s helpful to establish guidelines for how to engage and stick to those guidelines. For instance, he said it’s good to begin from an understanding of what is going on around an issue rather than the starting point for each political side. “Back up from those positions and start from a perspective of, ‘What is it we don’t know about this issue,’” he said. Look at how others affected by the issue understand the issue and how does it affect them. “Back away from the positions that people bring to the table, which, in legislatures today, seem to be the prominent way people start,” he said.

FIND A MEDIATOR.
Few people are willing to pay attention to the process of how people engage, Chrislip said. That’s where a mediator can help. “Are there some mediators? Are there some negotiators, some people who serve in a more mediating role rather than an advocacy role?” he said. “When you can cultivate or find those people within legislative bodies, you have a better chance of engaging people.”

David Chrislip, author of “The Collaborative Leadership Fieldbook,” has more than 30 years of experience working with comprehensive community collaborations. He offers his advice on ways to improve collaboration within the legislature.

MAKE SOME CHANGES TO IMPROVE COLLABORATION

To learn more about CSG’s Associates Program and the Leadership Circle, please contact Maggie Mick, Director of Development | The Council of State Governments | C. 859.244.8113 | mmick@csg.org

Thank you to CSG’s founding LEADERSHIP CIRCLE MEMBERS

How to // In Every Issue
ICAOS Releases Whitepaper

The Interstate Commission for Adult Offender Supervision, also known as ICAOS, has released a whitepaper regarding compact rules. The whitepaper is the result of several recent cases where courts, prosecuting attorneys and probation or parole officers have discharged the remainder of an offender’s sentence where retaking of the compact offender was mandated. To read the whitepaper, visit The ICAOS website at www.interstatecompact.org.

NAST Pinnacle Award

The Shelby County, Tenn., Trustee’s Office was recognized for its positive impact on families through its financial literacy training by the National Association of State Treasurers in January. Tennessee State Treasurer David Lillard Jr. presented Shelby County Trustee David Lenoir with the Pinnacle Achievement Award.

“Trustee David Lenoir has led the Shelby County Trustee’s Office to new heights of excellent service to Shelby Countians,” Lillard said. “One of the purposes of the Pinnacle Award is to recognize exceptional achievements in the delivery of financial literacy to citizens. Under the leadership of Trustee David Lenoir, the Shelby County Trustee’s Office has positively impacted families in Shelby County by bringing financial literacy training to almost 1,000 families.”

Southern Manufacturing

While the growth of automobile manufacturing in the South has been examined extensively in recent years, there’s another important manufacturing trend well established in the region. Some of the world’s largest tire manufacturers are locating, relocating or expanding their operations in the South. A new policy brief from The Council of State Governments’ Southern Legislative Conference examines the trend and what is drawing these companies to the South. Read the report at http://www.slateatlanta.org.
KAOS Launches Tracking System

The Interstate Commission for Adult Offender Supervision, a CSG affiliate, has launched a new Interstate Compact Offender Tracking System—or ICOTS-VINEWatch Notification System.

The automated system enables crime victims to obtain timely and reliable information 24 hours a day about the status of offenders relocating from one state to another. Victims also will receive notifications about significant compact events involving the offender, including information about the offender’s movement and violations of compact supervision.

The compact is encouraging advocates and criminal justice professionals to reach out to the public and inform them of the new system to observe Crime Victims’ Rights Week, April 6-12. For more information, visit www.interstatecompact.org/

CSC NATIONAL LEADERSHIP CENTER

2014 TOLL FELLOWS PROGRAM

Application materials now available!
Applications will be accepted through May 2, 2014

APPNA Nominations Due

The American Probation and Parole Association is seeking nominations for five awards to be presented at the 39th Annual Training Institute Aug. 3-6 in New Orleans. The awards are:

- APPNA President’s Award: Recognizes exemplary community corrections programs or projects that serve to advance the knowledge, effectiveness and the integrity of the criminal justice system.
- Walter Dunbar Memorial Award: Recognizes significant contributions by a practicing professional or retired practitioner in the field of probation and/or parole.
- The University of Cincinnati Award: Given to nonpractitioners who have made significant contributions to the field of probation, parole or criminal justice technology. Recipients typically are from an academic research or government agency not engaged in providing probation and parole services.
- The Scotia Knapp Line Office of the Year Award: Recognizes a probation, parole or community corrections officer who has performed his or her duties in an outstanding manner or made significant contributions to the profession.
- APPNA Member of the Year Award: Given to an APPNA member of at least one year who has made significant contributions to the organization.

All nominations and supporting documentation are due by May 16.

Broadband in the Midwest

Although broadband Internet access has expanded dramatically in the past decade, some parts of the country still aren’t connected.

In her home state, Sen. Jennifer Shilling said, family-owned dairies in rural Wisconsin have been able to expand product sales well beyond state and even national borders—thanks to having a strong Internet presence.

But at the same time, she has talked to emergency responders in rural parts of her district who couldn’t find a nearby Internet connection reliable enough to simply complete a state-mandated certification course.

Read about how legislators in the Midwest are trying to make sure all their constituents are connected to the information superhighway in a recent edition of the Midwestern Legislative Conference’s newsletter, Stateline Midwest; accessible at www.csgmidwest.org/publications/statelinemidwest.aspx.

Learn more about these stories at capitoleas.org. Click on “Stated Briefly” under Departments.
Jeramey Anderson is trying to think of a way to top his 22nd birthday celebration. That likely will be hard to do. Anderson was sworn in as Mississippi’s youngest state representative Dec. 6, 2013, his birthday. The Tulane University senior is sitting this semester out as he learns the ins and outs of the state legislature. He plans to take a full load of classes in the summer, when the legislature is not in session, to complete his degree in homeland security with a minor in public relations. “What haven’t I learned?” Anderson said after his first few weeks of the legislative session. “It’s really just one big learning experience. You learn something new every single day in the legislature.” Anderson is grateful that his district had enough faith in him to elect him to the seat. And while he has goals for serving his constituents, he also hopes his service sends a message to other young people across the country to get involved. “You need to get involved in the system, because we’re making decisions that affect your everyday life,” he said.
The Council of State Governments is committed to providing its members with unparalleled leadership training opportunities on both a national and regional level. Through its leadership development programs, CSG continues to empower state leaders with the skills they need to accomplish even more.

**CSG NATIONAL ➤**

**CSG Henry Toll Fellowship Program**
WWW.CSG.ORG/TOLLFELLOWS

- 2014 Program Dates: Sept. 5–10
- 2014 Application Deadline: May 2

The **CSG Toll Fellowship Program**, named for CSG founder Henry Wolcott Toll, is one of the nation’s premier leadership development programs for state government officials. Each year, Toll Fellows brings 48 of the nation’s top officials from all three branches of state government to Lexington, Ky., for an intensive six-day, five-night “intellectual boot camp.” The agenda includes a lineup of dynamic speakers and sessions designed to stimulate personal assessment and growth, while providing priceless networking and relationship-building opportunities.

**CSG EAST ➤**

**Robert J. Thompson Eastern Leadership Academy (ELA)**
WWW.CSGEAST.ORG/LEADERSHIPACADEMY

- 2014 Program Dates: Aug. 17–21
- 2014 Application Deadline: Midnight, May 15

The **Robert J. Thompson Eastern Leadership Academy**, known as ELA, in partnership with the Fels Institute of Government, convenes state officials from across the Eastern region to share knowledge and experiences from their respective states. Designed to sharpen and develop the skills participants need to become more effective leaders, session experts provide a context for state officials to effectively evaluate information, build consensus and communicate messages successfully to constituents, colleagues and media.

**CSG MIDWEST ➤**

**Bowhay Institute for Legislative Leadership Development (BILLD)**
WWW.CSGMIDWEST.ORG/BILLD

- 2014 Program Dates: Aug. 8–12
- 2014 Application Deadline: April 7

The **Bowhay Institute for Legislative Leadership Development**, known as BILLD, in partnership with the Robert M. La Follette School of Public Policy at the University of Wisconsin-Madison, is the only leadership training program designed exclusively for Midwestern legislators. The institute offers a unique opportunity for lawmakers to improve their leadership skills and explore the issues of the day with nationally renowned scholars, professional development experts, and legislative leaders and colleagues from across the region. The highly interactive curriculum, which is designed for legislators in their first four years of service, includes a series of leadership training courses, policy seminars and professional development workshops.

**CSG SOUTH ➤**

**The Center for the Advancement of Leadership Skills (CALS)**
WWW.SLCATLANTA.ORG/CALS

- 2014 Program Dates: Oct. 4–8
- 2014 Application Period: March 14–July 31

The **Center for the Advancement of Leadership Skills**, known as CALS, embodies the Southern Legislative Conference of The Council of State Governments’ mission of championing excellence in state government and providing nonpartisan forums for state officials who might rarely cross paths. The objective of the program is to enhance the participants’ leadership knowledge through sessions geared to improve competencies in communication, conflict resolution, consensus building and critical decision-making. This program is held in partnership with University of Arkansas.

**CSG WEST ➤**

**Western Legislative Academy (WLA)**
WWW.CSGWEST.ORG/LEGISLATIVEACADEMY

- 2014 Program Dates: Nov. 17–20
- 2014 Application Deadline: April 25

The **Western Legislative Academy**, known as WLA, is an intensive three and a half day professional development program designed to help legislators become more effective leaders and to strengthen legislative institutions. The WLA focuses on communications, time management, governing, ethics and consensus building. A highlight is a half day spent at the U.S. Air Force Academy working on personnel assessments and team building.